CORNING INC /NY
Form DEF 14A
March 13, 2014

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 Filed by a Party other than the Registrant

Check the appropriate box:

Preliminary Proxy Statement

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Definitive Proxy Statement

Definitive Additional Materials

Soliciting Material Pursuant to ss.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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No fee required.

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2014 Notice of Annual Meeting of Shareholders

Dear Fellow Shareholder,

I hope you will join Corning Incorporated's Board of Directors, senior leadership, and other stakeholders at our 2014 Annual Meeting in Corning, New York, on April 29 at 11 a.m. Eastern Time.

At the meeting, you will have the opportunity to vote on the annual election of directors, the approval of our 2014 variable compensation plan, and the ratification of Corning's independent registered public accounting firm for 2014. You will also cast an advisory vote on executive compensation. The following pages contain the formal Notice of Meeting and the Proxy Statement.

The Annual Meeting allows you to hear directly from leadership about Corning's 2013 performance and our expectations for 2014. More importantly, this meeting is your opportunity to ensure your voice is heard. I encourage you to sign and return your proxy card or vote by telephone or Internet prior to the meeting so that your shares will be represented and voted at the meeting. You can find voting instructions on page 5.

At Corning, we work hard every day to earn your trust. In 2013, we enacted two key changes as part of our commitment to good corporate governance:

- First, we modified our executive compensation plan goals and design beginning in 2014 in response to shareholder feedback. These changes, which are designed to more closely align pay with company performance, are explained more fully in the Compensation Discussion & Analysis on page 24.
- Second, we began reporting "core" performance measures, which exclude the impact of foreign exchange rates and other special items outside our control. We believe this practice provides a clearer view of Corning's financial and operational performance and thus, the performance of management. Of course, we continue to report GAAP numbers as well.

We were also extremely pleased to welcome two new directors to our board: Kevin J. Martin, former chairman of the U.S. Federal Communications Commission, and Deborah A. Henretta, group president for Procter & Gamble Company. You can find a summary of all our directors' qualifications beginning on page 12.

Of course, the most important way we earn your trust is with our performance. I'm pleased to report that 2013 was a strong year for the company, including steady earnings-per-share growth, the acquisition of the other 50 percent of Samsung Corning Precision Materials Co., Ltd., and the introduction of several new products. As the company's performance improved, we honored our commitment to return cash to shareholders. We increased the dividend, launched a $2 billion share repurchase program, and announced plans to launch an *additional* $2 billion buyback at the close of the SCP transaction, which took place in January.

I look forward to sharing more details at the Annual Meeting. Meanwhile, I encourage you to submit your vote as soon as possible.

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

Notice of 2014 Annual Meeting of Shareholders

Tuesday, April 29, 2014

11 a.m., Eastern Time

The Corning Museum of Glass, Corning, New York 14830

Items of Business

1. Election to our Board of Directors of the 12 director nominees who are named in the attached Proxy Statement for one-year terms;
2. An advisory vote to approve executive compensation (Say-on-Pay);
3. Approval of the adoption of the 2014 Variable Compensation Plan;
4. Ratification of the appointment of PricewaterhouseCoopers LLP as our independent registered public accounting firm for our 2014 fiscal year; and
5. Transaction of such other business as may properly come before our 2014 Annual Meeting of Shareholders (Annual Meeting).

Record Date

The record date for the determination of the shareholders entitled to vote at our Annual Meeting, or any adjournments or postponements thereof, was the close of business on February 28, 2014.

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

Important Notice Regarding the Availability of Proxy Materials for the Annual Meeting to be held on April 29, 2014. Our Proxy Statement, 2013 Annual Report to Shareholders and other materials are available on our website at www.corning.com/2014_proxy.

By order of the Board of Directors,

Linda E. Jolly

Corporate Secretary

March 13, 2014

Welcome to the Corning Incorporated 2014
Annual Shareholders Meeting

Proposals That Require Your Vote

		More Information	Board recommendation
Proposal 1	Election of directors	Page 12	**FOR** all nominees
Proposal 2	Advisory vote to approve the Company's executive compensation	Page 23	**FOR**
Proposal 3	Approval of the adoption of the 2014 Variable Compensation Plan	Page 53	**FOR**
Proposal 4	Ratification of independent registered public accounting firm for 2014	Page 56	**FOR**

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	By Internet using a smartphone or tablet	By mail	By Internet using a computer
Dial toll-free 24/7	Scan this **QR code** 24/7	**Cast your ballot, sign your**	Visit 24/7
1-800-652-8683	to vote with your mobile device (may require free software)	**proxy card** and send by mail	**www.investorvote.com/glw**

Visit Our Annual Meeting Website

www.corning.com/2014_proxy

- Review and download interactive versions of this Proxy Statement and our Annual Report.
- 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. This proxy statement, the accompanying proxy card and Corning's 2013 Annual Report were first mailed to shareholders on or about March 13, 2014. 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 Summary

This summary describes the key elements of this proxy statement. The following description is only a summary, and you should read the entire proxy statement carefully before voting. For additional information about these topics, also see our Annual Report on Form 10-K for the year ended December 31, 2013, filed with the Securities and Exchange Commission ("SEC") on February 10, 2014 (the "2013 Annual Report").

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

Voting matters

	Board Vote Recommendation	Page Reference (for more detail)
Election of directors	**FOR** all of the director nominees	12
Advisory vote to approve the Company's executive compensation	**FOR**	23
Approval of the adoption of the 2014 Variable Compensation Plan	**FOR**	53
Ratification of independent registered public accounting firm	**FOR**	56

Proposal 1 Election of Directors

The following 12 directors are being nominated for election to a one-year term:

Name	Age	Director Since	Chief Occupation	Committee Memberships	Other Public Company Boards
Stephanie A. Burns	59	2012	Retired Chairman and Chief Executive Officer, Dow Corning Corporation	• Chair, Corporate Relations • Finance	• GlaxoSmithKline plc • Kellogg Company
John A. Canning, Jr. *Independent Director*	69	2010	Co-founder and Chairman Madison Dearborn Partners, LLC	Executive • Finance • Nominating and • Corporate Governance	• Exelon Corporation

				Compensation	
Richard T. Clark *Independent Director*	68	2011	Retired Chairman, President and Chief Executive Officer, Merck & Co., Inc.	•Executive •Nominating and •Corporate Governance	• Automatic Data Processing, Inc.
Robert F. Cummings, Jr. *Independent Director*	64	2006	Vice Chairman of Investment Banking, JPMorgan Chase & Co.	•Corporate Relations •Executive •Chair, Finance	• Viasystems Group, Inc.
James B. Flaws	65	2000	Vice Chairman and Chief Financial Officer, Corning Incorporated	•Executive •Finance	• None

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Name	Age	Director Since	Chief Occupation	Committee Memberships	Other Public Company Boards
Deborah A. Henretta *Independent Director*	52	2013	Group President of Global Beauty, Procter & Gamble Company	• Audit • Finance	• None
Kurt M. Landgraf *Independent Director*	67	2007	Retired President and Chief Executive Officer, Educational Testing Service	• Chair, Audit • Compensation • Executive	• Louisiana-Pacific Corporation
Kevin J. Martin *Independent Director*	47	2013	Partner, Patton Boggs LLP	• Corporate Relations • Finance	• None
Deborah D. Rieman *Independent Director*	64	1999	Executive Chairman, MetaMarkets Group	• Audit • Chair, Compensation	• None
Hansel E. Tookes II *Independent Director*	66	2001	Retired Chairman and Chief Executive Officer, Raytheon Aircraft Company	• Compensation • Executive • Chair, Nominating and Corporate Governance	• Ryder Systems Inc. • NextEra Energy, Inc. • Harris Corporation
Wendell P. Weeks	54	2000	Chairman, Chief Executive Officer and President, Corning Incorporated	• Chair, Executive	• Merck & Co., Inc.
Mark S. Wrighton *Independent Director*	64	2009	Chancellor and Professor of Chemistry, Washington University in St. Louis	• Audit • Finance	• Cabot Corporation • Brooks Automation, Inc.

Our Board unanimously recommends that shareholders vote FOR all of our director nominees.

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Proposal 2 Advisory Vote to Approve Executive Compensation

We solicit an annual advisory vote on our executive compensation. Our Board of Directors requests that shareholders approve the compensation of our Named Executive Officers (“NEOs”), as disclosed in the Executive Compensation section of this proxy statement. This includes the Compensation Discussion and Analysis, the Summary Compensation Table and the supporting tabular and narrative disclosure on executive compensation.

Investor Outreach in 2013

At our 2013 Annual Meeting, approximately 71% of votes cast supported Corning’s executive compensation program, compared to 95% support received in 2012. Subsequently, we undertook extensive investor outreach to understand what factors shareholders consider most important when evaluating our executive compensation program. As a result, we have made certain changes to the programs that take effect in 2014. Please see the section titled “Compensation Matters” beginning on page 23 for more information.

Compensation Program Summary

Our management team strives to balance near-term results with long-term shareholder value through our thoughtful investments in innovation and process engineering. To this end, Corning’s “pay for performance” philosophy forms the foundation for decisions regarding executive compensation made by our Compensation Committee. In addition, our compensation decisions are designed to facilitate strong corporate governance.

Our Board unanimously recommends a vote FOR the resolution approving the compensation of our Named Executive Officers.

The Compensation Discussion and Analysis portion of this proxy statement contains a detailed description of our executive compensation philosophy and programs, the compensation decisions the Committee has made under those programs and the factors considered in making those decisions, including 2013 Company performance, focusing on the compensation of our NEOs. We believe that we have created a compensation program deserving of shareholder support. Accordingly, we are asking for shareholder approval of the compensation of our NEOs as disclosed in this proxy statement. See “Executive Compensation” and “Proposal 2 – Advisory Vote to Approve Executive Compensation” for more information.

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Proposal 3 Approval of the Adoption of the 2014 Variable Compensation Plan

In 2010, shareholders approved the 2010 Variable Compensation Plan that terminates on May 1, 2014. The proposed 2014 Variable Compensation Plan (the "2014 Incentive Plan") is designed to provide a competitive incentive opportunity in order to attract and retain key executives.

The 2014 Incentive Plan continues Corning's long-standing approach to incentive compensation for those employees who have broad responsibilities to our shareholders for profits and performance at the worldwide corporate level and whose compensation may be subject to the scope of Section 162(m) of the Internal Revenue Code of 1986. One of the principal requirements for compensation to satisfy the performance-based compensation exception to the deduction limitations of Section 162(m) is shareholder approval of the material terms of the performance goals under which the compensation is to be paid.

Our Board unanimously recommends a vote FOR the approval of the adoption of the 2014 Variable Compensation Plan.

Proposal 4 Ratification of Independent Registered Public Accounting Firm

As a matter of good corporate governance, we are asking our shareholders to ratify the selection of PricewaterhouseCoopers LLP as our independent public accounting firm for 2014.

Our Board unanimously recommends a vote FOR the ratification of the appointment of PricewaterhouseCoopers LLP as our independent registered public accounting firm for the year ending December 31, 2014.

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Corporate Governance

Proposal 1 Election of Directors

Our Board currently consists of 13 directors, 10 of whom are independent. Two other Board members are management directors, and the third is Dr. Burns who, as a recent former executive officer of Dow Corning Corporation, is not independent.

At our Annual Meeting, all continuing directors will stand for election for terms expiring at the 2015 Annual Meeting of Shareholders. Each of Messrs. Canning, Clark, Cummings, Flaws, Landgraf, Martin, Tookes and Weeks and Drs. Burns, Rieman and Wrighton were elected by Corning's shareholders at the 2013 Annual Meeting. Ms. Henretta was appointed by Corning's Board of Directors on July 17, 2013. Our Corporate Governance Guidelines include a mandatory retirement policy. Current Board member John Seely Brown will attain the Board's mandatory retirement age of 74 this year and will not stand for re-election. Our Board expresses sincere gratitude to him for his 17 years of service.

Board of Directors' Qualifications and Experience

The qualifications and attributes that the Nominating and Corporate Governance Committee believes must be possessed by a director nominee include:

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

When identifying and selecting director nominees, the Nominating and Corporate Governance Committee considers the impact a nominee would have on the Board's balance of professional experience, background, viewpoints, skills and areas of expertise. We believe that the resulting diversity of directors allows the Board to engage in candid and challenging discussions, in service of the best decisions for the Company and its shareholders. The appropriate mix of director competencies and experiences evolves for Corning over time. The Nominating and Corporate Governance Committee also considers diversity of race, gender and national origin of potential director candidates.

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 Nominating and Corporate Governance Committee retains the assistance of a third-party recruiting firm to assist in identifying and evaluating potential director nominees, as it deems appropriate.

Each of the nominees has consented to being named in this proxy statement and to serve as a director if elected. If a nominee is not able to serve, proxy holders will vote your shares for the substitute nominee, unless you have withheld authority. We have included below certain information about the nominees for election as directors at the Annual Meeting.

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Our Director Nominees

In light of the individual qualifications and experiences of each of our director nominees and his or her contribution to our Board, the Board has concluded that each of our director nominees should be re-elected to our Board.

Our Board unanimously recommends that shareholders vote FOR all of our director nominees.

If elected by our shareholders, the 12 director nominees will serve for a one-year term expiring at our 2015 Annual Meeting of Shareholders. Each director will hold office until his or her successor has been elected and qualified or until the director's earlier resignation or removal.

All of our director nominees are currently members of our Board. Each has been recommended for election by our Nominating and Corporate Governance Committee and approved and nominated for election by our Board.

Our Board, upon the recommendation of our Nominating and Corporate Governance Committee, appointed Ms. Henretta (in July 2013) as a director to hold office for a term expiring at our Annual Meeting.

All of our directors are elected by majority vote. An incumbent director who fails to receive a majority of FOR votes will be required to tender his or her resignation to our Board. Our Nominating and Corporate Governance Committee will then assess whether there is a significant reason for the director to remain on our Board and will make a recommendation regarding the resignation to our Board.

For detailed information on the vote required for the election of directors and the choices available for casting your vote, please see —"Frequently Asked Questions About the Meeting and Voting."

Below is biographical information about our director nominees. This information is current as of March 13, 2014, and has been confirmed by each of our director nominees for inclusion in our proxy statement.

