

## **JAZZ PHARMACEUTICALS TAX STRATEGY**

Jazz Pharmaceuticals has prepared and published this document in compliance with Schedule 19 to the UK Finance Act 2016.

### **INTRODUCTION**

Jazz Pharmaceuticals plc (“Jazz Pharmaceuticals” or the “Company”) is an international biopharmaceutical company focused on improving patients’ lives by identifying, developing and commercializing meaningful products that address unmet medical needs.

Our core values of Integrity, Collaboration, Passion, Pursuit of Excellence and Innovation define our corporate practices and are enshrined in the Company’s Code of Conduct. This tax strategy is underpinned by the Code of Conduct, in particular:

- Acting with honesty and integrity at all times as a representative of the Company; and
- Conducting Company business in compliance with applicable laws, rules and regulations.

Jazz Pharmaceuticals is committed to compliance with tax law and practice globally. We understand that we have a responsibility to pay the appropriate amount of tax in each jurisdiction in which we operate. At the same time, we seek to balance this with our responsibility to our shareholders to deliver value by structuring our tax affairs in a tax efficient manner.

### **APPROACH TO GOVERNANCE ARRANGEMENTS AND RISK MANAGEMENT IN RELATION TO TAXATION**

Responsibility for Jazz Pharmaceuticals’ tax strategy and management of tax risks ultimately rests with the Company’s Chief Financial Officer with regular review by the Audit Committee of the Board of Directors. Day-to-day responsibility for the application of the tax strategy and management of the Company’s tax affairs is delegated to the Vice President, Global Taxation, who is supported by a team of tax professionals. The tax team identifies, manages, and seeks to mitigate tax risks. We obtain advice from external tax advisors where there is a need for specialist guidance and support. We may also engage tax advisors for support with more routine tax compliance matters.

Jazz Pharmaceuticals operates across multiple jurisdictions and is exposed to a variety of tax risks arising from, among other factors, the complexity of tax legislation, rules and regulations and potential differences in the interpretations of legislation, rules, regulations and guidance by the Company and our tax advisors, and by tax authorities. Significant uncertainty can also arise where two or more tax authorities adopt different interpretations in relation to pricing of inter-company, cross-border transactions, resulting, potentially, in taxation of the same income in two or more jurisdictions.

We have established and maintain documented tax policies and procedures in relation to key tax processes to ensure the integrity of our tax filings and other tax compliance obligations worldwide and to manage tax risks. These tax policies and procedures are reviewed at least annually, or more frequently, as required. Our processes include ensuring that our staff receive the necessary training to manage our tax position appropriately.

Tax processes are subject to robust internal controls, and the effectiveness of these internal controls is tested periodically by our Internal Audit function and by external auditors. Oversight of the Company's internal controls falls within the remit of the Company's Audit Committee. Any deficiencies identified in our internal controls are reviewed and addressed as soon as practicable.

#### **ATTITUDE TOWARDS TAX PLANNING**

We engage in tax planning that supports our overall business strategy. In structuring our commercial activities, Jazz Pharmaceuticals considers the tax laws in the jurisdictions in which we operate, our corporate objectives and potential impact on our reputation, among other factors, with a view to complying with applicable laws and regulations, achieving tax efficiency and maximizing value, on a sustainable basis. We seek to utilize available tax relief and incentives in a manner that is consistent with government policy objectives and aligns with our substantive business operations.

#### **LEVEL OF RISK IN RELATION TO TAXATION THAT JAZZ PHARMACEUTICALS IS WILLING TO ACCEPT**

Tax risk is one of the business risks faced by the Company as a result of our activities across multiple jurisdictions, and is considered as part of our broader Company-wide risk management processes, overseen by the Company's Board of Directors.

When making decisions on tax risk, we take into account the materiality of any item and we evaluate the costs and potential benefits associated with effective risk mitigation actions. We consider reputation and corporate social responsibility as well as financial impacts. Specifically, we do not set pre-defined limits on the amount of acceptable tax risk: it is judged on an issue by issue basis.

#### **APPROACH IN DEALINGS WITH TAX AUTHORITIES**

Jazz Pharmaceuticals seeks to ensure our engagement with tax authorities is open, honest, and undertaken in a spirit of co-operation. Our communications with tax authorities are focused primarily around timely tax compliance, including meeting relevant tax return filing and payment deadlines. In certain circumstances, we engage external professional tax advisors to act as our agents and to liaise with the tax authorities on behalf of the Company, with a view to managing those relationships in the most efficient and effective way.

From time to time, our views (and those of our advisors) on the appropriate tax analysis of a particular matter may differ from those of the relevant tax authorities. In such circumstances, while we are ultimately prepared to litigate where we disagree with a ruling or decision of a tax authority, we will work constructively and proactively with tax authorities with a view to resolving any contested tax matters arising fairly and efficiently through discussion and consultation.

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