

EASTMAN KODAK CO
Form DEF 14A
April 02, 2009

SCHEDULE 14A

(Rule 14a-101)

INFORMATION REQUIRED IN PROXY STATEMENT

SCHEDULE 14A INFORMATION

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 Soliciting Material Under Rule 14a-12
- Confidential, For Use of the Commission Only (as permitted by Rule 14a-6(e)(2))
- Definitive Proxy Statement
- Definitive Additional Materials

Eastman Kodak Company

(Name of Registrant as Specified In Its Charter)

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NOTICE OF 2009 ANNUAL MEETING AND PROXY STATEMENT

Date of Notice April 2, 2009

EASTMAN KODAK COMPANY
343 STATE STREET
ROCHESTER, NEW YORK 14650

TABLE OF CONTENTS

PROXY STATEMENT

1 Notice of the 2009 Annual Meeting of Shareholders

QUESTIONS & ANSWERS

2 Questions & Answers
8 Householding of Disclosure Documents
8 Audio Webcast of Annual Meeting

PROPOSALS

9 Company Proposals
9 Item 1 Election of Directors
9 Item 2 Ratification of the Audit Committee's
Selection of PricewaterhouseCoopers LLP as
Independent Registered Public Accounting Firm

BOARD STRUCTURE AND CORPORATE GOVERNANCE

10	Introduction
10	Corporate Governance Guidelines
10	Business Conduct Guide and Directors' Code of Conduct
10	Board Independence
11	Audit Committee Financial Qualifications and Memberships
11	Review, Approval or Ratification of Transactions with Related Persons
13	Board of Directors
16	Committees of the Board
18	Committee Membership
19	Executive Compensation and Development Committee
20	Compensation Committee Interlocks and Insider Participation
20	Governance Practices
23	Director Compensation

BENEFICIAL OWNERSHIP

27	Beneficial Security Ownership of More Than 5% of the Company's Common Stock
28	Beneficial Security Ownership of Directors, Nominees and Section 16 Executive Officers

COMMITTEE REPORTS

31	Report of the Audit Committee
32	Report of the Corporate Responsibility and Governance Committee
33	Report of the Executive Compensation and Development Committee

COMPENSATION DISCUSSION AND ANALYSIS

34	Introduction
35	Compensation Philosophy and Program
35	Determining Executive Total Direct Compensation
38	Elements of Total Direct Compensation
46	Executive Compensation Policies Relating to Incentive Plans
47	Other Compensation Elements
48	Severance and Change-in-Control Arrangements

COMPENSATION OF NAMED EXECUTIVE OFFICERS

49	Summary Compensation Table
53	Employment and Retention Arrangements
55	Grants of Plan-Based Awards in 2008 Table
58	Outstanding Equity Awards at 2008 Fiscal Year-End Table
62	Option Exercises and Stock Vested Table
63	Pension Benefits for 2008
65	Supplemental Individual Retirement Arrangements
66	Non-Qualified Deferred Compensation for 2008

68	Termination and Change-in-Control Arrangements
68	Potential Payments upon Termination or Change-in-Control
69	Individual Severance Arrangements
72	Regular Severance Payments Table
73	Severance Benefits Based on Termination Due to Disability Table
74	Severance Benefits Based on Termination Due to Death Table
75	Severance Benefits Based on Termination with Good Reason Table
76	Change-in-Control Severance Payments
78	Change-in-Control Severance Payments Table

REPORTING COMPLIANCE

79	Section 16(a) Beneficial Ownership Reporting Compliance
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EXHIBITS

80	Exhibit I □ Director Independence Standards
81	Exhibit II □ Director Qualification Standards
82	Exhibit III □ Director Selection Process
83	Exhibit IV □ Audit and Non-Audit Services Pre-Approval Policy

ANNUAL MEETING INFORMATION

85	2009 Annual Meeting Directions and Parking Information
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NOTICE OF 2009 ANNUAL MEETING AND PROXY STATEMENT

Dear Shareholder:

You are cordially invited to attend our Annual Meeting of Shareholders on Wednesday, May 13, 2009 at 9:00 a.m., local time, at the Embassy Suites Hotel Walnut Creek, 1345 Treat Boulevard, Walnut Creek, CA. You will be asked to vote on Company proposals.

