

CORNING INC /NY
Form DEF 14A
March 15, 2016

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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

SCHEDULE 14A

Proxy Statement Pursuant to Section 14(a) of the Securities
Exchange Act of 1934 (Amendment No.)

Filed by the Registrant [X]
Filed by a Party other than the Registrant []

Check the appropriate box:

- Preliminary Proxy Statement
- Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))**
- Definitive Proxy Statement
- Definitive Additional Materials
- Soliciting Material Pursuant to §240.14a-12

CORNING INCORPORATED

(Name of Registrant as Specified In Its Charter)

(Name of Person(s) Filing Proxy Statement, if other than the Registrant)

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 - 3) Filing Party:
 - 4) Date Filed:
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Dear Fellow Shareholder:

I hope you will join Corning Incorporated's Board of Directors, senior leadership, and other stakeholders at our 2016 Annual Meeting in Corning, New York, on April 28 at 11 a.m. Eastern Time. The Annual Meeting is your chance to hear directly from leadership about Corning's 2015 performance, our expectations for 2016, and the Company's near- and long-term growth drivers. It is also one of your opportunities to participate in our corporate governance process. Shareholders will vote on the annual election of directors and the ratification of Corning's independent registered public accounting firm for 2016. They will also provide an advisory vote on the 2015 compensation for our named executive officers.

The following pages contain the formal notice of meeting and the proxy statement. I encourage you to sign and return your proxy card or vote by telephone or Internet prior to April 28 so that your shares will be represented and voted at the meeting. Corning appreciates every vote.

We work hard to maintain your trust, and took several key actions in 2015 that highlight our ongoing commitment to strong governance. Following discussions with shareholders, Corning's Board of Directors adopted proxy access, which provides eligible shareholders a process for nominating director candidates to be included in the Company's proxy materials. The Board also endorsed the principles embodied in the Shareholder-Director Exchange (SDX) Protocol to facilitate effective, mutually beneficial engagement between shareholders and Board members. Additionally, this year we are taking advantage of Securities and Exchange Commission rules that allow us to furnish proxy materials and our Annual Report on the Internet. We believe this will provide greater convenience and flexibility for our shareholders, while reducing our printing costs and environmental impact.

The primary way we earn your trust will always be our performance. In 2015, we delivered solid financial results in a tough economic environment while introducing new innovations in all our businesses. We also outlined our strategy to utilize Corning's financial strength to focus our portfolio to drive growth and create value for shareholders in the years ahead.

I look forward to sharing more details about Corning at the Annual Meeting. Thank you for your investment in Corning and your participation in our governance process.

Sincerely,

Wendell P. Weeks

Chairman of the Board, Chief Executive Officer and President
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**Notice of 2016 Annual Meeting
of Shareholders**

Thursday, April 28, 2016

11:00 a.m. Eastern Time

Corning Museum of Glass, One Museum Way, Corning, New York 14830

TO OUR SHAREHOLDERS

You are invited to attend Corning Incorporated's 2016 Annual Meeting of Shareholders to be held at the Corning Museum of Glass located at One Museum Way, Corning, New York 14830, on Thursday, April 28, 2016 at 11:00 a.m. Eastern Time.

Items of Business

1. Election of all 13 directors to our Board of Directors for the coming year;
2. Ratification of the appointment of PricewaterhouseCoopers LLP as our independent registered public accounting firm;
3. Approval, on an advisory basis, of our executive compensation; and
4. Transaction of any other business properly brought before the meeting or any adjournment.

Record Date

You may vote at our 2016 Annual Meeting if you were a shareholder of record at the close of business on February 29, 2016.

Your vote is important to us. Please exercise your right to vote.

Important Notice Regarding the Availability of Proxy Materials for the Annual Meeting to be held on April 28, 2016: our Proxy Statement, 2015 Annual Report and other materials are available on our website at www.corning.com/2016-proxy.

Sincerely,

Linda E. Jolly
Vice President and Corporate Secretary
March 15, 2016

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**Welcome to the Corning Incorporated
2016 Annual Meeting of Shareholders**

Vote Right Away

Your vote is very important. Whether or not you plan to attend the Annual Meeting, please promptly submit your proxy or voting instructions by Internet, telephone or mail in order to ensure the presence of a quorum. You may also vote in person at our Annual Meeting. If you are a shareholder of record, your admission ticket is attached to your proxy card. If your shares are held in the name of a broker, nominee or other intermediary, you must bring proof of ownership with you to the meeting.

By telephone

Dial toll-free 24/7
1-800-652-8683

By Internet using a smartphone or tablet

Scan this **QR code** 24/7
to vote with your mobile device
(may require free software)

By mail

**Cast your ballot, sign
proxy card** and send by mail

By Internet using a computer

Visit 24/7
www.investorvote.com/glw

VISIT OUR ANNUAL MEETING WEBSITE

Review and download this Proxy Statement and our Annual Report.

www.corning.com/2016-proxy

Sign up for electronic delivery of future Annual Meeting materials to reduce Corning's impact on the environment.

