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# Corning Natural Gas Holding Corporation

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March 10, 2020

Dear Fellow Shareholders:

You are cordially invited to attend the 2020 Annual Meeting of Shareholders of Corning Natural Gas Holding Corporation on Tuesday, April 14, 2020, starting at 10:00 A.M. local time at our offices, 330 West William Street, Corning, New York 14830. As more fully described in the attached notice of annual meeting and the accompanying proxy statement, the principal business to be addressed at the meeting is: (1) the election of directors, (2) a non-binding advisory vote to approve our executive compensation, and (3) the ratification of the appointment of Freed Maxick CPAs, P.C. as our independent registered public accounting firm. Our management team will also discuss our business and will be available to respond to your questions.

Your vote is important to us. Whether or not you plan to attend the annual meeting, please return the enclosed proxy card as soon as possible to ensure your representation at the meeting. You may choose to vote in person at the annual meeting even if you have returned a proxy card.

On behalf of our directors and management, I would like to thank you for your support and confidence and look forward to seeing you at the meeting.

Sincerely,

MICHAEL I. GERMAN  
*President and Chief Executive Officer*



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# Corning Natural Gas Holding Corporation

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## Notice of Annual Meeting of Shareholders To Be Held April 14, 2020

TO THE SHAREHOLDERS OF CORNING NATURAL GAS HOLDING CORPORATION:

The 2020 Annual Meeting of Shareholders of Corning Natural Gas Holding Corporation, a New York corporation, will be held on Tuesday, April 14, 2020, at 10:00 A.M. local time at 330 West William Street, Corning, New York 14830, for the following purposes:

1. to elect eight directors to serve for a one-year term until the next annual meeting or until their successors are duly elected and qualified;
2. to hold a non-binding advisory vote to approve our executive compensation for fiscal 2019;
3. to ratify the appointment of Freed Maxick CPAs, P.C. as our independent registered public accounting firm for fiscal 2020; and
4. to transact such other business as may properly come before the meeting or any adjournment of the meeting.

These items of business are more fully described in the proxy statement accompanying this notice.

Only shareholders of record at the close of business on February 24, 2020 are entitled to vote at the annual meeting.

All shareholders are cordially invited to attend the meeting in person. However, to ensure your representation at the meeting, please sign and return the enclosed proxy card as promptly as possible in the postage prepaid envelope enclosed for your convenience. Any shareholder attending the meeting may vote in person even if he or she has returned a proxy card.

On Behalf of the Board of Directors,

FIROUZEH SARHANGI

*Chief Financial Officer, Treasurer, and Corporate Secretary*



# Corning Natural Gas Holding Corporation

## Corning Natural Gas Holding Corporation Proxy Statement

### Important Notice Regarding the Availability of Proxy Materials for The Annual Meeting of Shareholders to be held on April 14, 2020

This proxy statement and our annual report to shareholders for the fiscal year ending September 30, 2019 are available on our website at [www.corninggas.com](http://www.corninggas.com).

#### GENERAL INFORMATION

This proxy statement is furnished in connection with the solicitation of proxies by the board of directors of Corning Natural Gas Holding Corporation (the “Company”) to be used at our 2020 annual meeting of shareholders to be held on April 14, 2020, and any postponements or adjournments of the meeting.

This proxy statement and the accompanying president’s letter, notice, and proxy card, together with our annual report to shareholders for the fiscal year ended September 30, 2019, are being sent to our shareholders beginning on or about March 10, 2020. The Company is paying all costs of the solicitation of proxies.

#### QUESTIONS AND ANSWERS

**Q: When and where is the annual meeting?**

**A:** This year’s annual meeting of shareholders will be held on Tuesday, April 14, 2020, at 10:00 a.m. local time at our offices at 330 West William Street, Corning, New York, 14830.

**Q: What are shareholders voting on?**

**A:** Three proposals: (1) the election of eight directors: Henry B. Cook, Jr., Michael I. German, Ted W. Gibson, Robert B. Johnston, Joseph P. Mirabito, William Mirabito, George J. Welch, and John B. Williamson III; (2) a non-binding advisory vote to approve our executive compensation, and (3) the ratification of the appointment of Freed Maxick CPAs, P.C. as our independent registered public accounting firm.

If a permissible proposal other than the three noted above is presented at the annual meeting, your signed proxy card gives authority to each of Michael I. German, our president, and Firouzeh Sarhangi, our chief financial officer, treasurer, and corporate secretary, acting alone or together, to vote on the additional proposal. We are not aware of any additional proposals to be voted on at the meeting.

**Q: Who is entitled to vote?**

**A:** Only holders of our common stock as of the close of business on February 24, 2020, the record date for the meeting, are entitled to vote. Each share of common stock is entitled to one vote at the meeting.

**Q: How do shareholders vote?**

**A:** Sign and date each proxy card you receive and return it in the prepaid envelope. If you do not mark any selections, your proxy card will be voted as described below. You may revoke your proxy at any time before the meeting by notifying our corporate secretary, voting in person, or returning a later-dated proxy.

If you return your signed proxy card, but do not indicate your voting preferences, Michael I. German and/or Firouzeh Sarhangi will vote, on your behalf: (1) FOR the nominated directors, (2) FOR the non-binding advisory vote to approve our executive compensation, and (3) FOR the ratification of the appointment of our independent registered public accounting firm.

**Q: Who will count the vote?**

**A:** Representatives of our transfer agent, Computershare, will tabulate the votes. Marie Husted and Julie Lewis, employees of our subsidiaries, are the Company's election inspectors and will be responsible for reviewing the vote count.

**Q: What shares are included on the proxy card and what does it mean if I received more than one proxy card?**

**A:** The number of shares printed on your proxy card(s) represents all your shares. Receipt of more than one proxy card means that your shares are registered differently and are in more than one account. Sign and return all proxy cards to ensure that all your shares are voted.

**Q: What constitutes a quorum?**

**A:** As of the record date, 3,059,079 shares of our common stock were outstanding. A majority of the outstanding shares, present in person or represented by proxy, constitutes a quorum for adopting a proposal at the annual meeting. If you attend the annual meeting in person or submit a properly executed proxy card, then you will be considered part of the quorum.

**Q: What vote is required to approve each proposal?**

**A:** *Proposal 1:* The affirmative vote of the holders of a plurality of our shares of common stock present in person or represented by proxy at the annual meeting is required to elect directors. For this proposal, "broker non-votes" will not be part of the voting power present, but will be counted to determine whether or not a quorum is present. A "broker non-vote" refers to a share represented at the annual meeting which is held by a broker or other nominee who does not have discretionary authority to vote the share and has not received instructions from the beneficial owner or person entitled to vote that share.

*Proposal 2:* The affirmative vote of the holders of a majority of our shares of common stock present in person or represented by proxy at the annual meeting is required to approve the proposal for an advisory vote on our executive compensation. If you are present or represented by a proxy at the annual meeting and you abstain, your abstention will have the same effect as a vote against this proposal. For this proposal, "broker non-votes" will not be part of the shares present, but will be counted to determine whether or not a quorum is present.

