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## Spirit AeroSystems (Europe) Limited – 2017 UK TAX STRATEGY

In compliance with section 161 and paragraph 19(2) of schedule 19 Finance Act 2016, Spirit AeroSystems (Europe) Limited (“Spirit UK”) is publishing its tax strategy for the year ending 31 December 2017. This tax strategy will be subject to continuing review and will be updated as necessary.

Spirit UK is part of a multinational group of companies headed by their parent company and sole ultimate shareholder, Spirit AeroSystems Holdings, Inc. (collectively, the “Spirit Group”). The parent company’s headquarters are in Wichita, Kansas, USA and it is listed on the New York Stock Exchange under the symbol SPR. All activity carried on in the UK is wholly contained within Spirit UK at its facility located in Prestwick, Scotland.

The Spirit Group is one of the largest independent non-OEM designers and manufacturers of commercial aerostructures in the world, with an estimated 21 percent share of the global aerostructures market. Aerostructures are structural components such as fuselages, propulsion systems and wing systems for commercial and military aircraft. The Spirit Group is the largest independent supplier to Boeing, and one of the largest suppliers to Airbus.

The business operations in the UK consist of the manufacture of aerostructures and structural components for Airbus and Boeing.

For additional information about the company, please refer to the parent’s company’s latest annual report, which is available at the following location:

<http://investor.spiritaero.com/file/4831679/Index?KeyFile=1500098417>

### **Our tax team**

Spirit UK’s tax team is part of the Global Finance Team that reports to the Executive Vice President and Chief Financial Officer, Sanjay Kapoor. Our Director of Tax is based in Wichita and leads a centralized team of approximately 10 tax professionals with specific geographical and technical responsibilities, including specialists in indirect taxes and international tax.

The global tax team is directly supported by various members of Spirit UK’s Finance Team located in Prestwick, Scotland. Further, there are various UK-based tax consulting professionals that support Spirit UK’s tax planning and compliance requirements on an as needed basis.

### **Governance and tax risk management**

Our goal is to ensure that we comply with the tax laws, reporting requirements, and payment obligations of all of the jurisdictions in which we operate. Our Code of Ethics and Business Conduct sets out the standard of behaviour that we expect all employees to adhere to, and it applies in the same way to taxation issues.

Spirit UK’s appetite for tax risk is low and we structure our affairs based on sound commercial principles and in accordance with relevant tax legislation. Spirit UK does not implement or use tax planning that exploits gaps or mismatches in tax legislation.

We have an established procedure, including the use of outside advisors where appropriate, for ensuring the integrity of our tax filings and other tax compliance obligations that facilitates appropriate identification, measuring, management and reporting of tax risks.

We engage our external auditor to perform a secondary review of any significant transactions to ensure that we are properly accounting for the transactions and complying with applicable laws.

We actively monitor changes in law or its application to determine if any tax reporting changes are required.

### **Tax Planning**

We engage in tax planning that is consistent with the risk profile outlined above and that supports our business objectives and activities. We undertake tax planning as part of our overall business strategy in order to manage tax cost involved in commercially driven transactions.

Spirit UK will use tax incentives or opportunities for obtaining tax efficiencies provided these are aligned with business and operational objectives and do not carry significant reputational risk or risk of damaging our relationship with Her Majesty's Revenue & Customs ("HMRC").

As part of its business operations, Spirit UK enters into cross-border transactions with other companies in the Spirit Group, and our transactions are conducted on arm's length principles, in accordance with OECD guidelines.

### **Relationship with HMRC**

Spirit UK has an open and transparent relationship with HMRC. Spirit UK and HMRC engage collaboratively with regular face to face meetings and telephone calls/emails with any issues being discussed on a real time basis.

From time to time, there may be areas of differing legal interpretations between Spirit UK and HMRC. When situations such as this arise, we have consistently demonstrated and will continue to engage in proactive discussion to bring matters to a resolution in as prompt a manner as possible.

Any inadvertent errors in submission of tax returns and tax computations to HMRC are fully disclosed as soon as reasonably practicable after they have been identified.

Spirit UK files annual Senior Accounting Officer certifications and the processes and controls that support the delivery of the strategic tax objectives are regularly reviewed.