Corning is providing these proxy materials in connection with our Annual Meeting on April 28, 2016. This proxy statement, the accompanying proxy card and Corning's 2015 Annual Report were first distributed or made available to shareholders on or about March 15, 2016. As used in this proxy statement, Corning, the Company and we may refer to Corning Incorporated itself, one or more of its subsidiaries, or Corning Incorporated and its consolidated subsidiaries.

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PROXY STATEMENT SUMMARY

Annual Meeting of Shareholders

Date and Time	April 28, 2016, 11:00 a.m. (ET)
Place	The Corning Museum of Glass One Museum Way Corning, New York 14830
Record Date	February 29, 2016
Admission	See the instructions contained in Frequently Asked Questions about the Meeting and Voting on page 66.

On March 15, 2016, we posted on our website at www.corning.com/2016-proxy, and began mailing to shareholders who requested paper copies, this proxy statement and our 2015 Annual Report.

This summary highlights information contained elsewhere in this proxy statement. This summary does not contain all of the information that you should consider, and you should read the entire proxy statement carefully before voting.

Proposals that Require Your Vote

Proposal	Board Vote Recommendation	More Information
1 Election of directors	FOR EACH NOMINEE	page 19
2 Ratification of appointment of independent registered public accounting firm	FOR	page 31
3 Advisory vote to approve the Company's executive compensation	FOR	page 33

Business Information Who We Are

Corning is one of the world's leading innovators in materials science. For more than 160 years, Corning has applied its unparalleled expertise in specialty glass, ceramics and optical physics to develop products that have created new industries and transformed people's lives.

Our reportable segments are as follows:

Display Technologies manufactures glass substrates for flat panel liquid crystal displays, representing 39% of our core net sales in 2015.

Optical Communications manufactures carrier network and enterprise network components for the telecommunications industry, representing 30% of our core net sales in 2015.

Environmental Technologies manufactures ceramic substrates and filters for automotive and diesel applications, representing 11% of our core net sales in 2015.

Specialty Materials manufactures products that provide more than 150 material formulations for glass, glass ceramics and fluoride crystals to meet demand for unique customer needs, representing 11% of our core net sales in 2015.

Life Sciences manufactures glass and plastic labware, equipment, media and reagents to provide workflow solutions for scientific applications, representing 8% of our core net sales in 2015.

Our 2015 Performance Highlights

\$9.8B Core Net Sales	\$1.40 Core EPS	\$3.219B Adjusted Operating Cash Flow
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Core net sales, core EPS and adjusted operating cash flow for compensation purposes (adjusted operating cash flow) are non-GAAP financial measures. See Appendix A to this proxy statement for a reconciliation of these non-GAAP measures to our audited GAAP financial statements.

Additional Company performance highlights can be found under 2015 Company Performance on page 35.

New Strategy and Capital Allocation Framework

In October 2015, after significant Board engagement and approval, Corning announced a new strategy and capital allocation framework that reflects the Company's financial and operational strengths, as well as its ongoing commitment to increasing shareholder value.

Our probability of success increases when we focus on our best-in-the-world capabilities. As a result, we intend to invest 80% of our resources in areas where we can apply our leadership positions in two of our three core competencies: core technologies, manufacturing and engineering platforms and market access platforms. This strategy will allow us to quickly apply our talents and repurpose our assets as needed.

Our financial strength also allows us to increase our return to shareholders. Through 2019, we expect to generate and deploy more than \$20 billion in cash and to return more than \$10 billion to shareholders through share repurchases and dividends. We expect to increase our dividend per common share by at least 10% annually through 2019.

Creating Shareholder Value

Despite recent global economic headwinds, our financial position remains strong as we continue to generate a significant amount of cash from operating activities. In 2015, we generated \$3.219 billion in adjusted operating cash flow.

In addition to delivering on short-term goals and investing for long-term growth, our capital allocation framework utilizes our financial strength to continue returning value to shareholders. Since reinstating our dividend in 2007, we have increased our quarterly dividend five times, for a cumulative increase of almost 170%. In the past five years, we have returned more than \$11 billion to shareholders through repurchases and common stock dividends. In October 2015, our Board authorized \$4 billion in new share repurchases, including a \$1.25 billion accelerated share repurchase program, which we completed in January 2016. And, in February 2016, we increased our dividend by 12.5%.

Table of Contents**Proxy Summary****Our Director Nominees**

You are being asked to vote on the election of the 13 directors listed below. Directors are elected by a majority of votes cast. Detailed information about each director's background, skills and expertise can be found in Proposal 1 Election of Directors on page 19.