Stephanie A. Burns

Committees:

• Corporate Relations

• Finance

Age: 59

Director Since: 2012

Retired Chairman and Chief Executive Officer Dow Corning Corporation

Skills and Qualifications:

• Global innovation and business leadership experience

• Significant expertise in scientific research, issues management, science and technology leadership and business management

Current Public Company Directorships:

• GlaxoSmithKline plc

• Kellogg Company

Former Public Company Directorships Held During the Past 5 Years:

• None

Dr. Burns has nearly 31 years of global innovation and business leadership experience. Dr. Burns joined Dow Corning in 1983 as a researcher and specialist in organosilicon chemistry. In 1994, she became the company's first director of women's health. She was elected to the Dow Corning Board of Directors in 2001 and elected as president in 2003. She served as chief executive officer from 2004 until May 2011 and served as chairman from 2006 through 2011.

Dr. Burns brings significant expertise in scientific research, issues management, science and technology leadership and business management to the Board, as well as skills related to her Ph.D. in organic chemistry. She is the past honorary president of the Society of Chemical Industry and was appointed by President Obama to the President's Export Council. Dr. Burns is a former chairman of the American Chemistry Council.

John A. Canning, Jr.

Age: 69

Director Since: 2010

Co-founder and Chairman Madison Dearborn Partners, LLC

Skills and Qualifications:

• Experience in private equity investing, including reviewing financial statements and audit results and making investment and acquisition decisions

• Has insight into economic trends important to our business

• Law degree

Committees:

• Executive

• Finance

• Nominating and Corporate Governance

• Experience in banking and managing investments

Current Public Company Directorships:

• Exelon Corporation

Former Public Company Directorships Held During the Past 5 Years:

• None

Mr. Canning co-founded Madison Dearborn Partners, LLC in 1992, serving as its chief executive officer until he became chairman in 2007. He previously spent 24 years with First Chicago Corporation, most recently as executive vice president of The First National Bank of Chicago and president of First Chicago Venture Capital. Mr. Canning is trustee and chairman of several Chicago-area non-profit organizations. He is a former commissioner of the Irish Reserve Fund and a former director and chairman of the Federal Reserve Bank of Chicago.

Mr. Canning brings 33 years of experience in private equity investing, including reviewing financial statements and audit results and making investment and acquisition decisions. As a former director and chairman of the Federal Reserve Bank of Chicago, he has insight into economic trends important to our business. In addition to his business experience, he also has a law degree and is a recognized leader in the Chicago business community. Mr. Canning's business experience and service on the boards of other companies and organizations enable him to contribute to Corning's board. Mr. Canning's experience in banking and managing investments make him a valued member of our Finance Committee.

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Richard T. Clark

Age: 68

Director Since: 2011

Retired Chairman,

President and Chief Executive Officer Merck & Co., Inc.

Skills and Qualifications:

• Broad managerial expertise, operational expertise and deep business knowledge

• Extensive experience in the issues facing public companies and multinational businesses

Committees:

• Compensation

• Executive

• Nominating and Corporate Governance

Current Public Company Directorships:

• Automatic Data Processing, Inc.

Former Public Company Directorships Held During the Past 5 Years:

• Merck & Co., Inc.

Mr. Clark joined Merck in 1972 and held a broad range of senior management positions. He became president and chief executive officer of Merck in May 2005 and chairman of the board in April 2007. He transitioned from the chief executive officer role in January 2011 and served as Merck board chairman through November 2011. He was president of the Merck Manufacturing Division (June 2003 to May 2005) of Merck Sharp & Dohme Corp. (formerly known as Merck & Co., Inc.) He serves on the advisory board of American Securities LLC, a private equity firm. He is chairman of the board of Project Hope and a trustee of several charitable non-profit organizations.

As the former chairman, president and chief executive officer of a Fortune 100 company, Mr. Clark brings to Corning broad managerial expertise, operational expertise and deep business knowledge, as well as a track record of achievement.

Robert F. Cummings, Jr.

Age: 64

Director Since: 2006

Skills and Qualifications:

• Extensive investment banking experience including finance, business development and mergers and acquisitions

Committees:

• Corporate Relations

• Executive

Vice Chairman of Investment Banking JPMorgan Chase & Co.	• Knowledge in the areas of technology, telecommunications, private equity and real estate	• Finance **Current Public Company Directorships:** • Viasystems Group, Inc. **Former Public Company Directorships Held During the Past 5 Years:** • GSC Investment Corp.

Mr. Cummings was appointed vice chairman of Investment Banking at JPMorgan Chase & Co. ("JPM") in December 2010, where he advises on client opportunities across sectors and industry groups. From 2002 to 2009, he served as a senior managing director at GSC Group, Inc., a privately held money management firm. Mr. Cummings began his business career in the investment banking division of Goldman, Sachs & Co. in 1973 and was a partner of the firm from 1986 until his retirement in 1998. He served as an advisory director at Goldman Sachs until 2002.

Mr. Cummings' Board qualifications include more than 30 years of investment banking experience at Goldman Sachs and JPM, where he advised corporate clients on financings, business development, mergers and acquisitions and other strategic financial issues. Additionally, he brings knowledge in the areas of technology, telecommunications, private equity and real estate to the Board.

James B. Flaws

Age: 65 **Director Since:** 2000 Vice Chairman and Chief Financial Officer Corning Incorporated	**Skills and Qualifications:** • Managerial experience in control, financial, treasury and business development functions • Broad experience in financial, investor relations and supervisory roles • Deep experience with and understanding of Corning's business	**Committees:** • Executive • Finance **Current Public Company Directorships:** • None

Former Public Company Directorships Held During the Past 5 Years:

• None

Mr. Flaws joined Corning in 1973 and served in a variety of controller and business management positions. He was elected assistant treasurer of Corning in 1993; vice president and controller in 1997 and vice president of finance and treasurer in May 1997; senior vice president and chief financial officer in December 1997; executive vice president and chief financial officer in 1999; and to his current position in 2002. Mr. Flaws is a director of Dow Corning Corporation.

Since joining Corning in 1973, Mr. Flaws has held a wide range of management positions across its control, financial, treasury, and business development functions in specific line business units, as well as at corporate-wide levels. As a result of his diverse responsibilities over more than 30 years, he has very broad experience in many financial, investor relations, and supervisory roles within the company, including leading the spinoff of Corning's health care businesses into two separate publicly traded companies in 1996 and overseeing many mergers and acquisitions by the company. Mr. Flaws played an important role in Corning's recovery from the impact of the telecom industry collapse in 2002.

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Deborah A. Henretta

Age: 52

Director Since: 2013

Group President of Global Beauty, Procter & Gamble

Skills and Qualifications:

• Significant experience in business leadership and operations, P&L responsibility, brand building, marketing and emerging market management

Committees:

• Audit

• Finance

Current Public Company Directorships:

• None

Former Public Company Directorships Held During the Past 5 Years:

• None

Ms. Henretta has nearly 30 years of business leadership experience across both developed and developing markets, as well as expertise in brand building/marketing, philanthropic program development and government relations. She joined Procter & Gamble (P&G) in 1985. In 2005, she was appointed President of P&G's business in ASEAN, Australia and India. She was appointed Group President, P&G Asia in 2007. She was appointed Group President of P&G Global Beauty Sector in June 2013.

Ms. Henretta was a member of Singapore's Economic Development Board (EDB) from 2007 to 2013. She contributed to the growth strategies for Singapore, and was selected to serve on the EDB's Economic Strategies Committee between 2009 and 2011. In 2008, she received a U.S. State Department appointment to the Asia-Pacific Economic Cooperation's Business Advisory Council. In 2011, she was appointed chair of this 21-economy Council, becoming the first woman to hold the position. In that role, she advised top government officials, including President Barack Obama and former Secretary of State Hillary Clinton.

Ms. Henretta currently serves on the Board of Trustees for Cincinnati Children's Medical Center as well as on a number of university advisory committees, including those for her alma maters St. Bonaventure University School of Journalism and Syracuse University's Newhouse School of Public Communications.

Kurt M. Landgraf

Age: 67 **Director Since:** 2007 Retired President and Chief Executive Officer Educational Testing Service	**Skills and Qualifications:** • Extensive executive management experience in public companies, non-profit entities, higher education and government • Financial expertise • Operations skills and experience • Specialized knowledge including technology, transportation, education, pharmaceuticals, health care, energy, materials and mergers and acquisitions	**Committees:** • Audit • Compensation • Executive **Current Public Company Directorships:** • Louisiana-Pacific Corporation **Former Public Company Directorships Held During the Past 5 Years:** • None

Mr. Landgraf retired as president and chief executive officer of Educational Testing Service ("ETS"), a private non-profit educational testing and measurement organization, on December 31, 2013. Mr. Landgraf had served in that position since 2000. Prior to that, he was executive vice president and chief operating officer of E.I. Du Pont de Nemours and Company ("DuPont"), where he previously held a number of senior leadership positions, including chief financial officer.

Mr. Landgraf was selected for his wealth of executive management experience in public companies, non-profit entities, higher education, and government. He brings to the Board his financial expertise and operations skills and experience, represented by his positions at ETS and DuPont. Mr. Landgraf's other areas of specialized knowledge include technology, transportation, education, pharmaceuticals, health care, energy, materials, and mergers and acquisitions.

Kevin J. Martin

Age: 47 **Director Since:** 2013	**Skills and Qualifications:** • Extensive knowledge of regulatory environment • Legal skills and expertise	**Committees:** • Corporate Relations • Finance

Partner Patton Boggs LLP	• Specialized knowledge of telecommunications and information technology industries • Experience in private equity investing	**Current Public Company Directorships:** • None **Former Public Company Directorships Held During the Past 5 Years:** • None

Mr. Martin is a partner and co-chair of Patton Boggs LLP in the Washington law firm's Technology and Communications practice.

Mr. Martin has nearly two decades experience as a lawyer and policymaker in the telecommunications field, including his tenure as chairman of the Federal Communications Commission ("FCC") from March 2005 to January 2009. Before joining the FCC as a commissioner in 2001, Mr. Martin was a special assistant to the president for Economic Policy and served on the staff of the National Economic Council, focusing on commerce and technology policy issues. He also served as the official U.S. government representative to the G-8's Digital Opportunity Task Force. In 2013, he was elected to the Board of Directors of Electronic Recyclers International, a private electronics recycler.

Mr. Martin brings deep experience to the board in the telecommunications, economics, governmental and legal arenas.

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Deborah D. Rieman

Age: 64

Director Since: 1999

Executive Chairman MetaMarkets Group

Skills and Qualifications:

- Expertise in information technology, innovation and entrepreneurial endeavors
- Ph.D. in mathematics
- Experience in technology development, marketing, business development and support, investor relations and investing

Committees:

- Audit
- Compensation

Current Public Company Directorships:

- None

Former Public Company Directorships Held During the Past 5 Years:

- Keynote Systems

Dr. Rieman has more than 26 years of experience in the software industry. Currently, she is executive chairman of MetaMarkets Group. Previously, she was managing director of Equus Management Company, a private investment fund. From 1995 to 1999, she served as president and chief executive officer of Check Point Software Technologies, Incorporated. Dr. Rieman is a former director of Keynote Systems, Tumbleweed Communications Corp and Kintera Inc.

Dr. Rieman brings significant expertise in information technology, innovation and entrepreneurial endeavors to the Board and skills related to her Ph.D. in mathematics. She is also the former president and chief executive officer of a software company specializing in security and has experience in technology development, marketing, business development and support, investor relations and investing.

Hansel E. Tookes II

Age: 66

Skills and Qualifications:

Committees:

- Compensation

Director Since: 2001 Retired Chairman and Chief Executive Officer Raytheon Aircraft Company	• Extensive experience in operations, manufacturing, performance excellence, business development, technology-driven business environments and military and government contracting • Education, training and knowledge in science and engineering	• Executive • Nominating and Corporate Governance **Current Public Company Directorships:** • Ryder Systems Inc. • NextEra Energy, Inc. • Harris Corporation **Former Public Company Directorships Held During the Past 5 Years:** • BBA Aviation plc

Mr. Tookes retired from Raytheon Company in December 2002. He joined Raytheon in 1999 and served as president of Raytheon International, chairman and chief executive officer of Raytheon Aircraft and executive vice president of Raytheon Company. From 1980 to 1999, Mr. Tookes served United Technologies Corporation as president of Pratt and Whitney's Large Military Engines Group and in a variety of other leadership positions.

Mr. Tookes provides extensive experience in operations, manufacturing, performance excellence, business development, technology-driven business environments, and military and government contracting. He also brings his science and engineering education, training and knowledge to the Board. Mr. Tookes' industry expertise includes aviation, aerospace and defense, transportation and technology.

Wendell P. Weeks

Age: 54	**Skills and Qualifications:**	**Committees:**
Director Since: 2000 Chairman, Chief Executive Officer and	• Wide range of experience including financial management, business development, commercial leadership, and general management	• Executive

President Corning Incorporated	• Experience in many of Corning's businesses and technologies • Experience as chief executive officer	**Current Public Company Directorships:** • Merck & Co., Inc. **Former Public Company Directorships Held During the Past 5 Years:** • None

Mr. Weeks joined Corning in 1983. He was named vice president and general manager of the Optical Fiber business in 1996; senior vice president in 1997; senior vice president of Opto Electronics in 1998; executive vice president in 1999; and president, Corning Optical Communications in 2001. Mr. Weeks was named president and chief operating officer of Corning in 2002; president and chief executive officer in 2005; and chairman and chief executive officer on April 26, 2007. He added the title of president in December 2010.

Mr. Weeks brings deep and broad knowledge of the company based on his long career across a wide range of Corning's staff groups and major businesses. Mr. Weeks has 31 years of Corning experience including financial management, business development, commercial leadership, and general management. His experiences in many of Corning's businesses and technologies, and nine years as chief executive officer, have given him a unique understanding of Corning's diverse business operations and innovations.

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Mark S. Wrighton

Age: 64

Director Since: 2009

Chancellor and Professor of Chemistry,

Washington University in St. Louis

Skills and Qualifications:

• Expertise in materials and research interests in the areas of transition metal catalysis, photochemistry, surface chemistry, molecular electronics, and photoprocesses at electrodes

• Executive leadership experience

Committees:

• Audit

• Finance

Current Public Company Directorships:

• Cabot Corporation

• Brooks Automation, Inc.