Whether or not you attend the Annual Meeting, we hope you will vote as soon as possible. You may vote over the internet, as well as by telephone or by mailing a proxy card or voting instruction card. We encourage you to use the internet, as it is the most cost-effective way to vote.

We look forward to seeing you at the Annual Meeting and would like to take this opportunity to remind you that your vote is very important.

*Sincerely,
Antonio M. Perez
Chairman of the Board*

NOTICE OF THE 2009 ANNUAL MEETING OF SHAREHOLDERS

The Annual Meeting of Shareholders of Eastman Kodak Company will be held on Wednesday, May 13, 2009 at 9:00 a.m., local time, at the Embassy Suites Hotel Walnut Creek, 1345 Treat Boulevard, Walnut Creek, CA. The following proposals will be voted on at the Annual Meeting:

1. Election of 11 directors named in the Proxy Statement for a term of one year or until their successors are duly elected and qualified.
2. Ratification of the Audit Committee's selection of PricewaterhouseCoopers LLP as our independent registered public accounting firm.

The Board of Directors recommends a vote FOR Items 1 and 2.

If you were a shareholder of record at the close of business on March 16, 2009, you are entitled to vote at the Annual Meeting.

Again this year, we are taking advantage of the Securities and Exchange Commission [e-proxy] rules that allow public companies to furnish proxy materials to their shareholders over the internet. These rules allow us to provide you with the information you need, while lowering the cost of delivery and reducing the environmental impact of our Annual Meeting.

If you have any questions about the Annual Meeting, please contact: Coordinator, Shareholder Services, Eastman Kodak Company, 343 State Street, Rochester, NY 14650-0218, (585) 724-5492, e-mail: shareholderservices@kodak.com.

The Annual Meeting will be accessible by the handicapped. If you require special assistance, contact the Coordinator, Shareholder Services.

By Order of the Board of Directors

Laurence L. Hickey
Secretary and Assistant General Counsel
Eastman Kodak Company
April 2, 2009

Important Notice Regarding the Availability of Proxy Materials for the Shareholders Meeting to be held on May 13, 2009. The Notice of 2009 Annual Meeting and Proxy Statement and 2008 Annual Report on Form 10-K are available at www.envisionreports.com/ek.

QUESTIONS & ANSWERS

- Q.** ***Why am I receiving these proxy materials?***
- A.** Our Board of Directors (the Board) is providing these proxy materials to you on the internet, or has delivered printed versions to you by mail in connection with Kodak's 2009 Annual Meeting of Shareholders (the Annual Meeting), which will take place on Wednesday, May 13, 2009. As a shareholder of record, you are invited to attend the Annual Meeting and are entitled and requested to vote on the items of

business described in this Proxy Statement. The approximate date on which these proxy materials are being made available to you is April 2, 2009.

Q. What is included in these proxy materials?

A. These proxy materials include:

- Our 2008 Annual Report on Form 10-K; and
- Notice of 2009 Annual Meeting and Proxy Statement.

If you received printed versions of the proxy materials by mail, these proxy materials also include the Proxy Card for the Annual Meeting.

Q. What am I voting on?

A. The Board is soliciting your proxy in connection with the Annual Meeting to be held on Wednesday, May 13, 2009 at 9:00 a.m., local time, at the Embassy Suites Hotel Walnut Creek, and any adjournment or postponement thereof. You are voting on the following proposals:

1. Election of directors for a term of one year or until their successors are duly elected and qualified.
2. Ratification of the Audit Committee's selection of PricewaterhouseCoopers LLP as our independent registered public accounting firm.