*Proposal 3:* Although the approval of the appointment of our auditors is not required under applicable law, it is our practice to seek approval for the appointment. The affirmative vote of the holders of a majority of our shares of common stock present in person or represented by proxy at the annual meeting and voting with respect to the

proposal is required for ratification of the appointment of Freed Maxick CPAs, P.C. as the Company's independent registered public accounting firm. If you are present or represented by a proxy at the annual meeting and you abstain, your abstention will have the same effect as a vote against this proposal. For this proposal, "broker non-votes" will be part of the voting shares present and will be counted to determine whether or not a quorum is present. In the event this proposal is not approved by shareholders, the board of directors may reconsider Freed Maxick's appointment.

**Q: Who can attend the annual meeting?**

**A:** All shareholders as of the record date, February 24, 2020, may attend the annual meeting.

**Q: What percentage of stock are the directors and executive officers entitled to vote at the annual meeting?**

**A:** Together, they beneficially own 947,290 shares of our common stock, or approximately 31.0% of our common stock entitled to vote at the annual meeting. Please see the "Securities Ownership of Certain Beneficial Owners and Management" table on page 14 of this proxy statement for more information.

**Q: Who are our largest principal shareholders?**

**A:** The Gabelli Group beneficially owns 527,745 shares of our common stock, or 17.3% of the stock entitled to vote at the annual meeting, based on their most recent filing with the SEC. Michael I. German, our president and chief executive officer, owns 565,150 shares of our common stock, or 18.5% of the stock entitled to vote at the annual meeting. Please see the "Securities Ownership of Certain Beneficial Owners and Management" table on page 14 of this proxy statement for more information.

**Q: When is a shareholder proposal due for the next annual meeting?**

**A:** In order to be considered for inclusion in next year's proxy statement, shareholder proposals must be submitted in writing by November 10, 2020, to Firouzeh Sarhangi, our chief financial officer, treasurer, and corporate secretary, Corning Natural Gas Holding Corporation, 330 West William Street, Corning, New York 14830, and must be in accordance with the requirements of Rule 14a-8 under the Securities Exchange Act of 1934, as amended (the "Exchange Act"). Please see the "Shareholder Proposals" section on page 17 of this proxy statement for more information.

**PROPOSAL 1  
ELECTION OF DIRECTORS**

At the annual meeting, eight directors are to be elected to hold office until the next annual meeting of shareholders or until their respective successors are elected and qualified. Nominees for election this year are Henry B. Cook, Jr., Michael I. German, Ted W. Gibson, Robert B. Johnston, Joseph P. Mirabito, William Mirabito, George J. Welch, and John B. Williamson III. Each nominee has consented to be named in this proxy statement and to serve if elected. Information about the directors is included under "Board of Directors" on the next page. If any director nominee is unable to stand for re-election, the board may, by resolution, provide for a fewer number of directors, or designate a substitute director nominee. If the board designates a substitute, shares represented by proxies may be voted for a substitute director.

The affirmative vote of the holders of a plurality of the shares of common stock present in person or represented by proxy at the annual meeting is required to elect directors. The board of directors recommends that you vote **FOR** Mr. Cook, Mr. German, Mr. Gibson, Mr. Johnston, Mr. Joseph Mirabito, Mr. William Mirabito, Mr. Welch, and Mr. Williamson.

## BOARD OF DIRECTORS

The nomination of each of the nominees listed below to serve for a one-year term was approved by the board. The name, age, position, business experience, and principal occupation and employment of each director nominee is provided below, including service as directors of our wholly owned subsidiary, Corning Natural Gas Corporation (“Corning Gas”).

Name	Age	Position	Director of the Company Since	Director of Corning Gas Since
Henry B. Cook, Jr.	72	Chairman of the Board and Director	2013	2007
Michael I. German	69	Chief Executive Officer, President, and Director	2013	2006
Ted W. Gibson	77	Director	2013	2006
Robert B. Johnston	55	Director	2014	2014
Joseph P. Mirabito	61	Director	2013	2010
William Mirabito	59	Director	2013	2010
George J. Welch	74	Director	2013	2007
John B. Williamson III	65	Director	2013	2010

*Henry B. Cook, Jr.* is our chairman of the board of directors and has served as a director since May 2007. He has served as the president of Triple Cities Acquisition, LLC, a heavy truck parts and vehicle dealer, and Roadwolf Transportation Products, LLC, an importer of heavy-duty truck parts, since 2001. Mr. Cook has exhibited his expertise in the development and management of the business of those two companies. This business experience, together with the expertise about our business and operations derived from his years of service on the board of the Company and leadership as chairman of the board, led the board of directors to conclude that Mr. Cook has the judgment and skills desired for continued service on the board. He is not related to Matthew J. Cook, our vice president – operations.

*Michael I. German* has served as our chief executive officer, president, and director since December 2006. Mr. German serves as president of Corning Gas, Corning Natural Gas Appliance Corporation (“Corning Appliance”), Pike County Light & Power Company (“Pike”), and our joint venture investments, Leatherstocking Gas Company, LLC (“Leatherstocking Gas”) and Leatherstocking Pipeline Company, LLC (“Leatherstocking Pipeline”). He also serves on the boards of Leatherstocking Gas, Leatherstocking Pipeline, and Pike. Prior to joining the Company, he was senior vice president, utility operations for Southern Union Company where he was responsible for gas utility operations in Missouri, Pennsylvania, Rhode Island, and Massachusetts. From 1994 to 2005, Mr. German held several senior positions at Energy East Corporation, a publicly held energy services and delivery company, including president of several utilities. From 1978 to 1994, Mr. German worked at the American Gas Association, finishing as senior vice president. From 1976 to 1978, Mr. German worked for the US Energy Research and Development Administration. Mr. German is a board member of the Northeast Gas Association, Ampco Pittsburgh Corporation, and several non-profit organizations. Mr. German’s role as president and chief executive officer, responsibility for the day-to-day operations and significant strategic initiatives, as well as his extensive experience in utility and public company operations led the board to conclude that Mr. German should continue to serve as a director.

*Ted W. Gibson* has been a director since November 2006. He has served as the chief executive officer of Classic City Mechanical, an underground utility business, since 1979. Mr. Gibson is also a corrosion specialist in the National Association of Corrosion Engineers and a graduate of the Georgia Institute of Technology – Mechanical Engineer. Mr. Gibson previously served as a United States Marine Corps Captain and is a Vietnam veteran. He is also an inspector for the Nevada State Boxing Commission. Mr. Gibson’s professional background and extensive experience with pipelines and other underground utilities, his business and management expertise in his service as chief executive officer of Classic City Mechanical, his knowledge of our business, and contributions during his years of service on the board of directors led the board of the Company to conclude that Mr. Gibson has the skills desired for continued service on the board.

