

## **Corning Incorporated Audit Committee Charter**

### *PURPOSE AND ROLE*

The Audit Committee is a committee of Corning's Board of Directors. Its primary function is to assist the Board of Directors in fulfilling its oversight responsibilities by reviewing the financial information which will be provided to the shareholders and others, the systems of internal control over financial reporting which management and the Board of Directors have established, and the audit process, as well as integrity of the company's financial statements, the company's compliance with legal and regulatory requirements, the qualifications and independence of the independent registered public accountants (the "independent auditors"), and the performance of the internal auditor and the independent auditors. In addition, the Audit Committee provides an open avenue of communication between the internal auditors, the independent auditors, financial and senior management, and the Board of Directors. Except as otherwise required by applicable laws, regulations or listing standards, all major decisions are considered by the Board of Directors as a whole.

The Audit Committee recognizes that it is the duty of management and the independent auditor to plan and conduct audits and to determine that Corning's financial statements are complete, accurate and in accordance with generally accepted accounting principles. The Audit Committee further recognizes that the conduct of investigations, the resolutions of disagreements, if any, with the independent auditor and compliance with laws, regulations and Corning's Code of Conduct are a management function.

### *COMPOSITION*

The membership of the Audit Committee shall consist of at least three or more directors as determined by the Board of Directors, of whom in the judgment of the Board of Directors shall meet the independence and financial literacy requirements of the New York Stock Exchange, and be free from any relationship that, in the opinion of the Board, would interfere with the exercise of independent judgment as a member of the Audit Committee. At least one member of the Audit Committee shall in the judgment of the Board of Directors be an "audit committee financial expert" under rules and regulations of the Securities and Exchange Commission and one member (who may also serve as the audit committee financial expert) shall in the judgment of the Board of Directors have accounting or related financial management expertise in accordance with New York Stock Exchange Listing Standards. Further, no member of the Audit Committee shall be an active or retired employee of Corning. Members of the Audit Committee shall serve at the pleasure of the Board of Directors. Audit Committee members shall not simultaneously serve on the audit committees of more than two other public companies.

The Audit Committee is appointed by the full Board of Directors at its annual organizational meeting.

### *MEETINGS*

The Audit Committee shall meet in person at least four times per year or more frequently as circumstances require. The Committee may ask members of management or others to attend the meeting and provide pertinent information as necessary. In addition, management and the Audit Committee will meet telephonically to discuss and review the quarterly and annual financial statements and company disclosures in "Management's Discussion and Analysis of Financial Condition and Results of Operations" prior to the filing of a report on Form 10-Q or Form 10-K. The Audit Committee shall periodically meet separately, in executive session, with management, the internal auditor and the independent auditor. The Audit Committee shall report regularly to the Board of Directors with respect to its activities and make recommendations as appropriate.

## *RESPONSIBILITIES AND DUTIES*

To fulfill its responsibilities and duties, the Audit Committee shall:

### *Financial Reporting*

1. Review and discuss with management and the independent auditor the annual audited financial statements and quarterly financial statements of the company, including: (a) company disclosures under “Management’s Discussion and Analysis of Financial Condition and Results of Operations,” (b) any material changes in accounting principles or practices used in preparing the financial statements prior to the filing of a report on Form 10-K or Form 10-Q, and (c) items required by Statement of Auditing Standards 61, Statement of Auditing Standards 100 and Public Company Accounting Oversight Board Auditing Standard No. 5 in effect at that time for annual and quarterly statements.
2. Confirm that management and the independent auditor perform a timely analysis of significant reporting issues and judgments made and report key issues to the Committee, including discussion of major issues regarding accounting principles and financial statement presentation.
3. Review and discuss generally with management Corning’s quarterly earnings press releases, earnings guidance and other financial information provided to investors, analysts and rating agencies.
4. Discuss with management and the independent auditor their qualitative judgments about the appropriateness, not just the acceptability, of accounting principles and financial reporting practices used or proposed to be used, as well as the effect of regulatory and accounting initiatives and off-balance sheet structures.
5. Issue the Report of the Audit Committee for inclusion in Corning’s Annual Proxy Statement as required by Item 407(d)(3)(i) of Regulation S-K recommending that the audited financial statements be included in Corning’s Annual Report on Form 10-K.

### *Internal Control Over Financial Reporting*

6. Review with the independent auditor and the internal audit partner the adequacy and effectiveness of the company’s internal control over financial reporting (including information systems and security), accounting practices, disclosure controls and procedures; and related significant findings and recommendations of the independent auditor and internal audit, together with management’s responses.
7. Monitor management’s annual and quarterly assessments of the effectiveness of internal control over financial reporting.

### *Audit Process*

#### *Appointment of auditors*

8. Appoint, evaluate and retain Corning’s independent auditor. Maintain direct responsibility for termination, compensation and oversight of the independent auditor. The independent auditor shall report directly to the Committee.

