Owens Corning
Form DEF 14A
March 14, 2019
Table of Contents

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

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

Owens Corning

(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.

(1) Title of each class of securities to which transaction applies:

(2) Aggregate number of securities to which transaction applies:

(3) Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (Set forth the amount on which the filing fee is calculated and state how it was determined):

(4) Proposed maximum aggregate value of transaction:

(5) Total fee paid:

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.

(1) Amount Previously Paid:

(2) Form, Schedule or Registration Statement No.:

(3) Filing Party:

(4) Date Filed:

Table of Contents

NOTICE OF ANNUAL MEETING OF

STOCKHOLDERS AND PROXY STATEMENT

Thursday, April 18, 2019

10 a.m. Eastern Daylight Time

At the Offices of Jones Day

250 Vesey Street

New York, New York 10281

Table of Contents

HOW TO VOTE

Most stockholders have a choice of voting on the Internet, by telephone or by mail using a traditional proxy card. Please refer to the proxy card or other voting instructions included with these proxy materials for information on the voting methods available to you. **If you vote on the Internet or by telephone, you do not need to return your proxy card.**

ANNUAL MEETING AND ADMISSION

We are providing these proxy materials in connection with the solicitation by the Board of Directors of Owens Corning on behalf of the Company of proxies to be voted at the 2019 Annual Meeting and at any adjournment or postponement thereof. On or about March 14, 2019, we began distributing these proxy materials to stockholders. Only stockholders who are eligible to vote at the Annual Meeting will be admitted to the Annual Meeting. Stockholders must present a form of personal photo identification to be admitted. If your shares are held in the name of a bank, broker or other holder of record, you also must present a brokerage statement or other proof of ownership to be admitted.

HELP US REDUCE PRINTING AND MAILING COSTS

If you share the same last name with other stockholders living in your household, you may receive only one copy of our Notice of Annual Meeting and Proxy Statement and accompanying documents. Please see the response to the question What is householding and how does it affect me? in the Questions and Answers About the Annual Meeting and Voting section for more information on this stockholder program that eliminates duplicate mailings.

Table of Contents

OWENS CORNING

One Owens Corning Parkway

Toledo, Ohio 43659

Notice of Annual Meeting of Stockholders

TIME AND DATE:	10:00 a.m., Eastern Daylight Time on Thursday, April 18, 2019
PLACE:	Jones Day 250 Vesey Street New York, New York 10281
PURPOSE:	1. To elect the nine director nominees listed in the accompanying proxy statement. 2. To ratify the selection of PricewaterhouseCoopers LLP as our independent registered public accounting firm for 2019. 3. To approve, on an advisory basis, 2018 named executive officer compensation. 4. To approve the Owens Corning 2019 Stock Plan. 5. To transact such other business as may properly come before the Annual Meeting or any adjournment or postponement of the Annual Meeting.
RECORD DATE:	You can vote if you were a stockholder of record at the close of business on February 19, 2019.
ANNUAL REPORT:	Our Annual Report for the Fiscal Year Ended December 31, 2018 (2018 Annual Report) is enclosed with these materials as a separate booklet.
PROXY VOTING:	It is important that your shares be represented and voted at the Annual Meeting. You can vote your shares on the Internet, by telephone or by completing and returning your proxy or voting instruction card. See details under the heading How do I vote? in the Questions and Answers About the Annual Meeting and Voting section.

IMPORTANT NOTICE REGARDING THE AVAILABILITY OF PROXY MATERIALS FOR THE ANNUAL MEETING OF STOCKHOLDERS TO BE HELD APRIL 18, 2019: The Notice of Annual Meeting and Proxy Statement and 2018 Annual Report are available at https://materials.proxyvote.com/690742.

By order of the Board of Directors,

Ava Harter

Secretary

Toledo, Ohio

March 14, 2019

TABLE OF CONTENTS

Table of Contents

Company Overview

Owens Corning is a global leader in insulation, roofing, and fiberglass composite materials. Its insulation products conserve energy and improve acoustics, fire resistance and air quality in the spaces where people live, work and play. Its roofing products and systems add to the curb appeal of people s homes and protect homes and commercial buildings alike. Its fiberglass composites make thousands of products lighter, stronger and more durable. In short, the Company provides innovative products and solutions that deliver a material difference to its customers and, ultimately, make the world a better place.

The business is global in scope, with operations in 33 countries, and human in scale, with approximately 20,000 employees and longstanding, local relationships with its customers and communities. Based in Toledo, Ohio, Owens Corning posted 2018 net sales of $7.1 billion. It has been a Fortune 500® company for 64 consecutive years.

The Commitment to Building a Sustainable Enterprise

As part of the Company s long-term strategy and governance model, Owens Corning leadership uses a decision framework that supports managing the Company as a sustainable enterprise, bringing value to its stockholders. The pillars of its sustainable enterprise framework are: financial strength, high-performance people, customer-inspired innovation, operational excellence, and world-class sustainability. These pillars guide management s evaluation of its businesses, performance criteria, resource allocation, and other strategic choices focused on both short-term and long-term horizons. These pillars also enable the Company to better serve key stakeholders, including customers, investors, employees, and the communities in which Owens Corning operates. This sustainable enterprise framework is the foundation for the Company s strategy of building market-leading businesses and reflects the Company s purpose: our people and products make the world a better place.

The Company s approach to enterprise-wide sustainability is widely recognized. Owens Corning has earned placement on the Dow Jones Sustainability World Index for nine consecutive years and the number one rating in the Construction and Building Materials industry for six consecutive years. The Company was recognized as one of the 2019 World s Most Ethical Companies by the Ethisphere Institute and ranked 36th in the 2018 list of America s most JUST companies, leading the Building Materials and Packaging industry. Management is proud to be recognized for the contributions its thousands of employees around the world are making to advance the Company s goals while positively influencing the world.

Provided below is additional information on each pillar of the Company s Sustainable Enterprise Framework.

Financial Strength

Owens Corning seeks to maximize its financial strength through a disciplined financial strategy focused on long-term shareholder value. The Company is focused on improving the drivers of total shareholder return, including profit growth, free cash flow generation, and improvement in the resilience of our performance through the cycle. The Company s long-term capital allocation strategy also focuses on increasing shareholder return by promoting a strong balance sheet, safe and productive operations, and allocating capital to investments and stockholders.

High-Performance People

The employees of Owens Corning are central to its success. Their ideas, drive and expertise enable the Company to develop, manufacture and market insulation, roofing and composites that make the world a better place.

The Company is committed to helping employees reach their full potential by cultivating talent. It has established extensive training and development programs, learning opportunities, tools and incentive rewards to grow talent. These programs create meaningful opportunities, from interns who are early in their careers to experienced leaders at the highest levels of the organization. In doing so, employees develop leadership capabilities to build market-leading business and grow the Company. As a result, a strong pipeline of internal

1

talent is available to fill critical roles that drive the Company s success. Additionally, the Company utilizes a robust best-in-class performance management program that starts with aligned goals that support the enterprise, followed by ongoing feedback and development, and ultimately, rewards strong performance and aggressively addresses weak performance. This elevates the strength of the Company s high-performing teams.

The safety and health of employees, at work and in their personal lives, is a top priority. The Company encourages and supports the pursuit of well-being through a strategic and disciplined approach. Owens Corning has developed stringent safety programs and procedures with the goal of eliminating injuries. It has recently increased its focus on identifying hazards and eliminating risks that can lead to severe injuries, going beyond the traditional emphasis on reducing recordable injuries, to help continue progress toward the goal of zero injuries. With its comprehensive Healthy Living platform, the Company established a total employee well-being solution designed to drive sustainable, long-term change, improve the health and lives of employees, and strengthen the culture and work experience locally at its facilities throughout the world.

Management strongly believes that a diverse and inclusive workforce is essential for the long-term success and sustainability of the Company. It s not just the right thing to do; it adds value to the business by fostering an environment that leads to innovative thinking in the workplace. The Company maintains many programs that foster gender and ethnic diversity as well as equality within its workforce, so its employees can bring their full self to work every day. The Company performs a pay equity review of its workforce every other year with the assistance of a third-party vendor. The pay equity reviews, which collect information on gender, race and age, ensure we are creating a diverse, inclusive and fair workplace. Additionally, its Chief Executive Officer, Mike Thaman, along with more than 450 company leaders around the world, signed the CEO Action for Diversity & Inclusion pledge, the largest CEO-driven business commitment to advance diversity and inclusion within the workplace. In this pledge, the CEOs agree to cultivate a workplace where diverse experiences and perspectives are welcomed and where employees feel comfortable and encouraged to discuss diversity and inclusion. Information on these programs, as well as statistics on employee gender and age, can be found on the Owens Corning website.

Lastly, Owens Corning employees contribute service hours to boards, special causes and nonprofit organizations in the communities where they live and operate. Providing the less fortunate with support for basic health and wellness enables the Company s employees to connect with the community; further improve its reputation locally, regionally and globally; and instill a sense of pride in the workforce.

Customer-Inspired Innovation

Owens Corning s deep expertise in engineered materials helps create high-quality and valuable products and solutions that are relevant to its customers. Its employees are relentless in their efforts to reimagine and create innovative materials that uncover tomorrow s possibilities. Merging employees ideas with customer feedback drives the innovation process. This, coupled with a clear understanding of market trends and opportunities, supports the Company s purpose to make the world a better place.

For example, the Company launched the first formaldehyde-free mineral wool insulation in North America and produced the first insulation products to be certified as made with 100% wind-powered electricity and reduced embodied carbon, in accordance with SCS Global Services certification protocol.

Operational Excellence

Owens Corning is on a march to zero zero accidents, zero defects, zero losses. To meet this ambitious goal for all its manufacturing plants, the Company adopted a systematic management approach called Total Productive Management

(TPM). TPM is a comprehensive management system that emphasizes proactive and preventative activities to maintain, operate and improve production. TPM also creates a culture of safety, quality, and productivity. It s essentially about transforming people, processes and results.

While every plant is at a different point in its journey, the momentum is growing with more of the Company s plants committed to TPM. Each is moving forward with purpose, and sharing lessons learned and best practices across the global network. As a team, plant employees are rethinking every aspect of work to add greater value to stakeholders.

2

Table of Contents

World-Class Sustainability

Sustainability is central to the Company s business, from the materials produced to the way they are produced. Owens Corning aspires to be a net-positive company a company whose handprint, or the positive impacts of its people and products, far outweighs its footprint, or the negative impacts. With this aspiration and a belief that business must play a leadership role in achieving the priorities established in the United Nations Sustainable Development Goals, Owens Corning challenges itself to make greater progress faster. To achieve this, the Company established aggressive science-based goals to measure and report on its progress.

Owens Corning s 2020 sustainability goals are set forth it its annual Sustainability Report located on the Company s website at www.owenscorning.com.[1] The Company is now in the process of formulating its next set of long-term goals. For 2030, Owens Corning is setting goals based on a scientific understanding of where the world needs the Company to be as a leader in addressing the most critical local and global issues.

Increasing its Handprint

As a materials company, Owens Corning has the ability to engineer and manufacture products that provide a solution in more energy-efficient, lighter-weight and less material-intensive manners. The Company describes its ability to save resources through the deployment of products and technologies as Increasing its Handprint. For example, Owens Corning insulation products save many times more energy through their useful lives than the energy consumed to produce them. The Company makes products like cars and windmill blades lighter, stronger and more durable, reducing the resources required for their fabrication and improving their energy performance throughout their lifecycle. Owens Corning is also engaged in finding recycled solutions for its products and its markets that extend the useful life of materials and reduce the requirement for virgin materials. Its insulation products, for instance, consume significant amounts of recycled material. Energy efficiency, light-weighting, durability and recycling are critical pillars of Owens Corning s sustainability strategy.

Reducing its Footprint

Owens Corning is dedicated to reducing the Company s environmental footprint by making products with ever-decreasing environmental impact. The Company expects to accomplish this by reducing its energy and resource use, emissions and waste. Owens Corning is also working to reduce its total life-cycle footprint by improving its supply chain management. Several of the Company s 2020 sustainability goals are aimed at environmental footprint reduction.

[1] The information on our website, including our Sustainability Report, is not, and will not be deemed to be, a part of this Proxy Statement or incorporated into any of our other filings with the SEC.

Table of Contents

Recognition

As a result of strong sustainability, Owens Corning is a recognized leader on environmental and social issues. This record of continued achievement demonstrates a commitment to sustainability that is both long-term and embedded in the Company s culture. Select awards and honors earned by Owens Corning include:

Recognition	Received Annually Since
Met criteria for perfect score on the Corporate Equality Index by the Human Rights Campaign Foundation	2004
Placement in the Dow Jones Sustainability World Index (DJSI)	2010
Industry Leader for DJSI World Building Products Group	2013
Gold Class score and recognized as one of the world s most sustainable companies by RobecoSAM	2014
North America Aon Hewitt Top Companies for Leaders	2014
Among the 100 Best Corporate Citizens by Corporate Responsibility Magazine (3rd place out of 100 in 2018)	2015
Placement on CDP s A-List for climate change*	2016
Named one of the World s Most Ethical Companies by Ethisphere	2018
Named one of America s Most JUST Companies by Just Capital	2018

*CDP, formerly known as the Carbon Disclosure Project, is a global disclosure system that enables companies, cities, states and regions to measure and manage their environmental impacts.

4

Table of Contents

PROPOSAL 1

ELECTION OF DIRECTORS

Information Concerning Directors

Currently, the Board of Directors (the Board) of Owens Corning (Owens Corning, the Company, we, us, or our Delaware corporation, consists of 10 directors whose terms expire at the 2019 Annual Meeting of Stockholders (the Annual Meeting).

On February 6, 2019, Cesar Conde, a director of Owens Corning, advised the Board that he will retire from the Board upon expiration of his term of service at the Annual Meeting, and, as such, he has not been nominated for re-election at the Annual Meeting. Effective as of the Annual Meeting, the then-current size of the Board of Directors will be reduced by one. Our Board has nominated the remaining nine directors for election at the Annual Meeting.