Q. What are the voting recommendations of the Board?

A. The Board recommends the following votes:

- FOR each of the director nominees.
- FOR ratification of the Audit Committee's selection of PricewaterhouseCoopers LLP as our independent registered public accounting firm.

Q. Why did I receive a one-page notice in the mail regarding the internet availability of proxy materials this year instead of a full set of proxy materials?

A. This year, we are pleased to be again using the Securities and Exchange Commission (SEC) "e-proxy" rules. These rules allow companies to furnish proxy materials to shareholders over the internet. The "e-proxy" rules remove the requirement for public companies to automatically send shareholders a full, printed copy of proxy materials and allow them instead to deliver to their shareholders a "Notice of Internet Availability of Proxy Materials" and to provide online access to the documents. As a result, we mailed to many of our shareholders a "Notice of Internet Availability of Proxy Materials" (the Notice) on or about April 2, 2009.

The Notice provides instructions on how to:

- View our proxy materials for the Annual Meeting on the internet; and
- Request a printed copy of the proxy materials.

In addition, shareholders may request to receive proxy materials in printed form by mail or electronically by e-mail on an ongoing basis. Choosing to receive your future proxy materials by e-mail will save us the cost of printing and mailing documents to you and will reduce the environmental impact of printed

materials.

Q. Why didn't I receive a notice in the mail about the internet availability of the proxy materials?

A. We are providing some of our shareholders, including those who have previously requested to receive paper copies of the proxy materials, with paper copies of the proxy materials instead of the Notice.

In addition, we are providing the Notice by e-mail to those shareholders who have previously elected delivery of the proxy materials electronically. Those shareholders should have received an e-mail containing a link to the website where materials are available.

2

Q. Where can I view the proxy materials on the internet?

A. This Proxy Statement, the form of proxy and voting instructions are being made available to shareholders on or about April 2, 2009, at **www.envisionreports.com/ek**. Our 2008 Annual Report on Form 10-K is being made available at the same time and by the same method. The Annual Report on Form 10-K is not to be considered as a part of the proxy solicitation material or as having been incorporated by reference.

Q. How can I receive a printed copy of the proxy materials?

A. Shareholder of Record. You may request a printed copy of the proxy materials by any of the following methods:

- Telephone at (866) 641-4276;
- Internet at **www.envisionreports.com/ek**; or
- E-mail at **investorvote@computershare.com**. Reference "Proxy Materials Order" on the subject line. In the message, include your full name, address and the three numbers located in the shaded bar on the Notice, and state that you want to receive a paper copy of current and/or future meeting materials.

Beneficial Owner. You may request a printed copy of the proxy materials by following the instructions provided to you by your broker, trustee or nominee.

Q. What is the difference between holding shares as a shareholder of record and as a beneficial owner?

A. Most Kodak shareholders hold their shares through a broker or other nominee (beneficial ownership) rather than directly in their own name (shareholder of record). As summarized below, there are some distinctions between shares held of record and those owned beneficially.

Shareholder of Record. If your shares are registered in your name with Kodak's transfer agent, Computershare Trust Company, N.A., you are considered, with respect to those shares, the shareholder of record, and these proxy materials are being made available directly to you by Kodak. As the shareholder of record, you have the right to give your voting proxy to Kodak management or a third party, or to vote in person at the Annual Meeting.

