

Owens Corning
Form DEF 14A
October 26, 2007
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

(Amendment No.)

Filed by the Registrant

Filed by a Party Other Than the Registrant

Check the Appropriate Box:

Preliminary Proxy Statement

Confidential, for Use of the Commission Only (as Permitted by Rule 13a-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):

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

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(3) Filing Party:

(4) Date Filed

Table of Contents

Notice of Annual Meeting
of Stockholders
and Proxy Statement

DATE & TIME:

Thursday, December 6, 2007

10:00 a.m., Eastern Standard Time

PLACE:

Sidley Austin LLP

787 Seventh Avenue

New York, New York 10019

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 by telephone or on the Internet, you do not need to return your proxy card.**

ANNUAL MEETING ADMISSION

Only stockholders who are eligible to vote at the Annual Meeting will be admitted to the Annual Meeting. If your shares are held in the name of a bank, broker or other holder of record, you must bring a brokerage statement or other proof of ownership with you to the Annual Meeting. Stockholders must present a form of personal photo identification in order to be admitted to the Annual Meeting.

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 Proxy Statement and Annual Report on Form 10-K for the Fiscal Year Ended December 31, 2006. Please see the response to the question "What is householding and how does it affect me?" for more information on this stockholder program.

Table of Contents

OWENS CORNING

Owens Corning World Headquarters

One Owens Corning Parkway

Toledo, Ohio 43659

Notice of Annual Meeting of Stockholders

TIME AND DATE: 10:00 a.m., Eastern Standard Time on Thursday, December 6, 2007

PLACE: Sidley Austin LLP

787 Seventh Avenue

New York, New York 10019

PURPOSE:

1. To elect five directors to serve until the 2010 Annual Meeting of Stockholders and until their successors are elected and qualified: Ralph F. Hake, F. Philip Handy, Marc Sole, Michael H. Thaman and Daniel K. K. Tseung.
2. To approve the Amended and Restated Owens Corning 2006 Stock Plan.
3. To ratify the selection of PricewaterhouseCoopers LLP as our independent registered public accounting firm for the 2008 fiscal year.
4. To transact such other business as may properly come before the Annual Meeting and any adjournment or postponement.

RECORD DATE: You can vote if you are a stockholder of record on October 9, 2007.

ANNUAL REPORT: Our annual report to stockholders consisting of our Annual Report on Form 10-K for the Fiscal Year Ended December 31, 2006 (2006 10-K) and the Peer Group Performance Graph is enclosed with these materials as a separate booklet. Additional financial information is available on our website at <http://www.owenscorning.com/investors>. These documents and information are not a part of the proxy solicitation materials.

PROXY VOTING: It is important that your shares be represented and voted at the Annual Meeting. You can vote your shares by completing and returning your proxy card or by voting on the Internet or by telephone. See details under the heading How do I vote?

By order of the Board of Directors,

Stephen K. Krull

Secretary

Toledo, Ohio

October 26, 2007

Table of Contents

TABLE OF CONTENTS

	Page
<u>PROXY STATEMENT</u>	1
<u>Questions and Answers About the Annual Meeting and Voting</u>	1
<u>Proposal 1. Election of Directors</u>	5
<u>Information Concerning Directors</u>	5
<u>Governance Information</u>	11
<u>Corporate Governance Guidelines</u>	11
<u>Executive Sessions of Directors</u>	11
<u>Lead Independent Director</u>	11
<u>Communications with Directors</u>	11
<u>Director Qualification Standards</u>	12
<u>Director Independence</u>	12
<u>Owens Corning Policies on Business Ethics and Conduct</u>	13
<u>Directors Code of Conduct</u>	13
<u>Board and Committee Membership</u>	13
<u>The Audit Committee</u>	14
<u>The Compensation Committee</u>	15
<u>The Governance and Nominating Committee</u>	16
<u>The Executive Committee</u>	16
<u>The Finance Committee</u>	16
<u>Litigation</u>	17
<u>Certain Transactions with Related Persons</u>	17
<u>Review of Transactions with Related Persons</u>	17
<u>Executive Officers of Owens Corning (as of October 26, 2007)</u>	18
<u>Security Ownership of Certain Beneficial Owners and Management</u>	19
<u>Section 16(a) Beneficial Ownership Reporting Compliance</u>	21
<u>Executive Compensation</u>	22
<u>Compensation Discussion and Analysis</u>	22
<u>Compensation Committee Report</u>	32
<u>Recent Developments</u>	32
<u>Executive Officer Compensation</u>	33
<u>Summary Compensation Table</u>	33
<u>2006 Grants of Plan-Based Awards</u>	35
<u>2006 Outstanding Equity Awards at Fiscal Year-End</u>	37
<u>2006 Pension Benefits Table</u>	38
<u>Potential Payments Upon Termination or Change-in-Control</u>	39
<u>Non-Employee Director Compensation</u>	45
<u>Securities Authorized for Issuance Under Equity Compensation Plans</u>	46
<u>Proposal 2. Approval of Amended and Restated Owens Corning 2006 Stock Plan</u>	47
<u>Proposal 3. Ratification of the Selection of Independent Registered Public Accounting Firm</u>	52
<u>Principal Accountant Fees and Services</u>	52
<u>Audit Committee Report</u>	53
<u>Requirements, Including Deadlines, for Submission of Proxy Proposals, Nomination of Directors and Other Business of Stockholders</u>	54
<u>Annex A Amended and Restated Owens Corning 2006 Stock Plan</u>	55
<u>Annex B Director Qualification Standards</u>	71

