

TAX STRATEGY

INTRODUCTION

NTN Bearings (UK) Ltd has been trading in the UK since 1964 principally marketing and distributing ball and roller bearings and automotive components purchased from members of the NTN Corporation group primarily to the UK market.

The tax risks we are exposed to are therefore limited due to the stability of the company and slow rate of change.

Overall responsibility for tax governance and tax risk management is with the Board of Directors who are also responsible for maintaining a robust system of internal control and risk management.

The application of the system is monitored to ensure that the controls operate effectively and adapt to new tax risks. Day to day tax matters and compliance are handled by our Finance Team.

External tax advice is sought where there is a need for specialist guidance and support in order to understand the tax implications of new business activity or changing tax legislation.

THE ATTITUDE OF THE COMPANY TOWARDS TAX PLANNING

We are committed to ensuring that we pay the right amount of tax at the right time. We preserve our reputation by complying fully with tax laws in all jurisdictions where we operate with the highest integrity.

We do not engage in any artificial tax arrangements conceived for the purposes of avoiding, deferring or reducing tax.

Where there is a choice on how to structure a transaction which achieves the same commercial results, we will seek to arrange our affairs in the most tax efficient manner, within the legal framework of both statute and case law, and providing the underlying commercial objectives supporting the position.

We will only consider utilising tax incentives or reliefs where it is clear that their use falls within the Government's broad intention for these tax reliefs.

Where we identify any tax uncertainty or further complexity, we will seek expert external advice to assist with resolving the uncertainty.

THE LEVEL OF RISK IN RELATION TO UK TAXATION THAT THE COMPANY IS PREPARED TO ACCEPT

We have a low tolerance for tax risk and we seek to minimise the risk of uncertainty and tax disputes.

Our business model and operating structure is straightforward and not subject to significant judgement in the application of tax law.

We do not seek to enter into artificial or contrived transactions in order to minimise our tax liabilities. We aim to pay the right amount of tax in accordance with both the letter and spirit of the law in all jurisdictions.

The Board is ultimately responsible for determining the level of tax risk acceptable to the company. Other stakeholders expect our activities to be carried out in accordance with tax laws, and do not exert any influence over the level of tax risk that is acceptable to the company.

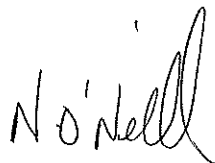
HOW THE COMPANY WORKS WITH HMRC

An important part of our tax strategy is the building and maintenance of a strong, proactive working relationship with HMRC.

We are committed to acting with integrity at all times, maintaining a transparent, open and honest relationship with HMRC and to deal with tax filings, tax payments, information requests, and other HMRC correspondence in a professional and timely manner.

In the event of any inadvertent errors in submissions to HMRC, or in interpretation of relevant legislation, appropriate disclosures will be made as soon as reasonably practicable after they have been identified.

Signed:

A handwritten signature in black ink, appearing to read 'N O'Neill', with a stylized flourish at the end.

Director NICK O'NEILL

Date: 31.03.22