Former Public Company Directorships Held During the Past 5 Years:

• None

Since 1995, Dr. Wrighton has been chancellor and professor of Chemistry at Washington University in St. Louis, a major research university. Before joining Washington University, he was a researcher and professor at the Massachusetts Institute of Technology, where he was head of the Department of Chemistry from 1987 to 1990, and then provost from 1990 to 1995. Dr. Wrighton served as a presidential appointee to the National Science Board from 2000 to 2006, and chaired that Board’s audit and oversight committee during that time. He also is a past chair of the Association of American Universities, The Business Higher Education Forum and the Consortium on Financing Higher Education, and continues as a member of these organizations. He was elected to membership in the American Academy of Arts and Sciences and the American Philosophical Society, and he is a Fellow of the American Association for the Advancement of Science.

Dr. Wrighton is a professor, chemist and research scientist with expertise in materials and research interests in the areas of transition metal catalysis, photochemistry, surface chemistry, molecular electronics, and in photoprocesses at electrodes. Under Chancellor Wrighton’s leadership, Washington University has grown significantly in academic stature, research enterprise, infrastructure, student quality, curriculum and international reputation. In addition to his executive leadership, Dr. Wrighton brings to the Board his vast scientific knowledge and understanding of complex research and development issues.

Structure and Role of the Board

Corporate Governance Guidelines

The Board has adopted a set of Corporate Governance Guidelines that address the makeup and functioning of the Board, among other things. A copy of these guidelines can be found on our website at: www.corning.com/investor_relations/corporate_governance/board_download_library.aspx.

Board Leadership Structure

Our Board, through our Nominating and Corporate Governance Committee, annually assesses its leadership structure. As a result, we currently combine the roles of chief executive officer and chairman, and independent members of the Board annually elect an independent lead director. In February 2014, as part of our 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 both chief executive officer and chairman 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. This unity of leadership eliminates the potential for confusion or duplication of efforts, and provides clear leadership for the Company. We also believe that our current leadership structure – under which our chief executive officer serves as chairman of the Board, four of the six Board committees are chaired by independent directors, and our lead director assumes certain responsibilities on behalf of the independent directors – remains the optimal board leadership structure for the Company and our shareholders.

Mr. Clark was appointed lead director in February 2013 and re-appointed in 2014. The lead director plays an important role in our corporate governance structure. The lead director’s responsibilities include: presiding at meetings of the Board at which the chairman is not present, including executive sessions of the non-employee directors; serving as liaison between the chairman and the non-employee directors; convening meetings of the non-employee directors; consulting with the chairman on matters relating to corporate governance; facilitating the CEO performance review and management succession; and, when requested by major shareholders, ensuring that he is available for consultation and direct communication. The lead director, in advance of each Board meeting, provides comments, suggestions and approval for the meeting schedule and timing, for each agenda, and for the types of information to be sent to the Board.

Our Board of Directors is currently composed of 10 independent directors under the New York Stock Exchange listing requirements, one non-independent

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outside director, plus two management directors. One independent director – Mr. Seely Brown – will retire at the Annual Meeting.

All of our directors are highly accomplished and experienced in their respective fields, with demonstrated leadership in significant enterprises and familiarity with board processes. For additional information about the backgrounds and qualifications of our directors, see “Our Director Nominees” in this proxy statement.

Our Board has six standing committees — Audit, Compensation, Corporate Relations, Executive, Finance, and Nominating and Corporate Governance. Three of the committees are composed solely of independent directors. Four of the committees each have a separate, independent chair, and the Executive Committee has five independent directors and two management directors as members. The chair of each of these committees is responsible for directing the committee in fulfilling its responsibilities, see “Meetings and Committees of the Board” in this proxy statement.

Executive Sessions of Independent Directors

Non-employee Board members meet without management at each regularly scheduled Board meeting. Independent Board members also meet separately at least once a year. Additional meetings may be called by the lead director in his discretion or at the request of the Board. The lead director, Mr. Clark, presides over meetings of the non-employee directors.

Board Risk Oversight

Corning has a comprehensive risk management program that engages the Company’s management/leadership and Board. Since 2004, the Company has employed an Enterprise Risk Management program (“ERM”) that was modeled on the COSO II framework. “COSO” is the Committee of Sponsoring Organizations of the Treadway Commission, a voluntary private-sector organization, established in the United States, dedicated to providing guidance to executive management and entities on critical aspects of organizational governance, business ethics, internal control, enterprise risk management, fraud, and financial reporting. Corning’s ERM is a company-wide effort that involves the Board, management and Corning staff in an integrated effort to identify, assess and manage risks that may potentially affect the Company. A “Risk Council,” chaired by our vice chairman and chief financial officer, Mr. Flaws, and composed of Corning management and staff, is a core governance element of the ERM.

The Risk Council’s activities include aggregating, prioritizing and assessing risks including financial, operational, business, reputational, governance and managerial risks. The Risk Council assists each of our businesses in identifying its applicable risks, and determines whether such risks are material at the Company level. Each business is responsible for managing its identified risks – as we believe the local business teams are in the best position to identify and manage their risks. We believe this central oversight of and assistance to the business teams is the most effective way to manage the Company's risks. The Risk Council reports directly to the management committee of the Company and provides reports on the Company's risk management process and its top risks periodically to the Audit, Finance and Corporate Relations Committees.

Additionally, our Compliance Council, chaired by the senior vice president and general counsel, provides the Risk Council with the results of its review of the Company's compliance with laws and regulations of the countries in which we conduct business. The Compliance Council reports directly to each of the Audit Committee and Corporate Relations Committee.

We also perform a comprehensive risk assessment related to our internal controls. This assessment includes interviews with senior management and financial leaders as well as evaluation of Risk Council findings, audit results, current business priorities and the economic environment. The assessment results are used to establish our internal audit plan, conduct internal audits and perform any resulting remedial actions. The assessment and internal audit results are a key part of our Sarbanes-Oxley compliance program for internal controls. The Audit Committee reviews the results of the risk assessment annually and the results of our internal audits quarterly.

The Audit Committee annually reviews a comprehensive report on the Company's ERM processes. In accordance with New York Stock Exchange requirements, our Audit Committee is responsible for company policies with respect to risk assessment and risk management, for reviewing contingent liabilities and risks that may be material to Corning, as well as major legislative and regulatory developments that could materially impact Corning's contingent liabilities and risks. The Audit Committee regularly reviews and discusses certain risks facing the Company, including legal issues, employee matters, information technology security and governmental regulation and legislation, among other things. Our Finance Committee, pursuant to its charter, regularly reviews the top risks identified by the ERM process and strategies for managing exposure to specific financial, economic and hazard risks. Each of the Audit and Finance Committee's chairman reports to the entire Board of Directors regarding their risk management review and any significant items identified. In addition, each of our Board committees considers the risk exposures within its areas of responsibility. For example, our Corporate Relations Committee reviews potential risk exposures in the environmental, health, safety, employment and product liability areas.

The full Board provides additional risk oversight in numerous ways, including the following:

- Each year, prior to its approval of the annual budget and long-term plan, the Board reviews the potential risks which could negatively impact the proposed budget and plan. This review includes the types of risks, as well as pessimistic and worst case scenarios should the identified risks be realized.
- The Board frequently reviews the Company's Strategic Framework and any risks that may negatively impact it.
- Prior to approving any significant investment or divestiture actions by the Company, the Board reviews a detailed proposal identifying the rationale and risks involved in such action.

- The Board regularly receives written reports covering environmental, safety and health, and human resources matters.

- At least four times each year, the Board attends “Technology with the Board” sessions, which allow the directors to review and discuss current research and development projects and thereby assess risks related to the Company’s technology and intellectual property developments.

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- The full Board also engages in periodic discussions regarding risks with our chief executive officer, chief financial officer, general counsel, chief compliance officer and other company officers, as it deems appropriate.

We endeavor to keep the Board fully apprised of risks facing the Company and believe that our directors provide effective oversight of the risk management function.

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, MP HQ E2 10, 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.

Director Independence and Transactions Considered in Independence Determinations

Independent oversight bolsters our success. Our Board has determined that each of the following non-employee directors qualifies as “independent” in accordance with the listing requirements of the New York Stock Exchange, applicable U.S. Securities and Exchange Commission (“SEC”) rules and the company’s director qualification standards: Messrs. Canning, Clark, Cummings, Landgraf, Martin and Tookes, Ms. Henretta and Drs. Brown, Rieman and Wrighton.

Messrs. Flaws and Weeks are not independent because they are each executive officers of Corning. Dr. Burns was an executive officer of Dow Corning Corporation (which is 50% owned by Corning) until her December 31, 2011, retirement and therefore is not an independent director under New York Stock Exchange listing requirements.

The New York Stock Exchange 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 New York Stock Exchange 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;
- 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 New York Stock Exchange 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 Incorporated or any of its subsidiaries or affiliates.

Further, directors who serve on the Audit Committee each must satisfy standards established by the SEC which provide that to qualify as "independent" for purposes of committee membership, audit committee 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 2011 between Corning and entities associated with the 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 transactions:

- Mr. Cummings is an employee of JPMorgan Chase & Co. ("JPM"). He is not a JPM section 16 executive under SEC rules. JPM and its affiliates provide various investment banking services including underwriting, commercial lending, banking, and other financial advisory services, including provision of credit facilities to Corning and its affiliates. Mr. Cummings has no personal involvement in JPM services provided to or fees paid by Corning. Payments to JPM and its affiliates for these services constituted less than the greater of $1 million or 2% of its consolidated gross revenue in each of the past three years.

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- Mr. Martin is a partner at the law firm Patton Boggs, LLP ("Patton Boggs"). Neither Mr. Martin nor Patton Boggs currently provides any legal services to Corning. Paton Boggs previously provided professional services to Corning on various matters; however, Corning ended its relationship with Patton Boggs in 2012 and has agreed to discontinue its retention of the firm during Mr. Martin's tenure as director. Payments to Patton Boggs in 2011 and 2012, prior to Mr. Martin joining Corning's Board, constituted less than the greater of $1 million and less than 2% of Patton Bogg's consolidated gross revenues in each of those years.
- Messrs. Canning, Clark and Tookes, Ms. Henretta and Dr. Wrighton, or one of their immediate family members, is or was during the previous three years, a non-management director, trustee, advisor or employee or served in a similar position at another entity that did business with Corning at some time during those years. The business relationships were ordinary course dealings as a supplier or purchaser of goods or services. Payments to or from each of these entities constituted less than the greater of $1 million or 2% of the recipient's annual revenue, respectively, in each of the past three years.

In determining that each of the relationships set forth above are 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 companies with which Corning does business; that such director has no direct or indirect material interest in any of the transactions; that such director had no role or financial interest in any decisions about any of these transactions; and that such a relationship would not bar independence under the New York Stock Exchange 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.

Each member of the Board's Audit, Compensation, and Nominating and Corporate Governance Committees is independent within the meaning of the New York Stock Exchange listing requirements, applicable SEC rules and Corning's Director Qualification Standards.

Commitment of our Board – Attendance at 2013 Meetings

The Board of Directors held 18 regularly scheduled meetings and three special meetings during 2013. Overall attendance at such meetings was 97.55%. Each director attended 75% or more of the aggregate of all meetings of the Board and the committees on which he or she served in 2013.

Our Corporate Governance Guidelines provide that each director will make every effort to attend the Annual Meeting. All of our current directors who were members of our Board at the time attended the 2013 Annual Meeting of Shareholders.

Our Board Committees

Board Committees

In addition to an Executive Committee, which is specified in the By-Laws and acts by delegation, Corning has five standing Board committees. These three committees are completely independent: Audit, Compensation, and the Nominating and Corporate Governance Committees. The other committees are Corporate Relations and Finance. Each committee's written charter, as reviewed annually and adopted by the Board of Directors, is available on Corning's website at www.corning.com/investor_relations/ corporate_governance/board_download_library.aspx.

The Committee memberships below are as of February 6, 2014.

Audit

The Audit Committee met 10 times during 2013. The current members of the Audit Committee are Mr. Landgraf (Chair), Ms. Henretta and Drs. Rieman and Wrighton. Although not currently a member of the Audit Committee, Mr. Martin served on the Audit Committee through February 5, 2014, and therefore is a signatory to the Audit Committee report dated that date that is included in this proxy statement. The Audit Committee:

- Assists the Board of Directors in its oversight of (i) the integrity of Corning's financial statements, (ii) the internal auditors' performance, and (iii) Corning's compliance with legal and regulatory requirements;
- Meets in executive sessions with the independent registered public accounting firm, internal auditors and management;
- Approves the appointment of Corning's independent registered public accounting firm;
- Reviews and discusses with the independent registered public accounting firm and the internal auditors the effectiveness of Corning's internal control over financial reporting, including disclosure controls;
- Reviews and discusses the scope of the annual audit with management, the independent registered public accounting firm and the internal auditors;
- Reviews the quarterly and annual financial statements and other reports provided to shareholders with management and the independent registered public accounting firm;
-

Discusses company policies with respect to risk assessment and risk management, and reviews contingent liabilities and risks that may be material to Corning, as well as major legislative and regulatory developments that could materially impact Corning's contingent liabilities and risks;

- Oversees the independent registered public accounting firm's qualifications, independence and performance;
- Reviews transactions between Corning and related persons that are required to be disclosed in our filings with the SEC; and
- Determines the appropriateness of and pre-approves the fees for audit and permissible non-audit services to be provided by the independent registered public accounting firm.

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Audit Committee Financial Experts

The Board of Directors has determined that two members of the Audit Committee, Mr. Landgraf and Dr. Wrighton, qualify as Audit Committee Financial Experts.

Compensation

The Compensation Committee met seven times during 2013. The current members of the Compensation Committee are Drs. Rieman (Chair) and Brown and Messrs. Clark, Landgraf and Tookes. The Compensation Committee:

- Reviews 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 officers of Corning;
- Reviews and approves employment, severance and change in control agreements for the CEO and other officers of Corning;
- Recommends to the Board the compensation arrangements with non-management directors;
- Oversees Corning’s equity compensation plans; and
- Makes recommendations to the Board regarding non-equity incentive and equity incentive plans.

Compensation decisions for the directors and executives, including the five executive officers of the Company listed in this proxy statement and identified as the “Named Executive Officers” (“NEOs”), are reviewed and approved by the Compensation Committee.

