



In compliance with its duty under paragraph 19(2) to Schedule 19 of the Finance Act 2016, L3 Technologies, Inc. (“L3”) and all of its subsidiaries operating in the UK (the “L3 UK Group”) are publishing this tax strategy. This strategy applies to all Companies operating in the UK, including those listed below for the year ending 31 December 2017.

General Overview

L3 is a US corporation publicly listed on the New York Stock Exchange. At L3, we are committed to doing the right thing and doing things right. We operate our business consistently with our core values of Integrity, Excellence, Accountability and Respect. Our values provide the foundation for our commitment to the highest level of ethical conduct. The employees of L3 have a shared responsibility to conduct our business and ourselves ethically and with integrity.

Our approach to tax

- We comply with all requirements of tax laws, and any regulations or pronouncements promulgated thereunder, in the UK and all other jurisdictions in which we do business.
- We strive to meet all our tax compliance and payment obligations, accurately and on a timely basis.
- We are open, honest and transparent in our communication with the HMRC and other tax authorities.
- We have a vigorous internal control framework. Our risk management process continuously identify and manage those risks to our reputation.
- We engage in tax planning that is consistent with and supports our business objectives, and is fully supportable under applicable law in the UK and all other jurisdictions in which we do business.
- L3’s business reputation is key to our success and we strive to ensure that our approach to managing our tax affairs does not harm our international reputation.

Our risk management and governance arrangements

As part of a large multinational business, the L3 UK Group may have exposure to a variety of tax risks. These include, amongst others, legislative and regulatory changes, uncertainty in the interpretation of tax law, operational and compliance risks, and the impact of these risks on the reputation of our business. Our policies and internal control framework help to ensure compliance with tax laws and regulations in all jurisdictions in which we operate, to ensure that we identify and mitigate tax risks.

The finance leader of each company is responsible for managing their respective company's day-to-day tax affairs, with advice and input from L3's corporate tax department. L3's corporate tax department is led by the Vice President of Tax, who reports to the Chief Financial Officer with oversight from the L3's Board of Directors and Audit Committee. We seek external tax advice when there is a need for specialist guidance or support such as in relation to material or non-routine transactions, new laws or regulations, or in areas of uncertainty surrounding the interpretation of tax law.

Our attitude towards tax planning

L3 undertakes tax planning as part of our overall business strategy in support of the commercial needs of the business. The tax department engages with the relevant business functions to assess the tax treatment of the relevant transaction or new business strategy. We seek professional advice when there is a need for specialist guidance and in areas of taxation or jurisdictions where we do not have in-house resources or expertise. The L3 UK Group claim tax reliefs or exemptions if they have a commercial purpose and are compliant with the law, and the regulations thereunder, of the UK.

Our attitude towards risk

L3 recognizes that managing tax compliance is increasingly complex, and our policies and governance framework has established controls to ensure compliance with existing tax laws and regulations. We continuously identify and manage tax risks with the aim to ensure payment of the materially correct amount of tax within the UK and all jurisdictions in which the L3 UK Group operates. To further limit risk and uncertainty, L3 seek external advice to obtain comfort with respect to complex transactions or in areas of the tax law where we do not have in-house expertise.

Our approach to dealings with HMRC

We are open, honest and transparent in our communication with the HMRC and other tax authorities. We seek to build and sustain relationships with tax authorities that are constructive and based on mutual respect by responding to information request in a timely manner and providing access to all relevant information.

The L3 UK Group includes the following Companies:

L-3 Communications Limited

L3 Commercial Training Solutions Limited

L-3 Societa SRL

L-3 Communications UK Limited

TRL Electronics Limited

TRL Technology Limited

L-3 Communications ASA Limited

L-3 Communications Marine Systems UK Limited

L-3 Communications Link Simulation & Training UK (Overseas) Ltd

L-3 Global Holding UK Limited

L-3 International UK Limited

L-3 Technology & Services UK Limited

CTC Aviation Holdings Limited

CTC Aviation International Limited

CTC Aviation Group Limited

CTC Aviation Services Limited

CTC Aviation Training (UK) Limited

CTC Aviation Jet Services Limited

Airline Recruitment Limited

Airline Placement Limited

L3 CTS Airline and Academy Training Limited

MacDonald Humfrey (Automation) Limited

MHA Stopford Limited

Exmac Automation Limited

MacDonald Humfrey Automation Middle East Control Systems LLC

AeroElite Limited