Beneficial Owner. If your shares are held in a brokerage account or by another nominee, you are considered the beneficial owner of shares held in street name, and these proxy materials are being made

available to you together with a voting instruction card on behalf of your broker, trustee or nominee. As the beneficial owner, you have the right to direct your broker, trustee or nominee on how to vote your shares and you are also invited to attend the Annual Meeting. Your broker, trustee or nominee has enclosed or provided voting instructions for you to use in directing the broker, trustee or nominee on how to vote your shares. Since a beneficial owner is not the shareholder of record, you may not vote these shares in person at the Annual Meeting unless you obtain a [legal proxy] from the broker, trustee or nominee that holds your shares, giving you the right to vote the shares at the Annual Meeting. Your broker has the discretion to vote on routine corporate matters presented in the proxy materials without your specific voting instructions, but with respect to any non-routine matter over which the broker does not have discretionary voting power, your shares will not be voted without your specific voting instructions. When the broker does not have discretionary voting power on a particular proposal and does not receive voting instructions from you, the shares are not voted and are referred to as [broker non-votes].

Q. **Which proposal items are considered [routine] or [non-routine]?**
A.

Item 1 (Election of directors) and Item 2 (Ratification of independent registered public accounting firm) involve matters that we believe will be treated as routine.

Q. **Will any other matter be voted on?**
A.

We are not aware of any other matters you will be asked to vote on at the Annual Meeting. If you have returned your signed proxy card or otherwise given the Company's management your proxy, and any other matter is properly brought before the Annual Meeting, Antonio M. Perez and Laurence L. Hickey, acting as your proxies, will vote for you in their discretion. New Jersey law (under which the Company is incorporated) requires that you be given notice of all matters to be voted on, other than procedural matters such as adjournment of the Annual Meeting.

Q. **How do I vote?**
A. **Shareholder of Record.** There are four ways to vote, if you are a shareholder of record:

- By internet at www.envisionreports.com/ek. We encourage you to vote this way.
- By toll-free telephone: (800) 652-VOTE (8683).
- By completing and mailing your proxy card.
- By written ballot at the Annual Meeting.

Your shares will be voted as you indicate. If you return your signed proxy card or otherwise give the Company's management your proxy, but do not indicate your voting preferences, Antonio M. Perez and Laurence L. Hickey will vote your shares FOR Items 1 and 2. As to any other business that may properly come before the Annual Meeting, Antonio M. Perez and Laurence L. Hickey will vote in accordance with their best judgment, although the Company does not presently know of any other business.

Beneficial Owner. If you are a beneficial owner, please follow the voting instructions sent to you by your broker, trustee or nominee.

Q. What happens if I do not give specific voting instructions?

A. Shareholder of Record. If you are a shareholder of record and you:

- Indicate when voting on the internet or by telephone that you wish to vote as recommended by our Board; or
- If you sign and return a proxy card without giving specific voting instructions,

the proxy holders will vote your shares in the manner recommended by our Board on all matters presented in this Proxy Statement, and as the proxy holders may determine in their discretion with respect to any other matters properly presented for a vote at the Annual Meeting.

Beneficial Owner. If you are a beneficial owner of shares held in street name and do not provide your broker, trustee or nominee with specific voting instructions:

- Your broker, trustee or nominee will have the authority to exercise discretion to vote your shares with respect to Item 1 (Election of directors) and Item 2 (Ratification of independent registered public accounting firm) because they involve matters we believe will be considered routine.

Q. What is the deadline for voting my shares?

A. Shareholder of Record. If you are a shareholder of record and vote by internet or telephone, your vote must be received by 1:00 a.m., Eastern Time, on May 13, 2009, the morning of the Annual Meeting. If you are a shareholder of record and vote by mail or by written ballot at the Annual Meeting, your vote must be received before the polls close at the Annual Meeting.

Beneficial Owner. If you are a beneficial owner, please follow the voting instructions provided by your broker, trustee or nominee. You may vote your shares in person at the Annual Meeting only if you obtain a legal proxy from your broker, trustee or nominee and provide it at the Annual Meeting.

Q. Who can vote?

A. To be able to vote your Kodak shares, the records of the Company must show that you held your shares as of the close of business on March 16, 2009, the record date for the Annual Meeting. Each share of common stock is entitled to one vote.

