

UK Tax Strategy - December 2018

Business background

Marfrig Global Foods S.A. is one of the world's leading beef producers, with 31 primary processing units, seven further processing units and eight distribution centres spread across Brazil, Argentina, Uruguay, Chile and the United States. Our products, sold to large restaurant and supermarket chains, reach the tables of millions of consumers across different jurisdictions. Our brands are recognized worldwide for their premium quality, which reflects our production model that is based on respect for legal, environmental and animal-welfare standards.

Scope of strategy

The following statement sets out the UK tax strategy of Marfrig in the UK in accordance with the provisions of paragraph 19(2) and paragraphs 22(2) of Schedule 19 Finance Act 2016 in relation to the financial year end 31 December 2018, covering both direct and indirect taxes.

This tax strategy applies to all UK companies¹ of which Marfrig Global Foods S.A. is the ultimate parent company.

Our approach to tax in the UK is closely aligned to Marfrig's core values, code of ethics and in particular our approach to corporate governance (as set out on our website – click [here](#)).

Strategy

Approach to tax risk management and governance

The policy on taxation, the supporting governance framework and the management of tax risks ultimately sits with the Group Chief Financial Officer ("CFO"). The CFO is supported by the Head of Tax, and a team of qualified and experienced tax professionals, who together ensure that tax obligations are met and tax risks are managed across the business. The CFO duly reports the relevant taxation matters to the group board.

We are committed to complying with all of the tax laws and practices of the countries in which we do business, including the UK. We strive to manage taxes in such a way that all liabilities properly due under local law are correctly recorded and paid. To ensure we adhere to this, and to limit the tax risk associated with our UK activity, advice is also sought from reputable external advisers.

Attitude towards tax planning and level of risk

Our tax positions and reporting reflect the business activities undertaken in the UK. Marfrig does not enter into artificial or abusive arrangements in order to reduce its liability to UK taxes.

¹ For avoidance of doubt this UK tax strategy applies to the following UK companies: Keystone Foods (UK) Limited; Keystone Foods International Limited; Keystone Foods Global Holdings Limited; Weston Importers Limited; MBC Bondco Limited; MARB BondCo Plc and Keystone Foods Holding Limited.

We interpret UK tax law in a manner that takes into account both the purpose and the spirit of the law. In order to ensure we maintain a high standard of tax compliance, we seek external professional advice and guidance.

When appropriate to the business, we will seek to apply UK tax incentives and exemptions in the manner in which they are intended and in line with the tax legislation.

We do not have a prescribed level of acceptable risk, however consider tax risk on a case by case basis and have low tolerance to tax risk.

Approach towards dealings with HMRC

We seek to have a constructive, transparent and collaborative relationship with HMRC. We take care to ensure that our tax affairs are reported accurately, and in a timely manner.

If and where material uncertainty should exist in relation to the application or interpretation of UK tax law, we will pro-actively discuss these matters with HMRC.