Table of Contents

PROXY STATEMENT

QUESTIONS AND ANSWERS ABOUT THE ANNUAL MEETING AND VOTING

Why did I receive these proxy materials?

We are providing these proxy materials in connection with the solicitation by the Board of Directors of Owens Corning (Owens Corning, the Company, we, us or our), a Delaware corporation, of proxies to be voted at our 2007 Annual Meeting of Stockholders and at any adjournment or postponement.

You are invited to attend our Annual Meeting of Stockholders on December 6, 2007, beginning at 10:00 a.m., Eastern Standard Time. The Annual Meeting will be held at the offices of Sidley Austin LLP, 787 Seventh Avenue, New York, New York 10019. Seating will be limited.

This Notice of Annual Meeting and Proxy Statement, form of proxy and voting instructions are being mailed starting October 26, 2007.

How can I attend the Annual Meeting?

Admission to the Annual Meeting is limited to stockholders who are eligible to vote at the Annual Meeting or their authorized representatives.

If your shares are held beneficially in the name of a bank, broker or other holder of record and you plan to attend the Annual Meeting, you must present proof of your ownership of Owens Corning stock, such as a bank or brokerage account statement, to be admitted to the Annual Meeting.

Stockholders must present a form of personal photo identification in order to be admitted to the Annual Meeting.

No cameras, recording equipment, electronic devices, large bags, briefcases or packages will be permitted in the Annual Meeting.

Who is entitled to vote at the Annual Meeting?

Holders of Owens Corning common stock at the close of business on October 9, 2007 are entitled to receive this Notice and to vote their shares at the Annual Meeting. As of that date, there were 130,913,061 shares of common stock outstanding and entitled to vote. Each share of common stock is entitled to one vote on each matter properly brought before the Annual Meeting.

What is the difference between holding shares as a stockholder of record and as a beneficial owner?

If your shares are registered directly in your name with Owens Corning's transfer agent, American Stock Transfer & Trust Company, you are considered, with respect to those shares, the stockholder of record. The Notice of Annual Meeting and Proxy Statement, 2006 10-K, proxy card and accompanying documents have been sent directly to you by Owens Corning.

If your shares are held in a stock brokerage account or by a bank or other holder of record, you are considered the beneficial owner of shares held in street name. The Notice of Annual Meeting and Proxy Statement, 2006 10-K, voting instruction card and accompanying documents have been forwarded to you by your broker, bank or other holder of record who is considered, with respect to those shares, the stockholder of record. As the beneficial owner, you have the right to direct your broker, bank or other holder of record on how to vote your shares by using the voting instruction card included in the mailing or by following their instructions for voting by telephone or on the Internet. It is important that you provide such direction on how to vote since, without such direction, your broker, bank or other holder of record may not be able to vote your shares.

Table of Contents

How do I vote?

You may vote using any of the following methods:

By Mail

Be sure to complete, sign and date the proxy card or voting instruction card and return it in the prepaid envelope. If you are a stockholder of record and you return your signed proxy card but do not indicate your voting preferences, the persons named in the proxy card will vote the shares represented by that proxy as recommended by the Board of Directors.

By telephone or on the Internet

The telephone and Internet voting procedures established by Owens Corning for stockholders of record are designed to authenticate your identity, to allow you to give your voting instructions and to confirm that those instructions have been properly recorded.

You can vote by calling the toll-free telephone number on your proxy card. Please have your proxy card in hand when you call. Easy-to-follow voice prompts allow you to vote your shares and confirm that your instructions have been properly recorded.

The website for Internet voting is www.voteproxy.com. Please have your proxy card handy when you go online. As with telephone voting, you can confirm that your instructions have been properly recorded. If you vote on the Internet, you also can request electronic delivery of future proxy materials.

Telephone and Internet voting facilities for stockholders of record will be available 24 hours a day, and will close at 11:59 p.m., Eastern Standard Time on December 5, 2007.