Q. How can I change my vote or revoke my proxy?

A. Shareholder of Record. If you are a shareholder of record, you can change your vote or revoke your proxy before the Annual Meeting by:

- Entering a timely new vote by internet or telephone;
- Returning a later-dated proxy card; or
- Notifying Laurence L. Hickey, Secretary and Assistant General Counsel.

You may also complete a written ballot at the Annual Meeting.

Beneficial Owner. If you are a beneficial owner, please follow the voting instructions sent to you by your broker, trustee or nominee.

Q. How are votes counted?

A.

In the election of directors, you may vote FOR, AGAINST or ABSTAIN with respect to each of the nominees. If you elect to abstain in the election of directors, the abstention will not impact the election of directors. In tabulating the voting results for the election of directors, only FOR and AGAINST votes are counted.

You may vote FOR, AGAINST or ABSTAIN with respect to the proposal to ratify the Audit Committee's selection of the independent registered public accounting firm. In tabulating the voting results for this proposal, only FOR and AGAINST votes are counted. If you elect to abstain with respect to this proposal, the abstention will not impact the ratification of the Audit Committee's selection of the independent registered public accounting firm.

4

Q. What vote is required to approve each proposal?

A. The following table describes the voting requirements for each proposal:

Item 1 <input type="checkbox"/> Election of directors	In February 2009, the Board amended the Company's By-laws to adopt a majority voting standard for uncontested director elections. Because the number of nominees properly nominated for the Annual Meeting is the same as the number of directors to be elected at the Annual Meeting, the 2009 election of directors is an uncontested election. To be elected in an uncontested election, a director nominee must be elected by a majority of the votes cast with respect to that director nominee. A majority of the votes cast means that the number of votes cast FOR a nominee's election must exceed the number of votes cast AGAINST the nominee's election. Each nominee receiving more votes FOR his or her election than votes AGAINST his or her election will be elected.
Item 2 <input type="checkbox"/> Ratification of the Audit Committee's selection of PricewaterhouseCoopers LLP as our independent registered public accounting firm	To be approved, this proposal must receive the affirmative vote of a majority of the votes cast at the Annual Meeting.

Q. Is my vote confidential?

A. Yes. Only the inspectors of election and certain individuals who help with processing and counting the votes have access to your vote. Directors and employees of the Company may see your vote only if the Company needs to defend itself against a claim or if there is a proxy solicitation by someone other than the Company. Therefore, please do not write any comments on your proxy card.

Q. Who will count the vote?

A. Computershare Trust Company, N.A. will count the vote. Its representative will serve as the inspector of election.

Q. Who can attend the Annual Meeting?

A. If the records of the Company show that you held your shares as of the close of business on March 16, 2009, the record date for the Annual Meeting, you can attend the Annual Meeting. Seating, however, is limited. Attendance at the Annual Meeting will be on a first-come, first-served basis, upon arrival at the Annual Meeting. Photographs may be taken and videotaping may be conducted at the Annual Meeting by the Company. We may use these images in publications. If you attend the Annual Meeting, we assume we have your permission to use your image.

Q. What do I need to do to attend the Annual Meeting?

A. To attend the Annual Meeting, please follow these instructions:

- If you vote by internet or telephone, follow the instructions provided for attendance.
- If you vote by using a proxy card, check the appropriate box on the card.
- If you are a beneficial owner, bring proof of your ownership with you to the Annual Meeting.
- To enter the Annual Meeting, bring the Admission Ticket attached to your proxy card or printed from the internet.
- If you do not have an Admission Ticket, go to the Registration desk upon arrival at the Annual Meeting.

Seating at the Annual Meeting will be on a first-come, first-served basis, upon arrival at the Annual Meeting.

Q. Can I bring a guest?

A. Yes. If you plan to bring a guest to the Annual Meeting, follow the instructions on the internet or telephone or check the appropriate box on your proxy card. When you go through the registration area at the Annual Meeting, your guest must register with you.