Name & Primary Occupation	Age	Director since	Independent	Committee Memberships*	Other Public Company Board
Donald W. Blair <i>Retired Executive Vice President and Chief Financial Officer, NIKE, Inc.</i>	57	2014	Y	Audit Finance	0
Stephanie A. Burns <i>Retired Chairman and Chief Executive Officer, Dow Corning Corporation</i>	61	2012	Y	Corporate Relations (Chair)	3
John A. Canning, Jr. <i>Chairman, Madison Dearborn Partners, LLC</i>	71	2010	Y	Executive Finance Governance	1
Richard T. Clark <i>Retired Chairman, President and Chief Executive Officer, Merck & Co., Inc.</i>	69	2011	Y Independent Lead Director	Compensation Executive Governance	1
Robert F. Cummings, Jr. <i>Retired Vice Chairman of Investment Banking, JPMorgan Chase & Co.</i>	66	2006	Y	Executive Finance (Chair) Governance	1
Deborah A. Henretta <i>Retired Group President of Global E-Business, Procter & Gamble Company</i>	54	2013	Y	Audit Corporate Relations	2
Daniel P. Huttenlocher <i>Dean and Vice Provost, Cornell Tech</i>	57	2015	Y	Audit Finance	0
Kurt M. Landgraf <i>Retired President and Chief Executive Officer, Educational Testing Service</i>	69	2007	Y	Audit (Chair) Compensation Executive	1
Kevin J. Martin <i>Vice President, Mobile and Global Access Policy, Facebook, Inc.</i>	49	2013	Y	Corporate Relations Governance	1
Deborah D. Rieman <i>Executive Chairman, MetaMarkets Group</i>	66	1999	Y	Audit Compensation (Chair)	1
Hansel E. Tookes II <i>Retired Chairman and Chief Executive Officer, Raytheon Aircraft Company</i>	68	2001	Y	Compensation Executive Governance (Chair)	3
Wendell P. Weeks <i>Chairman, Chief Executive Officer and President, Corning Incorporated</i>	56	2000	N	Executive (Chair)	2
Mark S. Wrighton <i>Chancellor and Professor of Chemistry, Washington University in St. Louis</i>	66	2009	Y	Audit Finance	2

* Audit = Audit Committee; Compensation = Compensation Committee; Corporate Relations = Corporate Relations Committee; Executive = Executive Committee; Finance = Finance Committee; Governance = Nominating and Corporate Governance Committee

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Proxy Summary

Governance Highlights

Corning is committed to maintaining good corporate governance as a critical component of driving sustained shareholder value. The Board of Directors continually monitors emerging best practices in governance to best serve the interests of the Company's shareholders.

Since the beginning of 2015, we have enhanced our governance in the following ways:

- amended our by-laws to adopt proxy access, after significant shareholder engagement;
- adopted the principles embodied in the Shareholder-Director Exchange (SDX) Protocol; and
- agreed to enhance our public disclosures regarding political spending and lobbying activities.

The Corporate Governance section beginning on page 12 describes our governance framework, which includes the following:

Annual election of all directors

Majority vote standard for the election of directors in uncontested elections

Active shareholder engagement to better understand investor perspectives

Independent Lead Director

Independent board committees, with all committees (except the Executive Committee) consisting entirely of independent directors

Executive sessions of independent directors held at each regularly scheduled Board meeting

Stock ownership guidelines for directors and named executive officers

- Significant requirements of 5x annual retainer for our directors, 6x base salary for our CEO and 3x base salary for other named executive officers

Prohibition on pledging and hedging for directors and employees

- Company policies prohibit our directors and employees from pledging or hedging or trading in derivatives of the Company's stock

Clawback policy

- Executives' incentives are subject to a clawback that applies in the event of certain financial restatements

Shareholder Communication

Communicating our strategy and financial performance to our shareholders and the broader investment community is critically important and is effected through quarterly earnings conference calls and materials, SEC filings, Investor Day, investor conferences, our website at www.corning.com and other web communications. In addition, senior executives engage throughout the year with shareholders and organizations interested in our performance or business practices through meetings and calls.

In 2015, our Board endorsed the principles embodied in the Shareholder-Director Exchange (SDX) Protocol.

In 2014, we expanded our outreach program to discuss a wider range of issues with a broader group of shareholders, and we continued this practice in 2015. Outreach discussions in the fall tend to focus on corporate governance matters and discussions in the spring tend to focus on issues related to the proxy statement. In the fall of 2015, our Board endorsed the principles embodied in the Shareholder-Director Exchange (SDX) Protocol, as a guide for effective, mutually beneficial engagement between shareholders and directors.

In 2015, as part of our shareholder outreach program, we met with shareholders representing over 42% of our outstanding shares. In these interactive meetings, we heard many constructive comments on strategy, capital allocation, governance, compensation, shareholder communications, and shareholder proposals. We learned through these meetings that our shareholders generally approved of our new strategy and capital allocation framework. These shareholders also were generally supportive of our executive compensation program. As in previous years, major shareholders were not prescriptive about compensation plan design. Instead, they were more interested to see that the results and outcomes

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delivered by the plans were aligned appropriately with performance. Additionally, pursuant to shareholder input, we will begin providing voluntary, meaningful semi-annual disclosure on www.corning.com regarding our political contributions and lobbying activities, beginning July 1, 2016.

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Proxy Summary

Executive Compensation Highlights

We solicit an annual advisory vote on our executive compensation (Proposal 3). Our Board of Directors requests that you approve the compensation of our Named Executive Officers (NEOs).

Our Compensation Pay Mix

Approximately 88% of the CEO's target total compensation and 79% of the other NEOs' target total compensation in 2015 is variable and impacted by operating or stock price performance. Target total compensation includes base salary and target short- and long-term incentives.