*Robert B. Johnston* has been a director since July 2014. He has served as the executive vice president and chief strategy officer for The InterTech Group, Inc. (“InterTech”) since 2008. In this capacity, he is responsible for merger and acquisition activities, investments and communications, as well as oversight of a number of InterTech operating companies. He currently serves on several public company boards including Supremex Inc. where he is the chairman of the board of directors, Colabor Inc., Produce Investments PLC, FIH Group PLC, and Circa Enterprises. Additionally, he serves on the board of directors of the South Carolina Community Loan Fund. Mr. Johnston previously served as the president, chief executive officer, and deputy governor of the Hudson’s Bay Company, and on the boards of the Hudson’s Bay Company, Gas Natural Inc., Pacific Northern Gas, Central Vermont Public Service Corporation, Produce Investments PLC, Fyffes PLC, Galvanic Applied Sciences, Span America Medical Products, Experiences Canada, Carolina Youth Development Center, and Canada’s National History Society. He was also a member of the advisory board of the McGill University Executive Institute. Mr. Johnston completed the University of Oxford Advanced Management and Leadership Program and received an MBA from the John Molson School of Business, an MA in Public Policy & Public Administration, and a BA in Political Science from Concordia University. Additionally, he holds the ICD.D Designation from the Institute of Corporate Directors (Canada). Mr. Johnston’s extensive financial and operational experience coupled with his corporate governance and regulated utility experience led the board to conclude that he should continue to serve as a director.

*Joseph P. Mirabito* has been a director since November 2010. He was president of Mirabito Fuel Group from 1986 to 1998. He has also served as president of Granite Capital Holdings, Inc. from 1998 to 2009. He is currently chairman and chief executive officer of Mirabito Holdings, Inc. and Mirabito Regulated Industries, LLC. He serves as a director on several professional and civic boards in the central New York region. Mr. Mirabito also serves as a director on the boards of Leatherstocking Gas and Leatherstocking Pipeline. He and William Mirabito are cousins. Mr. Mirabito’s business and corporate management experience in the energy delivery businesses where he serves as the president and chief executive officer, his knowledge of the local communities in Central New York served by those businesses, and commitment to the growth of our business as a significant shareholder, as well as his prior experience in advising and serving on the board and committees of Wilber Bank led the board of directors to conclude that Mr. Mirabito has the skills, connections, and experience desired for continued service on the board.

*William Mirabito* has served as a director since November 2010. He was president of Mang Insurance Agency from 2008 to 2015 and has served as vice chairman and treasurer of Mirabito Holdings, Inc. and Mirabito Regulated Industries, LLC since 2014. He is also the chairperson of the audit committee for Mirabito Holdings. He previously served on the board and finance committee of Fox Hospital in Oneonta, New York. He is also a board member of Springbrook, New York, and serves on its executive committee. Mr. Mirabito also serves as a director on the boards of Leatherstocking Gas and Leatherstocking Pipeline. He and Joseph Mirabito are cousins. Mr. Mirabito’s business and management experience as president of Mang Insurance Agency and vice chairman and treasurer of Mirabito Holdings and Mirabito Regulated Industries, his commitment to the growth of our business as a significant shareholder, as well as his experience in advising and serving on the board and committees of Fox Hospital and Springbrook led the board of directors to conclude that Mr. Mirabito has the skills and experience desired for continued service on the board.

*George J. Welch* has served as a director since May 2007. He is the senior partner in the Welch Law Firm in Corning, New York, concentrating on real estate and business transactions. He has served as a director of many regional organizations, including a regional economic development organization, and PaneLogic, Inc., a provider of control system integration services. Mr. Welch serves on the Alfred State College Council, an advisory group to the president of the College. Mr. Welch’s extensive experience in legal matters and economic development, and as a community leader led the board to conclude that he should continue to serve as a director.

*John B. Williamson III* has served as a director since November 2010. Since 2004, Mr. Williamson has served as chairman of RGC Resources, Inc., a \$230 million energy distribution and services holding company, and as director, president, and chief executive officer from 1999 to 2013. He currently serves as a director of Bank of Botetourt, Optical Cable Corporation, and Luna Innovations Corporation. Mr. Williamson received an MBA from the College of William and Mary, and a BS from Virginia Commonwealth University. Mr. Williamson’s experience as the chairman, president, and chief executive officer of an energy distribution and services company, as well as his experience in advising and serving on the board and committees of other corporations has resulted

in his broad understanding of the operational, financial, and strategic issues that businesses and utilities face. This led the board to conclude that he should continue to serve as a director.

### Director Independence

The board of directors has determined and confirmed that each of Mr. Cook, Mr. Gibson, Mr. Johnston, Mr. Joseph Mirabito, Mr. William Mirabito, Mr. Welch, and Mr. Williamson do not have a material relationship with the Company or any of its subsidiaries that would interfere with the exercise of independent judgment and are, therefore, independent as defined by applicable laws and regulations and the listing standards of the New York Stock Exchange. In making the independence determination, the board considered that Mr. Joseph Mirabito and Mr. William Mirabito are officers of Mirabito Regulated Industries, LLC. The Company and Mirabito Regulated Industries are 50% owners of Leatherstocking Gas and Leatherstocking Pipeline. In making the determination that each of the members of our board's committees is independent, the board of directors considered that Mr. William Mirabito and Mr. Joseph Mirabito are officers, directors, and shareholders of Mirabito Regulated Industries.

### Director Compensation

For fiscal year 2019, the Company paid its directors with restricted stock grants of 450 shares per quarter. The shares awarded become unrestricted upon a director leaving the board. Directors who also serve as officers are not compensated for their service as directors. On February 26, 2019, shares were issued for the quarter ended December 31, 2018, on June 20, 2019, shares were issued for the quarter ended March 31, 2019, on August 20, 2019, shares were issued for the quarter ended June 30, 2019, and on November 19, 2019, shares were issued for the quarter ended September 30, 2019. Information regarding shares of restricted stock awarded to directors in the fiscal year ended September 30, 2019 is summarized below at the amount recognized for financial statement reporting purposes in accordance with FASB ASC 718.

Name	Fee Earned or Paid in Cash	Stock Awards	All Other Compensation	Total *
Henry B. Cook, Jr.	—	\$27,111	—	\$27,111
Ted W. Gibson	—	27,111	—	27,111
Robert B. Johnston	—	27,111	—	27,111
Joseph P. Mirabito	—	27,111	—	27,111
William Mirabito	—	27,111	—	27,111
George J. Welch	—	27,111	—	27,111
John B. Williamson III	—	27,111	—	27,111

\* As of September 30, 2019, each director was entitled to an additional 450 shares, which were issued on November 19, 2019.