Board Structure

- The Board is fully declassified and all directors stand for re-election for one-year terms; and
- The Company s bylaws provide for majority voting in uncontested director elections, with a resignation requirement for directors not elected by a majority vote. Directors will be elected by a majority of votes cast at the Annual Meeting. Each person elected at the Annual Meeting will serve until the Annual Meeting of Stockholders in 2020 and until his/her successor is duly elected and qualified.

Your proxy will vote for each of the nine nominees unless you specifically vote against any of the nominees or abstain from voting with respect to a director s election. Pursuant to our bylaws, majority of votes cast means that the number of shares voted for a director s election exceeds 50% of the number of votes cast with respect to that director s election. Votes cast shall include votes against a director and shall exclude abstentions and broker non-votes with respect to a director s election. If any nominee is unable to serve, your proxy may vote for another nominee proposed by the Board of Directors. We do not know of any nominee of the Board of Directors who would be unable to serve if elected.

Director Qualifications, Skills and Experience

Pursuant to the Corporate Governance Guidelines adopted by our Board of Directors, nominees for director are selected on the basis of, among other things, experience, knowledge, skills, expertise, mature judgment, acumen, character, integrity, diversity, ability to make independent analytical inquiries, understanding of Owens Corning s business environment, and willingness to devote adequate time and effort to Board responsibilities. The Board of Directors believes that each of the current directors and nominees for director exhibit these characteristics.

Set forth below in the Board of Directors Skill Matrix and with each director s biographical information is a description of the principal experience, qualifications, attributes or skills that led the Board to the conclusion that such individuals should serve as an Owens Corning director.

Table of Contents

Board of Directors Skill Matrix

Provided below in a Board of Directors Skill Matrix is a summary of each Director nominee s skills and experience. The categories included in the Matrix are tied to the Company s strategy. While the matrix is useful for determining the collective skills of the Board as a whole, it is not a comparative measure of the value of directors; a director with more focused experience could nonetheless contribute broadly and effectively.

The chart below identifies the principal skills that the Governance and Nominating Committee considered for each director when evaluating the director s experience and qualifications to serve as a director. Each box indicates an experiential strength that was self-selected by each director. Additional information about the director s background and business experience is provided below.

Public Company Management Experience as an executive officer of a public company or a significant subsidiary, division or business unit.	
Financial Would meet definition of audit committee financial expert if serving on Audit Committee.	
Manufacturing Experience in or management responsibility for a company that is primarily engaged in the manufacture of goods.	
Global Business Experience working in a globally distributed business and knowledge of different cultural, political and regulatory requirements.	
Marketing Experience in or management responsibility for significant marketing and/or sales operations.	

Strategy / Corporate Development

Experience in or management responsibility for developing business strategies or pursuing mergers, acquisitions, divestitures or joint ventures.

Technology / Innovation

Experience in or management responsibility for devising, introducing or implementing new technologies, products, services, processes or business models.

Public Policy / Regulatory

Experience in or management responsibility for defining, influencing, or complying with public policy, legislation or regulation.

Sustainability

Experience in or management responsibility for furthering sustainable business practices that address environmental, social or ethical issues.

Diversity

Diverse in terms of gender or ethnicity.

Table of Contents

The Board of Directors recommends that you vote FOR each director nominee named in Proposal 1.

Nominees for Election as Directors for a Term Expiring at the Annual Meeting of Stockholders in 2020

ADRIENNE D. ELSNER, 55 Director Since 2018	Ms. Elsner served as President, U.S. Snacks, Kellogg Company, a manufacturer and marketer of convenience foods, from 2015 to 2018. From 1992 to 2015, Ms. Elsner served in a number of increasingly senior positions, including Executive Vice President, Chief Marketing Officer with Kraft Foods, Inc., a multinational confectionery, food and beverage conglomerate. Ms. Elsner has served on the board of the Ad Council as well as the Museum of Science and Industry in Chicago. Ms. Elsner was recognized as being among the Forbes 50 Most Influential Global CMOs in 2014.
	Director Qualifications: Ms. Elsner brings to the Board, among other skills and qualifications, decades of experience in business, marketing and product innovation. Ms. Elsner has significant experience leading sizeable domestic and international business units of large public companies. Her leadership roles at Kellogg Company and Kraft Foods, Inc. enable Ms. Elsner to make considerable contributions to the Board in the areas of management, business strategy, strategic marketing, finance and innovation. Ms. Elsner s extensive experience overseeing financial processes and understanding of finance led to her designation as an audit committee financial expert.
J. BRIAN FERGUSON, 64 Director Since 2011	Mr. Ferguson retired from his position as Executive Chairman of Eastman Chemical Company, a global chemical company engaged in the manufacture and sale of a broad portfolio of chemicals, plastics and fibers, at the end of 2010, having retired as Chief Executive Officer of Eastman in May 2009. He became Chairman and Chief Executive Officer of Eastman in January 2002. He joined Eastman in 1977 and led several of its businesses in the U.S. and Asia. He currently serves on the board of Phillips 66. Mr. Ferguson is also the retired chairman of the American Chemistry Council. Mr. Ferguson formerly served on The University of Tennessee Board of Trustees and NextEra Energy, Inc.
	Public Company Directorships in the Last Five Years:

Phillips 66

Director Qualifications: Mr. Ferguson brings to the Board, among other skills and qualifications, over 30 years of leadership experience at Eastman Chemical Company, which culminated in his service as Chief Executive Officer and as Executive Chairman. Additionally, he has served on the boards of other publicly traded companies. He has experience in international business, industrial operations, strategic planning and capital raising strategies, as well as in executive compensation and corporate governance. Mr. Ferguson s extensive financial management experience led to his designation as an audit committee financial expert.

Table of Contents

RALPH F. HAKE, 70

Director Since 2006

Mr. Hake retired as Chairman and Chief Executive Officer of the Maytag Corporation, a manufacturer of home and commercial appliances, in 2006. Prior to joining Maytag, Mr. Hake was Executive Vice President and Chief Financial Officer of Fluor Corporation, a $10 billion engineering and construction company. Mr. Hake also served in executive positions at Whirlpool Corporation. Prior to joining Whirlpool, Mr. Hake served in various corporate strategic and financial positions at the Mead Corporation of Dayton, Ohio. Mr. Hake also served on the Board of Directors of the National Association of Manufacturers and was Chairman of the group s taxation and economic policy group.

Public Company Directorships in the Last Five Years:

Exelis, Inc.

Director Qualifications: Mr. Hake brings to the Board, among other skills and qualifications, decades of leadership experience with manufacturing companies. He has served in senior financial and management roles as well as in leadership positions on the boards of other diversified public companies. His experience at public companies has provided Mr. Hake with extensive knowledge in governance, finance, manufacturing and operations and enables him to make significant contributions to the Board.

EDWARD F. LONERGAN, 59

Director Since 2013

Mr. Lonergan has served as Executive Chairman of Zep Inc., an international provider of maintenance and cleaning solutions to the commercial, industrial, institutional and consumer markets since July 2015. He served as Chairman and interim Chief Executive Officer from August 2016 to March 2017. Prior to joining Zep Inc., Mr. Lonergan served as Director, President and Chief Executive Officer of Chiquita Brands International, Inc., a leading international grower, distributor and marketer of fresh and value-added food products from October 2012 until the privatization of the company in January 2015. He served as Director, President and Chief Executive Officer of Diversey, Inc., a leading global provider of sustainable cleaning, sanitation and hygiene solutions, from February 2006 through the sale of the company to Sealed Air Corporation in October 2011. Prior to Diversey, Mr. Lonergan served as President, Europe for Gillette from May 2002 to January 2006. Between 1981 to April 2002, he held a variety of leadership positions both domestically and internationally at the

Procter & Gamble Company, including general management roles in customer business development and in emerging markets. He currently serves as a Senior Advisor at New Mountain Capital, as Chairman of DRB Systems, Inc., and on the board of The Schwan Food Company.

Public Company Directorships in the Last Five Years:

Chiquita Brands International, Inc.

Director Qualifications: Mr. Lonergan brings more than 40 years of international experience at public and private companies in various sectors, including significant leadership experience as the current Executive Chairman of Zep, Inc. and the former Chief Executive Officer of Chiquita Brands International and Diversey. He possesses extensive knowledge of global business operations, global manufacturing, strong strategic and financial management expertise, and a keen understanding of both the Business to Business and consumer products industries.

Table of Contents

MARYANN T. MANNEN, 56

Director Since 2014

Maryann T. Mannen has served as Executive Vice President and Chief Financial Officer of TechnipFMC (a successor to FMC Technologies, Inc.), a global leader in subsea, onshore/offshore, and surface projects for the energy industry, since January 2017. From March 2014 to January 2017, she served as Executive Vice President and Chief Financial Officer of FMC Technologies, Inc. As Chief Financial Officer, she is responsible for overall financial management of TechnipFMC, its financial reporting and transparency, and for multiple corporate functions. Before being appointed to her current role, Ms. Mannen served as Senior Vice President and Chief Financial Officer from 2011 to early 2014. She previously served as Treasurer, Vice President and Deputy Chief Financial Officer. Before joining FMC Technologies, Inc. in 1986, Ms. Mannen served as Finance Manager for Sheller-Globe Corporation. She currently serves as Secretary of the Cynthia Woods Mitchell Pavilion Board of Directors and is a member of its Executive and Finance Committees. She is also currently on the Finance Committee of the Board of The Awty International School.

Director Qualifications: Ms. Mannen has decades of leadership experience in finance, operations and management. Her well-rounded management experience at a global, publicly traded, energy sector manufacturer, particularly in her current role as Chief Financial Officer, enables her to contribute important insights regarding international business strategy, risk management and finance. Ms. Mannen s financial management experience and extensive knowledge of accounting led to her designation as an audit committee financial expert.

W. HOWARD MORRIS, 58

Director Since 2007

Mr. Morris has been President and Chief Investment Officer of The Prairie & Tireman Group, an investment partnership, since 1998. Mr. Morris was formerly Emergency Financial Manager, Inkster, Michigan Public Schools, from 2002 to 2005, and Chief Financial Officer, Detroit, Michigan Public School District, from 1999 to 2000. He is a Certified Public Accountant and Chartered Financial Analyst.

Director Qualifications: Mr. Morris brings to the Board, among other skills and qualifications, decades of experience in auditing, finance and investments. Mr. Morris experience as Chief Investment Officer of an investment partnership, his experience as a Certified Public Accountant, Chartered Financial Analyst and his knowledge of finance led to his designation as an audit committee financial expert.

Table of Contents

SUZANNE P. NIMOCKS, 60

Director Since 2012

Ms. Nimocks was formerly a Director with McKinsey & Company, a global management consulting firm, from June 1999 to March 2010, and was with the firm in various capacities since 1989, including as leader of the firm s Global Petroleum Practice, Electric Power & Natural Gas Practice, as well as the Global Organization Practice. Ms. Nimocks served on several of the firm s worldwide personnel committees for many years and formerly served as the Houston Office Manager.

Ms. Nimocks currently serves on the boards of Encana Corporation, Rowan Companies, Plc., ArcelorMittal, and the Houston Zoo and is a Trustee for the Texas Children s Hospital. Ms. Nimocks is a former board member of the Greater Houston Partnership, United Way of the Texas Gulf Coast and the American Heart Association, and a former trustee of the St. John s School in Houston.

Public Company Directorships in the Last Five Years:

Encana Corporation

Rowan Companies Plc.

ArcelorMittal

Director Qualifications: Ms. Nimocks brings to the Board, among other skills and qualifications, decades of experience in a global management consulting firm, focusing on strategic planning, corporate finance and risk management.
Ms. Nimocks also has extensive experience in serving as a director of other global public companies in various sectors.

Mr. Thaman has served as Owens Corning s Chief Executive Officer since 2007 and as Chairman since 2002. Mr. Thaman will be retiring as CEO after the 2019 Annual Meeting of Stockholders, but shall remain as Executive Chairman.

MICHAEL H. THAMAN, 55

Director Since 2006

Mr. Thaman joined Owens Corning in 1992 and held a variety of senior leadership positions, including Chief Financial Officer beginning in 2000, President of the Exterior Systems Business beginning in 1999 and President of the Engineered Pipe Systems Business beginning in 1997. Prior to joining Owens Corning, Mr. Thaman was Vice President in the New York office of Mercer Management Consulting, a strategy consulting firm. Mr. Thaman is also a member of the Business Roundtable and serves on the Policy Advisory Board of the Joint Center for Housing Studies of Harvard University. Mr. Thaman is a member of the boards of The Sherwin-Williams Company and Kohler Co.

Public Company Directorships in the Last Five Years:

NextEra Energy, Inc.

The Sherwin-Williams Company

Director Qualifications: Mr. Thaman has over 25 years of leadership experience with Owens Corning. The Board believes that Mr. Thaman s strong leadership skills, financial acumen, extensive business experience and knowledge of the Company, its products, investors and its customers is of tremendous value to the Board. This experience and knowledge qualifies Mr. Thaman to provide insight to the Board on Owens Corning s operations, business strategy and talent, as well as financial matters.

Table of Contents

JOHN D. WILLIAMS, 64

Director Since 2011

Mr. Williams has served as President and Chief Executive Officer, and Director of Domtar Corporation, a manufacturer of fiber-based products including communication papers, specialty and packaging papers and absorbent hygiene products, since joining the company in 2009. From 2000 to 2008, Mr. Williams served in senior executive positions with SCA Packaging Ltd. and SCA Packaging Europe, among Europe s largest producers of containerboard paper used for the manufacturing of corrugated box products. During this period, he served as President of SCA Packaging Europe, from 2005 to 2008, and as regional managing director for the company s U.K. and Ireland operations from 2000 to 2005. Prior to joining SCA Packaging, Mr. Williams held a number of increasingly senior positions in sales, marketing, management and operations with Rexam PLC; Packaging Resources, Inc.; Huhtamaki; Alberto Culver (U.K.) Ltd.; and MARS Group. Since April 2018, Mr. Williams has been a director of Form Technologies, Inc., a privately-held leading global group of precision component manufacturers, based in Charlotte, North Carolina; he has been also non-executive chair of the board of directors since January 2019.

