

Zoetis UK Limited

Tax Strategy and Disclosure: Financial year ending 30 November 2017

This Strategy and Disclosure detailed below applies to Zoetis UK Limited and Pharmaq Ltd., the UK based entities in the “Zoetis Group”. The Group regards this document as complying with its duty under Para (16)(2), Schedule 19 of the Finance Act 2016.

This Strategy and Disclosure statement covers Zoetis Groups’ approach to the planning, execution and disclosure of its tax matters.

1. Background

Zoetis Inc. is the ultimate parent company of a US based, publicly listed group traded on the NYSE under the symbol ZTS. Zoetis UK Limited is an indirect wholly owned UK incorporated trading subsidiary of Zoetis Inc. as is a sister company Pharmaq Ltd., collectively the “Zoetis UK Group”.

2. Commitment to Compliance

The Zoetis UK Group is committed to complying with UK tax law. All members of the Zoetis UK Group ensures that they pay all the tax they owe on a timely basis. The Zoetis UK Group also makes sure to fully disclose all relevant facts and circumstances to the UK tax authorities and taking advantage of whatever reliefs and incentives are properly available.

3. Positive Approach to Planning our Tax Strategy

The Zoetis UK Group structures its tax affairs to be compliant with all UK tax laws and to employ tax law in a way that is sustainable for Zoetis Group and all related stakeholders. We seek to deploy tax strategy that is value added, but is at the same time fully disclosed and transparent. Tax strategy is evaluated through a lens that ensures the group is comfortable with the way a given strategy will look from every perspective.

4. Tax Risk Management and Governance

The Zoetis Group seeks to identify all significant tax risks as early as possible, and to monitor these risks over time, consistent with the group’s tolerance for the level of risk. Risks are managed by ensuring that appropriate steps are taken including: obtaining proper professional advice on complex transactions; by ensuring that our fact patterns are accurately depicted in any such advice and by being fully transparent with respect to complex transactions to name a few of the type of actions taken. In order to ensure all significant tax risks are appropriately disclosed and dealt with internally, corporate governance policies require all tax matters be referred to the Vice President-Taxes. The Vice President-Taxes, in carrying out governance policy, escalates tax risk matters to executive management and/or the Board as appropriate.

5. Relationship and Approach to HMRC

Zoetis Group takes a thoroughly professional and forthright attitude in its dealings with HMRC. This begins with quality compliance, which involves the use of professional advisors, full transparency in all matters, and securing professional advice where appropriate. All tax positions are thoroughly researched and documented to be sure they do not pose any significant tax or reputational risk to the group.

6. Board Oversight and Ownership

This Tax Strategy and Disclosure Statement is fully aligned with Zoetis' corporate policies, functional policies and Code of Ethics. This is so individually with the Boards of Zoetis UK Limited and Pharmaq Ltd. and is equally aligned with the policies of Zoetis Inc. and all of its global subsidiaries.