### Section 16(a) Beneficial Ownership Reporting Compliance

Section 16(a) of the Securities Exchange Act requires our directors and executive officers, and persons who own more than 10% of our common stock, to file with the Securities and Exchange Commission (the "SEC") initial reports of ownership and reports of changes in ownership of our common stock. Our officers, directors, and greater than 10% shareholders are required by the SEC to furnish us with copies of all Section 16(a) forms they file. Based solely on review of copies of reports furnished to us or written representations that no reports were required, we believe that all Section 16(a) filing requirements were met in the last fiscal year.

### Attendance of the Board of Directors at Meetings

The board of directors met five times during fiscal 2019. All members of the board of directors participated in at least 75% of all board and applicable committee meetings in the last fiscal year. The Company strongly encourages members of the board of directors to attend annual meetings of shareholders. All members of the board of directors attended last year's annual meeting held on April 2, 2019.

### Risk Oversight

The board is actively involved in oversight of risks that could affect the Company and particularly focuses on operational risks such as those identified in the Company's Annual Report on Form 10-K for the fiscal year ended



September 30, 2019. The full board has overall responsibility for the general oversight of risks that could affect the Company, but some of this oversight is conducted by committees of the board. The board satisfies this responsibility through regular reports directly from officers responsible for oversight of particular risks within the Company, as well as through reports by each committee chair regarding the committee's considerations and actions.

### **Board Leadership Structure**

The roles of chief executive officer and chairman of the board are separated in recognition of the differences between the two roles. The chief executive officer is responsible for the Company's strategic initiatives and the Company's day-to-day operations and performance, while the chairman of the board provides guidance to the chief executive officer and presides over meetings of the full board.

### **Audit Committee**

The audit committee is currently comprised of Mr. Welch, the committee's chairman, Mr. Cook, Mr. William Mirabito, and Mr. Williamson, each of whom was determined by our board of directors to be "independent directors" as defined in the New York Stock Exchange listing standards. Additional information regarding the audit committee is provided in the "Audit Committee Report" beginning on page 8 of this proxy statement.

### **Nominating and Compensation Committee**

Our nominating and compensation committee is comprised of Mr. Joseph Mirabito, the committee's chairman, Mr. Gibson, Mr. Cook, Mr. Johnston, and Mr. Williamson. The nominating and compensation committee oversees the Company's executive compensation program. In this role, the committee reviews and approves, or recommends for approval by the full board, the compensation that is paid or awarded to our executive officers. The goal of our nominating and compensation committee is to ensure that the total compensation paid to our executive officers and significant employees is fair, reasonable, and competitive.

No officers or employees of the Company or its subsidiaries served on the nominating and compensation committee. Mr. German meets with the committee at their request and makes recommendations with respect to the compensation of other officers. Mr. Joseph Mirabito is an officer, director, and shareholder of a company that has entered into a joint venture with the Company (Leatherstocking Gas and Leatherstocking Pipeline). There are no interlocks between our nominating and compensation committee, our officers, and those of any other company.

The nominating and compensation committee also administers our stock compensation plan. The nominating and compensation committee met twice in the last fiscal year to recommend salaries and report those recommendations to the full board of directors for approval and to nominate directors. Our board has approved the charter of the nominating and compensation committee, which is available on our website at [www.corninggas.com](http://www.corninggas.com).

If there are any vacancies on the board, or if the nominating and compensation committee determines not to re-nominate an incumbent director for election to the board, our president and chief executive officer and our chairman of the board generally would identify a qualified candidate for the committee's consideration. Director nominees are approved by the nominating and compensation committee and recommended to the full board for their approval. Nominees are not required to possess specific skills or qualifications; however, nominees are recommended and approved based on various criteria including relevant skills and experience, personal integrity, and ability and willingness to devote their time and efforts to the Company. Qualified nominees are considered without regard to age, race, color, sex, religion, disability, or national origin. We do not use a third party to locate or evaluate potential candidates for director. Neither the board of directors nor the nominating and compensation committee have adopted any policy on whether to consider candidates recommended by shareholders for nomination to fill board seats, or the terms on which any such consideration would be made. The board of directors has not adopted any policy regarding shareholder recommendations of candidates since vacancies on the board occur infrequently, and the board has not received any recommendations.

### **Corporate Governance and Community Relations Committee**

The corporate governance and community relations committee is currently comprised of Mr. Gibson, the committee's chairman, Mr. Johnston, Mr. William Mirabito, and Mr. Welch. The committee met once during our

last fiscal year. The committee is responsible for developing corporate governance principles and practices, considering corporate governance issues, administering our related person transaction policy, and assisting the board in compliance with our code of business conduct and ethics. Our board has approved the charter of the corporate governance and community relations committee, which is available on our website at [www.corninggas.com](http://www.corninggas.com).

### **Shareholder Communications with Directors**

A shareholder who wishes to communicate directly with the board of directors, a committee of the board, or with an individual director, should send the communication to:

Corning Natural Gas Holding Corporation  
Board of Directors [or committee name, or director's name, as appropriate]  
330 West William Street  
Corning, New York 14830

We will forward shareholder correspondence about the Company to the board, committee, or individual director, as appropriate.

### **Code of Business Conduct and Ethics**

The Company has adopted Corning Gas' code of business conduct and ethics that applies to all employees, including our chief executive officer and our chief financial officer, who also serves as our principal accounting officer. This code is available on our website at [www.corninggas.com](http://www.corninggas.com). Any amendments or waivers to the code that apply to our chief executive officer or chief financial officer will be promptly disclosed to our shareholders by posting that information on our website.

## **AUDIT COMMITTEE REPORT**

The Company has a separately designated standing audit committee. In accordance with its written charter that was approved and adopted by our board, our audit committee assists the board in fulfilling its responsibility of overseeing the quality and integrity of our accounting, auditing and financial reporting practices. A copy of the audit committee charter is available on our website at [www.corninggas.com](http://www.corninggas.com). The audit committee is directly responsible for the appointment of our independent registered public accounting firm and is charged with reviewing and approving all services performed for us by the independent registered public accounting firm and for reviewing the accounting firm's fees. The audit committee reviews the independent registered public accounting firm's internal quality control procedures, reviews all relationships between the independent registered public accounting firm and the Company and its subsidiaries in order to assess the accounting firm's independence, and monitors compliance with our policy regarding non-audit services, if any, rendered by the independent registered public accounting firm. In addition, the audit committee ensures the regular rotation of the lead audit partner and concurring partner. The audit committee reviews management's programs to monitor compliance with our policies on business ethics and risk management.

The audit committee is currently comprised of Mr. Welch, the committee's chairman, Mr. Cook, Mr. William Mirabito, and Mr. Williamson. Mr. Mirabito is an officer, director, and shareholder of a company that has entered into joint ventures with the Company (Leatherstocking Gas and Leatherstocking Pipeline). The committee met five times in the last fiscal year. Mr. Welch, Mr. Cook, Mr. Mirabito, and Mr. Williamson are "independent directors" as defined in the New York Stock Exchange listing standards. In addition, each member of the audit committee is able to read and understand financial statements, including balance sheets, income statements, and cash flow statements. The board has determined that Mr. Williamson meets the qualifications for designation as a financial expert as defined in SEC rules through his experience as the chief executive officer of RGC Resources, Inc., a publicly-held company. The audit committee reviews and reassesses its charter as needed from time to time and will obtain the approval of the board for any proposed changes to its charter.