9. Pre-approve all auditing services and all non-audit services permitted by Company policy (including fees and terms thereof) to be performed for Corning by its independent auditor. The Committee may delegate authority to its Chair to grant pre-approvals of permitted non-audit services, provided that decisions of such individual be presented to the full Audit Committee at its next scheduled meeting.
10. Review and concur in the appointment or replacement of the management personnel who oversee internal audit processes.

*Performance, independence and qualification of auditors*

11. Annually, review and assess the following concerning the competence of the independent auditor and engagement team:
  - Resumes of key engagement audit personnel.
  - The quality control procedures of the firm serving as independent auditor.
  - The results of the most recent Public Company Accounting Oversight Board quality control review or other assessments of the firm serving as independent auditor.
12. Receive and review: (a) report by the independent auditor describing the independent auditor's internal quality-control procedures and any material issues raised by the most recent internal quality-control review, or peer review, of the independent auditing firm, or by any inquiry or investigation by governmental or professional authorities, within the preceding five years, respecting one or more independent audits carried out by the firm, and any steps taken in response to enhance quality; and (b) other required reports from the independent auditor.
13. Discuss with the auditors and management the independence of the internal auditor and the independent auditor, including a review of services and related fees provided by the independent auditor. Review disclosures from the independent auditor required by Public Company Accounting Oversight Board Rule 3524 and 3526.
14. Ensure the rotation of the lead audit partner having primary responsibility for the external audit and the audit partner responsible for reviewing the audit (if different) and other partners on the account as required by SEC regulations.
15. Set clear policies for Corning's hiring of employees or former employees of the independent auditor who participate in any capacity in the audit of Corning. On an annual basis, management should provide the Audit Committee Chair with information on compliance with that policy.
16. Review with management and the internal audit partner, annually, the internal audit department's charter, staffing and significant objectives.

*Review of audit results*

17. Review and discuss with management, the internal audit partner and the independent auditor at the completion of the annual audit the following:
  - a) Annual report of the company, including the consolidated financial statements and related footnotes.

- b) Results of the audit of the consolidated financial statements and the effectiveness of internal control over financial reporting and the related report thereon.
- c) Consider whether any changes to the internal controls or disclosure controls processes and procedures are appropriate in light of management's assessment or the independent auditor's report.
- d) Significant changes in the audit plan and any serious disputes or difficulties with management encountered during the audit.
- e) Other material written communications as required by generally accepted auditing standards between management and the independent auditor.

*Review of internal audit plans and processes*

- 18. Review with the internal audit partner and the independent auditor the coordination of audit effort to assure completeness of coverage, reduction of redundant efforts, and the effective use of audit resources.
- 19. Review, at least annually, the scope and results of the internal audit program, including then current and future programs of the internal auditor, procedures for implementing accepted recommendations made by the independent auditor, and any significant matters contained in reports from the internal auditor.

*Other Items*

- 20. Review policies and procedures with respect to officers' expense accounts and perquisites, including their use of corporate assets, and the results of the annual review of these areas conducted by internal audit.
- 21. Review legal and regulatory matters that may have a material impact on the financial statements and related corporate compliance policies, and programs and reports from regulators.
- 22. Review the status of compliance with laws, regulations and internal procedures; the scope and status of systems designed to promote company compliance with laws, regulations and internal procedures, through receiving reports from management, legal counsel and third parties as determined by the Audit Committee.
- 23. Discuss company policies with respect to risk assessment and risk management, and review contingent liabilities and risks that may be material to Corning, including financial, business continuity, legal and regulatory risks, as well as major legislative and regulatory developments which could materially impact Corning's contingent liabilities and risks or require disclosure.
- 24. Periodically consult with Corning's Information Technology Committee to review data security, cyber security and information technology-related business continuity and disaster recovery plans for the Company's ongoing business activities.
- 25. Establish procedures for the confidential and anonymous receipt, retention and treatment of complaints received by the company regarding accounting, internal accounting controls or auditing matters, as well as the confidential, anonymous submission by employees of concerns regarding questionable accounting or auditing matters.

26. Investigate and respond to any instances or allegations of inappropriate behavior by management concerning questions of compliance with securities laws or inquiries as may be reported by legal counsel. The Chief Compliance Officer has authority to communicate directly with the Chairperson of the Audit Committee regarding any allegation of criminal conduct.
27. Report Audit Committee actions to the Board of Directors with such recommendations, as the Audit Committee may deem appropriate. At the Chairman's option, the independent auditor should be made available to meet with the Board of Directors annually or when otherwise appropriate.
28. Conduct an annual performance evaluation of the Audit Committee and evaluate the adequacy of the Audit Committee's charter annually.
29. The Audit Committee shall have the power to authorize investigations into any matters within the Audit Committee's scope of responsibilities and hire outside resources and professionals in conjunction therewith.
30. The Audit Committee will perform such others functions as assigned by law, the corporation's bylaws, or the Board of Directors.
31. Obtain advice and assistance, as appropriate, of independent counsel and other advisors as necessary to fulfill the responsibilities of the Audit Committee.

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