Target Total Compensation

Our Compensation Performance Metrics

Our goals for short- and long-term incentives focus on the key drivers for sustaining and/or creating long-term shareholder value: cash generation, profitability and revenue growth.

Adjusted Operating Cash Flow:

generating strong positive cash flow enables our ongoing investment in innovation and returns to shareholders.

Core Net Sales:

growing sales both organically through innovation and through acquisition is critical to our short-term and long-term success. The time horizon for the short-term and long-term goals differ.

Core Earning per Share (Core EPS):

Core EPS is our key measure of profitability.

Short Term Cash Incentives Earned for NEOs

2015	Performance Incentive Plan - 67% of target
	GoalSharing 5.69% payout
2014	Performance Incentive Plan - 123% of target
	GoalSharing 6.75% payout

Long-term Cash Incentives Earned (CPUs) for NEOs

2015	Average of 2015, 2016 and 2017 performance	100%, TBD, TBD
		3 year average: TBD
2014	Average of 2014, 2015 and 2016 performance	121%, 100%, TBD
		3 year average: TBD

In 2016, we will be adding a three-year return on invested capital modifier to our CPUs, reflecting our commitment to invest in areas that will encourage Company growth (see "What's New in 2016" on page 46).

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Corporate Governance and the Board of Directors

Corporate Governance

Our Board of Directors recognizes that our corporate governance practices must continually evolve to appropriately balance the interests of the Board, shareholders, and management to effectively serve our shareholders, customers, employees, and the communities in which we do business. Supporting that philosophy, we have adopted many leading corporate governance practices, including:

Practice	Description
BOARD COMPOSITION AND ACCOUNTABILITY	
Independence	A majority of our directors must be independent. Currently, 92% of our directors are independent. With the exception of our Executive Committee, each of our Board committees consists entirely of independent directors. See page 15.
Skills and Qualifications	The composition of our Board represents broad perspectives, skills, experiences, and knowledge relevant to our business. A matrix of relevant skills can be found on page 19.
Independent Lead Director	Our Corporate Governance Guidelines require an Independent Lead Director with specific responsibilities to ensure independent oversight of management whenever our CEO is also the Chair of the Board. See page 13.
Annual Management Succession Planning Review	Our Board conducts an annual review of management development and succession planning. See page 13.
Director Tenure Policies	Our director tenure policy requires a director to retire at the annual meeting of shareholders following the director's 74th birthday. In addition, a director is required to submit an offer of resignation for consideration by the Board upon any significant change in the director's principal employment or responsibilities. See page 20.
Director Overboarding Policy	We have a policy to help provide confidence that each of our directors is able to dedicate the meaningful amount of time necessary to be a highly effective member of the Board. Absent approval by the Nominating and Corporate Governance Committee, a director who is not serving as CEO of a public company may serve on no more than four total public company boards (including our Board) and a director serving as the CEO of a public company (including our CEO) may serve on no more than two total public company boards (which includes our Board). In February 2016, Mr. Weeks sought approval from the Nominating and Corporate Governance Committee to join the board of Amazon.com, Inc., which was approved after a careful assessment of the commitments required.
SHAREHOLDER RIGHTS	
Annual Election of Directors	All directors are elected annually, which reinforces our Board's accountability to shareholders.
Majority Voting Standard for Director Elections	Our by-laws mandate that directors be elected under a majority voting standard in uncontested elections. Each director must receive more votes For his or her election than votes Against in order to be elected.
Proxy Access	Beginning with our 2017 Annual Meeting, eligible shareholders will be able to include their nominees for director in the Company's proxy materials.
Director Resignation Policy	Any incumbent nominee for director who does not receive the affirmative vote of a majority of the votes cast in any uncontested election must promptly offer to resign. The Nominating and Corporate Governance Committee will make a recommendation on the offer and the Board must accept or reject the offer and publicly disclose its decision and rationale.
Single Voting Class	Corning common stock is the only class of voting shares outstanding.
No Poison Pill	We do not have a poison pill.

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Corporate Governance and the Board of Directors

Board Leadership Structure

We do not have an explicit policy as to whether the roles of Chair of the Board and Chief Executive Officer (CEO) should be combined or separated. Instead, our Board, through our Nominating and Corporate Governance Committee, annually assesses its leadership structure and determines which leadership structure best serves the interests of Corning based on the circumstances. However, if the Chair and CEO roles are combined, our Corporate Governance Guidelines require that we have an Independent Lead Director, with strong and clearly articulated responsibilities, to complement the Chair's role and to serve as the principal liaison between the non-management directors and the Chair.

Currently, our Chair and CEO roles are combined. In February 2016, as part of its annual review and assessment of our leadership structure, corporate governance and succession planning, the Board determined that the current leadership structure is working well, as it facilitates effective communication, oversight and governance of the Company while allowing independent decision-making as appropriate. We believe that having Mr. Weeks serve as Chair and CEO demonstrates to our investors, employees, suppliers, customers and other stakeholders that the Company is under strong leadership, with a single person setting the tone and having primary responsibility for managing our operations.