The audit committee oversees management's implementation of internal controls and procedures for financial reporting which are designed to ensure the integrity and accuracy of our financial statements and our ability to timely record, process, and report the information required for public disclosure. In fulfilling its oversight

responsibilities, the audit committee reviewed and discussed the financial statements with management and Freed Maxick CPA's, P.C. ("Freed Maxick"), our independent registered public accounting firm. The audit committee reviewed and discussed the audited financial statements of the Company for the years ended September 30, 2019 and September 30, 2018, with Freed Maxick. The audit committee also discussed with Freed Maxick the matters required by AU Section 380, "Communication with Audit Committees" (Statement on Auditing Standards No. 61, as amended). The audit committee reviewed with Freed Maxick, which is responsible for expressing an opinion on the conformity of our audited financial statements with accounting principles generally accepted in the United States, its judgment as to the quality, not just the acceptability, of our accounting principles and other matters as are required to be discussed with the audit committee pursuant to generally accepted auditing standards.

In discharging its oversight responsibility as to the audit process, the audit committee obtained from Freed Maxick a formal written statement describing all relationships between Fred Maxick and the Company that might bear on Freed Maxick's independence consistent with the requirements of the Public Company Accounting Oversight Board, and discussed with Freed Maxick any relationships that may impact its objectivity and independence. In considering Freed Maxick's independence, the audit committee also considered whether the non-audit services performed by Freed Maxick on our behalf were compatible with maintaining the independence of Freed Maxick.

In reliance upon (1) the audit committee's reviews and discussions with management and Freed Maxick, (2) management's assessment of the effectiveness of our internal control over financial reporting, and (3) the receipt of an opinion from Freed Maxick dated December 23, 2019 stating that the Company's financial statements for the fiscal year ended September 30, 2019 are presented fairly, in all material respects, in conformity with U.S. generally accepted accounting principles, the audit committee recommended to our board that these audited financial statements be included in our Annual Report on Form 10-K for the fiscal year ended September 30, 2019, for filing with the SEC.

#### AUDIT COMMITTEE

GEORGE J. WELCH, *Chairman*

HENRY B. COOK, JR.

WILLIAM MIRABITO

JOHN B. WILLIAMSON III

#### Principal Accounting Firm Fees and Services

The following is a summary of the aggregate fees for the fiscal years ended September 30, 2019 and 2018, by our independent registered public accounting firm, Freed Maxick.

	<u>2019</u>	<u>2018</u>
Audit Fees	\$181,000	\$184,800
Audit-related Fees	9,700	9,400
Tax Fees	34,500	29,100
All Other Fees	—	—
Total	<u>\$225,200</u>	<u>\$223,300</u>

*Audit Fees.* These are fees for professional services for the audit of our annual consolidated financial statements, the review of financial statements included in our quarterly reports on Form 10-Q, and services that are typically rendered in connection with statutory and regulatory filings or engagements.

*Audit-related Fees.* These are fees related to our employee benefit plan audit.

*Tax Fees.* These are fees for professional services rendered with respect to tax compliance, tax advice, and tax planning. These services include the review of tax returns and consulting on tax planning matters.

*All Other Fees.* There were no other fees in fiscal 2019 or 2018.

The audit committee authorized the payment by the Company of the fees billed to us by Freed Maxick in fiscal 2019 and 2018. The decision to engage Freed Maxick was approved by the audit committee. The audit committee has considered whether the provision of non-audit services is compatible with maintaining independence. All audit and non-audit services are required to be pre-approved by the audit committee in accordance with its charter. In fiscal 2019 and 2018, Freed Maxick had no direct or indirect financial interest in the Company in the capacity of promoter, underwriter, voting director, officer, or employee.

Representatives of Freed Maxick will attend the 2020 annual meeting of shareholders to answer appropriate questions and make statements if they desire.

## EXECUTIVE OFFICERS

The names, ages, positions, and certain other information concerning our current executive officers and significant employees is set forth below.

Name	Age	Position
Michael I. German*	69	Chief Executive Officer, President, and Director
Firouzeh Sarhangi	61	Chief Financial Officer, Treasurer, and Corporate Secretary
Matthew J. Cook	58	Vice President — Operations
Russell S. Miller	56	Vice President — Gas Supply and Marketing

\* Biographical information for Mr. German can be found under “Board of Directors.”

*Firouzeh Sarhangi* has served as chief financial officer and treasurer since 2006, and as corporate secretary since 2018. Ms. Sarhangi also serves as treasurer of Corning Appliance and as chief financial officer of Corning Gas, Pike, Leatherstocking Gas and Leatherstocking Pipeline, and serves on the board of Pike. From February 2004 until her appointment as chief financial officer of the Company, she served as vice president — finance of Corning Gas. Previously, she was president of Tax Center International (“TCI”), a company she founded and operated until Corning Gas purchased TCI in 1998. Ms. Sarhangi has more than thirty-three years of public accounting experience.

*Matthew J. Cook* joined Corning Gas in February 2008 as vice president — operations. Mr. Cook has more than thirty years of natural gas utility experience. In addition to the operations department, Mr. Cook manages the customer service department and facilities. From 2000 until joining Corning Gas, Mr. Cook was employed by Mulcare Pipeline Solutions, a supplier of products and services to the natural gas industry, in various positions including sales manager and technical specialist. Previously, Mr. Cook served as operations engineer and gas engineer for New York State Electric and Gas. Mr. Cook also serves as a vice president of Corning Appliance and as a director on the boards of Leatherstocking Gas and Pike. He is not related to our director, Henry B. Cook, Jr.

*Russell S. Miller* rejoined Corning Gas as director of gas supply and marketing in June 2008 and was appointed as vice president — gas supply and marketing in December 2009. Mr. Miller manages the IT department and business development, in addition to his supply and marketing responsibilities. From 1987 through 2004, he was employed by us in various positions including vice president — operations, gas supply manager and mapping technician. From 2006 until rejoining Corning Gas, he was employed by IBM as energy distribution manager where he managed a team of energy buyers. From 2004 through 2006, he was employed as an industrial account manager for Sprague Energy Corp. located in Portsmouth, New Hampshire. Mr. Miller also serves as a director on the boards of Leatherstocking Gas and Pike.

## EXECUTIVE COMPENSATION

### Summary Compensation Table

The following table summarizes the compensation paid by Corning Gas, our wholly-owned subsidiary, to our chief executive officer, chief financial officer, and our other most highly compensated executive officers.

