

CORNING INC /NY  
Form DEFA14A  
March 25, 2010

**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

**Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))**

Definitive Proxy Statement

Definitive Additional Materials

Soliciting Material Pursuant to §240.14a-12

**Corning Incorporated**

(Name of Registrant as Specified In Its Charter)

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

Payment of Filing Fee (Check the appropriate box):

- No fee required.
- Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.

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- .. Fee paid previously with preliminary materials.
  
- .. Check box if any part of the fee is offset as provided by Exchange Act Rule 0-11(a)(2) and identify the filing for which the offsetting fee was paid previously. Identify the previous filing by registration statement number, or the Form or Schedule and the date of its filing.

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March 24, 2010

Dear Shareholder:

We are soliciting your support for: (1) nominees for election to the Board of Directors; (2) adoption of the 2010 Variable Compensation Plan; (3) adopting the 2010 Equity Plan for Non-Employee Directors; (4) amending the Restated Certificate of Incorporation to declassify the Board; as well as (5) opposing a shareholder resolution that seeks elimination of supermajority voting, all to be voted on at Corning's Annual Meeting on April 29, 2010. We wanted to summarize the following items as you consider your vote:

AGENDA

Update

Declassification of Board of Directors

Shareholder Proposal to end Super-Majority Votes

Compensation

UPDATE

Retail sales of LCD TVs in Q1 have been in line with our expectations:

Japan up 79% in January; 65% in February

China up 53% and Europe up 12% in January, respectively

February not available yet

U.S. flat for first two months

In line with expectations

Last January: digital conversion, Circuit City liquidation

Panel prices continue to be firm

Indication panel demand is strong

Suggests strength further down the supply chain

Glass demand is strong

We are shipping everything we can make

DECLASSIFICATION OF BOARD OF DIRECTORS

Currently each class of directors stands for election every three years

Four to five directors terms expire each year

11 of the 14 directors are independent (external)

Our Proposal:

Terms for nominees elected at this annual meeting will expire in 2013 then be eligible for re-election annually

Nominees with terms expiring in 2011 or 2012 will serve the remainder of their terms then be eligible for re-election annually

Any new director appointed to the Board will stand for re-election annually

SHAREHOLDER PROPOSAL TO END SUPER-MAJORITY VOTES

By-Laws/Certificate now require 80% of outstanding shares to approve a few important governance/structure matters:

Changing number, class, removal, or nomination of directors, and general Board powers

Approving a merger or business combination that is not first approved by Board

If at least 2/3 of Board agrees any such change is advisable, then 80% super-majority shareholder vote is NOT required

Shareholder proposal seeks to eliminate By-Law/Certificate of Incorporation sections currently requiring super-majority 80% shareholder vote

SHAREHOLDER PROPOSAL TO END SUPER-MAJORITY VOTES

We believe higher voting level for key changes to the Company's corporate structure & governance best serves long-term interests of Corning and stockholders

Unlike others, Board has legal fiduciary duties to act in best interests of the Company and stockholders

Super-majority voting safeguards against a stockholder group acting in its self-interest to detriment of other stockholders

Higher voting test encourages potential acquirers to deal directly with the Board

Provides greater leverage to negotiate best possible return for stockholders

COMPENSATION (AS OF 2010)

Corning compensates named executives through:

Base salary

Annual cash bonus

Target Adjusted NPAT

Performance cash units

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Target EPS and operating cash flow

2 year vesting post earned

Time-based restricted stock units

No performance targets

3 year vesting period

Stock options

Granted same time every year

Benefits = All other USA employees

Limited perquisites

COMPENSATION (AS OF 2010)

CEO targeted at median of peer comparison group

Peer companies are listed in the CD&A

Named executives

Target ~33% in equity (options and restricted stock units)

Target ~50% on annual performance (annual cash bonus + cash performance units)

Compensation system aligned with performance

Annual cash bonus = 15% of target total compensation

Cash performance units = 35% of target total compensation

Stock options tied to stock price performance

I hope you will join our Board in opposing the shareholder proposal. I also hope you will join in electing the five nominees to the Board of Directors, in voting for the Variable Compensation Plan and the new Equity Plan for Non-Employee Directors, and amending Corning's Certificate to declassify the Board of Directors.

Very truly yours,

/s/ James B. Flaws  
James B. Flaws  
Vice Chairman and Chief Financial Officer