The availability of telephone and Internet voting for beneficial owners will depend on the voting processes of your broker, bank or other holder of record. Therefore, we recommend that you follow the voting instructions in the materials you receive.

If you vote by telephone or on the Internet, you do not have to return your proxy card or voting instruction card.

In person at the Annual Meeting

All stockholders may vote in person at the Annual Meeting. You may also be represented by another person at the Annual Meeting by executing a proper proxy designating that person. If you are a beneficial owner of shares, you must obtain a legal proxy from your broker, bank or other holder of record and present it to the inspectors of election with your ballot to be able to vote at the Annual Meeting.

Your vote is important. You can save us the expense of an additional solicitation by voting promptly.

What can I do if I change my mind after I vote my shares?

If you are a stockholder of record, you can revoke your proxy before it is exercised by:

written notice to the Secretary of the Company;

timely delivery of a valid, later-dated proxy or a later-dated vote by telephone or on the Internet; or

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voting by ballot at the Annual Meeting.

If you are a beneficial owner of shares, you may submit new voting instructions by contacting your bank, broker or other holder of record.

All shares that have been properly voted and not revoked will be voted at the Annual Meeting.

Table of Contents

What is householding and how does it affect me?

We have adopted a procedure approved by the Securities and Exchange Commission (SEC) called householding. Under this procedure, stockholders of record who have the same address and last name and do not participate in electronic delivery of proxy materials will receive only one copy of our Notice of Annual Meeting and Proxy Statement and accompanying documents, unless one or more of these stockholders notifies us that they wish to continue receiving individual copies.

Stockholders who participate in householding will continue to receive separate proxy cards.

If you are eligible for householding, but you and other stockholders of record with whom you share an address currently receive multiple copies of the Notice of Annual Meeting and Proxy Statement and accompanying documents, or if you hold stock in more than one account, and in either case you wish to receive only a single copy of each of these documents for your household, please contact our transfer agent, American Stock Transfer & Trust Company (in writing: American Stock Transfer & Trust Company, 6201 15th Ave, Brooklyn, N.Y. 11219; by telephone: in the U.S., Puerto Rico and Canada, 1-800-937-5449; outside the U.S., Puerto Rico and Canada, 718-921-8200).

If you participate in householding and wish to receive a separate copy of this Notice of Annual Meeting and Proxy Statement and the accompanying documents, or if you do not wish to participate in householding and prefer to receive separate copies of these documents in the future, please contact American Stock Transfer & Trust Company as indicated above.

Beneficial owners can request information about householding from their banks, brokers or other holders of record.

Is there a list of stockholders entitled to vote at the Annual Meeting?

The names of stockholders of record entitled to vote at the Annual Meeting will be available at the Annual Meeting and for ten days prior to the Annual Meeting for any purpose germane to the meeting, between the hours of 8:45 a.m. and 4:30 p.m., at our principal executive offices at One Owens Corning Parkway, Toledo, Ohio, by contacting the Secretary of the Company.

What are the voting requirements to elect the directors and to approve each of the proposals discussed in this Proxy Statement?

The presence of the holders of a majority of the shares of common stock entitled to vote at the Annual Meeting, present in person or represented by proxy, is necessary to constitute a quorum. Abstentions and broker non-votes are counted as present and entitled to vote for purposes of determining a quorum. A broker non-vote occurs when a bank, broker or other holder of record holding shares for a beneficial owner does not vote on a particular proposal because that holder does not have discretionary voting power for that particular item and has not received voting instructions from the beneficial owner.

If you are a beneficial owner, your bank, broker or other holder of record is permitted to vote your shares on the election of directors and the ratification of the selection of PricewaterhouseCoopers LLP as our independent registered public accounting firm, even if the record holder does not receive voting instructions from you. The record holder may not vote on the proposal relating to approval of the Amended and Restated Owens Corning 2006 Stock Plan absent instructions from you. Without your voting instructions, a broker non-vote will occur.

Election of Directors

A plurality of the votes cast is required for the election of directors. This means that the director nominee with the most votes for a particular slot is elected for that slot. You may vote for or withheld with

Table of Contents

respect to the election of directors. Only votes for are counted in determining whether a plurality has been cast in favor of a director. Abstentions are not counted for purposes of the election of directors.

Approval of Amended and Restated Owens Corning 2006 Stock Plan

Under the Company's bylaws, the affirmative vote of a majority of the votes which could be cast by the holders of all stock entitled to vote which are present in person or by proxy at the Annual Meeting is required to approve the Amended and Restated Owens Corning 2006 Stock Plan. In addition, the New York Stock Exchange rules require that at least a majority of the outstanding shares vote with respect to this proposal. Consequently, broker non-votes will have the same effect as votes against this item, unless the total votes cast for or against this item represent a majority of the outstanding shares. In that case, broker non-votes will not have any effect on the results of the vote. Abstentions will count as present and entitled to vote for purposes of this proposal and will have the effect of a vote against the proposal.