The Board believes that the current leadership structure under which five of the six Board committees are chaired by independent directors, and our Independent Lead Director assumes certain responsibilities on behalf of the independent directors remains the optimal board leadership structure for the Company and our shareholders.

Richard T. Clark was re-elected effective February 3, 2016, to the role of Independent Lead Director of the Board by the independent directors.

Independent Lead Director

Our Independent Lead Director is elected annually by the independent, non-management directors.

The Independent Lead Director's regular duties include:

- presiding at all meetings at which the Chair is not present, including executive sessions of the independent directors (which are held after every Board meeting), and apprising the Chair of the issues considered;
- facilitating the annual CEO performance review and management succession planning reviews;
- making himself available for consultation and direct communication with the Company's shareholders;
- servicing as liaison between the Chair and the independent directors;
- approving Board meeting agendas;
- approving Board meeting schedules to ensure there is sufficient time for discussion of all agenda items, in consultation with the Chair and the independent directors;
- approving the type of information to be provided to directors for Board meetings;
- calling meetings of the independent directors when necessary and appropriate; and
- performing such other duties as the Board may from time to time designate.

Our current Independent Lead Director, Richard T. Clark, performs the following additional duties:

- meeting with the CEO after regularly scheduled Board meetings to provide feedback on the independent directors' deliberations; and
- regularly speaking with the CEO in between Board meetings to discuss matters of concern, often following consultation with other independent directors.

Management Succession Planning

One of the primary responsibilities of the Board is to ensure that Corning has a high-performing management team in place. The full Board has responsibility for management succession planning. On an annual basis, the Board reviews and approves succession plans for the CEO and other

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senior executives. The Board conducts this detailed review of management development and succession planning activities to maximize the pool of internal candidates who can assume top management positions without undue interruption. To assist the Board, the CEO annually provides the Board with an assessment of senior managers and their potential to succeed him or her. The CEO also provides the Board with an assessment of persons considered potential successors to certain senior management positions.

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Corporate Governance and the Board of Directors

Risk Oversight

Corning has a comprehensive risk management program that engages the Company’s management and Board. The Company uses an Enterprise Risk Management (ERM) program modeled on the COSO II framework. COSO, or The Committee of Sponsoring Organizations, provides thought leadership and guidance on internal controls, enterprise risk management and fraud deterrence.

The Corning ERM program utilizes (1) a Risk Council composed of Corning management and staff to aggregate, prioritize and assess risks including financial, operational, business, reputational, governance and managerial risks; and (2) a Compliance Council, which reviews the Company’s compliance with laws and regulations of the countries in which we conduct business. Management provides reports on the Company’s ERM process and its top risks periodically to the Audit, Finance and Corporate Relations Committees, as well as annually to the Board. The Compliance Council reports directly to each of the Audit Committee and Corporate Relations Committee.

Additionally, the full Board provides risk oversight through its review of: potential risks which could negatively impact the proposed budget and plan; the Company’s strategy and capital allocation framework and any risks that may negatively impact it; the proposed rationale and risks involved in significant investment or divestiture actions by the Company; and the Company’s current research and development projects and associated risks related to such projects, including safeguards to manage cyber risk. The full Board also engages in periodic discussions regarding risks with our CEO, chief financial officer, general counsel, chief compliance officer, and other company officers, as it deems appropriate. The Board’s risk oversight also occurs by Board Committees, as described above and in each Committee’s charter.

Committees

The Board has the following Committees as of the date of this proxy statement.

Committee	Primary Responsibilities	Number of Meetings in 2015
Audit ⁽¹⁾	Assists the Board of Directors in its oversight of (i) the integrity of Corning’s financial statements, (ii) the independent registered public accounting firm and (iii) Corning’s compliance with legal and regulatory requirements Approves the appointment of Corning’s independent registered public accounting firm, oversees the firm’s qualifications, independence and performance, and determines the appropriateness of fees for the firm Reviews the effectiveness of Corning’s internal control over financial reporting, including disclosure controls Reviews the results of Corning’s annual audit and quarterly and annual financial statements Discusses company policies with respect to risk assessment and risk management	9
Compensation ⁽²⁾	Establishes Corning’s goals and objectives with respect to executive compensation Evaluates the CEO’s performance in light of Corning’s goals and objectives Determines and approves compensation for the CEO and other Company officers Recommends to the Board the compensation arrangements of non-management directors Oversees Corning’s equity compensation plans and makes recommendations to the Board regarding non-equity incentive and equity incentive plans	6
Corporate Relations	Assists the Board in fulfilling its oversight responsibility by reviewing the Company’s strategies and policies in the areas of public relations and reputation, employment policy and employee relations, political activities, public policy, and community responsibility. These areas include: Corporate identity, investor relations, media relations, and product liability	5

	<p>Safety and health policies; code of conduct; values; human resource and industrial relations strategies; and internal communications strategies Political activities and relationships with significant governmental agencies in the countries in which the Company operates Environmental policies, charitable contribution strategies, and significant projects undertaken to improve communities within which the Company has significant operations and employees</p>	
Executive	Serves primarily as a means of taking action requiring Board approval between regularly scheduled meetings of the Board, and is authorized to act for the full Board on matters other than those items specifically reserved by New York law to the Board	5