Public Company Directorships in the Last Five Years:

Domtar Corporation

Director Qualifications: Mr. Williams brings to the Board, among other skills and qualifications, significant leadership experience as President and Chief Executive Officer of Domtar Corporation, a large publicly traded manufacturer and previously as a senior executive in the European packaging industry. He has decades of experience in international business, manufacturing, management, operations, sales and marketing.

Directors Retiring at the Annual Meeting

CESAR CONDE 45

Mr. Conde was named Chairman of NBCUniversal International Group and NBCUniversal Telemundo Enterprises, a leading global media company, in September 2015. He joined NBCUniversal in October 2013 and was previously Executive Vice President overseeing NBCUniversal International. Prior to joining NBCUniversal, Mr. Conde served as President of Univision, a leading American

Director Since 2014

media company with a portfolio of Spanish language television networks, radio stations and websites. Mr. Conde, who joined Univision in 2003, served in a variety of senior executive capacities and is credited with transforming it into a leading global, multi-platform media brand. Prior to Univision, Mr. Conde served as the White House Fellow for Secretary of State Colin L. Powell from 2002-2003. Mr. Conde serves on the boards of Walmart Inc. and PepsiCo, Inc.

Public Company Directorships in the Last Five Years:

Walmart Inc.

PepsiCo, Inc.

Table of Contents

Governance Information

Corporate Governance Practices and Highlights

Board Structure

Currently, 90% of the Board is independent (9 of 10 directors)

100% independent Audit, Compensation, Finance and Governance and Nominating Committees

Lead Independent Director with robust and defined responsibilities

Board access to senior management and independent advisor

Executive sessions of independent directors at every regular Board and Committee meeting

Board Composition

Currently, 50% gender and ethnic diversity among directors

Additions of five new independent directors since 2012, four of which increased gender or ethnic diversity

Stockholder Rights and Engagement

Members of the Board of Directors elected annually

Majority vote standard in uncontested director elections with mandatory resignation requirement

Robust stockholder outreach program

No stockholder rights plan

Annual advisory vote on named executive officer compensation

Policies and Practices

Clawback, anti-hedging and anti-pledging policies

Annual Board, Chairman/CEO, Committee evaluation process and review of management succession

Robust stock ownership guidelines:

- Directors: 5 times maximum annual cash retainer
- CEO: 6 times base salary
- Named executive officers: 3 times base salary

Overboarding policy

Mandatory director retirement age of 73

Global Code of Conduct for employees, officers and directors

Other Highlights

Earned placement in the Dow Jones Sustainability World Index for the ninth year in a row

Ranked #1 for six years consecutively in the Building Products Group of the DJSI World Index

Earned Gold Class score in 2019 from RobecoSAM as one of the world s most sustainable companies for the sixth consecutive year

Obtained a perfect score on the Human Rights Campaign s 2018 Corporate Equality Index

Recognized as one of the 2019 World s Most Ethical Companies by Ethisphere Institute

Ranked 3rd among the 100 Best Corporate Citizens in 2018 by Corporate Responsibility Magazine

Included in CDP s A-List for climate change, water and supply chain during 2017-2018

Table of Contents

Director Retirement, Refreshment and Succession

Pursuant to the Corporate Governance Guidelines, the mandatory retirement age for directors is 73. A director who has attained age 73 may continue to serve as a director until the next succeeding Annual Meeting of Stockholders.

Per its charter, the Governance and Nominating Committee is responsible for reviewing with the Board the appropriate skills and characteristics of Board members in the context of the current make-up of the Board. Further, the Governance and Nominating Committee makes recommendations to the Board regarding size and composition, reviews the suitability of directors for continued service and is responsible for responding to any concerns of directors relating to the performance of the Board.

The Governance and Nominating Committee also makes recommendations to the Board regarding the size, composition and leadership of each standing committee of the Board and recommends individual directors to fill any vacancy that might occur on a committee.

Since 2012, five new non-management directors have been added to the Board, four of which increased gender or ethnic diversity.

Corporate Governance Guidelines

Our Board of Directors has adopted Corporate Governance Guidelines which, in conjunction with our Certificate of Incorporation, bylaws and Board committee charters, form the framework for our corporate governance. The Governance and Nominating Committee reviews the Corporate Governance Guidelines periodically and makes revisions, as necessary. The Corporate Governance Guidelines are published on our website at http://www.owenscorning.com and will be made available in print upon request by any stockholder to the Secretary of the Company.

Board Leadership

Pursuant to the Corporate Governance Guidelines, the Board has the authority to select its Chairperson based on its collective best judgment as to the candidate best suited to meet the Company s needs at a given time. Currently, Michael H. Thaman serves as Owens Corning s Chairman of the Board and Chief Executive Officer (Chairman and CEO) and John D. Williams, a non-management director, serves as lead independent director (Lead Independent Director) of the Board.

On January 3, 2019, the Company announced the planned transition to a new President and Chief Executive Officer, Brian D. Chambers. Mr. Chambers, currently President and Chief Operating Officer, will succeed Mr. Thaman, who announced plans to retire as Chief Executive Officer after the Annual Meeting. Mr. Thaman will remain with the Company as Executive Chairman, and Mr. Williams will continue his role as Lead Independent Director.

Current Leadership Structure

Until the Annual Meeting, Mr. Thaman will remain the Chairman and CEO and Mr. Williams will hold the position of Lead Independent Director. Mr. Thaman served as Chairman of the Board since 2002 prior to being elected the Company s Chief Executive Officer. Upon assuming the role of Chief Executive Officer in 2007, the Chairman and CEO positions were combined in order to ensure clear and consistent leadership on critical strategic objectives. The Board s prior experience working with Mr. Thaman in the Chairman position strongly supported its conclusion that the Company and its stockholders would be best served with Mr. Thaman leading Owens Corning as its Chairman and

CEO.

The Board of Directors further determined that it was appropriate to have a structure that provided strong leadership among the independent directors of the Board. Mr. Williams has served as Lead Independent Director since April 2015. Mr. Williams has served as director of the Company since 2011 and has experience serving as Chairman of the Audit Committee and Governance and Nominating Committee. Additionally, the Board, which consists entirely of independent directors other than Mr. Thaman, exercises an independent oversight function. Each of the Board committees is comprised entirely of independent directors. Regular executive sessions of the

Table of Contents

independent directors are held and each year, an evaluation of the Chairman and CEO in several key areas, is completed by each of the independent directors.

Future Leadership Structure

Following the Annual Meeting, Mr. Thaman will hold the position of Executive Chair, Mr. Williams will retain the position of Lead Independent Director for another two-year term, and Mr. Chambers will assume the role of President and CEO. Mr. Thaman remaining as Executive Chairman will allow for an orderly transition and lend stability to the CEO succession process. Mr. Thaman s breadth of board management experience and executive knowledge will continue to help the Board meet its responsibilities, as he also serves as a valuable mentor and advisor to Mr. Chambers in his new CEO role.

Prior to his position as President and Chief Operating Officer, Mr. Chambers served as President of the Roofing business. Overall, he has 15 years of management experience with Owens Corning in a variety of positions, including roles with the Company s Composites and Building Materials businesses. The Board believes that Mr. Chambers depth of experience and positive results will enable his success as Chief Executive Officer and will complement proven Board leadership from Mr. Thaman and Mr. Williams.

The Board of Directors has complete access to the Company s management and believes that its ongoing ability to review the leadership structure of the Board and to make changes as it deems necessary and appropriate gives it the flexibility to meet varying business, personnel and organizational needs over time.

Lead Independent Director

The independent directors on our Board of Directors have elected a Lead Independent Director to serve in a lead capacity to coordinate the activities of the other independent directors and to perform such other duties and responsibilities as the Board of Directors may determine. In February 2019, John D. Williams was re-elected to serve as Lead Independent Director, effective April 2019, for another two-year term.

The responsibilities of the Lead Independent Director, as provided in the Charter of Lead Independent Director for Owens Corning, include:

- presiding at meetings of the Board in the absence of, or upon the request of, the Chairman;

- serving as a designated member of the Executive Committee of the Board;

- presiding over all executive sessions of non-management directors and independent directors and reporting to the Board, as appropriate, concerning such sessions;

- reviewing and approving Board meeting agendas and schedules in collaboration with the Chairman to ensure there is sufficient time for discussion, recommending matters for the Board to consider and advising on the information submitted to the Board by management;

serving as a liaison and supplemental channel of communication between the non-management/independent directors and the Chairman without inhibiting direct communication between the Chairman and other directors;

serving as the principal liaison for consultation and communication between the non-management/independent directors and stockholders; and

advising the Chairman concerning the retention of advisors and consultants who report directly to the Board.

The Charter of Lead Independent Director for Owens Corning is available on our website at http://www.owenscorning.com. The Board of Directors evaluates its structure and composition annually and believes that having a strong Lead Independent Director with significant leadership responsibilities, as described above, contributes to effective Board leadership for Owens Corning.

Table of Contents

Board, Committee, Chairman and CEO Evaluation Process

Each year, the Governance and Nominating Committee facilitates a process to evaluate the effectiveness of the Board, its committees, the Chairman, and the CEO.

The Board and its committees complete self-assessment questionnaires and have individual discussions with the Lead Independent Director to evaluate effectiveness in several areas including composition, structure and processes. The completed questionnaires are summarized by a third party law firm. The non-management directors individually discuss the results with the Lead Independent Director. The Governance and Nominating Committee utilizes the results of this process to recommend changes to Board processes, to determine critical skills required of prospective director candidates and to make recommendations for committee assignments.

The Governance and Nominating Committee also prepares and circulates evaluations to the independent directors regarding the performance of the Chairman and the CEO in several key performance areas. Non-management directors discuss their feedback on the Chairman and the CEO with the Lead Independent Director. The results of the process are discussed in an executive session of the non-management directors and are also factored into the Compensation Committee s performance evaluations of the Chairman and the CEO.

Risk Oversight

The Audit Committee of the Board of Directors has primary responsibility for facilitating the Board s oversight of the Company s management of key risks and financial exposures. Pursuant to its charter, the Audit Committee s responsibilities include:

- Reviewing annually and receiving periodic updates on the Company s identification of its key risks, major financial exposures and related mitigation plans;

- Overseeing the Company s management of key risks and major financial exposures that fall within the specific purview of the Audit Committee;

- Ensuring that the Board and its committees oversee the Company s management of key risks and major financial exposures within their respective purviews; and

- Evaluating periodically the effectiveness of the above referenced process of oversight by the Board and its committees.

The Compensation, Finance and Governance and Nominating Committees of the Board of Directors each review and evaluate risks associated with their respective areas. Each of the Board committees provides reports concerning its respective risk management activities to the Board and the Board considers and discusses such reports.

Owens Corning also has a management risk committee (the Risk Committee) which is responsible for overseeing and monitoring the Company s risk assessment and mitigation related actions. The Risk Committee s membership has broad based functional representation, including members from the corporate audit, finance, legal, treasury and business functions. The Risk Committee provides periodic updates to the Company s executive officers and to the Audit

Committee of the Board of Directors concerning risk.

In addition, the Audit Committee receives regular updates on cybersecurity risks from the Company s Vice President, Global Information Services, and Chief Information Officer and reviews how the Company is executing against its comprehensive cybersecurity framework. From time to time, the Audit Committee may receive updates on efforts regarding data loss prevention, regulatory compliance, data privacy, threat and vulnerability management, cyber-crisis management, or other topics, as applicable.

Communications with Directors

Stockholders and other interested parties may communicate with the Lead Independent Director or any other non-management director by sending an email to non-managementdirectors@owenscorning.com. All such communications are promptly reviewed by the Senior Vice President and General Counsel and/or the Vice President, Internal Audit for evaluation and appropriate follow-up. The Board of Directors has determined that communications considered to be advertisements, or other types of Spam or Junk messages, unrelated to the duties or responsibilities of the Board, should be discarded without further action. A summary of all other communications is reported to the non-management directors. Communications alleging fraud or serious misconduct by directors or executive officers are immediately reported to the Lead Independent Director.

Table of Contents

Complaints regarding business conduct policies, corporate governance matters, accounting controls or auditing are managed and reported in accordance with Owens Corning s existing Audit Committee complaint policy or business conduct complaint procedure, as appropriate.

Director Qualification Standards

Pursuant to New York Stock Exchange listing standards, our Board of Directors has adopted Director Qualification Standards with respect to the determination of director independence that incorporate the independence requirements of the New York Stock Exchange corporate governance listing standards. The standards specify the criteria by which the independence of our directors will be determined, including strict guidelines for directors and their immediate families with respect to past employment or affiliation with the Company or its independent registered public accounting firm. The full text of our Director Qualification Standards is available on our website at http://www.owenscorning.com. Using these standards, the Board determines whether a director has a material relationship with the Company other than as a director.

Director Independence

With the assistance of legal counsel, the Governance and Nominating Committee reviewed the applicable legal standards for director and Board Committee independence, our Director Qualification Standards, and the criteria applied to determine audit committee financial expert status. The Committee also reviewed reports of the answers to annual questionnaires completed by each of the independent directors and of transactions with director affiliated entities. On the basis of this review, the Governance and Nominating Committee delivered recommendations to the Board of Directors and the Board made its independence and audit committee financial expert determinations based upon the Committee s reports and recommendations.