Ratification of the Selection of PricewaterhouseCoopers LLP

Although ratification is not required by our bylaws or otherwise, we are asking our stockholders to ratify the selection of PricewaterhouseCoopers LLP as our independent registered public accounting firm. The affirmative vote of a majority of the votes which could be cast by the holders of all stock entitled to vote which are present in person or by proxy at the Annual Meeting is required to approve the ratification of the selection of PricewaterhouseCoopers LLP as our independent registered public accounting firm for 2008. Abstentions will count as present and entitled to vote for purposes of this item and will have the effect of a vote against the proposal.

Who will count the vote?

Representatives of our transfer agent, American Stock Transfer & Trust Company, will tabulate the votes and act as inspector of election.

Could other matters be decided at the Annual Meeting?

At the time this Proxy Statement went to press, we did not know of any matters to be raised at the Annual Meeting other than those referred to in this Proxy Statement. However, if other matters should be properly presented at the meeting, the proxy holders will have the discretion to vote your shares in accordance with their best judgment.

Who will pay for the cost of this proxy solicitation?

We will pay the cost of soliciting proxies. Proxies may be solicited on our behalf by directors, officers or employees in person or by telephone, electronic transmission or facsimile transmission. We have hired The Altman Group to distribute and solicit proxies. We will pay The Altman Group a fee of \$10,000, plus reasonable expenses, for these services.

Table of Contents

PROPOSAL 1. ELECTION OF DIRECTORS

On October 5, 2000, our predecessor company, Owens Corning Sales, LLC (formerly known as Owens Corning) (OCD) and certain of its subsidiaries, which we refer to collectively as the Debtors, filed voluntary petitions for reorganization under Chapter 11 of the United States Bankruptcy Code in the United States Bankruptcy Court for the District of Delaware (USBC) to resolve asbestos claims against OCD and certain of its subsidiaries and protect the long-term value of OCD's business. OCD satisfied the conditions of its plan of reorganization and emerged from bankruptcy on October 31, 2006 (the Effective Date), with all asbestos-related liabilities resolved through such plan of reorganization. At such time, the Company became the holding company for the Owens Corning companies.

Information Concerning Directors

Currently, our Board of Directors consists of 16 directors in three classes with five directors in Class I, five directors in Class II and six directors in Class III. Pursuant to our amended and restated bylaws and the plan of reorganization, these directors consist of:

Twelve directors initially selected by the board of directors of OCD serving immediately prior to emergence, who we refer to as the OCD Designated Directors;

Two directors initially designated by the committee representing holders of OCD's pre-petition bonds, who we refer to as the Bondholder Designated Directors;

One director initially designated by the Asbestos Claimants' Committee, who we refer to as the ACC Designated Director; and

One director initially designated by the Future Claimants' Representative, who we refer to as the FCR Designated Director. On our Board of Directors, Marc Sole and Daniel K. K. Tseung are the Bondholder Designated Directors, W. Howard Morris is the ACC Designated Director, and James J. McMonagle is the FCR Designated Director. The remaining directors are OCD Designated Directors.

As set forth in our amended and restated bylaws, the directors are divided into three classes, whereby:

the directors currently serving in Class I will hold office for a term expiring at the Annual Meeting, which is the first annual meeting of stockholders following the Effective Date;

the directors currently serving in Class II will hold office for a term expiring at the second annual meeting of stockholders following the Effective Date; and

the directors currently serving in Class III will hold office for a term expiring at the third annual meeting of stockholders following the Effective Date.

Our amended and restated bylaws provide certain rights with respect to nominations and vacancies on our Board of Directors:

the Board of Directors or a committee thereof shall nominate each Class I director serving at the first annual meeting following the Effective Date for reelection as a Class I director for a new three year term of office;

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the OCD Designated Directors, prior to the second annual meeting of stockholders following the Effective Date, have the right to fill any vacancy in the Board of Directors arising from the resignation, retirement, death, removal or incapacity of any OCD Designated Director;

the Bondholder Designated Directors, prior to the second annual meeting of stockholders following the Effective Date, have the right to fill any vacancy in the Board of Directors arising from the resignation, retirement, death, removal or incapacity of any Bondholder Designated Director; and

Table of Contents

until such time as the asbestos trust formed as part of the Debtors' emergence from bankruptcy (the 524(g) Trust) no longer holds shares representing at least 1% of our issued and outstanding common stock, (i) the 524(g) Trust has the right to nominate individuals for election as the ACC Designated Director (as designated by the Trustees' Advisory Committee) or the FCR Designated Director (as designated by the Future Claimants' Representative), and (ii) the Trustees' Advisory Committee or the Future Claimants Representative has the right to fill any vacancy in the Board of Directors arising from the resignation, retirement, death, removal or incapacity of the ACC Designated Director or the FCR Designated Director, respectively.

