



Tax Strategy for the UK Group of JBS S.A. entities

This document presents the UK tax strategy of JBS and has been published to comply with the duty under paragraph 22(2) of Schedule 19 of the UK Finance Act 2016 in respect of the financial year ending 31 December 2018.

RISK MANAGEMENT / GOVERNANCE

- The UK Group's tax strategy follows and is aligned with the Group's approach to corporate governance and risk management.
- Responsibility and accountability for the Group's tax affairs is clearly defined and decisions are taken at the appropriate level.
- Key business decisions are first made cognizant of all tax consequences and all tax decisions are made at all times in a manner that is consistent with the Group's overall strategy.
- The UK Group partners with the Company's businesses to ensure that the Group's strategies are adopted and followed consistently across the Group with clear lines of responsibility and accountability. A dedicated tax team collaborates with relevant stakeholders to provide advice and guidance necessary to ensure compliance, obtaining external advice where necessary.
- The UK Group applies professional diligence and care in the management of all risks associated with tax matters and, together with periodic internal audit reviews, ensures that governance and assurance procedures are appropriate.
- The UK Group is committed to observing all applicable laws, rules, regulations, and reporting and disclosure requirements, wherever there is a requirement to do so as a result of our business presence and transactions, in line with the Group's culture and Ethical Conduct Manual.

TAX PLANNING

- The UK Group works to ensure that the tax planning strategy is at all times consistent with the Group's overall strategy, its approach to risk, and the Group Core Values and Beliefs.
- The UK Group works to ensure that it complies with all tax laws and pays the right amount of tax required of it under the laws and regulations of the countries in which it operates.
- Our Auditors are closely involved in the preparation and submission of our corporate tax returns to HMRC to ensure compliance in this area.

DEALINGS WITH HMRC

- The UK Group is committed to the principles of openness and transparency in its approach to dealing with tax authorities.
- The UK Group will foster constructive, professional and transparent relationships with tax authorities, based on the concepts of integrity, collaboration and mutual trust.
- All dealings with the tax authorities will be conducted in a collaborative, courteous and timely manner.
- The aim would be to strive for early agreement on disputed matters, and to achieve certainty wherever possible.

RISK DECISIONS

- The UK Group works to ensure that it pays the amounts of tax legally due in any territory. It recognizes, however, that these amounts may not be clearly defined and that alternative outcomes may exist. The UK Group will use its best judgment in determining the appropriate course of action, using available reliefs and incentives wherever possible but not for purposes which are knowingly contradictory to the intent of the legislation.
- Diligent professional care and judgment will be employed to assess tax risks and to arrive at well-reasoned conclusions on how the risks should be managed. Where uncertainty exists as to the interpretation of the tax law, appropriate third-party advice may be sought to support the decision-making process.
- In reviewing the risks of any tax action, the UK Group will bear in mind the Group Core Values and Beliefs, the legal and fiduciary duties of the directors and employees, the maintenance of corporate reputation and the principles of the Group's social responsibility core values, the tax benefits and impact on the Group's reported results comparative to the potential financial costs involved, and the wider consequences of potential disagreement and adverse impact to the relationship with a relevant tax authority.