The Board of Directors has determined that 9 of the current 10 directors are independent. Specifically, Directors Conde, Elsner, Ferguson, Hake, Lonergan, Mannen, Morris, Nimocks and Williams are independent under the standards set forth in our Director Qualification Standards and applicable New York Stock Exchange listing standards. The Board of Directors previously determined that Phil Handy and James McMonagle, who retired effective as of the 2018 Annual Meeting of Stockholders, were independent under the standards set forth in our Director Qualification Standards and applicable New York Stock Exchange listing standards during their term of service in 2018. Mr. Thaman is not independent. The Board of Directors also has determined that all of the directors serving on the Audit, Compensation, and Governance and Nominating Committees are independent and satisfy relevant requirements of the Securities and Exchange Commission (the SEC), the New York Stock Exchange, Owens Corning and the respective charters of such committees.

Executive Sessions of Directors

Our Corporate Governance Guidelines specify that executive sessions or meetings of non-management directors without management present must be held regularly (at least three times a year) and at least one such meeting of non-management directors must include only independent directors. Currently, all of our non-management directors are independent. In 2018, the non-management directors met in executive session five times. Our Lead Independent Director presides over all executive sessions of the Board.

Owens Corning Policies on Business Ethics and Conduct

Code of Business Conduct Policy

All of our employees, including our Chief Executive Officer, Chief Financial Officer and Controller, are required to abide by Owens Corning s Code of Business Conduct Policy to ensure that our business is conducted in a consistently legal and ethical manner. This Policy forms the foundation of a comprehensive process that includes compliance with all corporate policies and procedures, an open relationship among colleagues that contributes to good business conduct and the high integrity level of our employees. Our policies and procedures cover all areas of professional conduct, including employment policies, conflicts of interest, intellectual property and the protection of confidential information, as well as strict adherence to all laws and regulations applicable to the conduct of our business.

Table of Contents

Ethics Policy for Chief Executive and Senior Financial Officers

The Company also has adopted an Ethics Policy for Chief Executive and Senior Financial Officers that applies to our Chief Executive Officer, Chief Financial Officer and Controller (Senior Financial Officers), which provides, among other things, that Senior Financial Officers must comply with all laws, rules and regulations that govern the conduct of the Company s business and that no Senior Financial Officer may participate in a transaction or otherwise act in a manner that creates or appears to create a conflict of interest unless the facts and circumstances are disclosed to and approved by the Governance and Nominating Committee or Audit Committee, as appropriate.

Employees are expected to report any conduct that they believe to be an actual or apparent violation of Owens Corning s Policies on Business Ethics and Conduct.

The Sarbanes-Oxley Act of 2002 requires audit committees to have procedures to receive, retain and treat complaints received regarding accounting, internal accounting controls or auditing matters and to allow for the confidential and anonymous submission by employees of concerns regarding questionable accounting or auditing matters. We have adopted and comply with such procedures.

Directors Code of Conduct

The members of our Board of Directors are required to comply with a Directors Code of Conduct (the Code). The Code is intended to focus the Board and the individual directors on areas of ethical risk, help directors recognize and deal with ethical issues, provide mechanisms to report unethical conduct, and foster a culture of honesty and accountability. The Code covers all areas of professional conduct relating to service on the Owens Corning Board, including conflicts of interest, unfair or unethical use of corporate opportunities, strict protection of confidential information, compliance with all applicable laws and regulations, sustainability and oversight of ethics and compliance by employees of the Company.

The full texts of our Code of Business Conduct Policy, Ethics Policy for Chief Executive and Senior Financial Officers and Directors Code of Conduct are published on our website at http://www.owenscorning.com and will be made available in print upon request by any stockholder to the Secretary of the Company. To the extent required by applicable SEC rules or New York Stock Exchange listing standards, we intend to post any amendments to or waivers from the Ethics Policy for Chief Executive and Senior Financial Officers to our website in the section titled Corporate Governance.

Board and Committee Membership

Our business, property and affairs are managed under the direction of our Board of Directors. Members of our Board are kept informed of our business through discussions with our Chief Executive Officer, Chief Financial Officer and other officers, by reviewing materials provided to them, by visiting our offices and plants, and by participating in meetings of the Board and its committees. Board members are expected to regularly attend Board and committee meetings as well as our Annual Meetings of Stockholders, unless an emergency prevents them from doing so. Each of our current directors was present at the 2018 Annual Meeting of Stockholders.

Table of Contents

During 2018, the Board of Directors met five times. Each of our directors attended at least 75 percent of the meetings of the Board and Board committees on which he or she served.

Name	Audit	Compensation	Executive	Finance	Governance and Nominating
Mr. Conde*		X		X	
Ms. Elsner*	X			X	
Mr. Ferguson*	C		X	X	
Mr. Hake*		X			X
Mr. Lonergan*		C	X		X
Ms. Mannen*	X				X
Mr. Morris*	X			X	
Ms. Nimocks*		X	X	C	
Mr. Williams*			X		C
Mr. Thaman			C		
2018 Meetings	8	6		4	4

C = Committee Chairman **X =** Committee Member * = Independent = Lead Independent Director

Each of the standing Committees of our Board of Directors acts pursuant to a charter that has been approved by our Board. These charters are updated periodically and can be found on the Company s website at http://www.owenscorning.com and will be made available in print upon request by any stockholder to the Secretary of the Company.

Director Service on Other Public Boards (Overboarding Policy)

The Corporate Governance Guidelines state that directors who are employed full time as executives shall not serve on more than three publicly traded company boards (including service on the Company s Board) and other directors shall not serve on more than five boards of publicly traded companies (including service on the Company s Board). This is to ensure that our directors devote adequate time for preparation and attendance at Board and Committee meetings, including the Annual Meeting of Stockholders.

The Company s Audit Committee Charter states that no director may serve as a member of the Audit Committee if such director serves on the audit committees of more than two other publicly traded companies, unless the Board determines that such simultaneous service would not impair the ability of such director effectively to serve on the Committee.

The Audit Committee

Responsibilities

The Audit Committee is responsible for preparing the Audit Committee report required by SEC rules and assisting the Board in fulfilling its legal and fiduciary obligations with respect to matters involving the accounting, auditing, financial reporting, internal control and legal compliance functions of the Company, including assisting the Board s oversight of:

- the integrity of the Company s financial statements;
- the Company s compliance with legal and regulatory requirements;
- the Company s independent registered public accounting firm s qualifications and independence; and
- the performance of the independent registered public accounting firm and the Company s internal audit function.

The Board of Directors has determined that each member of the Audit Committee is an audit committee financial expert for purposes of SEC rules.

Table of Contents

Audit Committee Report

The Audit Committee has reviewed and discussed the audited financial statements of the Company contained in the Annual Report on Form 10-K with management. The Committee has discussed with PricewaterhouseCoopers LLP the matters required to be discussed by Auditing Standard No. 1301, Communications with Audit Committees, as amended, as adopted by the Public Company Accounting Oversight Board (PCAOB). The Committee has also received the written disclosures and the letter from PricewaterhouseCoopers LLP per the applicable requirements of the PCAOB regarding the independent registered public accounting firm s communications with the Audit Committee concerning independence, and has discussed with PricewaterhouseCoopers LLP its independence.

Based on the review and discussions referred to in the preceding paragraph, the Audit Committee recommended to the Board of Directors that the audited financial statements be included in the Company s annual report on Form 10-K for the year ended December 31, 2018, for filing with the SEC.

By the Audit Committee:

J. Brian Ferguson, Chairman

Adrienne Elsner

Maryann T. Mannen

W. Howard Morris

Independent Registered Public Accounting Firm

The Audit Committee of the Board of Directors has selected PricewaterhouseCoopers LLP to serve as our independent registered public accounting firm for 2019, subject to ratification by our stockholders.

Principal Accounting Fees and Services

The aggregate fees billed and services provided by PricewaterhouseCoopers LLP for the years ended December 31, 2018 and 2017 are as follows (in thousands):

	2018	**2017**
Audit Fees (1)	$ 4,982	$ 4,845
Audit-Related Fees (2)	60	75
Tax Fees (3)	357	337
All Other Fees (4)	34	34
Total Fees	$5,433	$ 5,291

(1) Fees for the years ended December 31, 2018 and 2017, consist of the audit of the Company s consolidated financial statements including effectiveness of internal controls over financial reporting, reviews of the

Company s quarterly financial statements, subsidiary statutory audits, consents and comfort letters, and agreed-upon procedures related to reports filed with regulatory agencies. The audit fees for the year ended December 31, 2018, also include audit procedures related to the newly enacted tax legislation.

(2) Audit-related fees consist of assistance with interpretation of accounting standards.

(3) Tax fees consist of compliance, consulting and transfer pricing services.

(4) All other fees consist of accounting research and disclosure software licenses, and a supplier audit.

It is the Company s practice that all services provided by its independent registered public accounting firm be pre-approved either by the Audit Committee or by the Chairman of the Audit Committee pursuant to authority delegated by the Audit Committee. No part of the independent registered public accounting firm services related to the Audit-Related Fees, Tax Fees, or All Other Fees listed in the table above was approved by the Audit Committee pursuant to the exemption from pre-approval provided by paragraph (c)(7)(i)(C) of Rule 2-01 of Regulation S-X.

Table of Contents

The Compensation Committee

Responsibilities

The Compensation Committee is responsible for oversight of the Company s executive compensation, including authority to determine the compensation of the executive officers, and for producing an annual report on executive compensation in accordance with applicable rules and regulations. The Compensation Committee may delegate power and authority to subcommittees of the Compensation Committee as it deems appropriate. However, the Compensation Committee may not delegate to a subcommittee any power or authority required by any law, regulation or listing standard required to be exercised by the Compensation Committee as a whole. The Compensation Committee has the sole authority to retain or terminate a compensation consultant to assist the Compensation Committee in carrying out its responsibilities, including sole authority to approve the consultant s fees and other retention terms. The consultant s fees will be paid by the Company.

In overseeing the Company s policies concerning executive compensation for officers, the Compensation Committee:

- reviews at least annually the goals and objectives of the Company s executive compensation plans and amends, or recommends that the Board amend, these goals and objectives if the Compensation Committee deems it appropriate;
- reviews at least annually the Company s executive officer compensation plans in light of the Company s goals and objectives, and, if the Compensation Committee deems it appropriate, adopts or recommends to the Board the adoption of new, or the amendment of existing, executive compensation plans;
- evaluates annually the performance of the Chief Executive Officer in light of the goals and objectives of the Company s executive compensation plans and, either alone as a committee or together with the other independent directors, sets the Chief Executive Officer s compensation level based on this evaluation;
- approves the pay structure, salaries and incentive payments of all other executive officers of the Company, as well as the funding level of the Company s annual and long-term incentive plans; and
- reviews and approves any severance or termination arrangements to be made with any executive officer of the Company.

The Compensation Committee also reviews the Company s executive compensation programs on a continuing basis to determine that they are properly integrated and that payments and benefits are reasonably related to executive and Company performance and operate in a manner consistent with that contemplated when the programs were established.

The Compensation Committee also reviews the compensation of the Company s directors, including an evaluation of how such compensation relates to director compensation of companies of comparable size, industry and complexity and, if the Committee deems it appropriate, adopts, or proposes to the Board for consideration, any changes to compensation.

Compensation Consultant

The Senior Vice President, Organization & Administration, along with Owens Corning s Human Resources staff, support the Compensation Committee in its work. In addition, the Compensation Committee has authority to engage the services of outside advisors, experts and others to assist the Compensation Committee.

The Compensation Committee engaged the services of Meridian Compensation Partners, LLC (Consultant) during 2018 to serve as its independent outside compensation consultant to advise the Compensation Committee on all matters related to Chief Executive Officer and other executive, as well as director, compensation. Specifically, the Consultant provided relevant market data and trend information, advice, alternatives and recommendations to the Compensation Committee, as further described below.

Table of Contents

The Governance and Nominating Committee

Responsibilities

The Governance and Nominating Committee is responsible for:

- reviewing with the Board the appropriate skills and characteristics required of Board members;
- recommending to the Board size and composition of the Board;
- identifying, screening and recommending to the Board director nominees for election by the stockholders or appointment by the Board, as the case may be, pursuant to the bylaws, which selections shall be consistent with the Board s criteria for selecting new directors;
- reviewing stockholder nominations for members of the Board;
- reviewing the suitability for continued service as director or each Board member when his or her term expires and when he or she has a significant change in status;
- developing and reviewing the corporate governance principles adopted by the Board and recommending any desirable changes to the Board;
- considering any other corporate governance issues that arise from time to time and developing appropriate recommendations for the Board;
- overseeing the annual evaluation of the Board as a whole, Board committees, the Chairman and the Chief Executive Officer;
- recommending procedures for reviewing strategic plans of the Company;
- advising the Chairman of the Board regarding meeting dates, agendas and the character of information to be presented at Board meetings; and
- ensuring that the Board reviews plans and management recommendations for management continuity and development.

Director Nomination Process

The Governance and Nominating Committee evaluates potential candidates for Board membership on an ongoing basis. The Committee is authorized to use any methods it deems appropriate for identifying candidates for Board membership, including recommendations from current Board members, outside search firms and stockholders. Where outside search firms are utilized, they assist the Committee in both identifying and evaluating potential nominees.

Director Qualifications

Pursuant to the Company s Corporate Governance Guidelines, nominees for director are selected on the basis of, among other things, experience, knowledge, skills, expertise, mature judgment, acumen, character, integrity, diversity, ability to make independent analytical inquiries, understanding of the Company s business environment, and willingness to devote adequate time and effort to Board responsibilities.

Consideration of Diversity

Pursuant to its charter, the Governance and Nominating Committee is responsible for identifying and recommending director nominees consistent with the director qualification criteria described above, including diversity, so as to enhance the Board s ability to manage and direct the affairs and business of the Company. In identifying director nominees, the Committee considers diversity as provided in its charter and the Corporate Governance Guidelines. The Committee considers diversity expansively against the charter standard of enhancing the Board s ability to manage and direct the affairs and business of the Company. The effectiveness of this process is assessed annually by the full Board as part of the Board self-evaluation process. The Committee believes that its consideration of diversity effectively implements the charter requirements.

Recent additions to the Board demonstrate the Company s commitment to diversity. Four of the last five Directors to join the Board were either female or ethnic minorities. The Board currently features 50% gender and ethnic diversity, which represents a nearly threefold increase in gender and ethnic diversity in the last seven years.