The directors in Class I whose terms expire at the Annual Meeting are: David T. Brown, Ralph F. Hake, F. Philip Handy, Marc Sole and Daniel K. K. Tseung. The Board of Directors has nominated each of Messrs. Hake, Handy, Sole and Tseung for reelection at the Annual Meeting for a new three year term, upon the recommendation of the Board's Governance and Nominating Committee, which consists solely of independent directors. Mr. Brown has announced that he will retire as a director effective as of the expiration of his term at the Annual Meeting and, accordingly, will not stand for reelection. In accordance with our amended and restated bylaws, and upon the recommendation of the Governance and Nominating Committee and the remaining OCD Designated Directors, the Board of Directors has nominated Michael H. Thaman, currently a director in Class III, for election at the Annual Meeting for a three year term to fill the vacancy in Class I created by the retirement of Mr. Brown. If Mr. Thaman is elected at the Annual Meeting, he will cease to serve in Class III. The Board has determined that, contingent upon the election of Mr. Thaman as a director at the Annual Meeting, the size of the Board will be reduced to 15 directors by the elimination of the resulting vacancy in Class III. If Mr. Thaman is not elected to a new three year term at the Annual Meeting, he will continue to serve as a director in Class III, and the size of the Board will not be reduced.

Your proxy will vote for each of the nominees unless you specifically withhold authority to vote for any or all of the nominees. 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 as a director if elected.

Directors will be elected by a plurality of the votes cast at the Annual Meeting. Each person elected at the Annual Meeting will serve until the Annual Meeting of Stockholders in 2010 and until his successor is duly elected and qualified.

The Board of Directors recommends that you vote FOR Proposal 1 relating to the election of directors.

Nominees for Election as Directors in Class I For a Term Expiring at the Annual Meeting of Stockholders in 2010

Ralph F. Hake, 58, formerly Chairman and Chief Executive Officer for the Maytag Corporation. Director since 2006. Prior to joining Maytag, Mr. Hake was Executive Vice President and CFO for Fluor Corporation, a \$10 billion California-based engineering and construction company. Mr. Hake also served for 12 years, from 1987 to 1999, in executive positions at Whirlpool Corporation. The positions held by Mr. Hake included: Senior Executive Vice President of global operations; Chief Financial Officer; President of the Whirlpool Bauknecht Appliance Group; and leader of the North American region operations for five years. 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 for the National Association of Manufacturers and was chairman of the group's taxation and economic policy group. He currently serves on the Board of Directors of ITT Corporation. He received an MBA from the University of Chicago, and an undergraduate degree from the University of Cincinnati.

Table of Contents

F. Philip Handy, 63, CEO of Strategic Industries, a worldwide diversified service and manufacturing company owned principally by Citigroup Ventures. Director since 2006. From 1968 to 1970, Mr. Handy worked at Fidelity Management and Research. He then joined Donaldson, Lufkin and Jenrette where he served as Vice President from 1970 to 1976. In 1976, he became the CEO of Combanks, a multiple bank holding company based in Orlando, Florida. In 1980, he commenced his career in the private equity business. From 1996 through 1999, Mr. Handy was managing director of Equity Group Corporate Investments, a private investment firm controlled by Sam Zell. Mr. Handy currently serves on the public Board of Directors of Anixter International, Inc. and Rewards Network, Inc. He was recently re-appointed by President George W. Bush to serve a second term on the National Board of Education Sciences for a three year term; he serves as the vice-chairman of the Committee. He earned a Bachelor of Arts in Economics, and graduated Cum Laude from Princeton University and later earned an MBA from Harvard Business School. He completed the sixth forum at The Rugby School and graduated from Northfield Mount Hermon School. He also served six years in the U.S. Army Reserve and was honorably discharged in 1973.

Marc Sole, 36, senior vice president of D. E. Shaw & Co., L.P., where he is a co-portfolio manager for the firm's U.S. credit-related opportunities portfolio. Director since 2006. Prior to joining the D. E. Shaw group in 2001, Mr. Sole was an associate at Cravath, Swaine & Moore LLP in New York, where he practiced corporate law with a focus on mergers & acquisitions and securities law. He graduated with honors from Princeton University in 1993 with an A.B. from the Woodrow Wilson School of Public and International Affairs, and he received a J.D. in 1996 from the Columbia University School of Law, where he was a Harlan Fiske Stone Scholar. Mr. Sole serves as a director of Schuff International and various private companies.