The Compensation Committee has administrative and/or oversight responsibility to compensate key executives effectively and in a manner consistent with our stated compensation strategy. The Compensation Committee has engaged an independent executive compensation expert from Aon Hewitt, an outside global human resources consulting firm, to conduct a review and comment on its total compensation program for executives. The independent expert supports the Compensation Committee by providing data regarding market practices and makes recommendations for changes to plan designs and policies that are consistent with the Company’s compensation philosophy.

The agenda for meetings of the Compensation Committee is determined by its chairman, with the assistance of the senior vice president - Human Resources and the senior vice president - Global Compensation and Benefits. The chief executive officer and the chief administrative officer are invited to attend the Compensation Committee meetings, though the CEO leaves the room during discussions and deliberations of individual compensation actions affecting him personally. The Compensation Committee Chairman reports the Compensation Committee’s recommendations on executive compensation to the Board. The Company's Global Compensation and Benefits department supports the Compensation Committee in its duties and, along with the chief administrative officer, may be delegated authority to fulfill certain administrative duties regarding the compensation programs.

The Compensation Committee has authority under its charter to retain, approve fees for and terminate advisors, consultants and agents as it deems necessary to assist in the fulfillment of its responsibilities. The Compensation Committee has retained an executive compensation expert from Aon Hewitt as its independent consultant. The Compensation Committee reviews the total fees paid to Aon Hewitt by the Company to ensure that the independent compensation expert maintains his objectivity and independence when rendering advice to the Committee. For more information on the Compensation Committee, see the section of this proxy statement titled "Compensation Discussion and Analysis" beginning on page 24.

Corporate Relations

The Corporate Relations Committee met five times during 2013. The current members of the Corporate Relations Committee are Dr. Burns (chair) and Messrs. Cummings and Martin. The Corporate Relations Committee focuses on the areas of employment policy, public policy, external communications and community relations in the context of the business strategy of Corning.

Executive

The Executive Committee met seven times during 2013. The current members of the Executive Committee are Messrs. Weeks (chair), Canning, Clark, Cummings, Flaws, Landgraf and Tookes. All other directors are alternate members of the Executive Committee. The Executive Committee serves primarily as a means of taking action requiring Board approval between regularly scheduled meetings of the Board. The Executive Committee is authorized to act for the full Board on matters other than those specifically reserved by New York law to the Board. In practice, the Executive Committee's actions are generally limited to matters such as the authorization of corporate credit facilities, borrowings and pricing of Corning's public offering of securities, and specific transactions for which the Board delegates its authority.

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Finance

The Finance Committee met seven times during 2013. The current members of the Finance Committee are Messrs. Cummings (chair), Canning, Flaws and Martin, Ms. Henretta and Drs. Burns and Wrighton. The Finance Committee:

- Monitors present and future capital requirements of Corning;
- Reviews all material transactions prior to execution;
- Reviews potentials mergers, acquisitions, divestitures and investments in third parties;
- Reviews Corning's exposure to financial, economic and hazard risks;
- Monitors Corning's cash management plans and activities;
- Reviews Corning's tax position and strategy;
- Reviews and monitors Corning's credit rating;
- Reviews funding actions for Corning's pension programs;
- Reviews Corning's financial plans and other financial information that Corning uses in its analysis of internal decisions;
- Reviews Corning's policies and procedures with respect to insurance debt management and financial risk management, including approval of Corning's qualification for and election of the end-user exception to the mandatory swap clearing requirement of the Dodd-Frank act; and
- Reviews legal and regulatory matters that may have a material impact on the financial statements as such matters pertain to financing or risk management activities of the Company.

Nominating and Corporate Governance

The Nominating and Corporate Governance Committee met five times during 2013. The current members of the Nominating and Corporate Governance Committee are Messrs. Tookes (chair), Canning and Clark and Dr. Brown. The Nominating and Corporate Governance Committee:

- Identifies individuals qualified to become Board members;
- Reviews candidates recommended by shareholders;
- Determines the criteria for selecting director nominees;
- Conducts inquiries into the background of director nominees;
- Recommends to the Board, director nominees to be proposed for election at the Annual Meeting of Shareholders;
- Reviews and recommends to the Board whether to accept or reject the resignation of an incumbent director who failed to receive a majority of the votes cast in an election that is not a result of a contested election pursuant to the Company's Majority Voting Policy;
- Monitors significant developments in the regulation and practice of corporate governance;
- Develops and recommends to the Board corporate governance guidelines;
- Assists the Board in assessing the independence of Board members;
- Identifies Board members to be assigned to the various committees;
- Oversees and assists the Board in the review of the Board's performance;

- Establishes director retirement policies;
- Reviews, approves and ratifies transactions between Corning and related persons; and
- Reviews activities of Board members and senior executives for potential conflict of interest.

The process for electing director nominees entails making a preliminary assessment of each candidate based upon his or her résumé and other biographical and background information, as well as his or her willingness to serve. This information is then evaluated against the criteria established by the Nominating and Corporate Governance Committee for members of the Compensation Committee, as well as the specific needs of Corning at that time. Based upon this preliminary assessment, candidates who appear to be the best fit are invited to participate in a series of interviews. At the conclusion of the process, if it is determined that the candidate will be a good fit, the Nominating and Corporate Governance Committee recommends the candidate to the Board for election at the next annual meeting. The Nominating and Corporate Governance Committee uses the same process for evaluating all candidates regardless of the source of the nomination.

The Nominating and Corporate Governance Committee will consider candidates recommended by shareholders. If you wish to nominate a candidate, please forward the candidate's name and a detailed description of the candidate's qualifications, skills and experience, a document indicating the candidate's willingness to serve and evidence of the nominating shareholder's ownership of Corning's shares to: Corporate Secretary, Corning Incorporated, One Riverfront Plaza, Corning, New York 14831. A shareholder wishing to nominate a candidate must also comply with the notice requirements described on page 63.

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Compensation Matters

Proposal 2 Advisory Vote to Approve Executive Compensation (Say-on-Pay)

Our Board of Directors requests that shareholders approve the compensation of our Named Executive Officers, pursuant to Section 14A of the Securities Exchange Act of 1934, as disclosed in the Executive Compensation section of this proxy statement, which includes the Compensation Discussion and Analysis, the Summary Compensation Table and the supporting tabular and narrative disclosure on executive compensation.

This vote is advisory and not binding on our Company, but the Board of Directors values the opinions that shareholders express in their voting and will consider the outcome of the vote in determining our executive compensation programs.

Investor Outreach on Compensation Matters

Last year, Corning received approximately 71% shareholder support from the non-binding Say-on-Pay advisory vote, compared with 95% received in 2012 and 96% received in 2011. As a result, we undertook extensive investor outreach to understand what factors shareholders consider most important when evaluating our executive compensation program.

In response to the feedback we received, we have made certain changes to our executive compensation program that take effect in 2014. We have also included additional disclosures in this proxy statement to improve the transparency of our current pay practices and their alignment with our financial performance.

Say-on-Pay Proposal

Our management team and the Board strive to balance near-term results with long-term shareholder value through thoughtful investments in research and development. Accordingly, we maintain a “pay for performance” philosophy that forms the foundation for all decisions regarding executive compensation made by the Compensation Committee. In addition, our compensation programs are designed to facilitate strong corporate governance.

The Compensation Discussion and Analysis portion of this proxy statement contains a detailed description of our executive compensation philosophy and programs, the compensation decisions the Compensation Committee has made under those programs and the factors considered in making those decisions, including 2013 Company performance, focusing on the compensation of our NEOs. We believe that we have created a compensation program deserving of shareholder support.

For these reasons, the Board of Directors recommends that shareholders vote in favor of the resolution:

RESOLVED, that on an advisory non-binding basis, the total compensation paid to the Company's Named Executive Officers (CEO, CFO and three other most highly compensated executives), as disclosed in the proxy statement for the 2014 Annual Meeting of Shareholders pursuant to Section 14A of the Securities Exchange Act of 1934, including the Compensation Discussion and Analysis and the supporting tabular and related narrative disclosure on executive compensation, is hereby APPROVED.

Our Board unanimously recommends a vote FOR the resolution approving the compensation of our Named Executive Officers.

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Compensation Discussion and Analysis

This Compensation Discussion and Analysis ("CD&A") explains the key elements of our executive compensation program and compensation decisions for our named executive officers ("NEOs"). The Compensation Committee of our Board of Directors (the "Committee"), with input from its independent compensation consultant, oversees these programs and determines compensation for our NEOs.

Our fiscal year 2013 NEOs are:

Wendell P. Weeks	Chairman of the Board of Directors, Chief Executive Officer ("CEO") and President
James B. Flaws	Vice Chairman and Chief Financial Officer
Kirk P. Gregg	Executive Vice President and Chief Administrative Officer
Lawrence D. McRae	Executive Vice President, Strategy and Corporate Development
Lewis A. Steverson	Senior Vice President and General Counsel

Throughout this CD&A, we refer to our core net income, core net sales, core earnings per share ("EPS"), adjusted EPS, adjusted net profit after tax ("NPAT") and adjusted operating cash flow, which are non-GAAP financial measures. Appendix A to this proxy statement contains a reconciliation of such non-GAAP measures.

CD&A Table of Contents

To assist shareholders in finding important information, we call your attention to the following sections contained within our CD&A:

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Summary of Corning's Businesses

As the world leader in specialty glass and ceramics, Corning invents, makes, and sells keystone components that enable high-technology systems for consumer electronics, mobile emissions control, telecommunications, and life sciences. With a track record of more than 160 years and a sustained investment in R&D, Corning is constantly driving the next wave of cutting-edge technologies across our five business segments.

Business segment	**Primary products**	**Primary competitors**
Display Technologies	Glass substrates for LCD flat panel televisions, computer monitors, laptops, and other consumer electronics	Asahi Glass Co. Ltd. Nippon Electric Glass Co. Ltd. Ibiden Co., Ltd. NGK Insulators Ltd. Prysmian Group TE Connectivity Ltd. Thermo Fisher Scientific, Inc. Life Technologies Corporation Asahi Glass Co. Ltd. Nippon Electric Glass Co. Ltd. Hoya Corp. Agilent Technologies, Inc.
Environmental Technologies	Ceramic substrates and diesel filters for emission control systems	
Optical Communications	Optical fiber, cable, and hardware and equipment for telephone and Internet communication networks	
Life Sciences	Glass and plastic labware, as well as label-free technology, media, and reagents for cell culture, genomics, and bioprocessing applications	
Specialty Materials	Cover glass for consumer electronics, advanced optics, and specialty glass solutions for a number of industries	

Our largest segment – Display Technologies – generated over 70% of our total core net income in 2013.

Equity Investments

In addition to the five business segments outlined above, Corning invests in several equity affiliates, each of which contributes significantly to the company's performance. The largest of these equity affiliates are Dow Corning Corporation and Samsung Corning Precision Materials Co., Ltd. ("SCP," of which we became 100% owner on January 15, 2014). Our 2013 reported net sales do not include our 50% share of the net sales of these entities. The combined 2013 sales for these two entities totaled close to $8 billion; Corning's share of such sales is nearly $4 billion. In evaluating executive compensation, it is important for our shareholders to be mindful of the size, complexity and contribution of these equity investments.

Summary of Corning's Executive Compensation Program

Compensation Element	**2013 Performance Metrics**
Base Salary – Fixed Pay	Base salary for the CEO is targeted at approximately median; base salaries for other NEOs are determined using a combination of external data and internal equity compared with the CEO
Annual Cash Bonus Plans:	
Performance Incentive Plan ("PIP") – individual targets, 0 – 200% of target opportunity	PIP payouts to NEOs are based 100% on adjusted NPAT
GoalSharing (Unit Plans) – 5% target, 0 – 200% of target opportunity	Payout for NEOs based on the weighted average of all Unit Plans in the corporation
Long Term Incentives (LTIs) – three components collectively refered to as the Corporate Performance Plan (CPP):	
Cash Performance Units (CPUs) – 50% of LTI Target	50% adjusted operating cashflow, 50% adjusted EPS
Stock Options – 25% of LTI Target	Value received depends on the increase of Corning stock price
Restricted Stock Units (RSUs) – 25% of LTI Target	Value will fluctuate with the Corning stock price

See "What's New in 2014" on page 37 for changes we are making in response to shareholder feedback.

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Corporate Performance Overview

Our 2013 business plan focused on three primary initiatives:

- Stabilizing performance in our Display Technologies segment in the wake of a maturing business cycle and significant pricing pressures and achieving positive momentum in that business;
- Growing sales and improving margins in our non-Display businesses; and
- Maintaining a strong balance sheet to allow us to continue investing in the future, complete certain strategic investments, and increase distributions to shareholders.

We executed well, and our results reflect our outstanding year in 2013, as the following tables demonstrate:

Core Performance

	2013	2012	% Change
Core Net Sales (in millions)	$7,948	$7,605	5 %
Core Net Income (in millions)	$1,797	$1,595	13 %
Core EPS	$1.23	$1.06	16 %

GAAP

	2013	2012	% Change
Net Sales (in millions)	$7,819	$8,012	(2 %)
Net Income (in millions)	$1,961	$1,636	20 %
EPS	$1.34	$1.09	23 %

Results for 2012 include the impact of defined benefit pension plan methodology change implemented in the first quarter of 2013 and retrospectively applied to prior periods. Refer to our Annual Report on Form 10-K, Note 1 of Notes to Consolidated Financial Statements, for the year ended December 31, 2013, filed with the SEC on February 10, 2014, for a discussion of the change and the impact to our financial statements.

Return to Shareholders

	2013	2012	% Change
1 year Total Shareholder Return (TSR) (at 12/31)	45.03%	(0.31 %)	
Annual Dividend	$0.39	$0.32	22 %
Year end stock price	$17.82	$12.62	41 %

Our TSR performance in 2013 was top quartile relative to the constituents of the S&P 500 Index and well above median of our disclosed Compensation Peer Group.

Returned Value to Our Shareholders

Currently, our quarterly dividend is $0.10 per common share. We increased the dividend to $0.10 in April 2013, and had increased it to $0.09 per share, from $0.075, in October 2012 and to $0.075 per share, from $0.05, in October 2011. This provided shareholders with a 100% increase in dividends in less than two years.

In April 2013, we announced a $2 billion share repurchase program and repurchased $1.5 billion of shares in 2013. In October 2013, our Board authorized an additional $2 billion of repurchases contingent upon the closing of the SCP transaction, which took place in January 2014.