Consideration of Director Candidates Recommended by Stockholders

Under its charter, the Governance and Nominating Committee is responsible for reviewing stockholder nominations for director. The Committee does not have a formal policy with respect to the consideration of

Table of Contents

director candidates recommended by stockholders. However, its practice is to consider those candidates on the same basis and in the same manner as it considers recommendations from other sources. Such recommendations should be submitted to the Secretary of the Company and should include information about the background and qualifications of the candidate.

The Finance Committee

The Finance Committee is responsible for exercising oversight responsibility with respect to the Company s material and strategic financial matters, including those related to investment policies and strategies, merger and acquisition transactions, financings, capital structure, and for advising Company management and the Board with respect to such matters.

The Executive Committee

The Executive Committee has the authority to act for the Board between meetings of the Board of Directors subject to its charter, applicable law and New York Stock Exchange listing standards.

REVIEW OF TRANSACTIONS WITH RELATED PERSONS

There are no transactions with related persons, as defined in Item 404 of Regulation S-K, to report for the fiscal year ended December 31, 2018.

The Company has various written policies in place pertaining to related party transactions and actual or potential conflicts of interest by directors, officers, employees, and members of their immediate families, including reference in the charter of the Audit Committee.

The Company has a Directors Code of Conduct that provides, among other things, that a director who has an actual or potential conflict of interest:

- must disclose the existence and nature of such actual or potential conflict to the Chairman of the Board and the Chairman of the Governance and Nominating Committee; and

- may proceed with the transaction only after receiving approval from the Governance and Nominating Committee.

Table of Contents

EXECUTIVE OFFICERS OF OWENS CORNING

The name, age and business experience during the past five years of Owens Corning s executive officers as of March 14, 2019 are set forth below. Each executive officer holds office until his/her successor is elected and qualified or until his/her earlier resignation, retirement or removal. All those listed have been employees of Owens Corning during the past five years except as indicated.

Name and Age	Position*
Brian D. Chambers (52)**	President and Chief Operating Officer since August 2018; formerly President, Roofing (2014); formerly Vice President and General Manager, Roofing (2013)
Julian Francis (52)	President, Insulation since October 2014; formerly Vice President and General Manager, Residential Insulation (2012)
Ava Harter (49)	Senior Vice President, General Counsel and Secretary since May 2015; formerly General Counsel, Chief Compliance Officer and Corporate Secretary, Taleris America LLC (2012)
Michael C. McMurray (54)	Senior Vice President and Chief Financial Officer since August 2012
Marcio A. Sandri (55)	President, Composites since May 2018; formerly Vice President Global Strategy and Operations, Composites 2017; formerly Vice President and General Manager, Composites (2007)
Kelly J. Schmidt (53)	Vice President, Controller since April 2011
Daniel T. Smith (53)	Senior Vice President, Organization and Administration since November 2014; formerly Senior Vice President, Information Technology and Human Resources (2012)
Gunner Smith (45)	President, Roofing since August 2018, formerly Vice President of Distribution Sales for Roofing (2012)
Michael H. Thaman (55)**	Chief Executive Officer since December 2007 and Chairman of the Board since April 2002. Director since 2002

* Information in parentheses indicates year during the past five years in which service in position began. The last item listed for each individual represents the position held by such individual at the beginning of the five-year period.

** On January 3, 2019, the Company announced that its Board of Directors elected Brian D. Chambers to succeed Michael H. Thaman as Chief Executive Officer, effective April 18, 2019.

Table of Contents

SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

The following table contains information, as of February 19, 2019 unless otherwise indicated, about the beneficial ownership of Owens Corning s common stock for each stockholder known by us to own beneficially 5% or more of our common stock; each of our directors; each of the named executive officers; and all of our directors and executive officers as a group. Beneficial ownership is determined in accordance with the rules of the SEC and, except as otherwise indicated by footnote, the number of shares and percentage ownership indicated in the following table is based on 109,579,002 outstanding shares of Owens Corning common stock as of February 19, 2019. Except as indicated by footnote and subject to community property laws where applicable, to our knowledge, the persons named in the table below have sole voting and investment power with respect to all shares of common stock shown as beneficially owned by them.

	Beneficial Ownership		
5% Stockholders, Directors and Executive Officers	**Number of Shares**		**Percent of Total**
Beneficial Owners of 5% or More of Our Common Stock			
The Vanguard Group	9,707,654	(1)	8.9%
Boston Partners	7,913,833	(2)	7.2%
BlackRock, Inc.	6,439,872	(3)	5.9%
Directors and Named Executive Officers			
Cesar Conde	11,293	(4)	*
Adrienne D. Elsner	2,170	(4)	*
J. Brian Ferguson	60,735	(4)	*
Ralph F. Hake	49,421	(4)	*
Edward F. Lonergan	25,730	(4)	*
Maryann T. Mannen	11,293	(4)	*
W. Howard Morris	37,396	(4)(5)	*
Suzanne P. Nimocks	19,366	(4)	*
John D. Williams	29,701	(4)	*
Michael H. Thaman	1,125,697	(4)(6)(7)(8)	1.0%
Brian D. Chambers	84,123	(6)(7)(8)	*
Julian Francis	80,962	(6)(7)(8)	*
Michael C. McMurray	100,455	(4)(6)(7)(8)	*
Daniel T. Smith	86,847	(4)(6)(7)(8)	*
Executive officers and directors as a group (18 persons)	1,904,116	(4)(5)(6)(7)(8)	1.7%

* Represents less than 1%

(1) Based solely upon a Schedule 13G/A filed with the SEC on February 11, 2019, The Vanguard Group, 100 Vanguard Blvd., Malvern, PA 19355, beneficially owned 9,707,654 shares of our common stock, with sole voting power over 74,363 shares, shared voting power over 24,799 shares, sole dispositive power over

9,614,206 shares and shared dispositive power over 93,448 shares as of December 31, 2018.

(2) Based soley upon a Schedule 13G/A filed with the SEC on February 14, 2019, Boston Partners, One Beacon Street, 30th Floor, Boston, MA 02108, beneficially owned 7,913,833 shares of our common stock, with sole voting power over 6,420,624 shares, shared voting power over 8,750 and sole dispositive power over 7,913,833 as of December 31, 2018.

(3) Based solely upon a Schedule 13G/A filed with the SEC on February 5, 2019, BlackRock, Inc., 55 East 52nd Street, New York, NY 10055, beneficially owned 6,439,872 shares of our common stock, with sole voting power over 5,639,398 shares and sole dispositive power over 6,439,872 shares as of December 31, 2018.

Table of Contents

(4) Includes deferred stock over which there is currently no investment or voting power, as follows: Mr. Conde, 11,293; Ms. Elsner, 2,170; Mr. Ferguson, 42,335; Mr. Hake, 46,421; Mr. Lonergan, 23,730; Ms. Mannen, 11,293; Mr. Morris, 32,603; Ms. Nimocks, 19,366; Mr. Williams, 29,701; Mr. Thaman, 323,202; Mr. McMurray, 4,816; Mr. Smith, 21,323; and all executive officers and directors as a group (18 persons), 583,891.

(5) Includes 1,000 shares held by a family member as to which beneficial ownership is disclaimed by Mr. Morris, except to the extent of his pecuniary interest.

(6) Includes restricted shares over which there is voting power, but no investment power, as follows: Mr. Thaman, 56,700; Mr. Chambers, 19,239; Mr. Francis, 25,719; Mr. McMurray, 17,634; Mr. Smith, 18,712; and all executive officers and directors as a group (18 persons), 173,659.

(7) Includes shares which are not owned but are unissued shares subject to exercise of options, or which will be subject to exercise of options within 60 days after February 19, 2019, as follows: Mr. Thaman, 278,900; Mr. Chambers, 16,700; Mr. Francis, 12,200; Mr. McMurray, 21,100; Mr. Smith, 3,775; and all executive officers and directors as a group (18 persons), 384,975.

(8) Does not include restricted stock units over which there is currently no investment or voting power, as follows: Mr. Thaman, 38,000; Mr. Chambers, 31,500; Mr. Francis, 8,500; Mr. McMurray, 16,244; Mr. Smith, 8,400; and all executive officers and directors as a group (18 persons), 132,810.

Table of Contents

EXECUTIVE COMPENSATION

COMPENSATION DISCUSSION AND ANALYSIS

Our Performance

In 2018, Owens Corning delivered record revenues and adjusted earnings before interest and taxes (adjusted EBIT)*, and generated double digit operating margins in all three of its businesses, despite operational headwinds and challenging market conditions. Specifically, the Company executed well with strong price realization, solid market share positions, and improved operational performance as the year progressed, but was affected by lower market volumes and persistent inflation. Owens Corning achieved record results and made key resource allocation decisions that position us for success in 2019. However, these record results did not meet our high growth expectations in 2018 and our stock price underperformed in comparison to our peer group.

As described in this section, we believe compensation should align with and enhance long-term stockholder value. Given our underlying pay-for-performance philosophy, a significant portion of compensation for our executives is at-risk and reflective of our business performance. In 2018, this resulted in lower than target payouts for both our short-term and components of our long-term incentive plans.

Our People

At Owens Corning, our leaders are relentlessly focused on *growth* growth of our Company, our talent, and our communities. This focus permeates everything we do, including our multi-year journey of talent development that has shaped the leaders we invest in and promote. Our leaders are expected to drive results, build connections, and explore new ideas to enable our growth agenda.

We provide you with the with following information concerning the objectives, principles, decisions, material elements, processes, amounts and rationale underlying the compensation of our Named Executive Officers (NEOs). For 2018 our NEOs are:

Name	Title	Period of Employment
Michael H. Thaman	Chief Executive Officer	August 1992-present
Michael C. McMurray	Senior Vice President and Chief Financial Officer	December 2008-present

Brian D. Chambers	President and Chief Operating Officer	April 2011-present
		July 2000-August 2007
Julian Francis	President, Insulation	April 2010-present
Daniel T. Smith	Senior Vice President, Organization and Administration	September 2009-present

Effective April 18, 2019, Michael Thaman will retire as Chief Executive Officer (CEO), but will remain employed as Executive Chairman of the Board of Directors. Brian Chambers has been elected the new CEO as of this date. This significant milestone is the successful culmination of a multi-year succession plan to select the best leader to serve as Owens Corning s next CEO. This is the right time for a leadership change as Owens Corning is a more resilient and diversified generator of cash flow, better able to deliver improved results and generate attractive returns for stockholders through the business cycle.

* Reconciliation and further information for certain Non-GAPP measures may be found for EBIT and adjusted EBIT in our 2018 Form 10-K filed with the SEC on February 20, 2019.

Table of Contents

Our Stockholder Outreach

We remain committed to transparency and two-way communication with our investors so that they understand our executive compensation program, including how it aligns the interests of our executives with those of our stockholders, and how it rewards the achievement of our objectives. We also want to understand what our stockholders think about executive compensation.

To this end, we continued our stockholder outreach program under which we provide consistent, periodic opportunities for our investors to provide their perspectives on our executive compensation and governance programs. This outreach program is distinct from our broader investor relations efforts, which are more focused on the Company s financial performance. Our governance outreach program currently consists of three main pillars, as displayed below.

Outreach Type	Approximate Timeframe	Purpose
Proxy Season	After filing proxy statement	Stockholder feedback on proxy statement and pending proposals
Post-Annual Meeting	Fall	Engagement with stockholders to understand their votes at the most recent Annual Meeting of Stockholders
Proxy Off-Season	Fall/Winter	Stockholder feedback more broadly on governance, executive compensation, and environmental and social issues

Since filing our previous proxy statement in March 2018, we carried out two broad communications with investors on governance topics. Each communication reached more than 60 of our top investors collectively holding approximately 70-80% of our outstanding shares, with the goal of receiving feedback on governance, executive compensation, and environmental and social issues. The Company held meetings with several of the stockholders who were contacted via these outreach efforts. Stockholder feedback has been positive with regard to the Company s executive compensation program design and performance criteria, which has been directly influenced by these outreach meetings.

Additionally, at our 2018 annual meeting we provided our stockholders with the opportunity, on an advisory basis, to approve or vote against the compensation of our NEOs (Say-on-Pay). Approximately 93% of the votes cast approved the NEOs compensation. Owens Corning considers stockholder feedback to be critical as it continuously shapes its governance and executive compensation programs and policies, as well as its disclosures. Recent examples of disclosures added after conducting stockholder outreach include a Board of Directors Skill Matrix and additional information on environmental and social initiatives, both of which have been incorporated into the Company s 2019 Proxy Statement.

Table of Contents

2018 Executive Compensation Program

Considering the effectiveness of our programs and strong stockholder support, as evidenced by the Say-on-Pay vote outcome, the Board s Compensation Committee (the Committee) generally maintained the same program design for 2018. The following table summarizes the major elements of our executive compensation plans:

Pay Element	Form	Metric	Performance Period	Objective
Base Salary	Cash	Fixed	N/A	Provide a base level of compensation to attract, retain and motivate executives
Annual Incentive Award	Cash	**75% Corporate performance** 40% Owens Corning adjusted EBIT 20% Composites EBIT 20% Insulation EBIT 20% Roofing EBIT **25% Individual performance**	1 year	Motivate executives to meet and exceed Company and business financial goals as well as individual performance objectives
Long-Term Incentive Award Opportunity	Restricted stock (40%)	N/A	4 years	Provide equity-based compensation opportunities that align the interests of executives and stockholders
	PSUs (TSR) (25%)	Performance Share Units (PSUs) awarded based on total shareholder return (TSR) relative to companies that made up the Dow Jones Construction and Materials index	3 years	
	PSUs (ROC) (35%)	PSUs awarded based on return on capital metric (ROC)	3 years	

Additional details and rationale for 2018 compensation decisions are provided in later discussion in this CD&A.