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Corporate Governance and the Board of Directors

Committee	Primary Responsibilities	Number of Meetings in 2015
Finance	Reviews all potential material transactions, including mergers, acquisitions, divestitures and investments in third parties Reviews capital expenditure plans and capital projects Monitors Corning's short and long term liquidity Reviews Corning's tax position and strategy Reviews and recommends for approval by the Board Corning's capital allocation framework, declaration of dividends, stock repurchase programs, and short and long term financing transactions	9
Nominating and Corporate Governance	Reviews strategies for managing financial and economic risks including hedging strategies and insurance programs Determines the criteria for selecting and assessing director nominees, identifies individuals qualified to become Board members, reviews candidates recommended by shareholders, and recommends to the Board director nominees to be proposed for election at the annual meeting of shareholders Monitors significant developments in the regulation and practice of corporate governance Assists the Board in assessing the independence of directors and reviews transactions between Corning and related persons that are required to be disclosed in our filings with the SEC Identifies Board members to be assigned to the various committees Oversees and assists the Board in the review of the Board's performance Reviews activities of Board members and senior executives for potential conflicts of interest	5

- (1) The Board of Directors has determined that all members of the Audit Committee satisfy the applicable audit committee independence requirements of the New York Stock Exchange (NYSE) and the Securities and Exchange Commission (SEC). The Board also determined that Mr. Landgraf, Mr. Blair and Dr. Wrighton have acquired the attributes necessary to qualify them as audit committee financial experts as defined by applicable SEC rules.
- (2) The Board of Directors has determined that all members of the Compensation Committee satisfy the applicable compensation committee independence requirements of the NYSE and the SEC.

Board and Shareholder Meeting Attendance

The Board of Directors met 10 times during 2015. Director attendance averaged 96% for the year, and each incumbent director attended at least 85% of the meetings of the Board and standing Committees on which the director served during 2015. Corning's Corporate Governance Guidelines require that, in addition to attendance at each board meeting, each director be prepared and participate meaningfully in each meeting.

All of our then-serving directors attended our 2015 Annual Meeting of Shareholders. The Board has a policy requiring all directors to attend all Annual Meetings of Shareholders, absent extraordinary circumstances.

Director Independence and Transactions Considered in Independence Determinations

Independent oversight bolsters our success. Our Board has determined that each of our non-employee directors qualifies as independent in accordance with the listing requirements of the New York Stock Exchange (NYSE), applicable U.S. Securities and Exchange Commission (SEC) rules and the Company's director qualification standards.

Of our 13 directors, 12 (92%) are independent under the NYSE listing requirements, applicable SEC rules, and the Company's director qualification standards. Mr. Weeks is not independent because he is an executive officer of Corning.

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The NYSE listing requirements state that no director may be qualified as independent unless our Board affirmatively determines that the director has no material relationship with Corning. The Board considers all relevant facts and circumstances when making independence determinations, including application of the following NYSE criteria, any of which would bar a director from being determined to be independent :

the director or an immediate family member is, or has been within the last three years, an executive officer of Corning

the director has received, or has an immediate family member who has received, during any 12-month period within the last three years, more than \$120,000 in direct compensation from Corning, other than director and committee fees and pension or other forms of deferred compensation for prior service

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Corporate Governance and the Board of Directors

the director or an immediate family member is a current partner or employee of a firm that is Corning's internal or external auditor (and in the case of the family member, such person personally works on Corning's audit), or at any time during the past three years the director or the family member was a partner or employee of such firm and personally worked on Corning's audit

the director or an immediate family member is, or has been within the last three years, employed as an executive officer of another company where any of Corning's present executive officers at the same time serve or served on that company's compensation committee, and the director is a current employee, or an immediate family member is a current executive officer, of a company that has made payments to, or received payments from, Corning for property or services in an amount which, in any of the last three fiscal years, exceeds the greater of \$1 million, or 2% of such other company's consolidated gross revenues

In addition, in accordance with NYSE listing requirements, in determining the independence of any director who will serve on the Compensation Committee, our Board considers all factors specifically relevant to determining whether a director has a relationship with Corning that is material to that director's ability to be independent from management in connection with fulfilling his or her duties as a Compensation Committee member, including but not limited to the source of compensation of such director, including any consulting, advisory or other compensatory fees paid by Corning to the director, and whether such director is affiliated with Corning or any of its subsidiaries or affiliates.

Further, directors who serve on the Audit Committee must satisfy standards established by the SEC which provide that to qualify as independent for purposes of audit committee membership, members may not accept directly or indirectly any consulting, advisory or other compensatory fees from the Company other than their director compensation, and they may not be affiliates of Corning.

Our Corporate Governance Guidelines require the Board to make an annual determination regarding the independence of each of our directors. In making its independence determinations, the Board considered transactions that occurred since the beginning of 2013 between Corning and entities associated with our independent directors or members of their immediate family.

