

Tax Strategy

Rockwell Collins, Inc. Group Tax Policy
Financial Year Ended 29 September 2017
Publication Date 22 September 2017

This Tax Policy applies to Rockwell Collins, Inc. and all of its subsidiaries (“RCI” or “the Company”). This information is provided in compliance with the requirements of Schedule 19 of the UK Finance Act 2016 and is in accordance with the Company’s ethics policy and Standards of Business Conduct.

Our tax policy comprises four key components:

1. Approach to risk management

The Company’s Board of Directors (“Board”), with oversight from the Audit Committee, is ultimately accountable for the management of the Company’s tax affairs. The day to day responsibility for tax governance and strategy lies with the Vice President of Tax who reports into the Chief Financial Officer, with oversight of the Board and the Audit Committee. The VP of Tax is supported by a team of appropriately qualified in-house tax professionals (referred to herein as “Corporate Tax”), who identify, manage and where possible, eliminate tax risk.

Rockwell Collins’ approach to taxes is grounded in the following principles: 1) compliance with local and international laws and regulations; 2) a commitment to business excellence that aims to maximize efficiencies and competitiveness; and 3) consideration of the interests of multiple stakeholders, including governments and tax authorities, customers, shareholders and the communities where we operate our business.

Rockwell Collins has implemented procedures and controls designed to ensure that tax risks are identified and appropriately managed, culminating in the submission of accurate tax returns globally. The Company outsources a substantial portion of its non-U.S. compliance to reputable accounting firms who have expertise locally.

2. Approach to tax planning

Corporate Tax seeks to deliver relevant business advice around tax. The Company understands that tax needs to be involved at an early stage in order to deliver the most value from the tax advice provided. Corporate Tax seeks support from external tax advisers where there is a need for specialist guidance and also in local tax jurisdictions where no in-house resource exists.

3. Approach to tax risks

Rockwell Collins considers its reputation and corporate social responsibility as well as financial impacts when considering tax risks. When making decisions on tax, we take into account the materiality of any

item, as well as the costs of effective risk mitigation actions. Each item is judged on an issue by issue basis.

4. Approach to working with tax authorities

Rockwell Collins seeks to maintain open, positive relationships with governments and tax authorities worldwide. We take prudent positions with commercial and economic substance, but we do advise the business on how to implement operations in the most tax efficient way possible. Consideration is always given to the tax laws of the jurisdictions in which we operate.