How We Make Compensation Decisions

Our Executive Compensation Philosophy

The Committee believes that executive compensation opportunities should align with and enhance long-term stockholder value. This core philosophy is embedded in all aspects of our executive compensation program and is reflected in an important set of guiding principles. We believe that the application of these principles enables us to create a meaningful link between compensation outcomes and long-term, sustainable growth for our stockholders.

Table of Contents

Guiding Principles

Pay for Performance
A substantial majority of pay is variable, contingent and directly linked to Company and individual performance.

Stockholder Alignment
The financial interests of executives are aligned with the long-term interests of our stockholders through stock-based compensation and performance metrics that correlate with long-term stockholder value.

Long-Term Focus
For our NEOs, long-term stock-based compensation opportunities will significantly outweigh short- term cash-based opportunities. Annual objectives complement sustainable long-term performance.

Competitiveness
Total compensation should be sufficiently competitive to attract, retain, motivate and reward a leadership team capable of maximizing Owens Corning s performance. Each element should be initially compared to peers and the broader marketplace for executive talent.

Balance
Our compensation program is designed to be challenging, but fair. Executives should have the opportunity to earn market-competitive pay for delivering expected results. As results exceed expectations (both internal and external), pay levels may increase above market median levels. If performance falls below expected levels, actual pay will fall below market median levels.

Governance/Communication
Feedback from stockholders is periodically solicited and factored into the design of our compensation program. Clear design enables ease of communication for all stakeholders.

Role of the Committee

The Committee, which consists of all independent directors, is responsible for overseeing the development and administration of our executive compensation program. In this role, the Committee approves all compensation actions concerning our CEO and the other NEOs. The Committee s other responsibilities include:

- Reviewing and approving executive compensation plans and programs;
- Assessing input from Owens Corning s stockholders regarding executive compensation decisions and policies;
- Reviewing and approving incentive plan metrics and targets;
- Assessing each NEO s performance relative to these metrics and targets;
- Evaluating the competitiveness of total compensation for the CEO and the other NEOs; and

Approving changes to each NEO s compensation, including base salary and annual and long-term incentive opportunities and awards.

The Senior Vice President, Organization and Administration, along with Owens Corning s Human Resources staff and the independent compensation consultant, assist the Committee with these tasks. The Committee s charter, which sets out the Committee s responsibilities, can be found on our website at: http://www.owenscorning.com.

Role of the Compensation Consultant

The Committee retained the services of Meridian Compensation Partners, LLC (Meridian or the Consultant) to serve as its executive compensation consultant for 2018. In this capacity, the Consultant advised the Committee on a variety of subjects consisting of compensation plan design and trends, pay for performance analytics and comparative compensation norms. While the Consultant may make recommendations on the form and amount of compensation, the Committee continues to make all decisions regarding the compensation of our NEOs.

Table of Contents

The Consultant reported directly to the Committee, participated in meetings as requested and communicated with the Committee Chair between meetings as necessary. In 2018, the Consultant attended all of our Committee meetings.

The Committee reviewed the qualifications and assessed the independence of the Consultant during 2018. The Committee also considered and assessed all relevant factors, including those required by the SEC and the New York Stock Exchange, which could give rise to a potential conflict of interest. Based on these reviews, the Committee did not identify any conflicts of interest raised by the work performed by the Consultant. Meridian does not perform other services for or receive other fees from Owens Corning. The Committee has the sole authority to modify or approve the Consultant s compensation, determine the nature and scope of its services, evaluate its performance, terminate the engagement and hire a replacement or additional consultant at any time.

Competitive Positioning

Peer Group

The Committee utilizes a peer group of 15 companies when assessing the competitiveness of executive compensation and the appropriateness of compensation program design. These companies are either in the building materials industry, serve related markets, or use manufacturing processes similar to Owens Corning, and have size (measured in annual sales, market capitalization or number of employees) or complexity comparable to Owens Corning. This peer group is reviewed regularly by the Committee to ensure the relevance of the companies to which we compare ourselves.

The peer group for 2018 compensation decisions was comprised of the following companies:

A.O. Smith Corporation	Mohawk Industries, Inc.
Ball Corporation	Owens-Illinois, Inc.
Celanese Corporation	PPG Industries, Inc.
Eastman Chemical Company	RPM International, Inc.
Fortune Brands Home & Security, Inc.	The Sherwin-Williams Company
Lennox International Inc.	Stanley Black & Decker, Inc.
Louisiana-Pacific Corporation	USG Corporation
Masco Corporation	

Effective January 1, 2018, the Committee removed Armstrong World Industries from the peer group based on the spin-off of its flooring division, and removed The Valspar Corporation which was acquired by The Sherwin-Williams Company. Also, effective January 1, 2018, the Committee added A.O. Smith Corporation, Eastman Chemical Company, and Celanese Corporation as peer companies. The Committee believes these changes maintain a balance between company size/revenue, industry, global scope, manufacturing footprint, and presence as a competitor for executive talent.

While compensation data from the peer group serves as comparison data, the Committee supplements this information with data from compensation surveys covering general industry companies of similar size based on annual sales. This additional data, compiled by the Consultant, enhances the Committee s knowledge of trends and market practices.

Market Median Compensation

To help ensure that our compensation program is appropriately competitive, the Committee believes the target opportunity of each key compensation element (base salary, annual incentive, and long-term incentive) should generally align with market median practices.

Individual pay opportunities may fall above or below these targets based on the executive s performance and the Committee s discretion. In exercising its discretion, the Committee considers Company and individual performance, time in job and experience, job scope, retention risk and any other factors that it determines to be relevant and consistent with program objectives and stockholder interests.

Table of Contents

The Committee believes the best way to help ensure that executive pay corresponds to Company performance is to align actual realizable value of equity granted to an executive with the actual performance of the Company for the performance period. As such, the compensation opportunities, when granted, correspond to the market median practices of peer companies with additional performance criteria that awards significant value only when the Company outperforms the targets set by the Committee.

How We Structure Our Compensation

Principal Elements of Compensation

The following principal elements make up our NEOs compensation program:

Cash Compensation		Long-Term Incentives		Retirement
Base Salary	Annual Incentive	Restricted Stock	Performance Share Units	401(k) Savings Plan Non-Qualified Deferred Compensation and Restoration Plan

Cash Compensation

Base Salary

To help Owens Corning attract, retain and motivate the most qualified executive talent, we provide executive base salaries targeted at the median of competitive market practices. Each year, the Committee reviews recommendations from the CEO regarding base salary adjustments for his direct reports, including the other NEOs. The Committee has complete discretion to modify or approve the CEO s base salary recommendations and the CEO does not participate in the Committee s determination of his own base salary. 2018 base salary increases were driven by job scope and responsibilities, experience, tenure, individual performance, retention risk, gaps to market median pay practices and internal pay equity (individual NEO decisions discussed below).

Annual Incentive

Annual incentives are delivered through the annual Corporate Incentive Plan (CIP). Funding under the 2018 CIP for all NEO awards was determined based on performance as measured against overall corporate and individual performance goals. Incentive awards for the NEOs are based 75% on overall corporate performance measures and 25% on individual performance measures. Award amounts for each component may be earned from 0% to 200% of targeted levels, based upon performance. The overall corporate component is earned based upon the achievement of pre-determined financial goals as described below. Awards are paid in the form of a lump-sum cash payment.

The individual component (25% of the target award) is funded at maximum if the Company is profitable, with actual award amounts being reduced from maximum based upon a discretionary assessment of individual performance by the Committee. The Committee assesses the individual performance of the CEO, and reviews and approves the CEO s assessment of individual performance of the other NEOs in determining the individual performance component of CIP amounts.

At the beginning of each year, the Committee selects the overall corporate performance objectives, or funding criteria, that are used to determine the funding of the overall corporate performance component (75% of the target award) for the annual CIP. For 2018, the Committee selected specific levels of adjusted EBIT as the performance metric based on the view that total shareholder return can be produced through sustained earnings growth, which Owens Corning measures through adjusted EBIT performance. Earnings metrics are the most prevalent annual incentive metrics amongst Owens Corning peers. Because of the importance of driving profitable growth, adjusted EBIT is weighted at 75% within the annual incentive payout. Owens Corning adjusted EBIT goals determine 40% of overall corporate funding, and performance of the Composites, Insulation, and Roofing businesses against their respective EBIT goals each contribute 20% to overall corporate funding.

Table of Contents

Funding for each of the corporate components of the CIP can independently range, based on consolidated or business performance, from Threshold performance (0% CIP funding), to Target performance (100% CIP funding), to Maximum performance (200% CIP funding). For consolidated or business performance falling between the performance levels, CIP funding would fall proportionately between the corresponding funding levels. For example, for performance falling two-thirds of the way between Threshold performance and Target performance, the resulting CIP funding would fall two-thirds of the way between Threshold funding and Target funding. This straight-line mathematical interpolation is performed separately for Owens Corning, Composites, Insulation, and Roofing adjusted EBIT performance and the results are aggregated by applying a 40% weight to consolidated funding and 20% weight to the funding of each business.

When establishing Threshold, Target and Maximum CIP performance levels for the corporate components for 2018, the Committee used a variety of guiding principles, including:

Target performance levels generally correspond with the results and the business objectives called for in the Board-reviewed operations plan (a comprehensive strategic business plan for the Company) for the year. Whether the Target performance level can be attained is a function of the degree of difficulty associated with the operations plan.

Threshold performance levels will be set at the minimum level of acceptable performance, with minimum acceptable performance yielding below market compensation. CIP performance levels between Threshold and Target are intended to compensate participants below the targeted median, which the Committee believes is appropriate for a performance-based incentive plan.

The Maximum performance level is also determined based on the Committee s view of the degree of difficulty of the operations plan the more difficult the operating plan and, therefore, the Target performance level, is to achieve, the less incremental performance (above Target performance) is required to reach the Maximum.

The Maximum performance level will be set so that it is difficult to achieve and would deliver clear outperformance compared to the operating plan, with the mindset that Maximum performance significantly benefits the Company s stockholders and warrants CIP funding at or near Maximum.

CIP awards between Target and Maximum should reflect a level of performance that distinguishes the Company and its leaders, and translates into increased stockholder value.

The Committee retains discretion to reduce awards or not pay CIP compensation even if the relevant performance targets are met, and to adjust performance targets based on timing and materiality of transactions, charges or accruals.

Based on timing for material transactions, the Committee may exclude the impact of a divestiture/acquisition (for example, not allow the additional EBIT of an acquired business to fund the CIP), or may include the impact of the acquisition (for example, include the acquired business EBIT after increasing the performance levels required to fund the CIP), it being the Committee s intent to avoid funding windfalls and reward acquisition synergy capture.

Individual performance goals for the CEO are established and approved at the beginning of each year (see goal setting discussion below). For the remaining NEOs, the CEO and each officer establish and agree upon performance objectives which serve as the individual performance goals for that officer for the year. At the close of each year, the Committee evaluates the performance of the CEO against the established performance goals, in addition to other factors described below, and determines the level of funding of the individual component of the award. Similarly, the CEO reviews performance of the other NEOs against their individual goals and based on this assessment and other factors described below, the CEO makes a recommendation to the Committee. The Committee then determines the actual payout under the individual component of the CIP based on the recommendations of the CEO and its discretion, all subject to overall funding levels for the CIP award.

Table of Contents

Long-Term Incentive

We believe long-term incentive opportunities should align NEO behaviors and results with key enterprise drivers and the interests of stockholders over an extended period. Our long-term incentive program (LTI) is an equity-based program that historically has used a combination of Restricted Stock, Stock Options and Performance Share Units. Performance Share Units use overlapping three-year performance cycles, with a new cycle beginning each year. Stock Option grants were eliminated in 2015 and replaced with Performance Share Units which vest based upon pre-established adjusted return on capital metrics. For 2018 NEO awards, the mix of LTI vehicles was maintained as follows:

Mix of LTI Equity Vehicles

Restricted Stock generally vests at a rate of 25% per year over a four-year period. Employees in certain foreign jurisdictions have historically received Restricted Stock Units, and in 2019, all participants will shift to Restricted Stock Units. Our Return on Capital-based Performance Share Units (ROC PSUs) generally vest after the completion of the three-year performance period and deliver shares based on achievement of predetermined adjusted return on capital objectives. Our total shareholder return-based Performance Share Units (TSR PSUs) generally vest after the completion of the three-year performance period and deliver shares based on the Company s total shareholder return relative to the companies that made up the Dow Jones Construction and Materials Index (the Index). The aggregate LTI award s total value is allocated 40% to Restricted Stock, 35% to ROC PSUs, and 25% to TSR PSUs, and then each allocation is divided by the grant date stock price to determine the number of shares of Restricted Stock and target Performance Share Units that are granted.

Performance Share Units - Return on Capital

The ROC PSUs granted in 2018 will fund from 0% to 200% based upon annual adjusted return on capital achieved during the three-year performance period. For the purpose of funding the 2018 ROC PSUs, we will utilize annual adjusted return on capital from 2018 through 2020 to determine each year s contribution to overall funding. Each annual funding outcome will be averaged to determine the award payout. Adjusted return on capital for each fiscal year is calculated as adjusted EBIT plus fresh start amortization and depreciation less taxes, divided by the sum of average net fixed assets, working capital, goodwill and intangible assets, less fresh start asset adjustments. This formula removes the impact of fresh start accounting and may be adjusted for material transactions, accruals or charges as approved by the Committee, and thus may differ from return on capital that may be discussed in the context of our financial statements and other public disclosures.

For the 2018-2020 performance cycle we increased the degree of difficulty associated with the ROC goals for Target and Maximum, to promote enhanced return on capital for our stockholders. Threshold performance, which would provide for 50% funding, was set at 7.5% average adjusted return on capital, as a proxy for the Company s long-term cost of capital. Target performance, which would provide for 100% funding, was set at 12% average adjusted return on capital. Maximum performance, which would provide for 200% funding, was set at 14% average adjusted return on capital. Payout will be interpolated on a straight-line mathematical basis for performance between Threshold and Target, or between Target and Maximum.