Program Updates and 2013 Say-on-Pay Vote

At our 2013 Annual Shareholders Meeting, approximately 71% of votes cast supported Corning's executive compensation program, compared with 95% support received in 2012. This result led to a multi-pronged effort to review our executive compensation programs. This effort included discussions with institutional shareholders, analysis of market practices at peer companies and advice from the Committee's independent consultant and management's consultants.

The objective of our investor outreach was to understand what factors shareholders consider to be most important when evaluating our executive compensation program. During 2013, we expanded our usual investor outreach, which includes multiple meetings with more than 70% of our top institutional holders. Specific to executive compensation, we reached out to more than 30 institutional shareholders, collectively representing nearly 40% of our outstanding shares. Over the course of several months, senior management and the Committee analyzed and discussed what we learned in this comprehensive review process.

We learned that our shareholders were not seeking major changes to our executive compensation program, but did offer ideas to refine and improve the program. Major shareholders were not prescriptive about plan design. Instead, they were more interested to see that the results and outcomes delivered by the plans were aligned appropriately with performance. Below are highlights from this process:

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We Took Action In Response to Investor Feedback

Feedback We Received	**Action We Took**
Clearly disclose those companies that Corning considers to be the most relevant peers for financial performance comparisons (if appropriate, in addition to those companies in the compensation peer group).	We are including in this proxy statement information on our performance versus our primary competitors.
Explain the linkage of pay to performance in the case of a down cycle.	Starting in 2014, 100% of our NEOs' annual bonus under the Performance Incentive Plan ("PIP") and 50% of the bonus target for other executives and employees will be capped at 150% of target (vs. our normal cap of 200% of target) if the profitability goal is budgeted to be lower than the prior year's actual result and Corning's total shareholder return ("TSR") for that year is positive. If Corning's TSR is negative for such year, the bonus opportunity will be capped at 100 percent of target.
Increase the percentage of performance-based compensation.	We increased the weighting of cash performance units ("CPUs") from 50 percent to 60 percent of the total long term incentive opportunity. This change will be effective for 2014 LTI grants.
Extend the performance time horizon for the long term incentive plan.	We extended the performance timeline for CPUs to reflect average performance over three years (vs. the current one year performance period) based on performance goals that are set each year. This change will be effective for 2014 grants.

Move to Core Performance Measures

- We moved to core performance measures when discussing our financial results to increase transparency of our performance by excluding the impact of changes in the Japanese yen to U.S. dollar exchange rate, as well as other special items, from our operating results. A comparison of our core performance measures for 2013 to GAAP results is included above in the Corporate Performance Overview section and additional reconciliations of our core performance measures to GAAP results can be found in Appendix A.

  The 2013 executive compensation program does not incorporate the shift to core performance measures because this change was made after the Board had approved performance targets for 2013 and we do not reset performance targets after they are approved.

- Because the 2013 executive compensation program does not incorporate the shift to core performance measures, compensation performance for 2013 will be based on GAAP or "as reported" totals with certain adjustments as outlined on page 32. However, to maintain consistency and transparency in our operating results, all financial analyses will also be presented using core performance measures. Beginning in 2014, our executive compensation program targets also will be based on core performance measures. These changes will better align our incentive compensation with how we measure business results and communicate internally to employees and externally to investors.

Plan Design Strategic Alignment

- We also examined and adjusted our performance metrics for 2014 to ensure close alignment with key strategic objectives as well as shareholder interests.

Given the strategic importance to grow revenues, particularly in the non-Display businesses, we added revenue growth metrics to our short- and long-term incentive plans, although we continue to place the most emphasis on profitability and cash generation goals.

- Beginning in 2014, our annual cash bonus - PIP plan - metrics will be core adjusted EPS (weighted at 75%) and core net sales growth (weighted at 25%). The performance metrics used for CPUs in our long term incentive plan will be operating cash flow (weighted at 70%) and core net sales growth (weighted at 30%). Our new metrics are designed to balance profitability, cash generation and revenue growth and enhance shareholder value creation.

The impact of the changes outlined above will be reflected in the 2014 Summary Compensation Table reported in our 2015 proxy statement. They are not reflected in this year's Summary Compensation Table because decisions related to 2013 compensation reported in this proxy statement were made before our 2013 advisory vote on executive compensation occurred and before our extensive shareholder outreach and program review effort was conducted. For more information see "What's New in 2014" on page 37.

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Pay for Performance Approach and Program Highlights

Approach

Our management team must balance near-term financial results with building long-term value through thoughtful investments in innovation. To fulfill this mission, Corning's "pay for performance" philosophy forms the foundation for all decisions regarding executive compensation made by the Committee:

- Corning targets CEO compensation at the Compensation Peer Group *median,* with delivered compensation varying above or below this level commensurate with company performance;
- Over 80% of total compensation for NEOs is *variable* (incentive-based)*;*
- Our goal-setting process includes both business-driven bottom-up and corporate top-down budgets subject to multiple levels of review;
- Annual Incentive Compensation: 100% of NEO annual cash PIP bonuses are tied solely to Corning's consolidated financial performance *(with new caps on annual cash bonus opportunities introduced beginning in 2014 in the event of a budgeted down year);*
- Long-Term Incentive Compensation: 50% (increasing to 60% in 2014) of the long-term incentive compensation for NEOs is based directly on the company's financial performance, with the remaining 50% (decreasing to 40% in 2014) directly tied to the stock price.
  - 50% (increasing to 60% in 2014) of long-term incentive compensation (CPUs) is performance based and delivers value only if corporate financial performance goals are met;
  - 25% (15% in 2014) of long-term incentive compensation (stock options) delivers value only if Corning's stock price appreciates;
  - The value of the remaining 25% of long-term incentive compensation – Restricted Stock Units (RSUs) – fluctuates with stock price.

Program Highlights

Highlights of our 2013 compensation program are as follows:

- A modest base salary increase of 3% effective in July 2013, in line with general industry trends, inflation and our merit budget for all salaried employees;

- We did not increase NEO incentive compensation target award levels in 2013;
- 2013 adjusted NPAT resulted in PIP cash bonuses earned at 105% of target for NEOs, compared with 124% of target for 2012.
- 2013 adjusted EPS and 2013 adjusted operating cash flow resulted in CPU awards being earned at 109% of target for NEOs, compared with 117% of target for 2012.
- As shown in the Summary Compensation Tables, overall NEO compensation was lower in 2013 compared with 2012 as a result of the PIP and CPU payouts being lower than in 2012.

Since our executives hold a significant amount of Corning stock, the equity component of our compensation program significantly impacts the compensation and wealth accumulation of our NEOs.

For 2013, variable performance-based pay represented 88% of target total direct compensation for the CEO and, on average, 82% for the other NEOs. Total direct compensation consists of base salary and annual and long-term incentives, and excludes benefits and perquisites. Two compensation elements, annual cash bonuses and CPUs, are earned only if corporate financial performance goals for the year are met. The realizable value of the remaining long-term incentive components, stock options and RSUs, depend directly on our stock price performance.

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Three-Year Realizable Compensation

As shown below, our compensation program is designed so that the pay our executives realize over time aligns with performance, especially our stock price performance.

Realizable pay shows strong alignment between pay and performance.

(1) Target Pay is total direct compensation – i.e. Base Salary plus Annual Cash Bonuses paid through GoalSharing and the Performance Incentive Plan (at target) plus annual Long-Term Incentives (at target).

(2) Actual Pay is total earned direct compensation i.e. Base Salary plus Actual Cash Bonuses earned through GoalSharing and the Performance Incentive Plan, plus earned Cash Performance Units and the grant date fair values of equity awards. Discretionary bonuses are excluded from this chart.

(3) Realizable Pay takes Actual Pay and replaces the grant date fair value of equity awards with the intrinsic value at the fiscal year end by assuming that that equity values are vested and exercised and/or sold on the last day of the fiscal year (the same date on which the TSR measurement is based).

Executive Compensation Program Details

Executive Compensation — Key Principles

The goal of the Company's compensation program is to provide competitive and motivational compensation to attract, develop and retain our key executive, managerial and technical talent. Attracting and retaining the right talent is critical to supporting and achieving our annual operating priorities.

Our key compensation principles are as follows:

- ***Provide a Competitive Base Salary.***
- ***Pay for Performance:*** Executive Compensation should be tied to performance and contribution to both short-term and long-term corporate financial performance and shareholder value.
- ***Team-Based Management Approach:*** Corning uses a team-based management approach, so 100% of incentives awarded to NEOs are contingent on achieving a common set of goals for Corning's consolidated financial performance or the performance of Corning stock. Internal equity within our NEO group is also important.
- ***Incentive Compensation Should be a Greater Part of Total Compensation for More Senior Positions:*** As employees assume more responsibility and have greater opportunity to affect Company performance and shareholder value, an increasing share of their total compensation package is derived from variable incentive compensation.
- ***The Interests of Our Executive Group Should be Aligned with Shareholders:*** Through the use of stock options and restricted stock units, and especially as a result of our robust stock ownership guidelines, we align the long-term interests of our NEOs with those of our shareholders.

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The following table summarizes the components of the 2013 short-term and long-term incentives for our NEOs in 2013:

2013 Compensation Elements and Objectives	**2013 Award Opportunity for NEOs**	**2013 Performance Metrics and Results**	**2013 Award Earned by NEOs**
Base Salary —Fixed Pay *To attract and retain talent*	NEOs Base Salaries range from $580,000 to $1.2 million		
Annual Cash Bonus Plans *Goals are focused on measures that reward short-term performance and reinforce a team-based culture*			
Annual Cash Bonus — Performance Incentive Plan (PIP)	Target is 140% of base salary for the CEO; 70% to 90% for all other NEOs Opportunity can range from 0% to 200% of target awards	Adjusted NPAT of $1,740 million, $23 million greater than 2013 target of $1,717 million	105% of target opportunity earned Paid March 2014
Annual Cash Bonus — GoalSharing	Target is 5% of base salary; applies to all employees Opportunity can range from 0% to 10% of salary	Weighted average of over 100 GoalSharing Plans in place at Corning—all employees eligible	6.08% of base salary Paid February 2014
Corporate Performance Plan **Cash Performance Units (CPUs)** *(represents 50% of annual long-term incentive opportunity)*	Target CPU awards range from $750,000 to $3.5 million Opportunity can range from 0% to 150% of target awards	Adjusted EPS of $1.190; 2013 target was $1.154 Adjusted operating cash flow of $2,768 million; 2013 target was $2,677 million	109% of target opportunity earned, resulting in actual awards ranging from $817,500 to $3.8 million for NEOs
Goals are focused on measures that support the			

longer-term financial health and success of the Company			
Stock Options(1) (represents 25% of annual long-term incentive opportunity) *Reward long-term shareholder value creation*	Target grant date fair value of stock option awards range from $375,000 to $1.75 million	Actual value realized depends on future market performance of Corning stock and cannot be assessed until exercised	Vest after a 3-year period
Restricted Stock Units (RSUs)(2) (represents 25% of annual long- term incentive opportunity) *Reward long-term shareholder value creation and encourage retention*	Target grant date fair value of RSUs range from $375,000 to $1.75 million	Actual value realized depends on future market performance of Corning stock and cannot be accurately assessed until vested	Vest after a 3-year period

(1) The number of stock options is based on the grant date closing stock price and a Black-Scholes valuation factor. In general, the stock option awards have staggered grant dates; 1/3 of the total option grant award on each of March 28, 2013, April 30, 2013, and May 31, 2013. For the past ten years, the Committee has staggered the grants of stock options to avoid basing awards on a single grant date. The Committee believes that this practice is fair and equitable given the historical volatility of Corning's stock price.

(2) The number of restricted stock units is based on closing stock price and the target value approved by the Compensation Committee.

Other Payments and Awards

Mr. Flaws, our vice chairman, has been with Corning for 40 years — the last 17 years as chief financial officer, and 14 years as a member of the Board. Mr. Flaws's role at Corning is broader and more extensive than that of a typical CFO. His breadth and depth of knowledge of our business is unique and valuable and, in recognition of his experience and skill, *Institutional Investor* magazine named him one of America's Best CFOs in each of 2006, 2009 and 2011. In 2010 and 2012, two other management committee members announced their retirements. To retain Mr. Flaws's expertise past his expected retirement date, and to allow for phased executive successions, in January 2011 the Committee approved a two-year retention arrangement (which was extended for an additional year in July 2012) to encourage Mr. Flaws to continue his employment despite having reached his anticipated retirement date. Under the retention arrangement, Mr. Flaws received a cash payment of $1.5 million on April 1 in each of 2012 and 2013, and is eligible to receive a final payment of $1.5 million on April 1, 2014.

In addition to Mr. Flaws's skills and importance to Corning during a period of phased successions, the Committee also took into consideration the amounts he would forgo under the Company's retirement plans and not recoup due to his delayed retirement, when determining the amount of the retention payments.

Mr. Steverson joined Corning as senior vice president and general counsel in June 2013. He came to the Company with 18 years of experience at Motorola Inc. and Motorola Solutions, Inc., having served in numerous roles, including senior vice president, general counsel and secretary to the board of Motorola Solutions, Inc. In recognition of the significant unvested equity compensation that Mr. Steverson forfeited upon joining Corning, the Committee approved a cash bonus award of $750,000 and special one-time restricted stock award valued at $2,250,000.

No other special awards have been granted to NEOs in the past four years.

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Pay for Performance – Goal Setting Process

Corning has a process for setting rigorous goals involving both top-down and bottom-up budget generation with multiple levels of review. The Committee sets realistic stretch targets, based on then-current expectations of the business environment and growth and innovation plans. Regardless of changes in the economy as a whole or the markets in which we operate, we do not reset our annual performance goals for executives once they are approved.

In developing the performance goals for 2013, it was important for the Company to stabilize its performance and grow earnings compared with 2012. However, significant movements in the Japanese yen to U.S. dollar exchange rates in late 2012 and early 2013 made relative comparisons of quarter-to-quarter and year-over-year performance difficult. This resulted in Corning's adoption of core performance measures (utilizing a constant exchange rate of 93 yen to the dollar) in the first quarter of 2013, as discussed earlier.

For 2013, the adjusted NPAT goal (at target) was established at $1,717 million (or a more than 5% increase compared with the restated results for 2012). Achieving this growth in a very difficult economic environment would require the Company to successfully execute its plan to:

- Stabilize price declines and share in our Display Technologies segment;
- Grow our non-Display businesses in global markets such as telecommunications and automotive;
- Deliver significant manufacturing cost savings, effectively integrate new acquisitions and achieve greater efficiency within our staff functions; and
- Continue to make advances in our innovation portfolio and introduce new products.