<u>Name and Principal Position</u>	<u>Year</u>	<u>Salary</u>	<u>Bonus</u>	<u>Change in Pension Value</u>	<u>Stock<sup>(1)</sup></u>	<u>All Other Compensation<sup>(2)</sup></u>	<u>Total</u>
Michael I. German, President and Chief Executive Officer	2019	\$181,812	—	\$39,520	—	\$5,446	\$226,778
	2018	170,338	—	37,169	—	5,099	212,268
Firouzeh Sarhangi, Chief Financial Officer and Treasurer	2019	149,807	\$ 8,460	70,661	\$9,500	3,886	242,311
	2018	144,615	14,500	62,238	5,625	4,271	231,249
Matthew Cook, Vice President — Operations	2019	153,308	4,420	44,113	9,500	4,453	215,794
	2018	148,115	8,940	47,184	5,625	4,413	214,277
Russell Miller, Vice President — Gas Supply and Marketing	2019	144,308	5,635	59,286	9,500	3,998	222,727
	2018	139,115	8,110	65,234	5,625	4,416	222,501

(1) The amounts reported include stock grants in fiscal 2019 of \$9,500 for Ms. Sarhangi, Mr. Cook, and Mr. Miller, and in fiscal 2018 of \$5,625 for Ms. Sarhangi, Mr. Cook, and Mr. Miller.

(2) The amounts reported include 401(k) matching contributions by the Company in fiscal 2019 of \$5,446 for Mr. German, \$3,886 for Ms. Sarhangi, \$4,453 for Mr. Cook and \$3,998 for Mr. Miller and in fiscal 2018 of \$5,099 for Mr. German, \$4,271 for Ms. Sarhangi, \$4,413 for Mr. Cook and \$4,416 for Mr. Miller.

### Employment Agreements

Pursuant to his employment agreement dated November 30, 2006, Mr. German continues to serve as president and chief executive officer of Corning Gas for 2020 under the automatic renewal provisions of his contract. The employment agreement provides for termination payments to Mr. German as follows:

- If Mr. German terminates his employment for “good reason” (as defined in the employment agreement — generally a decrease in title, position or responsibilities, a decrease in salary or bonus, or a reduction in benefits), then he will receive compensation and benefits until the effective date of his termination, plus a severance package equal to his then current annual salary.
- If Mr. German’s employment is terminated without “cause” (as defined in the employment agreement), then he will receive compensation and benefits until the effective date of his termination, plus a severance package equal to his then current annual salary.
- If Mr. German’s employment is terminated for a “change in control” (as defined in the employment agreement), then he will receive compensation and benefits until the effective date of his termination, plus a severance package equal to three times his then current annual salary.

The employment agreement also contains standard confidentiality, non-competition, and non-solicitation provisions for a period including Mr. German’s employment and the twelve months immediately following the date of the termination of his employment.

### Change of Control Agreements

On April 17, 2017, we entered into change of control agreements with each of our executive officers named above other than Mr. German: Ms. Sarhangi, Mr. Cook, and Mr. Miller. None of our other executive officers have employment agreements. Each agreement was effective as of April 27, 2017, and terminates on the first to occur of: (i) termination of the executive’s employment with the Company prior to a “change of control” (as defined in the agreements); (ii) one year from the date of a change of control; or (iii) May 1, 2022, but only if no change of

control has occurred as of that date. Steve Grandinali, the general manager of Pike, also has a change of control agreement.

Under each agreement, upon termination of the executive's employment with the Company within 12 months following a change of control, unless the termination is because of the executive's death, or by the Company for "cause" or "disability" (each as defined in the agreements), or by the executive other than for "good reason" (as defined in the agreements), we will be required to pay to the executive the following: (i) the executive's full salary through the date of termination and all other unpaid amounts to which the executive is entitled as of the date of termination under any plan or other arrangement of the Company, at the time such payments are due (and in any event, within 90 days after the executive's separation of service from the Company); and (ii) an amount equal to 1.0 multiplied by the executive's annualized includable compensation for the base period (within the meaning of Section 280G of the Internal Revenue Code), subject to reduction if such payment is or will be subject to the excise tax imposed by Section 4999 of the Internal Revenue Code, which payment must be made in a lump sum within 90 days after the executive's separation from service.

The executives are not required to mitigate the amount of any payment under the change of control agreements by seeking employment or otherwise. The Company also agreed to pay to each of the executives all legal fees and related expenses incurred by the executive in connection with enforcing the agreement, whether or not the executive prevails.

### **Executive Employee Incentive Program**

Each year, our board of directors approves the performance goals and terms of an executive employee incentive program. The program is designed to attract and retain high caliber executives who are capable of optimizing the Company's performance, and reward our executive officers for the achievement of annual corporate and operational goals. Performance bonuses, if earned, are paid in cash during the first calendar quarter of the calendar year following the calendar year for which performance was measured, and are based upon the board of directors' determination of the percentage of the goals that were met. Eligible employees include, but are not limited to, each of our named executive officers other than Mr. German: Ms. Sarhangi, Mr. Cook, and Mr. Miller. Awards under the program are at the discretion of the board of directors and may be modified or discontinued at any time.

### **Benefit Plans**

We provide competitive welfare and retirement benefits to our executive officers as an important element of their compensation packages. Our executives receive medical and dental coverage, life insurance, disability coverage and other benefits on the same basis as our other employees. Our executives are also eligible to participate in our employee savings and pension plans.

*Corning Natural Gas Corporation Employees Savings Plan.* All employees of Corning Gas who work for more than 1,000 hours per year, are 21 years of age or older, and who have completed one year of consecutive service may enroll in the savings plan at the beginning of each calendar quarter. Under the savings plan, Corning Gas matches one-half of up to 6% of the participant's contributions. Matching contributions vest in the participants' accounts at a rate of 20% per year and become fully vested after five years. All participants may select from the current available investments. Distribution of amounts accumulated under the savings plan occurs upon the request of the plan participant. The savings plan also contains loan and hardship withdrawal provisions.

*Pension Plan.* We maintain a defined benefit pension plan, the retirement plan for salaried and non-union employees of Corning Gas that covers substantially all of our employees. We make annual contributions to the plan equal to amounts determined in accordance with the funding requirements of the Employee Retirement Security Act of 1974. The benefit payable under the pension plan is calculated based upon the employee's average salary for the four years immediately preceding his retirement. As defined in the plan, the normal retirement age is 62. The compensation covered by the pension plan includes only base salary, identified in the summary compensation table as "salary."

### **Shareholder Advisory Vote to Approve Executive Compensation**

At our 2019 annual meeting of shareholders, executive officer compensation for 2019 was approved by approximately 99.1% of the votes cast on the matter. The nominating and compensation committee and the board

of directors viewed the vote as an expression of the shareholders' general satisfaction with our current executive compensation programs and therefore did not implement any changes to those programs as a result of, or reaction to, the shareholder advisory vote.

### Outstanding Equity Awards at Fiscal Year End

There were no outstanding equity awards at the fiscal year ended September 30, 2019.