33

Performance Share Units - Total Shareholder Return

For the 2018-2020 performance cycle, the TSR PSUs will fund from 0% to 200% based upon the Company s total shareholder return as a percentile of the companies included in the Index as of the beginning of the performance period. The Index comparator group was selected to deliver payouts proportionate to performance against a peer group that is specific to our industry.

Threshold funding (0% payout) for the TSR PSUs applies up to the 25th percentile of the Index. Target funding (100% payout) is achieved at the 50th percentile. Maximum funding (200% payout) is earned at and above the 75th percentile. Payout is interpolated on a straight-line mathematical basis for performance between Threshold and Target, and between Target and Maximum, and is capped at 100% if our TSR is negative. The following chart depicts the payout opportunity for the 2018 TSR PSU award:

2018 TSR PSUs - Payout Opportunity

Table of Contents

Emphasis on Variable Pay

85% of our CEO s and 74% of our other NEOs target compensation (in other words, base salary, target annual incentives and long-term incentives) is variable compensation directly contingent on performance. Actual annual incentives and long-term incentive awards are subject to the achievement of pre-established performance targets and designed to link directly to stockholder value. Base salary and other fixed elements of compensation are essential to any compensation program and relevant to the recruitment and retention of top talent. However, we believe that variable compensation for our most senior executives should significantly outweigh base salaries.

Our 2018 NEO compensation reflects this philosophy. The following charts illustrate the target pay mix for our CEO and other NEOs for 2018. Note the significant portion of compensation that is variable and performance-based:

How We Assess Performance

Goal Setting

Annually, the Committee establishes financial, strategic and operational goals for the CEO related to three broad constituencies: stockholders, customers and employees. The CEO s goals are generally based upon the Company s operations plan, which is reviewed by the Board. For 2018, the CEO s individual goals were all qualitative in nature as described below.

Stockholder goals may include specific measurements of profitability, cash flow, capital efficiency and expense management. Customer goals include new sources of revenue, geographic expansion, customer channel expansion and new product development. Individual goals include succession planning for key roles, improved workplace safety, improved leadership engagement and diversity, and validation of program efficacy through external recognition.

We also believe it is important to embed compliance and risk management in all our business processes, including objective setting. The framework adopted by the Committee provides that it will consider compliance and risk management objectives in evaluating overall performance.

Table of Contents

CEO Performance Assessment

In December of each year, the CEO prepares a self-review, discussing the progress made toward each of his individual goals, as well as the Company s overall financial and operating performance. Each non-management director participates in an evaluation of CEO performance. The Lead Independent Director, in conjunction with the Compensation Committee Chairman, leads the Board s assessment of Mr. Thaman s performance. The following table summarizes Mr. Thaman s goals and achievements for 2018:

Objective	Result
Safety Continuous improvement in safety performance	Owens Corning s employees sustained an overall low rate of recordable safety incidents, with exceptional reduction in injury rates for the Pittsburgh Corning and Paroc acquisitions; additional focus has been directed toward severity of injury improvement.
Financial Performance Deliver EBIT growth consistent with the internal business plan and investor expectations for earnings and cash flow	Owens Corning delivered record revenues and double-digit operating margins for all three businesses, however, adjusted EBIT fell short of expectations. Cash conversion of approximately 48% of net income was below our multi-year goal of 100%; however, the cumulative year conversion exceeded our 100% goal.
Growth Deliver on key organic and inorganic growth initiatives and further develop leadership capabilities for growth	Continued progress in institutionalizing a growth mindset across the enterprise and strong execution on closing the Paroc acquisition.
Talent Execute on talent development and succession plans	Advanced our succession pipeline while retaining top talent and strengthening leadership capability for growth through focused development initiatives. Successfully executed CEO succession plan.
Balance Sheet Maintain investment-grade rating, disciplined cash deployment and good debt financing	Continued to deliver success in financing of debt to support growth through mergers and acquisitions.

Board Development	
Enable strong, diverse Board composition and effective Board oversight of growth initiatives and talent strategies	Onboarded new, female Director and continued efforts around diversity and maintaining a highly effective Board.

Table of Contents

How We View Compensation

The 2018 Summary Compensation Table sets forth annual compensation data in accordance with SEC requirements. This uniform format is helpful for cross-company comparisons; however, the Committee believes the SEC-mandated format does not fully reflect all of its annual compensation decisions and, in particular, does not provide adequate basis for a holistic pay for performance assessment. Therefore, when reviewing compensation, the Committee also uses an alternative calculation methodology, as described in this section and summarized in the chart below (however, the following information should not be viewed as a replacement for the 2018 Summary Compensation Table or other compensation tables set forth below):

	Summary Compensation Table	Realizable Compensation
Purpose	SEC-mandated compensation disclosure	Used to evaluate pay for performance alignment by examining actual value realized
Pay Elements	Mix of: - actual pay received during 2018: Base salary paid in 2018; Annual incentive received for 2018 performance; and All other compensation (Company 401(k) match); and - future pay opportunities that may or may not be realized such as: Accounting value of equity awards (restricted shares and performance share units) granted in 2018	Actual base salary received in 2018; Actual annual incentive received in 2019 reflective of 2018 performance; and Actual value of equity awards received (vested) in 2018 calculated based upon the stock price as of December 31st of the year shown

Summary Compensation Table

The 2018 Summary Compensation Table values include the grant date fair value of long-term incentive award opportunities granted in February 2018, reflecting the Committee s assessment of 2017 performance. Other elements included in the 2018 Summary Compensation Table (for example, changes in pension values) are outside the scope of the Committee s annual pay decisions.

CEO Pay - 2018 Summary Compensation Table

Compensation Element	2018 Summary Compensation Table
Base Salary	$ 1,175,000
Bonus	$ -
Stock Awards	$ 6,649,473
Option Awards	$ -
Non-Equity Incentive Plan Compensation	$ 521,407
Changes in Pension Value	$ 38,000
All Other Compensation	$ 353,580
Total	$ 8,737,460

Table of Contents

Realizable Compensation

The Committee does not believe that the 2018 Summary Compensation Table values always adequately measure CEO compensation for the purpose of assessing the alignment of pay with performance. The method utilizes estimated values for long-term incentive award opportunities at the time of grant. As might be expected, however, estimated values can differ significantly from the actual value earned.

Therefore, the Committee also takes into consideration Realizable Compensation , which measures actual salary and annual incentives earned in a given year, combined with value of equity awards received (vested) over the same period. The examination of Realizable Compensation takes into account short-term corporate and individual performance (as generally measured by the Company s annual incentive plan) and longer-term performance (as generally measured by changes in the Company s stock price). Realizable Compensation captures the impact of Owens Corning s current share price performance on previously granted long-term incentive awards by using the value of the awards vested during the calendar year, rather than a grant date fair value. The value is determined by using the Company s stock price at the end of each year. The Committee, therefore, views Realizable Compensation as very relevant to its assessment of our compensation program s alignment with stockholders long-term interests.

2018 Overview of CEO Realizable Compensation

Pay Element	Calculation Methodology		2018
Base Salary	Actual base salary earned in the year shown	$	1,175,000
Annual Incentive	Actual annual incentive earned for the performance year shown	$	521,407
Stock Awards	Actual value of restricted share awards received (vested) for the year shown from prior grants, based upon the share price at the end of the year shown	$	2,205,597
Performance Share Units	Actual value of the performance share units received (vested) based upon the three year period ending in the year shown, based upon the share price at the end of the year shown	$	5,607,450
Total Realizable Compensation		$	9,509,454

Details Regarding 2018 Pay Decisions for Named Executive Officers

In this section, we review and explain the specific 2018 compensation decisions for each of our NEOs.

Corporate Incentive Plan

For 2018, CIP funding for corporate performance was based upon adjusted EBIT. Target performance for the consolidated metric was set at $997 million for 2018, which represents an improvement over actual 2017 adjusted EBIT of $855 million. The 2018 target includes expected adjusted EBIT impact from the acquisition of Paroc. The funding targets and outcomes were as follows (dollars displayed in millions):

CIP Metric	Threshold (0% Funding)	Target (100% Funding)	Maximum (200% Funding)	2018 Actual	Funding	Weight
Consolidated Adjusted EBIT	$ 897	$ 997	$ 1,097	$ 861	0%	40%
Composites EBIT	$ 280	$ 310	$ 340	$ 251	0%	20%
Insulation EBIT	$ 227	$ 317	$ 362	$ 290	70%	20%
Roofing EBIT	$ 440	$ 515	$ 590	$ 434	0%	20%
				Total Funding	**14%**	

38

Table of Contents

The NEOs maximum awards for the individual performance component (weighted at 25%) of the CIP are described below and are subject to downward discretion by the Committee based upon its assessment of the individual performance of each NEO for 2018. As described below, the factors considered in assessing individual performance were: the performance of business or functional areas for which the individual is accountable, achievement of predetermined qualitative goals, impact on the organization and talent development.

Individual performance is based on a discretionary holistic assessment of the NEO s overall performance. The Committee determined the CEO s individual award based upon its assessment of the CEO s performance for the year. For the other NEOs, the assessment was made by the CEO for each NEO on an individual basis and reviewed and approved by the Committee in its discretion. When assessing individual performance, the considerations by the CEO and the Committee included those referenced above when determining base salary, as well as a comparison among the NEOs to determine their relative contributions to the Company s business results, with the goal to differentiate awards based on performance. The Committee received recommendations from the CEO, assessed his performance evaluation for each of the other NEOs and applied its judgment consistent with the factors described above to review and approve the CIP payouts for each NEO for 2018 in its discretion. The table below summarizes each NEO s maximum and actual corporate component and maximum and actual individual component payout under the CIP for 2018:

		Corporate Performance (75% Weighting)		**Individual Performance (25% Weighting)**		
	Target CIP	**Max Opportunity @ 200%**	**Actual Funding @ 14%**	**Max Opportunity @ 200%**	**Actual Individual Award**	**Total 2018 CIP Award**
Thaman	125%	$2,203,125	$154,219	$734,375	$367,188	$521,407
McMurray	80%	$774,000	$54,180	$258,000	$129,000	$183,180
Chambers	80%	$693,288	$48,530	$231,096	$115,548	$164,078
Francis	75%	$601,875	$42,131	$200,625	$100,313	$142,444
Smith	70%	$593,250	$41,528	$197,750	$148,313	$189,841

Long-Term Incentive Plan

The value of actual 2018 LTI grants for the NEOs versus prior year grants are described below. To determine the 2018 grant levels, the Committee considered a variety of factors including individual performance, prior year awards, market median LTI award levels, total compensation versus market median, and the Company s year-over-year improvement in performance from 2017 to 2018. The stock price on the grant date was used to value all LTIP grants. The actual accounting charge for these awards is determined under ASC Topic 718 and may be more or less than the standardized value Owens Corning uses internally for grant size determination.

	2017 LTI Award	**2018 LTI Award**
Thaman	$ 6,500,000	$ 6,500,000
McMurray	$ 1,400,000	$ 1,400,000

Chambers	$ 950,000	$ 1,150,000
Francis	$ 950,000	$ 1,050,000
Smith	$ 1,100,000	$ 1,100,000

For the LTI performance cycle beginning in 2016 and ended in 2018, funding criteria for the performance share units were based on the Company s: (1) adjusted Return on Capital performance; (2) Reportable Revenue; and (3) Total Shareholder Return relative to constituents of the former S&P Building and Construction Select Industry Index.

Table of Contents

In 2016, 2017 and 2018, Owens Corning s adjusted Return on Capital exceeded our maximum performance level of 11.5% resulting in a maximum payout of 200%. An additional target award of 100% was earned as the Company exceeded $7 billion in reportable revenue and more than 9% return on capital in 2018. As noted above, adjusted Return on Capital reflects adjustments for the impact of fresh start accounting as well as material transactions, accruals or charges as approved by the Committee.

With regard to the Total Shareholder Return metric, Owens Corning s stock performed at the 20th percentile versus companies in the Index, resulting in 0% funding. The value of the 2016-2018 LTI grant is included in the above table summarizing CEO realizable compensation and below in the 2018 Option Exercises and Stock Vested Table.

In connection with the appointment of Brian Chambers to the Chief Operating Officer role, a one-time Restricted Stock grant with a three-year cliff vesting, was awarded as follows:

NEO	COO Appointment Award as Percent of Base Salary	Number of Shares
Chambers	100%	10,339

In connection with Brian Chambers appointment described above, certain other NEOs received a one-time Restricted Stock grant designed to retain them during the Company s multi-year period of leadership transition. These grants were awarded as follows:

NEO	Retention Award as a Percent of Base Salary	Vesting Period	Number of Shares
McMurray	100%	Two-year cliff	10,259
Smith	100%	Two-year cliff	8,987
Francis	200%	50% year two/50% year three	17,019

CEO and Other NEO Total Direct Compensation Decisions

The following tables summarize the Committee s decisions for the 2018 performance year. Unlike the 2018 Summary Compensation Table, which includes the long-term incentive awards granted in calendar year 2018, Total Direct Compensation shown in the following table instead includes long-term incentive awards granted in February 2019, reflecting a more appropriate assessment of 2018 performance. However, this table should not be viewed as a replacement for the 2018 Summary Compensation Table or other compensation tables set forth below.

Michael H. Thaman, Chief Executive Officer

Compensation Element	2018
2018 Base Salary	$ 1,175,000
2018 Annual Incentive	$ 521,407
2019 Grant of Restricted Stock Units	$ 2,000,000
2019 Grant of Performance Share Units	$ -
Total Direct Compensation	$ 3,696,407

2018 Other NEO Total Direct Compensation

Compensation Element	McMurray	Chambers	Francis	Smith
2018 Base Salary	$ 645,000	$ 650,000	$ 535,000	$ 565,000
2018 Annual Incentive	$ 183,180	$ 164,078	$ 142,444	$ 189,841
2019 Grant of Restricted Stock Units	$ 580,000	$ 1,656,000	$ 449,400	$ 440,000
2019 Grant of Performance Share Units	$ 870,000	$ 2,484,000	$ 674,100	$ 660,000
Total Direct Compensation	$ 2,278,180	$ 4,954,078	$ 1,800,944	$ 1,854,841

Table of Contents

Michael C. McMurray, Senior Vice President and Chief Financial Officer

Key 2018 measurement criteria for Mr. McMurray included:

- Effective capital allocation and access to capital markets;
- Development and coaching of key roles within the Finance, Sourcing and Supply Chain organizations;
- Successfully identify and execute organic and inorganic growth opportunities;
- Balance sheet management, capital adequacy, forecasting and external guidance; and
- Effective financial controls and systems.

