



BENTLEY MOTORS LIMITED - TAX STRATEGY

Overview

Bentley Motors Limited (the Company) is the most sought after luxury car brand in the world. The company's headquarters in Crewe is home to all of its operations including design, R&D, engineering and production of the company's model lines – Continental, Flying Spur, and Bentayga. Bentley employs over 3,000 people at Crewe.

The following document sets out the Company's strategy in relation to tax in the UK and represents how tax is undertaken within the business. The Company pays and collects on behalf of the Government a significant amount of tax every year, including PAYE, National Insurance, VAT, business rates, and other taxes.

The Company manages its tax affairs based on five core principles:

1. Compliance

The fundamental principle underlying all the tax decisions within the Company is that of seeking to pay the right amount of tax in the right place at the right time. This is mandated at a global level by the Board of Management of our parent company, Volkswagen AG. The aim is to disclose all relevant facts and circumstances to the tax authorities and to claim reliefs and incentives where these are made available by tax legislation.

2. Open and transparent approach to engaging with Her Majesty's Revenue & Customs ("HMRC")

The Company seeks to build transparent and collaborative relationships with the UK Tax Authorities to create and maintain "Good Corporate Citizenship". We aim to achieve this by engaging with HMRC with honesty, integrity, respect and fairness.

HMRC is kept informed about business developments to the extent they have a tax impact, at periodic meetings or through regular correspondence, to ensure a "no surprises" approach is maintained. We will always seek to disclose all relevant facts to HMRC to enable them to fully understand the matter in question, and to enable the appropriate tax treatment to be applied.

In the event that a disclosure to HMRC is required, these are made voluntarily and with full co-operation from the business.

This open, transparent approach would also apply to any dealings with overseas tax authorities, where relevant.

3. Management of Tax

Ultimate responsibility for the tax affairs of the Company sits with the Board of Directors. The Board has assigned a Director with overall responsibility for its on-going tax affairs. This Director is the nominated Senior Accounting Officer for tax purposes.



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The Company has a dedicated professionally qualified tax team covering all tax matters. The Company supports the tax team in maintaining their continuing Professional Development requirements. The team also adheres with the ethical standards of their relevant professional institutions.

Members of the tax team actively participate in various tax fora, both those with an industry specific focus and those with a tax technical base. This assists with understanding current best practice and developments.

The Company will also engage with specialist external advisors for particular matters as may be required. This is to further ensure that tax risk is adequately managed and that the Company remains up to date with the latest tax changes that may affect the business.

4. Risk Management

Given the size and global nature of our business, tax risks will arise. The individuals responsible for tax are appropriately skilled to handle these matters and receive regular tax updates to ensure knowledge is always up to date. Controls are also in place to seek to ensure that the tax team are involved with all significant business decisions with potential tax consequences.

The Group places a strong emphasis on tax risk management and robust global policies are in place to minimise risks. The Company adheres to these policies.

The above, taken together, enables the teams to identify, monitor and manage tax risks within the business. External advisors may also be engaged to help manage the risk and ensure that the Company meets its tax obligations.

5. Attitude to arranging our tax affairs

The primary tax objective of the Company is to pay the correct amount of tax at the point at which it is properly due. The Company will utilise exemptions and reliefs that are legitimately available and in accordance with the wording and spirit of the law.

The Company is mindful of its reputation in the marketplace and seeks to operate in the manner of a responsible taxpayer.

Transactions between group companies are conducted on an arm's-length basis and in accordance with OECD principles. The group do not undertake profit allocation on the basis of tax rates, and profit allocations follow the business activities of the group.

Where tax incentives are implemented by the Government to support investment, employment and economic development, the Company will only ever seek to implement these in the manner intended.

Engagement in artificial tax arrangements (i.e. those without commercial substance) is not undertaken. Where a point of law is unclear or uncertain, the Company may seek clarification from HMRC, external advisors or the judiciary as appropriate. This is to ensure that the Company complies



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with its tax objectives as set out in this document. Tax is not the commercial driver for decision making within the Company nor is tax a key performance indicator.

Bentley Motors Limited regards its publication of this tax strategy as compliant with the duty under Finance Act 2016, paragraph 22(2).

This document is effective for the financial year commencing 1st January 2020 and was approved on behalf of the Board of Directors on 16th December 2020.