In making director independence determinations, the Board reviewed and discussed information provided by the directors and the Company with regard to each director's business and personal activities as they may relate to Corning and Corning's management. The Board's independence determinations included reviewing the following:

Each of Mr. Cummings, Mr. Martin, Ms. Henretta and Drs. Huttenlocher and Wrighton is or was, during the previous three years, an employee of a company or organization that did business with Corning at some time during those years. Corning's business relationships with such company or organization were ordinary course/arms length dealings, and no Corning director had a personal interest in, or received a personal benefit from, such relationships. Payments or contributions to or from each of these entities constituted less than the greater of \$1 million, or 2% of such entities consolidated gross revenues in each of those years.

Mr. Cummings is a former employee of JPMorgan Chase & Co. (JPM). He retired from JPM as of February 1, 2016. He was not an executive officer of JPM. JPM is one of various investment banks that provide services to Corning, and Corning's relationship with JPM precedes both Mr. Cummings' service as a director of the Company and his employment with JPM. During his employment with JPM, Mr. Cummings was precluded from participating in services provided by JPM to Corning and fees Corning paid to JPM. He had no involvement in Corning's decision as to what services Corning requested from JPM. Mr. Cummings had no personal interest in, nor did he receive any personal benefit from, Corning's business relationship with JPM. Corning's payments to JPM and its affiliates for these services constituted less than the greater of \$1 million, or 2% of JPM's consolidated gross revenues in each of the last three years.

Dr. Burns is a former Chairman, President and CEO of Dow Corning Corporation (DCC). She retired from DCC in December 2011. DCC is an independently managed company in which Corning has a 50 percent equity interest; it is not controlled by Corning; it is not consolidated in Corning's financial statements; and it has never been a subsidiary of Corning. In December 2015, The Dow Chemical Company (Dow) and Corning announced the signing of a definitive agreement to realign the ownership of DCC such that Dow will become the 100 percent owner of DCC.

In determining that each of the relationships set forth above is not material, the Board considered the following additional facts: that such relationships arise only from such director's position as an employee or director of the relevant company with which Corning does business; that such director has no direct or indirect material interest in any of the business relationships or transactions; that such director had no role or financial interest in any decisions about any of these relationships or transactions; and that such a relationship does not bar independence under the NYSE listing requirements, applicable SEC rules or Corning's director qualification standards.

Based on all of the relevant facts and circumstances, the Board concluded that none of the director relationships mentioned above constituted a material relationship with Corning that represents a potential conflict of interest, or otherwise interferes with the exercise by any of these directors of his or her independent judgment with respect to Corning.

Policy on Transactions with Related Persons

The Board of Directors has adopted a written policy requiring that any transaction (a) involving Corning (b) in which one of our directors, nominees for director, executive officers, or greater than 5% shareholders, or their immediate family members, have a direct or indirect material interest and (c) where the amount involved exceeds \$120,000 in any fiscal year, be approved or ratified by a majority of independent directors of the full Board or by a designated committee of the Board. The Board has designated the Nominating and Corporate Governance Committee with responsibility for reviewing and approving any such transactions.

In determining whether to approve or ratify any such transaction, the independent directors or relevant committee must consider, in addition to other factors deemed appropriate, whether the transaction is on terms no less favorable to Corning than those involving unrelated parties. No director may participate in any review, approval or ratification of any transaction if he or she, or his or her immediate family member, has a direct or indirect material interest in the transaction.

We did not have any transactions requiring review and approval in accordance with this policy during 2015.

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Compensation Committee Interlocks and Insider Participation

No member of the Compensation Committee is now, or has ever been, an officer or employee of the Company. No member of the Compensation Committee had any relationship with the Company or any of its subsidiaries during 2015 pursuant to which disclosure would be required under applicable rules of the SEC pertaining to the disclosure of transactions with related persons. None of the executive officers of the Company currently serves or served during 2015 on the board of directors or compensation committee of another company at any time during which an executive officer of such other company served on Corning's Board of Directors or Compensation Committee.

Other Matters

Corning is headquartered in a small community in upstate New York. Throughout its history, the Company has routinely made contributions to civic, educational, charitable, cultural and other institutions that improve the quality of life and increase the resources of the surrounding community, making it more attractive to employees. In a small community, inevitably employees, including executives and their spouses, have relationships with the non-profit organizations that receive such contributions from the Company.

The Company undertakes its philanthropic endeavors both directly and indirectly through The Corning Incorporated Foundation (the Foundation). We believe in being an active corporate citizen and the Foundation directs its efforts toward the communities where Corning operates, promoting educational and social progress that improves the quality of life for the entire community. The Foundation's grant activity is aimed at five areas: education, culture, community, health and human services and disaster relief. In 2015, Corning donated \$6 million to the Foundation. During 2015, the Foundation disbursed approximately \$5.6 million, of which over 60% was directed toward educational institutions, including the Corning Painted Post Area School District and Corning Community College.

Corning's direct giving includes annual contributions to various cultural and educational institutions locally in Corning, New York, and internationally. Locally, the Corning Museum of Glass (CMoG) the world's leading glass museum is the largest benefactor of support from Corning. Wendell P. Weeks (chairman, CEO and president), David Morse (executive vice president and chief technology officer), Jeffrey W. Evenson (senior vice president and operations chief of staff), and Mark S. Rogus (senior vice president and treasurer) serve on the CMoG board of trustees. In 2015, Corning provided cash and non-cash contributions of services to CMoG of approximately \$32 million.