Michael H. Thaman, 43, Chairman of the Board of Owens Corning. Director since 2006; formerly a Director of OCD since January 2002. In addition to his current position, Owens Corning's Board of Directors has elected Mr. Thaman as President and Chief Executive Officer, effective upon the planned retirement of David T. Brown by the end of 2007. A graduate of Princeton University, Mr. Thaman joined Owens Corning in 1992. He was elected Chairman of the Board in April 2002 and also served as Chief Financial Officer from April 2000 until September 2007. Before assuming those positions, Mr. Thaman held a variety of leadership positions at Owens Corning, including serving as 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 a director of Florida Power & Light Group, Inc.

Daniel K. K. Tseung, 36, Managing Director at Sun Hung Kai Properties Direct Investments Ltd., the private equity division of one of Asia's largest conglomerates. Director since 2006. Mr. Tseung previously worked at GE Equity, the private equity arm of GE Capital. He currently serves as a director of RCN Corporation and Chinacast Education Corporation. Mr. Tseung holds a Bachelor's degree from Princeton University and a Master's Degree from Harvard University.

Table of Contents

Class II Class Expiring at Second Annual Meeting of Stockholders following the Effective Date

Gaston Caperton, 67, President and Chief Executive Officer of The College Board, a not-for-profit educational association located in New York, New York, and former Governor of the State of West Virginia. Director since 2006; formerly a Director of OCD since 1997. A graduate of the University of North Carolina, Mr. Caperton began his career in a small insurance agency, became its principal owner and Chief Operating Officer, and led the firm to become the tenth largest privately-owned insurance brokerage firm in the U.S. He also has owned a bank and mortgage banking company. Mr. Caperton was elected Governor of West Virginia in 1988 and 1992. In 1997, Mr. Caperton taught at Harvard University as a fellow at the John F. Kennedy Institute of Politics. Prior to beginning his current position in mid-1999, Mr. Caperton also taught at Columbia University, where he served as Director of the Institute on Education and Government at Teachers College. Mr. Caperton is a director of United Bankshares, Inc., Energy Corporation of America, and Prudential Financial. He was the 1996 Chair of the Democratic Governors Association, and served on the National Governors Association executive committee and as a member of the Intergovernmental Policy Advisory Committee on U.S. Trade. He also was Chairman of the Appalachian Regional Commission, Southern Regional Education Board, and the Southern Growth Policy Board.

Ann Iverson, 63, President and Chief Executive Officer of International Link, an international consulting firm in Carefree, Arizona. Director since 2006; formerly a Director of OCD since 1996. Ms. Iverson began her career in retailing and held various buying and executive positions at retail stores in the U.S. through 1989, including Bloomingdales, Dayton Hudson, and U.S. Shoe. She then joined British Home Stores as Director of Merchandising and Operations in 1990; Mothercare plc as Chief Executive Officer in 1992; Kay-Bee Toy Stores as President and Chief Executive Officer in 1994; and Laura Ashley Holdings plc as Group Chief Executive in 1995. She also served as Chairman of the Board of Brook Sports, Inc. from 2001 through 2004. In 1998, she founded and became President and Chief Executive Officer of International Link. Ms. Iverson is a Director of Shoe Pavillion, a member of the Board of Trustees of Thunderbird The School of Global Management, and a member of Financo Global Consulting.

Joseph F. Neely, 67, Non-Executive Chairman of GoldToe Moretz, Inc., a leading manufacturer of hosiery sold under the Gold Toe brand names, in Newton, NC. Director since 2006. Mr. Neely previously served as Senior Vice President of Sara Lee Corporation responsible for their knit products, hosiery, and intimate apparel groups. He also founded Raylen Vineyards and Winery, and serves on the North Carolina Grape Council. Mr. Neely received a Masters of Business Administration degree from The Wharton School of the University of Pennsylvania and a Bachelor of Science degree from the University of South Carolina.

Table of Contents

W. Ann Reynolds, 69, former President and Professor of Biology at The University of Alabama at Birmingham, located in Birmingham, Alabama. Director since 2006; formerly a Director of OCD since 1993. A graduate of Kansas State Teachers College and the University of Iowa, where she earned a Ph.D. degree, Dr. Reynolds previously served as Chancellor of the City University of New York System for seven years and for eight years as Chancellor of the California State University System. Dr. Reynolds is a director of Humana, Inc., Abbott Laboratories, Invitrogen Corporation, and the News-Gazette, Champaign, Illinois. She is also a member of the Society for Gynecological Investigation and the Perinatal Research Society.

