

Gilead's Global Tax Strategy

Gilead Sciences, Inc., incorporated in Delaware on June 22, 1987, is a research-based biopharmaceutical company that discovers, develops and commercializes innovative medicines in areas of unmet medical need. We are headquartered in Foster City, California and have operations in more than 30 countries worldwide. With each new discovery and investigational drug candidate, we strive to transform and simplify care for people with life-threatening illnesses around the world. Gilead's primary areas of focus include human immunodeficiency virus (HIV), liver diseases such as chronic hepatitis C virus (HCV) infection and chronic hepatitis B virus (HBV) infection, hematology/oncology, cardiovascular and inflammation/respiratory diseases. Our business operations and patient access programs are guided by our Core Values: Integrity, Accountability, Excellence, Teamwork, and Inclusion.

We comply with tax laws in the countries in which we conduct business. Accordingly, we pay a variety of taxes, including, corporate income taxes, customs duties, excise taxes, stamp duties, employment and other business taxes in these jurisdictions, as required by local law. We also withhold and pay employee taxes and indirect taxes such as Value Added Tax (VAT).

We perform governance procedures to ensure compliance with tax laws in the territories in which we do business. We are committed to transparent and constructive relationships with all relevant tax authorities. We support initiatives to increase public trust and transparency in national and international tax regimes, and we engage with our group companies to build understanding and clarity of business tax consequences wherever we operate.

This document¹ outlines Gilead's global approach to taxation with respect to:

- Tax governance, risk management and compliance
- Tax planning
- Dealings with Tax Authorities
- Level of acceptable tax risk

Governance, Risk Management and Compliance

Our approach is to manage tax risks and tax costs in a manner consistent with applicable regulatory requirements and in our shareholders' long term interests, taking into account operational, economic and reputational factors.

Our management establishes and maintains robust internal controls over financial reporting. These internal controls apply to our key tax processes, including tax accounting and reporting and transfer pricing, which are reviewed by our internal and external auditors. We have established compliance processes to ensure the integrity of our tax returns, and the timely filing and accurate payment of our tax obligations in the countries in which we operate. We work closely with our Controllershship organization and provide reports to our CFO and Board Audit Committee on at least a quarterly basis.

¹ This document complies with the obligations of our UK group companies, Gilead Sciences Europe Limited, Gilead Sciences International Limited, Gilead Sciences Limited, and Kite Pharma UK Limited to publish their company tax strategies. Our UK group companies' tax affairs are managed directly within our global governance structure, and adhere to our global tax policies. In relation to the UK companies, this document should be read as referring to UK taxation and to the approach of the companies to their dealings with HMRC.

Tax Planning

Gilead is a science-driven company focused on bringing innovative treatment to patients worldwide. The pharmaceutical industry is a highly regulated industry, and changes in our business operations and/or supply chain are often driven by regulatory requirements. Changes in our business operations, including new business transactions, require us to evaluate tax consequences and determine alternatives to mitigate potential tax risks. For example, members of our tax team participate in cross-functional team efforts in assessing and implementing our expansion into global markets and in business development initiatives.

New tax laws and regulations often bring uncertainty in their interpretation and application, and inconsistent treatment of a transaction by different jurisdictions brings the risk that the same income may be taxed by two or more tax authorities.

We monitor proposals and changes to tax incentives and regulations in the countries in which we operate in order to assess their impact on our business. We use government-approved tax reliefs and incentives where appropriate and in line with our business operations. We seek high quality external advice on the interpretation of tax rules and regulations where needed.

Approach in dealings with Tax Authorities

We engage with tax authorities with honesty, integrity, respect and fairness and in a spirit of cooperative compliance. It is our policy to make corporate income tax, employee withholding, and other direct and indirect tax filings in a timely manner in all the countries in which we operate. Our tax positions and filings are subject to review and audit by the tax authorities in these jurisdictions. In the course of such a review, we strive to be transparent with tax authorities, providing relevant facts and documentation to support their understanding of our business and our tax positions and to resolve disputes constructively and in a timely manner on current, future and past tax risks.

Where this is appropriate, we also seek to engage with tax authorities upfront on their interpretation of local tax laws and their application to our specific facts and circumstances.

We also seek to work with tax authorities in a transparent manner to mitigate or, if possible, prevent double-taxation of our economic profits, in compliance with the OECD guidelines, tax treaties and applicable national legislation.

Level of Acceptable Tax Risk

The complexity and variety in interpretations of tax law give rise to risks in the way Gilead's operations are taxed. Our tax processes and procedures operate to ensure compliance with tax laws and regulations in the territories where we operate and are designed to identify and mitigate material tax risks, in line with Gilead's general framework of maintaining a low risk tolerance level in the countries in which we operate. Material tax planning proposals are discussed with and approved by our executive management, CFO and the Board Audit Committee.

Where appropriate, we seek external advice on tax consequences of business transactions to avoid tax costs beyond what is intended by applicable tax legislation.