Goal Setting – Short Term Incentives – Performance Incentive Plan

The Performance Incentive Plan (PIP): The PIP rewards short-term corporate performance through the payment of an annual cash bonus. The 2013 PIP goals for adjusted NPAT were established with the following criteria:

- The target performance goal was set at 2013 budget for adjusted NPAT of $1,717 million. If adjusted NPAT met this goal for 2013, the NEOs would earn 100% of their target award under the PIP.
- A "flat spot" concept has been used by the Company for many years. The flat spot is designed to require targets to be exceeded by a meaningful margin before significantly increasing the payouts. For example, in 2013, a change of $88 million in adjusted NPAT (more than 5% above targeted adjusted NPAT) would result in bonus payout of 120% of

the 2013 target bonus opportunity, with the slope of the performance curve steepening beyond that point.

- The minimum performance goal was established at 88% of our 2013 plan. If adjusted NPAT did not exceed $1,519 million in 2013, the NEOs would not receive any payments under the PIP.
- The maximum performance goal was established at 113% of our 2013 plan, or $1,937 million adjusted NPAT. If adjusted NPAT met or exceeded this goal for 2013, the NEOs would earn 200% of their target award under the PIP.

The adjusted NPAT goals used in 2013 are shown below. The "flat spot" concept can be seen in the following chart for payout goals between 80% and 120% of target; for example, a change of +/-$88 million in adjusted NPAT would result in bonus payout adjustments of 80% to 120% of the 2013 target bonus opportunities.

2013 Compensation Metrics
Performance Incentive Plan – Annual Cash Bonus

	Payout %	**Adjusted NPAT ($M)**
MAXIMUM	200 %	$ 1,937
	150 %	$ 1,863
	120 %	$ 1,805
TARGET	100 %	$ 1,717
	80 %	$ 1,629
	50 %	$ 1,585
MINIMUM	0 %	$ 1,519

For 2013, actual adjusted NPAT of $1,740 million exceeded the adjusted NPAT goal, resulting in cash payouts of 105% of target awards for each NEO, compared with 124% of target payouts in 2012.

Goal Setting – Long Term Incentives – Cash Performance Units

Corporate Performance Plan (CPP). The CPP rewards the creation of long-term shareholder value. In 2013, cash performance unit (CPU) awards under the CPP were based upon two equally weighted goals: (1) adjusted EPS and (2) adjusted operating cash flow. The minimum (0%), target (100%), and maximum (150%) payout target levels for adjusted EPS and adjusted operating cash flow for the 2013 CPP were as follows:

2013 Compensation Metrics
Corporate Performance Plan – Cash Performance Units

	Payout %	Adjusted EPS	Adjusted Operating Cash Flow

			($M)
MAXIMUM	150%	$ 1.302	$ 2,877
	125%	$ 1.253	$ 2,810
TARGET	100%	$ 1.154	$ 2,677
	75 %	$ 1.090	$ 2,605
	50 %	$ 1.066	$ 2,577
MINIMUM	0 %	$ 1.021	$ 2,527

These two goals were selected because of the importance to the long-term success of the Company in generating cash, while improving earnings per share. Both the Company and the Committee believe that these metrics are appropriate for motivating and rewarding behavior that leads to improved operating performance and shareholder value.

Actual results for 2013 were $1.190 of adjusted EPS and $2,768 million of adjusted operating cash flow. This resulted in CPU awards being earned at 109% of target (compared with a blended score of 117% of target in 2012). These awards are subject to an additional two-year vesting period.

Given the high level of uncertainty associated with growth through innovation and the volatility of the markets in which we operate, it is difficult for the Company to set multi-year goals. (We have discussed this with a number of our largest shareholders). As a result, in 2013 we used a one-year performance period, with the award, if earned, subject to an additional two-year vesting period. In 2014, we will use the average of three one-year performance periods to determine CPU payments. For more information, see “What’s New in 2014” on page 37 for a summary of changes effective in 2014.

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Adjustments to 2013 Reported Results

In 2013, we used adjusted NPAT as the financial metric used for annual cash bonuses under the PIP. Adjusted EPS and adjusted operating cash flow were the financial metrics for CPU awards earned under the CPP. The Compensation Committee approved in advance the adjustments used, which were similar to the adjustments approved in prior years.

Adjustments are intended to eliminate potential windfalls or penalties for non-recurring (and often non-cash) charges and gains. This allows our employees and executives to focus on improving operational performance, while taking special actions, as appropriate, to benefit the Company and its shareholders.

As discussed above, we have modified the financial metrics we are using in our incentive plans for 2014 performance.

Upon the Committee's review and approval at the beginning of 2013, the following special items were excluded from reported results to calculate incentives for 2013: (i) one-time charges from financing activities; (ii) gains/losses on debt buybacks; (iii) any impact associated with Japanese Yen foreign exchange hedge; (iv) restructuring or impairment charges and credits; (v) non-operating gains and losses; (vi) bankruptcy-related charges at Dow Corning and any impact of Pittsburgh Corning settlements that causes a variance to plan; (vii) any impact from Hemlock Semiconductor that causes a variance to plan; (viii) discontinued operations; (ix) extraordinary gains/losses; (x) special dividends from equity ventures; (xi) the impact from significant acquisitions or equity ventures; (xii) impact of any required accounting or tax law changes that causes a variance from plan; (xiii) the impact of release of valuation allowance on deferred tax assets; (xiv) any foreign currency translation impact on intercompany balance sheet accounts; (xv) restructuring or impairment charges and credits; and (xvi) other non-operating gains and losses considered a "special event" for external reporting purposes.

As a result of these adjustments for 2013, Corning's adjusted NPAT of $1,740 million was $221 million lower than Corning's reported GAAP NPAT of $1,961 million. Corning's adjusted EPS of $1.19 was $0.15 lower than Corning's reported GAAP EPS of $1.34. Corning's adjusted operating cash flow of $2,768 million was $19 million lower than the Company's GAAP operating cash flow of $2,787 million. A reconciliation of our non-GAAP financial measures to GAAP financial measures can be found in Appendix A to this proxy statement.

Other Benefit Plans

Employee Benefits: Our NEOs are eligible for the same employee benefit plans in which all other eligible U.S. salaried employees participate. These plans include medical, dental, life insurance, disability, matching gifts and qualified defined benefit and defined contribution retirement plans. We also maintain nonqualified defined benefit and defined contribution retirement plans with the same general plan features and benefits as our qualified retirement plans for all U.S. salaried employees affected by tax law compensation, contribution and/or deduction limits.

Perquisites and Other Benefits: In addition to the standard benefits available to all eligible U.S. salaried employees, the NEOs are eligible for the following additional perquisites and other benefits:

Executive Supplemental Pension Plan ("ESPP"): We maintain a nonqualified executive supplemental pension plan for approximately 30 active participants, including all of the NEOs. In 2006, we capped the percentage of cash compensation earned as a retirement benefit under our ESPP at a maximum 50% of Final Average Pay for 25 years of service or more. In 2012, we increased the earliest age under which an NEO with significant benefits payable (currently $1,020,000 per year) under the plan may commence an unreduced pension from age 55 to age 57, since the retention of our most senior executives is important to Corning. The definition of pay used to determine benefits includes base salary and annual cash bonuses. Long-term cash or equity incentives are not included and do not impact retirement benefits. Executives must have 10 or more years of service to be vested under this plan. All of the NEOs except for Mr. Steverson are currently vested under this plan. For additional details of ESPP benefits and plan features, please refer to the section entitled "Retirement Plans".

We maintain an ESPP to:

- Reward and retain the long-service individuals who are critical to executing Corning's innovation strategy. Most participants under the plan retire from Corning with more than 20 to 30 years of service, and the Company believes that such long-tenured service contributes to Corning's long-term success.
- Provide a reliable and competitive retirement benefit that is independent of other forms of compensation. Given the inherent volatility of performance-based awards and equity incentives, the Company believes that providing a reliable form of retirement income (independent of other elements of compensation) to participants under this plan is consistent with its focus on balancing short- and long-term interests while growing through innovation and encouraging long-term talent retention.

While we seek to maintain well-funded qualified retirement plans, we do not fund our nonqualified retirement plans.

Executive Allowance Program: In 2013, we provided the NEOs with an annual executive allowance that could be used only for limited personal use of corporate aircraft and home security. Each NEO is responsible for all taxes on any imputed income resulting from this program.

We closely monitor business and personal usage on our planes and seek to keep all personal usage at a low percentage of total usage. Annual personal aircraft usage caps under this program (both hours and absolute dollar value) are established by the Committee for each NEO. The Committee believes that a well-managed program of limited personal aircraft use, given the limited commercial flight options available in the Corning, New York area, provides an extremely important benefit at a reasonable cost to the Company. For additional details, refer to footnotes relating to "All Other Compensation" included with the Summary Compensation Table.

Executive Physical: Members of the Executive Group in the U.S., including the NEOs, are eligible for an annual physical exam.

Executive Severance Agreements: We have entered into severance agreements with each NEO. The severance agreements provide clarity for both the Company and the executive if the executive's employment terminates. By having an agreement in place, we intend to avoid the uncertainty, negotiations and potential litigation that may otherwise occur in the event of termination. The agreements are competitive with market practices at many other large companies and are helpful in retaining senior executives. Additional details can be found under "Arrangements with Named Executive Officers".

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Executive Change-in-Control Agreements: The Committee believes that it is in the best interests of shareholders, employees and the communities in which the Company operates to ensure an orderly process if a change-in-control of the Company were to occur. The Committee believes that it is important to prevent the loss of key management personnel (who would be difficult to replace) that may occur in connection with a potential or actual change-in-control of the Company. We have thus provided each NEO with change-in-control agreements (separate from the severance agreements described above). The change-in-control agreements generally have a double trigger severance provision (i.e., the executive's employment must be terminated following a change-in-control) to receive any benefits. Additional details about the specific agreements can be found under "Arrangements with Named Executive Officers".

These severance and change-in-control agreements are intended to provide stability to the Company and the NEOs at critical times. The Company considers these agreements necessary to attract and retain senior executives, and the terms of these agreements are not a part of the annual compensation determination for our NEOs. In 2012, the Committee approved new forms of agreements for all corporate officers receiving such agreements after July 2004. These new agreements will become effective January 1, 2015, and contain no provision for gross-ups for excise taxes, and cap severance and other benefits at 2.99 times base salary plus target bonus, with cash severance for most officers limited to 2 times base salary plus target bonus. Of our current NEOs, Mr. Steverson is impacted by these changes, since other current NEOs have agreements that were in place prior to July 2004.

Role of Compensation Consultants

The Committee has the authority to retain and terminate a compensation consultant, and to approve the consultant's fees and all other terms of such engagement. During 2013, the Committee directly retained an executive compensation expert from Aon Hewitt – an affiliate of Aon Corporation – as its independent consultant.

The Committee conducted an independence review of its consultant pursuant to SEC and NYSE rules. The Committee concluded that the six independence factors required for consideration under SEC rules are adequately covered by Aon Hewitt's current policies and no conflict of interest exists that would prevent its consultant from independently representing the Compensation Committee.

- During 2013, Aon Hewitt provided leadership development consulting in China to the Company's subsidiary in China, but the Aon Hewitt executive compensation expert does not provide any other services to the Company, nor is he or the Committee involved in the provision of these consulting services in China in any way. The Committee does not believe that limited services provided by separate groups within Aon Hewitt, on discrete projects (e.g., leadership development in China) for the benefit of Corning's general employee population, affect the independent advice that the Committee receives from its consultant related to executive compensation.

- In 2013, fees for Aon Hewitt totaled $235,839, of which $101,341 was related to compensation consulting services provided to the Committee by its independent consultant. The remaining $134,498 fees were for leadership development in China.

- Aon Hewitt's parent company and affiliated companies provide an additional $275,267 in captive management and insurance brokerage services, actuarial services and salary surveys. The Aon Hewitt consultant has no connection to these unrelated services, and in total all services represent less than 0.1% of total revenues of Aon.

The consultant advises the Committee on all matters related to the compensation of the NEOs and assists the Committee in interpreting the consultant's data as well as data received from the Company. Specifically, the Committee requested the consultant provide it with the following assistance in 2013:

- Review and provide feedback on the executive compensation proposals and any short- or long-term incentive compensation plan design changes, as applicable, developed by the Company for review and consideration;
- Attend all Committee meetings (seven in 2013), including the December meeting when annual compensation decisions are reviewed regarding the NEOs and the other 200+ members of the Executive Group, and the February meeting where decisions on these pay proposals are taken;
- Provide feedback to the Committee regarding market trends and practices and provide informed opinions regarding Corning's compensation practices, policies and executive pay levels based on the consultant's experience;
- Review and provide feedback to recommendations developed by Corning's senior vice president, Global Compensation and Benefits, and provide the consultant's opinion on the annual pay levels established for Corning's CEO and other NEOs, and the peer group used for benchmarking CEO pay level and pay practices, in general;
- Review and provide feedback to any changes proposed to any Corning plan or agreement that affects any member of Corning's Executive Group; and
- Recommend changes in compensation paid to non-employee directors.

The company has engaged Compensation Advisory Partners LLC ("CAP"), Frederic W. Cook & Co., Inc. ("FWC"), Shearman and Sterling, LLP ("S&S") and Towers Watson ("TW") to assist management with various executive compensation matters, including:

- Compiling data about our peer group and industry;
- Compiling and analyzing data about the compensation and benefit practices, programs, and performance of our peers and our industry;
- Evaluating proposed aspects of our executive compensation program;
- Providing data for Corning's annual proxy preparation; and
- Providing advice and recommendations to management.

The Committee assessed the independence of CAP, FWC, S&S and TW pursuant to SEC and NYSE rules and concluded that the work of each firm for the company did not raise any conflicts of interest.

Role of Executive Management in the Executive Compensation Process

Corning’s senior vice president (“SVP”), Global Compensation and Benefits, working closely with other members of Corning’s Human Resources, Legal and Finance departments, is responsible for designing and implementing executive compensation and discussing significant proposals or topics impacting executive compensation at the Company with the Committee. The SVP, Global Compensation and Benefits, formulates each element of the targeted total compensation recommendations for all of the NEOs and reviews the recommendations for each of the other NEOs with the CEO. The NEOs do not recommend or suggest individual compensation actions that benefit them personally.