Robert B. Smith, Jr., 70, Director of the Virginia Environmental Endowment, a nonprofit, funded, grant making corporation dedicated to improving the environment. Mr. Smith is also a Member of the Board of Managers of Kentucky River Properties LLC, a land holding company whose primary business is leasing coal properties. Director since 2006; formerly a Director of OCD since 2004. A graduate of the University of North Carolina and the University of North Carolina Law School, Mr. Smith's previous experience included serving as Trustee of the Dalkon Shield Claimants Trust, a public interest trust of \$3 billion created by the Federal Bankruptcy Court to compensate those damaged by the Dalkon Shield, and as Vice President for Government Relations of the Pharmaceutical Manufacturers Association. His prior experience also included various positions related to the U.S. Senate, including: Chief Counsel and Staff Director, U.S. Senate Government Operations Committee; Chief Counsel, U.S. Senate Subcommittee on Revision and Codification of the Laws; Chief Legislative Assistant, Senator Sam J. Ervin, Jr.; Special Counsel, U.S. Senate Antitrust and Monopoly Subcommittee; and Counsel, U.S. Senate Subcommittee on Constitutional Rights.

*Class III Class Expiring at Third Annual Meeting of Stockholders following the Effective Date**

Norman P. Blake, Jr., 65, former Chairman, President and Chief Executive Officer of Comdisco, Inc., global technology services, Rosemont, Illinois. Director since 2006; formerly a Director of OCD since 1992. A graduate of Purdue University, Mr. Blake also previously has served as Chief Executive Officer of the United States Olympic Committee; Chairman, President and Chief Executive Officer of Promus Hotel Corporation; Chairman, President and Chief Executive Officer of USF&G Corporation; Chairman, President and Chief Executive Officer of Heller International Corporation of Chicago; Executive Vice President - Financing Operations, General Electric Credit Corporation, General Electric Company. Mr. Blake is a member of the Purdue Research Foundation, Purdue University's President's Council and Dean's Advisory Council, Krannert School of Management. He received his bachelor's and master's degrees from Purdue University and is the recipient of the degree of Doctor of Economics honoris causa from Purdue University, granted jointly by the Krannert School of Management and School of Liberal Arts. He has also been awarded The Ellis Island Medal of Honor.

* Mr. Thaman, a nominee for election at the Annual Meeting, is currently a director in Class III. If he is not elected at the Annual Meeting, he will continue as a director in Class III.

Table of Contents

William W. Colville, 72, Retired, former Senior Vice President, General Counsel and Secretary of OCD. Director since 2006; formerly a Director of OCD since 1995. A graduate of Yale University and the Columbia University Law School, Mr. Colville began his career at Owens Corning in 1984 as Senior Vice President and General Counsel. Prior to joining Owens Corning, he was President of the Sohio Processed Minerals Group from 1982 to 1984, and General Counsel of Kennecott Corporation from 1980 to 1982. Mr. Colville is also a director of Nordson Corporation.

Landon Hilliard, 68, Partner with Brown Brothers Harriman & Co., private bankers in New York, NY. Director since 2006; formerly a Director of OCD since 1989. A graduate of the University of Virginia, Mr. Hilliard began his career at Morgan Guaranty Trust Company of New York. He joined Brown Brothers Harriman in 1974 and became a partner in 1979. Mr. Hilliard is a Director of Norfolk Southern Corporation, Western World Insurance Company and Russell Reynolds Associates, Inc. He is also a Trustee of the Provident Loan Society of New York, a Trustee of the Jefferson Scholars Foundation at the University of Virginia, Chairman of the National Foundation for the Teaching of Entrepreneurship, and Secretary of The Economic Club of New York.

James J. McMonagle, 63, Of Counsel at Vorys, Sater, Seymour & Pease LLP, a law firm, Cleveland, OH. Director since 2007. Mr. McMonagle is Director and Chairman of the Board of Selected Family of Funds and formerly served as the Future Claimants Representative in OCD's bankruptcy case and as Senior Vice President, General Counsel and Secretary of University Hospital Health System, Inc. and University Hospitals of Cleveland. He also was a Common Pleas Court Judge of Cuyahoga County, OH, and an attorney in private practice. Mr. McMonagle received his J.D. from Cleveland Marshall School of Law, and B.S. and B.A. degrees from Georgetown University.

W. Howard Morris, 47, Chief Investment Officer of Prairie & Tireman Investments and a Lecturer at The University of Michigan-Dearborn and Flint campuses. Director since 2007. Mr. Morris was formerly Vice President and Senior Portfolio Manager, Comerica Asset Management, a division of Comerica Bank, Chief Executive Officer and Emergency Financial Manager, Inkster, Michigan Public Schools, and Chief Financial Officer, Detroit, Michigan Public School District. He is a Certified Public Accountant, Chartered Financial Analyst and Personal Financial Specialist. He received an MBA from The Wharton School, University of Pennsylvania, and a BBA from Northwood University.

