

# Corning – United Kingdom Tax Strategy

Corning Incorporated (“Corning”) is the head of a multinational group with its headquarters in Corning, New York, USA. Corning was founded in 1851 and is a leading innovator in materials science, applying its expertise in specialty glass, ceramics and optical physics to develop new products. As of 31 December 2018, the Corning Group manufactured product at 108 plants in 15 countries and employed approximately 51,500 personnel.

## Introduction to Corning’s UK Tax Strategy

This published UK tax strategy is intended to satisfy Paragraph 22 Schedule 19 of the UK Finance Act 2016 in respect of the financial year ending 31 December 2018.

This strategy applies to Corporation Tax, Employment Tax, Indirect Taxes, Customs and Excise Duties and any other tax liabilities in the UK for which Corning has legal responsibilities.

## Corning’s operations in the UK

Corning’s UK operations are mainly conducted through Corning Limited, based in Ewloe, North Wales. As of 31 December 2018, the company had 73 employees comprising sales and other corporate support staff and providing services to other Corning Incorporated businesses. Its income derives mainly from sales commissions and revenue for services, together with some third party sales revenue; all these are straightforward in nature.

In July 2017, Corning acquired SpiderCloud Wireless Inc., a leading provider of in-building wireless solutions. SpiderCloud, based in Milpitas, California, develops scalable small-cell network platforms that deliver coverage and capacity for wireless services inside buildings. SpiderCloud has a UK subsidiary, SpiderCloud Wireless Ltd which also came with the acquisition, including 7 employees. As of 1 December 2018, the employees were transferred to Corning Ltd, and the UK SpiderCloud legal entity is subsequently in the process of being dissolved.

## Corning's approach to tax and commitment to compliance

Corning's global approach to tax is to support its businesses and protect shareholder value by maintaining a sustainable tax rate, while complying with all tax rules and regulations on a worldwide basis, and to have open and collaborative relationships with tax authorities.

- Management of UK tax risks

Corning maintains internal policies and procedures to support its tax control framework and provides professional support to its personnel to manage all relevant tax risks that arise as a result of the commercial activity of the company, including (but not limited to) compliance risk, transaction risk, regulatory risk and reputational risk. The Chief Financial Officer is ultimately responsible for overseeing Corning's tax risk, while the management of tax risk in global markets is performed by the company's Vice President of Tax. The Entity Finance Manager is responsible for management of Corning Limited's UK tax risk and communications with the UK tax authority.

### 1. Compliance risk

Corning is committed to being compliant with all aspects of UK tax requirements. Corning's tax positions in the UK are based on its commercial businesses and economic activities, which are straightforward in nature. Corning engages external UK tax advisors to complete and file its UK corporation tax returns and will seek specific advice and assistance from them on all tax matters as required. The UK finance manager will meet as a minimum quarterly with representatives of Corning's tax department to review the company's activities in the UK and highlight any matters of interest.

### 2. Transaction risk

Corning's commercial transactions in the UK are straightforward in nature and consist of direct sales revenue for the supply of telecommunications cable and equipment, and commission and services revenues from other Corning entities for the activities of its workforce in the Optical Communications and Life Sciences businesses, as well as support for corporate functions. Corning's transfer pricing policy is aligned with the OECD guidelines and applies the arm's length standard to ensure all parties to intercompany transactions receive appropriate remuneration. Therefore Corning considers its transaction risk to be low. A representative of Corning's tax transfer pricing team participates in the quarterly meetings to review the company's activities with the UK finance manager.

### 3. Regulatory risk

To address regulatory risk, Corning's corporate tax department and the UK finance manager receive regular updates on UK tax regulation changes from independent advisors and will seek external advice and assistance where appropriate. Additionally, all Corning employees are required to participate bi-yearly in legal compliance training which is tailored to their country location and delivered in person by a member of Corning's Legal department.

#### 4. Reputational risk

Corning's Corporate Values are designed to protect Corning's reputation with its stakeholders worldwide. All employees are required to follow Corning's written Code of Conduct, which is intended to help ensure that individuals' behaviour is consistent with Corning's Corporate Values. Any suspected violations of the Code are required to be reported through specified channels, and may also be reported anonymously.

#### UK Tax Planning

Corning's approach to UK tax planning is led by its commercial transactions and it may seek clarity on different tax outcomes when considering how to undertake these. It does not engage in contrived or artificial tax planning strategies. Corning claims tax reliefs that are properly available to it in the normal course of its business activities in the UK.

#### Approach towards dealing with HM Revenue & Customs (HMRC)

Corning is committed to engage in an open, honest and constructive manner with tax authorities and works to ensure that its communications with HMRC are transparent and accurate information is provided in a timely manner.

This UK tax strategy was approved by the Board of Corning Limited on 3 October 2019.