Corning provides financial support to the Alternative School for Math and Science (ASMS), a private middle school located in Corning, New York, with an advanced curriculum focusing on science and math. Currently, children of Corning employees represent approximately 50% of its enrollment. In 2015, non-cash contributions totaled approximately \$1.3 million and cash contributions totaled \$288,000. Mark S. Rogus (senior vice president and treasurer), Christine M. Pambianchi, (senior vice president, Human Resources), and Kim Frock Weeks (spouse of Wendell P. Weeks, our chairman, CEO and president) serve on the ASMS board of trustees. Ms. Frock Weeks also serves as administrative head of school at ASMS, but receives no salary or benefits in this role. Corning also provides financial support to other educational institutions. In 2015, Corning donated cash of approximately \$1 million to support other local K-12 schools in areas where Corning facilities are located.

Ethics and Conduct

We are committed to conducting business lawfully and ethically. All of our directors and NEOs, like all Corning employees, are required to act at all times with honesty and integrity. Our Code of Conduct covers areas of professional conduct, including conflicts of interest, the protection of corporate opportunities and assets, employment policies, non-discrimination policies, confidentiality, vendor standards and intellectual property, and requires strict adherence to all laws and regulations applicable to our business. Our Code of Conduct also describes the means by which any employee can provide an anonymous report of an actual or apparent violation of our Code of Conduct.

We will disclose any future amendments to, or waivers from, any provision of our Code of Conduct involving our directors, our principal executive officer, principal financial officer, principal accounting officer, controller or other persons performing similar functions on our website within four business days following the date of any such amendment or waiver. No such waivers were sought or granted in 2015.

Communications with Directors

Shareholders and interested parties may communicate concerns to any director, committee member or the Board by writing to the following address: Corning Incorporated Board of Directors, Corning Incorporated, One Riverfront Plaza, Corning, New York 14831, Attention: Corporate Secretary. Please specify to whom your correspondence should be directed. The Corporate Secretary has been instructed by the Board to promptly forward all correspondence (except advertising, spam, junk mail and other mass mailings, product inquiries and suggestions, resumes, surveys or any unduly hostile, threatening or illegal materials) to the relevant director, committee member or the full Board, as indicated in the correspondence.

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Corporate Governance Materials Available on Corning's Website

In addition to our Corporate Governance Guidelines and Director Qualification Standards, other information relating to corporate governance at the Company is available on the Investor Relations Governance Downloads section of our website (<http://www.corning.com/worldwide/en/about-us/investor-relations/board-download-library.html>) including:

- Audit Committee Charter
- Compensation Committee Charter
- Corporate Relations Committee Charter
- Finance Committee Charter
- Nominating and Corporate Governance Committee Charter
- Code of Conduct for Directors and Executive Officers
- Code of Ethics for Chief Executive Officer & Financial Executives
- Corning Incorporated By-Laws
- Our Code of Conduct

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Proposal 1 Election of Directors

Board of Directors Qualifications and Experience

Our Board is composed of accomplished professionals with diverse areas of expertise, including leadership, finance and investing, industry experience, technology, research and development, innovation, commercial, international business, operations, government, academia, science, marketing, manufacturing, management, and entrepreneurship. We believe that the broad range of skills, knowledge, opinions and fields of expertise represented on our Board is one of its core strengths.

We believe our directors' wide range of professional experiences and backgrounds, education and skills has proved to be of significant value to the Company, and we intend to continue leveraging this strength.

The following table describes key competencies and skills of our Board.

Key Competencies	
Leadership	
Industry Experience	
Financial, Investment, and/or Banking Experience	
Technology, R&D, Innovation and/or Entrepreneurial/Commercial Experience	
International Experience	
Academia, Law, Government, Politics or Regulatory Experience	
Other Designations	
Independent Director	
Audit Committee Financial Expert	

Leadership. These directors have CEO or other senior officer experience, and a demonstrated record of leadership qualities, which includes a practical understanding of organizations, processes, strategy, risk and risk management and methods to drive change and growth.

Industry Experience. These directors have experience in or directly relevant to our businesses, which fosters active participation in, the development and implementation of our operating plan and business strategy. They have valuable perspectives on issues specific to the Company's business.

Financial, Investment, and/or Banking Experience. These directors possess an acute understanding of finance and financial reporting processes. Accurate financial reporting and robust auditing are critical to the Company's success.

Technology, R&D, Innovation and/or Entrepreneurial/Commercial Experience. These directors provide valuable perspectives on developing and investing in new technologies, skills critical to Corning as a science, technology, and innovation company.

International Experience. Corning's future success depends, in part, on our success in growing our businesses outside the United States. Our directors with global business or international experience provide valued perspective on our operations.

Academia, Law, Government, Politics or Regulatory Experience. These directors have strong critical thinking and verbal communications skills as well as diversity of views. Legal, government and regulatory experience is relevant to the Company as industry regulations can be critical to the financial welfare and growth of the various businesses.

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2016 Board Committees

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