Table of Contents

Governance Information

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 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 our Secretary.

Executive Sessions of Directors

According to our Corporate Governance Guidelines, 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 meeting must include only independent directors. Currently, all of our non-management directors are independent. In 2006, the non-management directors met in executive session five times.

Lead Independent Director

The independent directors on our Board of Directors have elected a non-management director (Lead Independent Director) to serve in a lead capacity to coordinate the activities of the other non-management directors and to perform such other duties and responsibilities as the Board of Directors may determine. Landon Hilliard was elected to serve as Lead Independent Director effective June 21, 2007.

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;

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

reviewing Board meeting agendas in collaboration with the Chairman and recommending matters for the Board to consider and information to be provided to the Board;

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;

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>.

Communications with Directors

Stockholders and other interested parties may communicate with the Lead Independent Director or any other non-management directors regarding the Company by sending an email to non-managementdirectors@owenscorning.com. All such communications are promptly reviewed

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by the Vice President, Audit and the Director, Corporate Law for evaluation and appropriate follow-up/resolution. The Board

Table of Contents

of Directors has determined that communications determined 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 semi-annually to the non-management directors. Communications involving fraud or serious misconduct by directors or executive officers are immediately reported to the Lead Independent Director. 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 a formal set of categorical Director Qualification Standards with respect to the determination of director independence, which either meet or exceed the independence requirements of the New York Stock Exchange corporate governance listing standards. In accordance with our Standards, a director must be determined to have no material relationship with the Company other than as a director. 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 included as Annex B to this Notice of Annual Meeting and Proxy Statement.

Director Independence

With the assistance of legal counsel to the Company, 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 reports and 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 directors Norman P. Blake, Jr., Gaston Caperton, William W. Colville, Ralph F. Hake, F. Philip Handy, Landon Hilliard, Ann Iverson, James J. McMonagle, W. Howard Morris, Joseph F. Neely, W. Ann Reynolds, Robert B. Smith, Jr., Marc Sole and Daniel K. K. Tseung are independent under the standards set forth in our Director Qualification Standards. The Board of Directors has also determined that all of the directors serving on the Audit, Compensation, and Governance and Nominating Committees are independent and satisfy the relevant SEC, New York Stock Exchange, Owens Corning or additional independence requirements set forth in the respective charters for the members of such committees.

In reaching the above determinations of independence, the Board of Directors considered the following:

The information disclosed below under the heading, Compensation Committee Interlocks and Insider Participation with respect to Mr. Hilliard;

The information disclosed below under the heading, Compensation Committee Interlocks and Insider Participation with respect to Mr. McMonagle;

Mr. Morris is the ACC Designated Director;

Mr. Sole is a Bondholder Designated Director and is a senior vice president at D. E. Shaw & Co. L.P., affiliates of which, at the time of the determination, beneficially owned 26,811,812 shares of Owens Corning's common stock; and

Mr. Tseung is a Bondholder Designated Director.

Table of Contents

Owens Corning Policies on Business Ethics and Conduct

All of our employees, including our Chief Executive Officer, Chief Financial Officer and Corporate 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.

The Company also has adopted an Ethics Policy for Chief Executive and Senior Financial Officers, applicable to our Chief Executive Officer, Chief Financial Officer, and Corporate Controller (Senior Financial Officers), that 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.

Employees are required to report any conduct that they believe in good faith to be an actual or apparent violation of Owens Corning's Code of Business Conduct Policy. 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 such procedures in place.

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 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 our Secretary.

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, Chairman, 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 attend our Annual Meetings of Stockholders, unless an emergency prevents them from doing so. The Company did not hold an Annual Meeting of Stockholders during 2006.

During 2006, the Board of Directors met eight times, of which two were meetings of the Company and six were meetings of OCD. Each of our directors attended at least 75 percent or more of the regularly scheduled and special meetings of the Board and Board Committees on which they served in 2006, except for Mr. Handy, who joined the Board in September 2006 and was unable to attend two of the limited number of meetings scheduled for the remainder of the year.

Table of Contents

The table below provides current membership and 2006 meeting information for each of the Board Committees.

Name	Audit	Compensation	Governance and Nominating	Executive	Finance
Mr. Blake	C		X	X	
Mr. Brown (1)				X	
Mr. Caperton		X		X	C
Mr. Colville			X		X
Mr. Hake	X	C		X	
Mr. Handy		X			X
Mr. Hilliard (2)				X	
Ms. Iverson	X	X			