Q. What is the quorum requirement of the Annual Meeting?

A. A majority of the outstanding shares on May 13, 2009 constitutes a quorum for voting at the Annual Meeting. If you vote, your shares will be part of the quorum. Abstentions and broker non-votes, other than where stated, will be counted in determining the quorum, but neither will be counted as votes cast. On March 16, 2009, there were 268,194,675 shares outstanding.

5

Q. Where can I find the voting results of the Annual Meeting?

A. We intend to announce preliminary voting results at the Annual Meeting and publish final results on our corporate governance website at **www.kodak.com/go/governance** and in our quarterly report on Form 10-Q for the second quarter of fiscal year 2009.

Q. Can I nominate someone to the Board?

A. Our By-laws provide that any shareholder may nominate a person for election to the Board so long as the shareholder follows the procedure outlined in the By-laws as summarized below. In addition, the shareholder must deliver a proxy statement and form of proxy to holders of a sufficient number of shares of Kodak common stock to elect the nominee. This is the procedure to be followed for direct nominations, as opposed to recommendations of nominees for consideration by our Corporate Responsibility and Governance Committee.

The complete description of the procedure for shareholder nomination of director candidates is contained in our By-laws. A copy of the full text of the by-law provision containing this procedure may be obtained by writing to our Secretary at our principal executive offices. Our By-laws can also be accessed at **www.kodak.com/go/governance**. For purposes of summarizing this procedure, we have assumed: 1) the date of the upcoming Annual Meeting is within 30 days of the anniversary of the annual meeting for the previous year and 2) if the size of the Board is to be increased, that both the name of the director nominee and the size of

the increased Board are publicly disclosed at least 120 days prior to the first anniversary of the previous year's annual meeting. Based on these assumptions, a shareholder desiring to nominate one or more candidates for election at the next annual meeting must deliver written notice of such nomination to our Secretary, at our principal office, not less than 90 days nor more than 120 days prior to the first anniversary of the preceding year's annual meeting. Accordingly, for our 2010 annual meeting, notice of nomination must be delivered to our Secretary no earlier than January 13, 2010 and no later than February 12, 2010.

The written notice to our Secretary must contain the following information with respect to each nominee: 1) the proposing shareholder's name and address; 2) the number of shares of the Company owned of record and beneficially by the proposing shareholder; 3) the name of the person to be nominated; 4) the number of shares of the Company owned of record and beneficially by the nominee; 5) a description of all relationships, arrangements and understandings between the shareholder and the nominee and any other person or persons (naming such person or persons) pursuant to which the nomination is to be made by the shareholder; 6) such other information regarding the nominee as would have been required to be included in the Proxy Statement filed pursuant to the proxy rules of the SEC had the nominee been nominated, or intended to be nominated, by the Board, such as the nominee's name, age and business experience; and 7) the nominee's signed consent to serve as a director if so elected.

Persons who are nominated in accordance with this procedure will be eligible for election as directors at the 2010 annual meeting of the Company's shareholders.

Q. What is the deadline to propose actions for consideration at the 2010 annual meeting?

A. For a shareholder proposal to be considered for inclusion in Kodak's proxy statement for the 2010 annual meeting, the Secretary of Kodak must receive the written proposal at our principal executive offices no later than December 3, 2009. Such proposals must comply with SEC regulations under Rule 14a-8 regarding the inclusion of shareholder proposals in company-sponsored proxy materials. Proposals should be addressed to:

Secretary
Eastman Kodak Company
343 State Street
Rochester, NY 14650-0218

For a shareholder proposal that is not intended to be included in Kodak's proxy statement under Rule 14a-8, the shareholder must deliver a proxy statement and form of proxy to holders of a sufficient number of shares of Kodak common stock to approve that proposal, provide the information required by the By-laws of Kodak and give timely notice to the Secretary of Kodak in accordance with the By-laws of Kodak, which, in general, require that the notice be received by the Secretary of Kodak:

- Not earlier than the close of business on January 13, 2010; and
- Not later than the close of business on February 12, 2010.