- The CEO may propose any adjustments he deems appropriate prior to submission to the Committee.
- Recommendations for the CEO’s compensation are not discussed or reviewed with the CEO prior to the Committee’s review and the CEO is not present when the SVP, Global Compensation and Benefits, reviews the CEO compensation recommendation with the Committee.
- The Committee receives management’s recommendations for the compensation plan performance metrics and sets the final targets for the year.

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The CEO, chief administrative officer and senior vice president, Human Resources, are invited to attend Committee meetings. The chief financial officer historically has only attended the annual Committee meeting to review the CD&A. However, he is provided with copies of Committee meeting materials that are mailed in advance to all Committee members as well as a copy of the minutes prepared after the meetings. However, in 2013, Mr. Flaws joined the first portion of the February meeting to discuss the 2013 corporate financial goals for compensation planning purposes; and he attended a special teleconference in November related to the plan design.

Our Peer Groups for the 2013 Compensation Review

Our peer group for compensation purposes is different from the group of companies that our businesses compete with and that should be considered for financial performance comparison purposes.

The Company currently participates in and uses three general executive compensation surveys for NEO positions.

•Mercer S&P 500 Executive Survey;

•Towers Watson Executive Survey; and

•Equilar Top 25 Survey.

In addition to the three general surveys, we also use proxy data obtained from service providers, such as Equilar, Inc., to review compensation levels of NEOs at companies in a variety of manufacturing and service industries that are similar in size or have similar characteristics to Corning (the “Compensation Peer Group”).

Corning is a diversified technology company with five reportable business segments.

The majority of our businesses do not have unique, identifiable U.S. peers. Most of our businesses compete with non-U.S. companies in Asia and Europe, or privately held companies that do not provide comparable executive compensation disclosure. The majority of our key customers are non-U.S. companies or extremely large U.S. companies that would not be appropriate compensation peers for Corning.

In addition, the importance of Corning’s equity affiliates to our results adds further complexity to the identification of a representative compensation peer group. In attempting to identify peer companies for compensation purposes, Corning must look to globally diversified companies or innovation companies in other industries to find companies of similar size and complexity (when viewed in terms of revenues, net income, market capitalization, assets and number of employees).

Corning’s reported revenues are somewhat lower than the $8.7 billion median revenues of this Compensation Peer Group. However, Corning’s number of employees and market capitalization are above the median, and its net income and total assets are in the top quartile of this Compensation Peer Group. As previously noted, revenues alone do not reflect the size and complexity of Corning due to its large equity affiliates, where Corning’s share of the net income from these entities is included in Corning’s reported earnings, but its share of the entity revenues is not included in our reported revenues.

Corning uses the Compensation Peer Group solely as a reference point, in combination with broader executive compensation surveys, to assess our CEO’s compensation. Our goal is to position target compensation for our CEO within a competitive range of the Compensation Peer Group median. (For 2013, our CEO’s total target direct compensation of approximately $10 million was found to be positioned at approximately the median of the various benchmarks the Committee reviewed.) Beyond that, external data serves as a reference point, with internal equity compared with the CEO for other NEOs being a more important consideration in establishing a base salary and target total direct compensation for the other NEOs. As a result of positioning these base salaries and total direct compensation closer to that of the CEO than many other companies, the total pay of NEOs (other than the CEO) is generally positioned near or within the top quartile when reference is made to the various executive compensation surveys. The Committee believes that this pay position is appropriate for these particular NEOs given their experience and performance.

2013 Compensation Peer Group:

Advanced Micro Devices, Inc.	Medtronic, Inc.
Agilent Technologies, Inc.	Monsanto Company
Applied Materials, Inc.	Motorola Solutions, Inc.
BorgWarner, Inc.	NetApp, Inc.
Boston Scientific Corporation	PPG Industries, Inc.
Broadcom Corporation	Praxair, Inc.
Cummins Inc.	QUALCOMM, Inc.
Danaher Corporation	Rockwell Automation, Inc.
Dover Corporation	TE Connectivity Limited
Eaton Corporation PLC	Texas Instruments Incorporated
Harris Corporation	Thermo Fisher Scientific, Inc.
Juniper Networks, Inc.	

2013 Financial Performance Peer Group
(primary competitors in our five business segments):

Asahi Glass Co. Ltd.	TE Connectivity Ltd.
Nippon Electric Glass Co. Ltd.	Thermo Fisher Scientific, Inc.
Ibiden Co., Ltd.	Life Technologies Corporation
NGK Insulators Ltd.	Hoya Corp.
Prysmian Group	Agilent Technologies, Inc.

The information reviewed by the Committee in December 2013 was based on compensation data in proxy statements filed in 2013 and was used to establish target pay levels for 2014.

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Compensation Peer Group Comparison

Percent Rank - Corning vs. Compensation Peer Group

Size Metric	**Corning's Percent Rank**	
Revenues	39	%
Market Capitalization	52	%
Net Income	78	%
Total Assets	83	%
Employees	61	%

Median total direct CEO compensation reported in the Compensation Peer Group was $9.4 million and 75th percentile total direct CEO compensation was $11.4 million, compared with Corning total direct CEO compensation, at target, of $10 million.

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2013 Financial Performance Peer Group Comparison

Our largest competitors and most relevant financial performance peers are not U.S. companies. Therefore, the best companies for financial performance comparison purposes are not the same as those in the Compensation Peer Group we use for compensation benchmarking.

The following table contains certain financial performance data of Corning and each of our business segments, compared with our largest competitors in each of those segments, including core sales and NPAT compound annual growth rates ("CAGR"). Overall, we performed well in 2013 in each of our business segments. Our performance was particularly strong in our Display Technologies segment, which accounted for more than 70% of our core net income in 2013.

Display Technologies Segment	Sales (CAGR)		NPAT (CAGR)		Annualized TSR at 12/31/13	
	1 Yr	3 Yr	1 Yr	3 Yr	1 Yr	3 Yr
Corning Incorporated	5 %	6 %	13 %	-18 %	45 %	-1 %
Display Technologies Segment	7 %	-4 %	1 %	-23 %	–	–
Asahi Glass Co. Ltd.	11 %	1 %	-63 %	-49 %	7 %	-8 %
Nippon Electric Glass Co. Ltd.	-15 %	-14 %	N/A	-44 %	17 %	-20 %

Environmental Technologies Segment	Sales (CAGR)		NPAT (CAGR)		Annualized TSR at 12/31/13	
	1 Yr	3 Yr	1 Yr	3 Yr	1 Yr	3 Yr
Corning Incorporated	5 %	6 %	13 %	-18 %	45 %	-1 %
Environmental Technologies Segment	-5 %	4 %	9 %	45 %	–	–
Ibiden Co., Ltd.	4 %	1 %	47 %	2 %	46 %	-7 %
NGK Insulators Ltd.	18 %	5 %	198 %	-2 %	99 %	17 %

Optical Communications Segment	Sales (CAGR)		NPAT (CAGR)		Annualized TSR at 12/31/13	
	1 Yr	3 Yr	1 Yr	3 Yr	1 Yr	3 Yr
Corning Incorporated	5 %	6 %	13 %	-18 %	45 %	-1 %
Optical Communications Segment	9 %	11 %	43 %	26 %	–	–
Prysmian S.p.A.	-7 %	17 %	-11 %	0 %	28 %	16 %
TE Connectivity Ltd.	2 %	3 %	12 %	5 %	52 %	18 %

Life Sciences Segment	Sales (CAGR)		NPAT (CAGR)		Annualized TSR at 12/31/13	
	1 Yr	3 Yr	1 Yr	3 Yr	1 Yr	3 Yr
Corning Incorporated	5 %	6 %	13 %	-18 %	45 %	-1 %
Life Sciences Segment	30 %	19 %	92 %	16 %	–	–

Thermo Fisher Scientific, Inc.	1 %	3 %	15 %	10 %	55 %	11 %
Life Technologies Corporation	5 %	7 %	2 %	7 %	76 %	27 %

Specialty Materials Segment	Sales (CAGR)		NPAT (CAGR)		Annualized TSR at 12/31/13	
	1 Yr	3 Yr	1 Yr	3 Yr	1 Yr	3 Yr
Corning Incorporated	5 %	6 %	13 %	-18 %	45 %	-1 %
Specialty Materials Segment	-13 %	26 %	-2 %	N/A	–	–
Asahi Glass Co. Ltd.	11 %	1 %	-63 %	-49 %	7 %	-8 %
Nippon Electric Glass Co. Ltd.	-15 %	-14 %	N/A	-44 %	17 %	-20 %
Agilent Technologies, Inc.	-2 %	6 %	-33 %	-2 %	41 %	12 %
Hoya Corp.	12 %	-1 %	19 %	3 %	78 %	18 %

Data Source: Capital IQ / Bloomberg / Company reports

Corning Incorporated data is derived from core performance measures, which are non-GAAP measures. The reconciliation between GAAP and these non-GAAP measures can be found in Appendix A.

NPAT for all competitors is defined by Capital IQ “Net income excl. extra items.”

Life Technologies Corporation data is derived from data for the period ending September 30, 2013.

Agilent Technologies Inc. data is derived from data for the period ending January 31, 2014.

All data and calculations are in local currency.

N/A indicates CAGR is not applicable due to a loss in the prior comparison period.

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What's New in 2014

As outlined earlier in this CD&A, following extensive investor outreach and program review, the Committee approved several changes to the executive compensation plan for 2014 that will better align the plan to shareholder interests and the Company's strategic objectives:

- Increase the performance-related component of the long-term incentive plan (CPUs) from 50% to 60% of the target long-term incentive value; and as a result, decrease the proportion of stock options in the long-term incentive plan from 25% to 15%. (No change is being made to the Restricted Stock Unit (RSU) component of the long-term incentive plan).
- Extend the performance measures in the long-term incentive plan from a one-year performance period followed by a two additional years' vesting period to the average performance over three annual performance periods.
- Shift to core performance measures in establishing performance-related goals to align with the core performance measures adopted by the Company in 2013.
- Add a revenue growth measure to the short- and long-term performance incentive plans in addition to the current profitability and cash flow measures, but retain the focus on cash and profit generation. Growing revenue, especially in our non-Display business segments, is particularly important to both the short- and long-term performance of the Company after the reset in the Display industry that occurred in 2011 and 2012.
- We use operating cashflow as the primary metric in the long-term incentive CPUs because it is important to Corning to consistently generate cash. Corning's operating cashflow enables us to make large capital and other investments that are aligned with our business strategy, to weather the short-term volatility inherent in our business model and to provide returns to our shareholders through dividends and/or share repurchases.

We expect these changes, combined with the establishment of rigorous goals, to strengthen the alignment of pay and performance, consistent with our executive compensation philosophy.

Additional Information

Compensation Risk Analysis

In February 2014, our Compensation Committee reviewed the conclusions of a risk assessment of our compensation policies and practices covering all employees, conducted annually by a cross-functional team with representatives from Human Resources, Legal and Finance. Our Compensation Committee evaluated the levels of risk-taking that potentially could be encouraged by our compensation arrangements, taking into account the arrangements' risk-mitigation features, to determine whether they are appropriate in the context of our strategic plan and annual budget, our overall compensation arrangements, our compensation objectives and our Company's overall risk profile. Identified risk-mitigation features included the following:

- The mix of cash and equity payouts tied to both short-term financial performance and long-term value creation;
- The time vesting requirements in our long-term incentive plans, which help align the interests of employees to long-term stakeholders;
- The use of financial performance metrics that are readily monitored and reviewed;
- The rigorous budget and goal setting processes that involve both top-down and bottom-up analysis;
- The use of common performance metrics for incentives across Corning's management team and all eligible employees, with corporate results impacting the compensation of all Corning employees;
- The use of a "flat spot" in our annual incentive plan that is intended to avoid imprudent risk-taking to achieving cliff goals;
- Capped payout levels for annual incentives, including sales commission plans and cash performance unit awards;
- Our stock ownership requirements for NEOs;
- The Company's clawback and anti-hedging policies; and
- Multiple levels of review and approval of awards, including Compensation Committee approval on all officer compensation proposals.

Our Compensation Committee concluded that we have a balanced pay and performance executive compensation program that does not drive excessive financial risk-taking. We believe that Corning does not use compensation policies or practices that create risks that are reasonably likely to have a material adverse effect on the Company.

Clawback Policy

We have had a policy that gives the Committee the sole and absolute discretion to make retroactive adjustments to any cash or equity-based incentive compensation paid to certain Executive Officers and other key employees where such payment was based upon the achievement of certain financial results that were subsequently the subject of a restatement. The Committee has discretion to seek recovery of any amount that it determines was received inappropriately by these individuals.

Stock Ownership Guidelines

The NEOs and directors are subject to stock ownership guidelines. All NEOs or directors in their role for at least five years meet or exceed the ownership requirement. The ownership guidelines are as follows:

Chief Executive Officer	6x Base Salary
NEOs other than the CEO	3x Base Salary
Non-employee Directors	5x Annual Cash Retainer

Anti-Hedging Policy

We have a policy that prohibits any member of the Officer Group or any director from selling or buying publicly traded options on Corning stock, or trading in any Corning stock derivatives. Additionally, these individuals may not engage in transactions in which he or she may profit from short-term speculative swings in the value of Corning stock utilizing “short sales” or “put” or “call” options.

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Anti-Pledging Policy

We have a policy that prohibits any member of the Officer Group or any director from holding Corning stock in a margin account or pledging Company securities as collateral for a loan.

Compensation Deductibility (tax treatment)

Section 162(m) of the Internal Revenue Code of 1986, as amended, generally limits the deductibility of compensation paid to our NEOs to $1 million during any fiscal year unless such compensation qualifies as “performance-based compensation.” In general, the Company intends to structure its incentive compensation arrangements (including the PIP, stock options and CPUs) to qualify as deductible performance-based compensation. However, the Committee maintains the flexibility to pay incentive compensation that does not meet the requirements specified under Section 162(m) and is thus not deductible. The tax deductibility of other components of compensation, including base salaries above $1 million, time-based restricted stock units and the taxable value of executive benefits and perquisites, is potentially limited under current tax rules.