### Equity Compensation Plan Information

At the 2018 annual meeting, our shareholders approved the Company's 2018 Long-Term Incentive Plan, which replaced a previous plan. The 2018 plan provides for grants of incentive stock options, nonqualified stock options, stock appreciation rights, restricted stock, and dividend equivalent units to officers, employees, and directors of the Company and its subsidiaries. There are a total of 350,000 shares authorized for grant under the 2018 plan. As of September 30, 2019, there were 324,900 shares available under the plan.

Plan category	Number of securities to be issued upon exercise of outstanding rights	Weighted-average exercise price of outstanding rights	Number of securities remaining available for future issuance under equity compensation plans
Equity compensation plans approved by security holders	—	—	324,900
Equity compensation plans not approved by security holders	—	—	—
Total	—	—	324,900

**SECURITIES OWNERSHIP OF  
CERTAIN BENEFICIAL OWNERS AND MANAGEMENT**

As of February 24, 2020, there were 3,059,079 shares of common stock outstanding, 210,600 shares of 6% Series A Cumulative Preferred Stock (“Series A Preferred”), and 244,263 shares of Series B Convertible Preferred Stock (“Series B Preferred”). Each share of the Series B Preferred is convertible into 1.2 shares of common stock at the option of the holder. The following table sets forth, as of February 24, 2020, information regarding the beneficial ownership of our stock by each shareholder known by us to be the beneficial owner of more than 5% of our stock, each director, each executive officer, and all our directors and executive officers as a group.

<u>Names and Address<sup>(1)</sup></u>	<u>Common Stock <sup>(2)</sup></u>		<u>Series A Preferred Stock</u>		<u>Series B Preferred Stock</u>	
	<u>Shares</u>	<u>Percentage</u>	<u>Shares</u>	<u>Percentage</u>	<u>Shares</u>	<u>Percentage</u>
The Gabelli Group <sup>(3)</sup> One Corporate Center Rye, NY 10580	527,745	17.3%	—	—	73,298	30.0%
The Article 6 Marital Trust under The First Amended and Restated Jerry Zucker Revocable Trust <sup>(4)</sup> 4838 Jenkins Avenue North Charleston, SC 29405	347,341	11.4%	26,736	12.7%	—	—
Michael I. German <sup>(5)</sup>	565,150	18.5%	5,129	2.4%	57,936	23.7%
Ted W. Gibson <sup>(6)</sup>	141,251	4.6%	43,047	20.4%	—	—
Henry B. Cook, Jr. <sup>(7)</sup>	39,312	1.3%	—	—	—	—
Firouzeh Sarhangi <sup>(8)</sup>	4,859	*	1,400	*	—	—
George J. Welch <sup>(9)</sup>	24,957	*	10,600	5.0%	912	*
Joseph P. Mirabito <sup>(10)</sup>	64,728	2.1%	715	*	102	*
William Mirabito <sup>(11)</sup>	65,712	2.2%	6,135	2.9%	1,351	*
John B. Williamson III <sup>(12)</sup>	20,164	*	1,052	*	1,416	*
Russell Miller <sup>(13)</sup>	1,939	*	—	—	—	—
Matthew Cook <sup>(14)</sup>	2,088	*	—	—	—	—
Robert B. Johnston <sup>(15)</sup>	17,130	*	15,000	7.1%	—	—
All directors, director nominees and executive officers as a group (11 individuals)	<u>947,290</u>	<u>31.0%</u>	<u>83,078</u>	<u>39.4%</u>	<u>61,717</u>	<u>25.3%</u>

\* Less than 1%

- (1) Unless otherwise indicated, we believe that all persons named in the table have sole investment and voting power over the shares of common stock owned and address of each beneficial owner is c/o Corning Natural Gas Holding Corporation, 330 West William Street, Corning, New York 14830.
- (2) The common stock holdings include shares of common stock issuable upon conversion of the Series B Convertible Preferred Stock. After the 20% stock dividend payable to holders of record of common stock on May 30, 2017, the conversion ratio of the Series B Convertible Preferred Stock adjusted and, currently, one share of Series B Convertible Preferred Stock is convertible into 1.2 shares of common stock.
- (3) Includes 513,086 shares of common stock held by Gabelli Funds, LLC, which includes 73,298 shares of Series B Convertible Preferred Stock and 105,664 shares of common stock held by Teton Advisors, Inc. which includes 15,095 shares of Series B Convertible Preferred Stock adjusted for the 20% stock dividend



paid to holders of the common stock on May 30, 2017. Each of Gabelli Funds and Teton Advisors has sole voting and dispositive power over the shares of common stock held by it. Based solely on information in Amendment No. 17 to Schedule 13D filed with the SEC on June 28, 2016.

- (4) Based solely on information in Amendment No. 2 to Schedule 13D filed with the SEC on April 23, 2014 adjusted for the 20% stock dividend paid to holders of the common stock on May 30, 2017.
- (5) Includes 57,936 shares of Series B Convertible Preferred Stock, 9,381 shares of common stock owned by Mr. German's son, of which Mr. German disclaims beneficial ownership, and 43,144 shares of common stock acquired through the Company's Dividend Reinvestment Program ("DRP").
- (6) Includes 19,740 shares of restricted stock.
- (7) Includes 12,450 shares of restricted stock and 2,380 shares of common stock acquired through the DRP.
- (8) Includes 1,059 shares of common stock acquired through the DRP.
- (9) Common stock shares include 19,650 shares of restricted stock, 912 shares of Series B Convertible Preferred Stock and 3,840 shares of common stock acquired through the DRP.
- (10) Common stock shares include 15,896 shares of restricted stock, 102 shares of Series B Convertible Preferred Stock and 1,299 shares held by Mr. Mirabito's wife. Mr. Mirabito disclaims beneficial ownership of the securities owned by his wife except to the extent of his pecuniary interest therein.
- (11) Common stock shares include 7,496 shares of restricted stock, 1,351 shares of Series B Convertible Preferred Stock and 1,402 shares of common stock acquired through the DRP.
- (12) Common stock shares include 15,896 shares of restricted stock, 1,416 shares of Series B Convertible Preferred Stock and 1,687 shares owned jointly with his spouse.
- (13) Includes 76 shares owned by Mr. Miller's wife, 136 shares held jointly with his wife and 207 shares of common stock acquired through the DRP. Mr. Miller disclaims beneficial ownership of the securities owned by his wife except to the extent of his pecuniary interest therein.
- (14) Includes 268 shares of common stock acquired through the DRP.
- (15) Includes 14,850 shares of restricted stock.