As a result of his assessment of Mr. McMurray s performance, Mr. Thaman recommended the Committee approve a 36% payout under the annual CIP for him. This is comprised of 14% funding for the corporate component of the award opportunity and 100% funding of the individual component. The Committee approved this award of $183,180. In addition, the Committee approved an aggregate long-term incentive award of $1,450,000, granted in February 2019.

Brian D. Chambers, President and Chief Operating Officer

Key 2018 measurement criteria for Mr. Chambers included:

- Enterprise-wide safety evaluation and action plan
- Deliver second-half financial results for Owens Corning
- Ongoing development of organizational capabilities to execute organic growth opportunities;
- Successful transition and onboarding of new President, Roofing
- Operational Excellence across all three businesses

As a result of his assessment of Mr. Chambers performance, Mr. Thaman recommended the Committee approve a 36% payout under the annual CIP for him. This is comprised of 14% funding for the corporate component of the award opportunity and 100% funding of the individual component. The Committee approved this award of $164,078. In addition, the Committee approved an aggregate long-term incentive award of $4,140,000, granted in February

2019, to recognize Mr. Chambers transition to CEO.

Julian Francis, President, Insulation

Key 2018 measurement criteria for Mr. Francis included:

- Deliver financial results for the Insulation business;
- Integration of Paroc and acceleration of growth in key market segments;
- Talent development and succession management;
- Manufacturing excellence; and
- Execution of commercial growth initiatives.

As a result of his assessment of Mr. Francis performance, Mr. Thaman recommended the Committee approve a 36% payout under the annual CIP for him. This is comprised of 14% funding for the corporate component of the award opportunity and 100% funding of the individual component. The Committee approved this award of $142,444. In addition, the Committee approved an aggregate long-term incentive award of $1,123,500, granted in February 2019.

Daniel T. Smith, Senior Vice President, Organization and Administration

Key 2018 measurement criteria for Mr. Smith included:

- Talent management, retention and development of key leadership roles, and succession planning;
- Organization design optimizing overall structure including acquisition integrations;
- Continuous improvement in digital technology experience and communications;
- Enhancing marketing capability; and
- Emphasis and progress on diversity objectives.

Table of Contents

As a result of his assessment of Mr. Smith s performance, Mr. Thaman recommended the Committee approve a 48% payout under the annual CIP for him. This is comprised of 14% funding for the corporate component of the award opportunity and 150% funding of the individual component. The Committee approved this award of $189,841. In addition, the Committee approved an aggregate long-term incentive award of $1,100,000, granted in February 2019.

Additional Compensation Practices

Stock Ownership Guidelines and Holding Requirements

Stock ownership guidelines for our officers and directors are designed to closely link their interests with those of our stockholders. These stock ownership guidelines provide that the CEO must own stock with a value of six times his base salary and each other NEO must own stock with a value of three times his base salary. All other Vice Presidents must retain 100% of after-tax shares received through LTI grants until their ownership guideline is met. Outside directors are required to own shares with a value of five times the maximum annual cash retainer. As of the date of this Proxy Statement, all NEOs hold stock in excess of the ownership guidelines. All outside directors with more than three years of tenure on the Board hold stock in excess of the ownership guidelines applicable to our directors. For further details on actual ownership, please refer to the Security Ownership of Certain Beneficial Owners and Management table provided earlier in this Proxy Statement.

Compensation-Based Risk Assessment

The Committee believes that although the majority of compensation provided to the NEOs is performance-based, our compensation programs for all employees do not encourage behaviors that pose a material risk to the Company. The design of our employee compensation programs encourages balanced focus on both the short-term and the long-term operational and financial goals of the Company. The Company reviewed the risks associated with its global compensation program and reviewed the results with the Committee during 2018. As a result, the Committee continues to believe that there are no risks arising from employee compensation programs that are reasonably likely to have a material adverse effect on the Company.

Timing of Equity Awards

The Company does not have any program, plan or practice to time equity grants in coordination with the release of material, non-public information. Annual awards of restricted stock and Performance Share Units are granted on the date of the Committee s annual first quarter meeting. The Company may also grant equity awards to newly-hired or promoted executives, effective on the start or promotion date.

Perquisites

The NEOs participate in the same health care and other employee benefit programs that are generally available for all salaried employees. The Committee has eliminated executive perquisites.

Deferred Compensation Plan

The Company maintains a nonqualified deferred compensation plan under which certain employees, including the NEOs, are permitted to defer receipt of some or all of their base salary and cash incentive awards under the CIP. Deferred amounts are credited with earnings or losses based on the rate of return of specified mutual funds and/or Owens Corning stock. The deferred compensation plan is not funded, and participants have an unsecured commitment from the Company to pay the amounts due under the plan. When such payments become distributable, the cash will be distributed from general assets.

The Company also provides a 401(k) Restoration Match to restore benefits that are limited in the qualified 401(k) Savings Plan due to IRS rules. The benefit is calculated as the Company contribution the employee would have received absent IRS pay limits and nonqualified deferrals, less the actual Company contribution to the 401(k) Savings Plan. Eligible participants must be employed at the end of the calendar year to receive this benefit, which is added to unfunded deferred compensation accounts annually and administered to comply with Section 409A of the Internal Revenue Code.

In addition, certain employees, including NEOs, may defer receipt of some or all of their stock-based awards granted under the LTI program.

We provide the opportunity to defer compensation in an effort to maximize the tax efficiency of our compensation program. We believe that this benefit, along with the 401(k) Restoration Match, is an important retention and recruitment tool as many of the companies with which we compete for executive talent provide similar plans to their executive employees.

Post-Termination Compensation

We have entered into severance agreements with our Vice Presidents, including the NEOs. These agreements were approved by the Committee. The severance agreements were adopted for the purpose of providing for payments and other benefits if the officer s employment terminates for a qualifying event or circumstance, such as being terminated without cause as this term is defined in the severance agreements. We believe that these agreements are important to recruiting and retaining our officers, as many of the companies with which we compete for executive talent have similar agreements in place for their executive employees. Based on practices among peer companies and consistent with the interests and needs of the Company, the Committee determined an appropriate level of severance payments and the circumstances that should trigger such payments. Therefore, the severance agreements with the NEOs provide, under certain termination scenarios, up to two years of pay and benefits. The severance agreements provide for payments upon a change in control only if the individual is also terminated for reasons other than cause in connection with the change in control. Payments under the severance agreements are made in cash and are paid, depending on the terms of the individual executive s agreement, either in the form of a one-time lump-sum payment or in the same manner as the regular payroll over a 24-month period. Health care coverage provided under the severance agreements is provided in kind. Additional specific information regarding potential payments under these severance agreements is found under the heading, Potential Payments upon Termination or Change-in-Control.

Tax Deductibility of Pay

Section 162(m) of the Internal Revenue Code of 1986, as amended (the Tax Code), generally places a limit of $1 million on the amount of compensation we may deduct in any one year with respect to any covered employee under Section 162(m). The historic exception to the $1 million limitation for performance-based compensation meeting certain requirements was eliminated in recent changes to the Tax Code, subject to certain grandfathering for arrangements in place prior to November 2, 2017.

Awards pursuant to our CIP and grants of Performance Share Units and stock options prior to November 2, 2017 were designed and intended to potentially qualify as performance-based compensation so that they might be tax deductible. Restricted stock that is subject only to time-based vesting was not generally considered performance-based under Section 162(m) of the Tax Code.

The Committee retains the flexibility to award compensation that is consistent with our objectives and philosophy even if it does not qualify for a tax deduction. The Committee believes that the tax deduction limitation should not be permitted to compromise our ability to design and maintain executive compensation arrangements that will attract and retain executive talent. Moreover, even if the Committee intended to grant compensation that qualifies as performance-based compensation for purposes of Section 162(m) of the Tax Code, we cannot guarantee that such compensation will so qualify or ultimately is or will be deductible.

Disclosure of Specific Incentive Targets

With respect to both the CIP and LTI, detail on the specific financial performance targets under these criteria for performance periods completed during the reporting period has been disclosed above. However, certain performance targets for ongoing and future performance periods are not disclosed because they are substantially based on the prospective strategic plans and corporate objectives of the Company, and disclosure of these prospective specific performance targets is not material to an understanding of our NEO compensation for 2018. Such performance goals do not have a material impact on the compensation actually received in, or attributable to, the 2018 reported period. As described above, and as evidenced by the targets and outcomes described for the completed performance periods for the incentive compensation plans, the performance targets selected have a degree of difficulty which the Committee considers to be challenging but achievable. The Committee establishes the goals at the beginning of the performance period at levels that reflect our internal, confidential operations plan. These goals are within the ranges of what we have publicly disclosed for completed performance periods, and accordingly require a high level of financial performance in the context of the current business climate and over the performance periods to be achieved.

Compensation Governance Practices

We consider it to be good governance to continually monitor the evolution of compensation best practices. Some of the most important practices incorporated into our program include the following:

Review of Pay versus Performance. The Committee continually reviews the relationship between compensation and Company performance.

Median Compensation Targets. All compensation elements for our executives are initially targeted at the median of our competitive marketplace for talent and positioned within a reasonable range based on actual experience and performance.

Performance Metrics. The Committee annually reviews performance goals for our annual and long-term incentive plans to assure the use of challenging, but fair metrics and targets. Additionally, the Committee reviews the cost of our plans at various performance levels to ensure that stockholders are appropriately benefiting from performance outcomes.

Clawback of Compensation. If the Board of Directors determines that a NEO has engaged in fraud, willful misconduct, or a violation of Company policy that caused or otherwise contributed to the need for a material restatement of the Company s financial results, the Committee will review all performance-based compensation, including cash incentive awards and all forms of equity-based compensation, awarded to or earned by the NEO during the respective fiscal periods affected by the restatement. If the Committee determines that performance-based compensation would have been materially lower if it had been based on the restated results, the Committee will seek recoupment from the NEO as it deems appropriate based on a consideration of the facts and circumstances and applicable laws and policies.

Meaningful Stock Ownership Guidelines. Our stock ownership requirements are rigorous: six times base salary for the CEO, three times base salary for other NEOs, and five times maximum annual cash retainer for Board members.

No Hedging. Owens Corning does not allow directors and NEOs to enter into short sales of common stock or similar transactions where potential gains are linked to a decline in the price of our stock. Recipients of equity awards also may not enter into any agreement that has the effect of transferring or exchanging any economic interest in an award for any other consideration.

No Pledging. Directors and NEOs, as well as all officers of the Company, are prohibited from pledging Company securities as collateral for a loan or holding Company securities in a margin account.

No Repricing Without Stockholder Approval. Stock option exercise prices are set to equal the grant date market price and may not be reduced or replaced with stock options with a lower exercise price without stockholder approval.

Market-Competitive Retirement Programs. We eliminated defined benefit pension benefits for salaried employees hired after January 1, 2010 and froze existing salaried pension benefits to future accruals at the same time. Our NEOs participate in the Company s 401(k) plan and are eligible for a Company match on amounts in excess of statutory limits.

Restrictive Covenants. Our NEOs must adhere to restrictive covenants upon separation from Owens Corning, including non-compete, non-solicitation and non-disclosure obligations.

Table of Contents

No Excise Tax Gross-Ups. Parachute excise tax reimbursements and gross-ups will not be provided in the event of a change-in-control.

Review of Compensation Peer Group. Our compensation peer group is reviewed regularly by the Committee and adjusted, when necessary, to ensure that its composition remains a relevant and appropriate comparison for our executive compensation program.

Review of Committee Charter. The Committee reviews its charter annually to consider the incorporation of best-in-class governance practices.

Stockholder Outreach. We regularly solicit feedback from our stockholders on our executive compensation programs and corporate governance.

COMPENSATION COMMITTEE REPORT

The Compensation Committee has reviewed and discussed the Compensation Discussion and Analysis appearing in this Proxy Statement with management and, based on such review and discussions, the Compensation Committee recommended to the Board of Directors that the Compensation Discussion and Analysis be included in this Proxy Statement and incorporated by reference into the Company s Annual Report on Form 10-K for the year ended December 31, 2018.

By the Compensation Committee:

Edward F. Lonergan, Chairman

Cesar Conde

Ralph F. Hake

Suzanne P. Nimocks

Table of Contents

NAMED EXECUTIVE OFFICER COMPENSATION

2018 Summary Compensation Table

The following tables provide information on total compensation paid to the Chief Executive Officer, the Chief Financial Officer and certain other officers of Owens Corning (the NEOs).

Name and Principal Position	Year	Salary ($)	Bonus ($)	Stock Awards ($)(1)	Option Awards ($)	Non-Equity Incentive Plan Compensation ($)(2)	Change in Pension Value and Nonqualified Deferred Compensation Earnings ($)(3)	All Other Compensation ($)(4)	Total ($)
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)
Michael H. Thaman	2018	1,175,000		6,649,473		521,407	38,000	353,580	8,737,460
President, Chief Executive Officer and	2017	1,169,250		6,785,997		2,111,475	118,000	108,469	10,293,19
Chairman of the Board	2016	1,140,500		5,723,522		1,960,520	5,000	116,726	8,946,267
Michael C. McMurray	2018	641,667		2,070,838		183,180		97,653	2,993,338
Senior Vice President and	2017	620,833		1,465,939		742,500			

Chief
Financial
Officer