



December 2017

Cosan Lubes Investments Limited – UK Tax Strategy

This document sets out the approach taken by the Company and its UK subsidiary (the Group) in conducting its tax affairs and dealing with tax risks. This document is effective from the date of publication and will remain in effect until such time as it is superseded.

The Group is committed to:

- Following all applicable laws and regulations relating to its tax activities;
- Maintaining an open and honest relationship with the tax authorities based on collaboration and integrity;
- Applying diligence and care in our management of the processes and procedures by which all tax related activities are undertaken, and ensuring that our tax governance is appropriate;
- Using incentives and reliefs to minimise the tax cost of conducting our business whilst ensuring that these reliefs are not used for purposes which are knowingly contradictory to the intent of the legislation.

Risk management

- The Group seeks to reduce the level of tax risk (of error or omission) arising from its operations as far as is reasonably practicable by ensuring that reasonable care is applied in all processes which could affect compliance with its tax obligations;
- Processes relating to specific taxes are performed by appropriate process owners, with the relevant knowledge and experience to minimize the tax risk. Where a change in business operations or relevant legislation occurs, related processes are updated to ensure the tax risk continues to be appropriately mitigated;
- When reviewing the tax risks associated with a specific decision or action, the Group ensures that the following are considered:
 - The legal and fiduciary duties of directors and employees;
 - The requirements of any related internal policies or procedures;
 - The maintenance of the Group's corporate reputation;
 - The tax benefits and impact on the Group's reported result comparative to the potential financial costs involved, including the risk of penalties and interest
 - The wider consequences of potential disagreement with tax authorities, and any possible impact on relationships with them.

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- Where the Group identifies that there is the possibility for alternative interpretations of the relevant legislation, potentially giving rise to significant tax risk, expert advice is obtained and where appropriate advance agreement with HMRC sought;
- In cases where the Group does not feel it has the necessary expert knowledge to assess the tax consequences adequately, external advice may be sought.

Tax planning

- When entering into commercial transactions, the Group seeks to take advantage of available tax incentives, reliefs and exemptions in line with, and in the spirit of, tax legislation. The Group does not undertake tax planning unrelated to such commercial transactions.
- The Finance team, taking overall responsibility for the Group's tax affairs, is involved in commercial decision making processes and provides appropriate input into business proposals to ensure a clear understanding of the tax consequences of any decisions made.

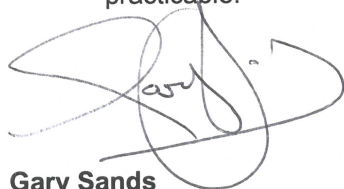
Level of risk in relation to UK tax

- The level of risk which the Group accepts in relation to UK taxation is consistent with its overall objective of achieving certainty in its tax affairs. At all times the Group seeks to comply fully with its regulatory and other obligations and to act in a way which upholds its reputation as a responsible corporate citizen.
- In relation to any specific issue or transaction, the Board is ultimately responsible for identifying the risks, including tax risks, which need to be addressed and for determining what actions should be taken to manage those risks, having regard to the materiality of the amounts and obligations in question.

Approach towards dealings with HMRC

The Group is committed to the principles of openness and transparency in its approach to dealing with HMRC, and in particular the Group commits to:

- Make accurate and timely disclosures of all relevant facts in correspondence and returns, and respond to queries and information requests in a timely manner;
- Be open and transparent about decision-making, governance and tax planning;
- Ensure all interactions with HMRC are conducted in an open, collaborative and professional manner;
- Interpret the relevant laws in a reasonable way, and ensure transactions are structured consistently;
- Identify, disclose and correct any errors in submissions made to HMRC as soon as reasonably practicable.



Gary Sands

Finance Director