Accounting Implications

In designing our total compensation and benefit programs, we review the accounting implications of our decisions. We seek to deliver cost-effective compensation and benefit programs that meet both the needs of the Company and our employees. The Committee and the Company, while always cognizant of the accounting expense ascribed to various forms of cash compensation, benefits and equity awards, do not determine the respective amounts of awards to various executives and employees solely on the basis of the schedule of accounting expense recognition of such awards. The disclosed values of cash and equity long-term incentive awards are based on the accounting cost of awards covering multiple performance periods and historical grant prices that could be higher or lower than current stock prices. In addition, actual performance and the vesting/exercise dates of various awards have a dramatic impact on the actual value of awards received by plan participants.

Compensation Committee Report

The Compensation Committee of the Board of Directors (the “Committee”), composed entirely of independent directors, is responsible to the Board of Directors and our shareholders for the oversight and administration of executive compensation at Corning. The Committee approves the principles guiding the Company’s compensation philosophy, reviews and approves executive compensation levels (including cash compensation, equity incentives, benefits and perquisites for executive officers) and reports its actions to the Board of Directors for review and, as necessary, approval. The Committee is responsible for interpreting Corning’s executive compensation plans and programs. In the event of any questions or disputes, the Committee may use its judgment and/or discretion to make final administrative decisions regarding these plans and programs. It is our practice that all compensation decisions affecting a corporate officer must be reviewed and approved by the Committee. Additional details regarding the role and responsibilities of the Committee are defined in the Committee Charter, located within the Corporate Governance section of the Company's website.

The Committee has reviewed and discussed the foregoing CD&A with management. Based on our review and discussions with management, we recommended to the Board of Directors that the CD&A be included in this proxy statement and in our Annual Report on Form 10-K for the year ended December 31, 2013.

The Compensation Committee:

Deborah D. Rieman, *Chairman*
John Seely Brown
Richard T. Clark
Kurt M. Landgraf
Hansel E. Tookes II

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Compensation Tables

Summary Compensation Table

The following tables, narrative and footnotes discuss the 2013 compensation of the Chairman, Chief Executive Officer and President, the Chief Financial Officer and the other three most highly compensated executive officers, who are referred to as the Named Executive Officers.

(a)	(b)	(c)	(d)	(e)[1]	(f)[2]	(g)[3]	(h)[4]	(i)[5]	(j)
Named Executive Officer	Year	Salary ($)	Bonus ($)	Stock Awards ($)	Option Awards ($)	Non-Equity Incentive Plan Compensation ($)	Change in Pension Value And Nonqualified Deferred Compensation Earnings ($)	All Other Compensation ($)	Total ($)
Wendell P. Weeks	2013	1,223,615	0	1,750,002	1,747,499	5,717,784	0	774,963	11,213,864
Chairman, Chief	2012	1,197,308	0	1,749,994	1,668,623	6,265,910	1,193,672	572,297	12,647,804
Executive Officer and President	2011	1,167,154	0	1,749,994	1,707,225	2,323,076	2,913,618	472,465	10,333,531
James B. Flaws	2013	921,462	1,500,000[6]	874,995	873,749	2,848,929	0	233,943	7,253,077
Vice Chairman and	2012	901,731	1,500,000[6]	874,997	834,314	3,118,847	1,970,034	174,533	9,374,456
Chief Financial Officer	2011	880,923	0	799,993	780,440	1,083,921	928,884	250,896	4,725,056
Kirk P. Gregg	2013	648,769	0	499,995	499,287	1,649,030	0	118,071	3,415,151
Executive Vice	2012	634,885	0	500,006	476,749	1,805,264	1,747,802	133,278	5,297,985
President and Chief Administrative Officer	2011	620,231	0	499,995	487,775	677,936	992,443	168,805	3,447,184
Lawrence D. McRae	2013	626,769	0	499,995	499,287	1,630,367	0	75,261	3,331,679
Executive Vice	2012	612,885	0	500,006	476,749	1,783,427	1,237,468	62,315	4,672,849
President, Strategy and Corporate Development	2011	598,269	0	437,494	426,816	597,180	1,619,219	70,530	3,749,508
Lewis A. Steverson [7]	2013	290,000	750,000[7]	2,625,001[7]	392,570	1,048,282	51,484	80,682	5,238,020

Senior Vice
President
and General
Counsel

(1) The amounts in column (e) reflect the aggregate grant date fair value computed in accordance with FASB ASC Topic 718 of awards of restricted stock units granted pursuant to the Corning Corporate Performance Plan. Assumptions used in the calculation of these amounts are included in Note 19 to the Company's audited financial statements for the fiscal year ended December 31, 2013, included in the Company's Annual Report on Form 10-K filed with the SEC on February 10, 2014. This same method was used for the fiscal years ended December 31, 2012 and 2011. There can be no assurance that the grant date fair value amounts will ever be realized.

(2) The amounts in column (f) reflect the aggregate grant date fair value computed in accordance with FASB ASC Topic 718 of stock option awards granted pursuant to the Corning Corporate Performance Plan. Assumptions used in the calculation of these amounts are included in Note 19 to the Company's audited financial statements for the fiscal year ended December 31, 2013, included in the Company's Annual Report on Form 10-K filed with the SEC on February 10, 2014. This same method was used for the fiscal years ended December 31, 2012 and 2011. There can be no assurance that the grant date fair value amounts will ever be realized.

(3) The amounts in column (g) reflect the sum of annual cash bonuses and cash performance units. All of the annual cash bonuses paid to the NEOs are performance-based. Cash bonuses are paid annually through two plans: (i) GoalSharing; and (ii) the Performance Incentive Plan. Awards earned under the 2013 GoalSharing plan were 6.08% of each NEO's year-end base salary and paid in February 2014. Awards earned under the 2013 Performance Incentive Plan were based on actual corporate performance compared to the adjusted NPAT goals established for the plans in February 2013. Based on actual performance, each of the NEOs earned Performance Incentive Plan awards equal to 105% of their annual target bonus opportunities (established as a percentage of year-end base salary). Cash awards earned under the Performance Incentive Plan for 2013 will be paid in March 2014. The following table indicates awards earned under the GoalSharing Plan and the Performance Incentive Plan reflected in column (g) above. Mr. Steverson's awards were prorated for time worked during 2013:

Named Executive Officer	Year End Base Salary ($)	2013 PIP Target %	Actual 2013 PIP Performance Results (% Tgt.)	2013 PIP Award ($)	Actual 2013 GoalSharing Performance %	2013 GoalSharing Award ($)
Wendell P. Weeks	1,243,000	140 %	105 %	1,827,210	6.08 %	75,574
James B. Flaws	936,000	90 %	105 %	884,520	6.08 %	56,909
Kirk P. Gregg	659,000	75 %	105 %	518,963	6.08 %	40,067
Lawrence D. McRae	637,000	75 %	105 %	501,638	6.08 %	38,730
Lewis A. Steverson	580,000	70 %	105 %	213,150	6.08 %	17,632

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Cash Performance Unit (CPU) Awards under the 2013 Corporate Performance Plan were based on actual corporate performance compared to the adjusted EPS and adjusted operating cash flow goals established for the plans in February 2013. Based on actual performance, each of the NEOs earned cash performance units under the Corporate Performance Plan equal to 109% of their target opportunities (established as a percentage of year-end base salary). These cash performance units are subject to an additional two-year vesting period and will be paid in February 2016. The following table reflects the target amount of CPUs and the awards earned under the 2013 Corporate Performance Plan reflected in column (g) above:

Named Executive Officer	2013 CPU Target Award ($)	Actual 2013 CPU Performance Results %		2013 CPU Award ($)
Wendell P. Weeks	3,500,000	109	%	3,815,000
James B. Flaws	1,750,000	109	%	1,907,500
Kirk P. Gregg	1,000,000	109	%	1,090,000
Lawrence D. McRae	1,000,000	109	%	1,090,000
Lewis A. Steverson	750,000	109	%	817,500

(4) The amounts in column (h) reflect the increase in the actuarial present value of the NEO's benefits under all defined benefit pension plans established by the Company determined using interest rate and mortality rate assumptions consistent with those used in the Company's financial statements. Column (h) also includes amounts that the NEO may not currently be entitled to receive because such amounts are not vested. In 2013 the discount rate used to value the actuarial liability increased 100 basis points from 3.75% to 4.75%, resulting in a decrease in the pension values of Mr. Weeks, Mr. Flaws, Mr. Gregg and Mr. McRae by $1,640,363, $2,118,583, $881,444 and $409,868, respectively, and therefore column (h) shows no increase for these officers. Mr. Steverson's increase relates to the benefit accrual beginning upon his joining the company on June 17, 2013. Although column (h) is also used to report the amount of above market earnings on compensation that is deferred under the nonqualified deferred compensation plans, Corning does not have any above market earnings under its nonqualified deferred compensation plan, also referred to as the Supplemental Investment Plan.

(5) The amounts in column (i) reflect the incremental cost of the "All Other Compensation" amounts provided to the NEOs, as detailed in the following table. Personal aircraft rights and home security are the only services offered to the NEOs under the Executive Allowance Program. The value of the personal aircraft rights in the table below reflects the incremental cost of providing such perquisites and is calculated based on the average variable operating costs to the Company. Hourly rates are developed using variable operating costs that include fuel costs, mileage, maintenance, crew travel expense, catering and other miscellaneous variable costs. The fixed costs that do not change based on usage, such as pilot salaries, hangar expense and general taxes and insurance are excluded.

Named Executive Officer	Year	Company Match on Qualified 401(k) Plan ($)	Company Match on Supplemental Investment Plan ($)	Value of Personal Aircraft Rights ($) (i)	Value of Home Security Costs ($) (ii)		Relocation ($)	Other Perquisites ($) (iii)	TOTALS ($)
Wendell P. Weeks	2013	9,468	200,144	56,143	502,938	(iv)	0	6,270	774,963
	2012	9,262	78,446	87,356	391,865	(iv)	0	5,368	572,297

	2011	9,057	200,390	81,550	172,946	(iv)	0		8,523	472,465
James B. Flaws	2013	14,203	108,853	91,592	11,472		0		7,822	233,942
	2012	13,894	49,440	81,414	23,378		0		6,407	174,533
	2011	13,585	129,258	78,272	23,759		0		6,022	250,896
Kirk P. Gregg	2013	10,200	41,161	54,913	11,472		0		324	118,071
	2012	10,000	18,513	78,272	23,355		0		3,139	133,278
	2011	9,778	52,947	81,960	23,759		0		361	168,805
Lawrence D. McRae	2013	15,746	0	47,719	11,472		0		324	75,261
	2012	15,437	0	23,154	23,355		0		368	62,315
	2011	15,129	0	31,281	23,759		0		361	70,530
Lewis A. Steverson	2013	3,029	0	47,537	0		29,793	(v)	324	80,682

(i) The "Executive Allowance Program" is tracked on a December 1-to-November 30 year.

(ii) These amounts include costs associated with home security.

(iii) These amounts include cost attributable to executive physicals, an annual Board gift, and contributions made under the Corning Foundation Matching Gift program.

(iv) This reflects company-paid expenses relating to personal and residential security benefitting Mr. Weeks and his family members. Mr. Weeks' personal safety and security are of vital importance to the company's business and prospects. These costs are appropriate corporate business expenses. However, because these costs can be viewed as conveying personal benefit to Mr. Weeks, they are reported as perquisites in this column.

(v) Relocation benefits were provided to Mr. Steverson pursuant to the company's standard relocation packages typically offered to newly hired employees with greater than five years of experience.

(6) As discussed above in the CD&A, to retain Mr. Flaws past his anticipated retirement date and to allow for phased executive successions, Mr. Flaws received a cash payment of $1.5 million on April 1 in each of 2012 and 2013, and is eligible to receive a final payment of $1.5 million on April 1, 2014.

(7) As discussed above in the CD&A, in recognition of the significant unvested equity compensation that Mr. Steverson forfeited upon joining Corning as General Counsel in June 2013, he was paid a cash bonus award of $750,000 and a special one-time restricted stock award valued at $2,250,000.

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Grants of Plan-Based Awards

(a)		(b)	(c)	Estimated Future Payouts Under Non-Equity Incentive Plan Awards (d)(1)	(e)(1)	(f)(1)	(g)	(h)	(i)
Named Executive Officer	Award	Grant Date	Date of Committee Action	Threshold ($)	Target ($)	Maximum ($)	All Other Stock Awards: Number of Shares of Stock or Units (#)	All Other Option Awards: Number of Securities Underlying Options (#)	Exerc or Ba Price Optio Awar ($/Sh
Wendell P. Weeks	Performance Incentive Plan	n/a		0	1,740,200	3,480,400			
	GoalSharing Plan	n/a		0	62,150	124,300			
	Cash Performance Units	2/6/13	2/5/13	0	3,500,000 (2)	5,250,000 (2)(3)			
	Time-Based Restricted Stock Units	3/28/13	2/5/13				131,283		
	Stock Options	3/28/13	2/5/13					125,031	13.33
	Stock Options	4/30/13	2/5/13					114,943	14.50
	Stock Options	5/31/13	2/5/13					108,436	15.37
James B. Flaws	Performance Incentive Plan	n/a		0	842,400	1,684,800			
	GoalSharing Plan	n/a		0	46,800	93,600			
	Cash Performance Units	2/6/13	2/5/13	0	1,750,000 (2)	2,625,000 (2)(3)			
	Time-Based Restricted Stock Units	3/28/13	2/5/13				65,641		
	Stock Options	3/28/13	2/5/13					62,516	13.33
	Stock Options	4/30/13	2/5/13					57,471	14.50
	Stock Options	5/31/13	2/5/13					54,218	15.37
		n/a		0	494,250	988,500			

Kirk P. Gregg	Performance Incentive Plan								
	GoalSharing Plan	n/a		0	32,950	65,900			
	Cash Performance Units	2/6/13	2/5/13	0	1,000,000 (2)	1,500,000 (2)(3)			
	Time-Based Restricted Stock Units	3/28/13	2/5/13				37,509		
	Stock Options	3/28/13	2/5/13					35,723	13.33
	Stock Options	4/30/13	2/5/13					32,841	14.50
	Stock Options	5/31/13	2/5/13					30,982	15.37
Lawrence D. McRae	Performance Incentive Plan	n/a		0	477,750	955,500			
	GoalSharing Plan	n/a		0	31,850	63,700			
	Cash Performance Units	2/6/13	2/5/13	0	1,000,000 (2)	1,500,000 (2)(3)			
	Time-Based Restricted Stock Units	3/28/13	2/5/13				37,509		