#### **CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS**

The Company holds 50/50 joint ventures with Mirabito Regulated Industries, called Leatherstocking Gas Company, LLC and Leatherstocking Pipeline Company, LLC. Mr. Joseph P. Mirabito and Mr. William Mirabito are officers and directors and are 20% and 21% shareholders, respectively, of Mirabito Holdings, Incorporated, a sister company of Mirabito Regulated Industries. Together they hold approximately 4.3% of the Company's outstanding common stock. They are also on the board of the Company, Corning Gas, Leatherstocking Gas, and Leatherstocking Pipeline. No investments were made into Leatherstocking Pipeline or Leatherstocking Gas by either member in fiscal 2019. The Company paid \$126,600 to US Bank Voyager Fleet System for purchase of gas for our service vehicles in fiscal 2019. Mirabito Energy Products is a Voyager Network Partner and is the dba of Mirabito Holdings, Inc. Mr. Joseph Mirabito is currently the chairman and chief executive officer of Mirabito Holdings. Mr. William Mirabito is currently the vice chairman and treasurer of Mirabito Holdings. For coverage of emergency services in the Town of Virgil, the Company also paid Mirabito Energy, Vestal, \$14,040 in fiscal 2019.

On January 9, 2020, the Company signed a term sheet to purchase the 50% of Leatherstocking Gas and Leatherstocking Pipeline from Mirabito Regulated Industries for \$3.2 million. When this purchase is completed, the Company will own 100% of Leatherstocking's Pennsylvania assets. A new joint venture will own Leatherstocking's New York assets. Closing is contingent on regulatory approvals.

The Company paid a total of \$13,190 to the Welch Law Firm for legal services performed during the fiscal year ended September 30, 2019. Mr. Welch is the managing partner of Welch Law Firm.

The Company paid \$5,948 to Cook Brothers Truck Parts for the fiscal year ended September 30, 2019. Mr. Henry Cook is the majority owner of Cook Brothers Truck Parts.

**PROPOSAL 2**  
**ADVISORY VOTE TO APPROVE THE COMPANY'S EXECUTIVE COMPENSATION**

As required by Section 14A of the Exchange Act, we are seeking advisory shareholder approval of the compensation of our executive officers as disclosed in this proxy statement in accordance with the SEC's rules. Our executive compensation program is designed to attract, develop, and retain high caliber executives who are capable of optimizing the Company's and its subsidiaries' performance for the benefit of its shareholders, and reward our executive officers for the achievement of annual, long-term, strategic, and operational goals. Please read the "Executive Compensation" section of this proxy statement beginning on page 11 for additional details about our executive compensation program, including information about the fiscal 2019 compensation of our named executive officers.

We are asking our shareholders to indicate their support for the compensation of our executive officers as described in this proxy statement. This proposal, commonly known as a "say-on-pay" proposal, gives our shareholders the opportunity to express their views on the compensation of our named executive officers. The vote on this resolution is not intended to address any specific element of compensation; rather, the vote relates to the compensation of our executive officers as described in this proxy statement in accordance with the compensation disclosure rules of the SEC. Accordingly, we will ask our shareholders to vote "FOR" the following resolution at the 2020 annual meeting of shareholders:

"RESOLVED, that the compensation paid to the Corporation's chief executive officer, chief financial officer, and other most highly compensated executives (the "named executive officers"), as disclosed in the Corporation's Proxy Statement for the 2020 Annual meeting of Shareholders pursuant to the compensation disclosure rules of the Securities and Exchange Commission (Item 402 of Regulation S-K), including the various compensation tables and related narrative discussion, is hereby APPROVED."

The vote is advisory, which means that the vote is not binding on the Company, the board of directors, or the nominating and compensation committee. Our board and the nominating and compensation committee value the opinions of our shareholders, and to the extent there is any significant vote against the compensation of our named executive officers, we will consider our shareholders' concerns and the nominating and compensation committee will evaluate whether any actions are necessary to address those concerns.

The board of directors recommends a vote **FOR** the proposal to approve, on a non-binding and advisory basis, the compensation of our named executive officers as disclosed in this proxy statement.

**PROPOSAL 3**  
**RATIFICATION OF APPOINTMENT OF THE COMPANY'S**  
**INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM**

The audit committee of the board of directors has appointed and the board of directors has ratified the appointment of the accounting firm of Freed Maxick CPAs, P.C. ("Freed Maxick") to serve as the Company's independent registered public accounting firm for the fiscal year ending September 30, 2020. Freed Maxick has also served as Corning Gas' independent registered public accounting firm since August 20, 2013 and is considered by the audit committee, the board of directors, and management of the Company to be well qualified. The shareholders are being asked to ratify the audit committee's appointment of Freed Maxick. If the shareholders fail to ratify this appointment, the audit committee may, but is not required to, reconsider whether to retain that firm. Even if the appointment is ratified, the audit committee, in its discretion, may direct the appointment of a different accounting firm at any time during the year if it determines that such a change would be in the best interests of the Company and its shareholders. Representatives of Freed Maxick will attend the annual meeting to answer appropriate questions and make statements if they desire.

The board of directors recommends a vote **FOR** the proposal to ratify the appointment of Freed Maxick as our independent registered public accounting firm for the fiscal year ending September 30, 2020.

## SHAREHOLDER PROPOSALS

A shareholder intending to present a proposal to be included in our proxy statement for our 2021 annual meeting of shareholders must deliver the proposal, in accordance with the requirements of Rule 14a-8 under the Exchange Act, to our corporate secretary at our principal executive office no later than November 10, 2020. A shareholder's notice to the corporate secretary must include as to each matter the shareholder proposes to bring before the meeting:

- a brief description of the business proposed to be brought before the meeting and the reasons for conducting this business at the meeting,
- the name and record address of the shareholder making the proposal,
- the number of shares of our common stock that are beneficially owned by the shareholder, and
- any material interest of the shareholder in the proposal.

A shareholder may submit nominees for election to the board of directors at our 2021 annual meeting. For a nominee to be included in the 2021 proxy statement, it must be submitted to the corporate secretary not before January 14, 2021 and not after February 3, 2021.


A shareholder may also present a proposal directly to our shareholders at next year's annual meeting. For a proposal to be voted upon at our 2021 annual meeting, it must be submitted to the corporate secretary not before January 14, 2021 and not after February 3, 2021. However, if we do not receive notice of the shareholder proposal prior to the close of business on February 3, 2021, SEC rules permit management to vote proxies in their discretion on the proposed matter. If we receive notice of the shareholder proposal not before January 14, 2021 and not after February 3, 2021, management can only vote proxies in their discretion if they advise shareholders in our 2021 proxy statement about the nature of the proposed matter and how management intends to vote on the matter.

## OTHER MATTERS

Our board of directors is not aware of any other matters to be submitted at this year's annual meeting of shareholders. If any other matters properly come before the meeting, it is the intention of the persons named in the accompanying proxy to vote the shares they represent as the board of directors may recommend.

We urge you to sign and return your proxy promptly to make certain your shares will be voted at the annual meeting. For your convenience, a return envelope is enclosed requiring no additional postage if mailed in the United States.

On Behalf of the Board of Directors,



FIROUZEH SARHANGI

*Chief Financial Officer, Treasurer, and Corporate Secretary*

March 10, 2020