If the date of the shareholder meeting is moved more than 30 days before or 30 days after the anniversary of the 2009 Annual Meeting, then notice of a shareholder proposal that is not intended to be included in Kodak's proxy statement under Rule 14a-8 must be received no earlier than the close of business 120 days prior to the meeting and no later than the close of business on the later of the following two dates:

- 90 days prior to the meeting; and

- 10 days after public announcement of the meeting date.

6

You may contact our Secretary at our principal executive offices for a copy of the relevant by-law provisions regarding the requirements for making shareholder proposals. Our By-laws can also be accessed at www.kodak.com/go/governance.

Q.

How much did this proxy solicitation cost?

A.

The Company hired Georgeson Inc. to assist in the solicitation of votes. The estimated fee is \$18,500 plus reasonable out-of-pocket expenses. In addition, the Company will reimburse brokerage houses and other custodians, nominees, trustees and fiduciaries for their reasonable out-of-pocket expenses for forwarding proxy and solicitation materials to shareholders. Directors, officers and employees of the Company may solicit proxies and voting instructions in person, by telephone or other means of communication. These directors, officers and employees will not be additionally compensated but may be reimbursed for reasonable out-of-pocket expenses in connection with these solicitations.

Q.

What other information about Kodak is available?

A.

The following information is available:

- 2008 Annual Report on Form 10-K
- Transcript of the Annual Meeting
- Plan descriptions, annual reports and trust agreements and contracts for the pension plans of the Company and its subsidiaries
- Diversity Report; Form EEO-1
- Health, Safety and Environment Annual Report on Kodak's website at www.kodak.com/go/HSE
- Corporate Responsibility Principles on Kodak's website at www.kodak.com/US/en/corp/principles
- Corporate Governance Guidelines on Kodak's website at www.kodak.com/go/governance
- Business Conduct Guide on Kodak's website at www.kodak.com/US/en/corp/principles/businessConduct.shtml
- Eastman Kodak Company By-laws on Kodak's website at www.kodak.com/go/governance
- Charters of the Board's Committees (Audit Committee, Corporate Responsibility and Governance Committee, Executive Committee, Executive Compensation and Development Committee, and Finance Committee) on Kodak's website at www.kodak.com/go/governance
- Directors' Code of Conduct on Kodak's website at www.kodak.com/go/governance
- Kodak Board of Directors Policy on Recoupment of Annual Incentive Bonuses in the Event of a Restatement Due to Fraud or Misconduct at www.kodak.com/go/governance

You may request printed copies of any of these documents by contacting:

Coordinator, Shareholder Services
Eastman Kodak Company
343 State Street
Rochester, NY 14650-0218
(585) 724-5492

E-mail: shareholderservices@kodak.com

The address of our principal executive office is:

Eastman Kodak Company
343 State Street

Rochester, NY 14650

HOUSEHOLDING OF DISCLOSURE DOCUMENTS

The SEC has adopted rules regarding the delivery of disclosure documents to shareholders sharing the same address. This rule benefits both you and Kodak. It reduces the volume of duplicate information received at your household and helps Kodak reduce expenses. Kodak expects to follow this rule any time it distributes annual reports, proxy statements, information statements and prospectuses. As a result, we are sending only one copy of the Notice to multiple shareholders sharing an address, unless we receive contrary instructions from one or more of these shareholders.

If your household received a Notice for this year, but you would prefer to receive your own copy, please contact Kodak's transfer agent, Computershare Trust Company, N.A., by calling its toll-free number, (800) 253-6057, or by mail at P.O. Box 43078, Providence, RI 02940-3078.

If you would like to receive your own Notice in future years, follow the instructions described below. Similarly, if you share an address with another Kodak shareholder, and together both of you would like to receive only a single Notice, follow these instructions:

- If your Kodak shares are registered in your own name, please contact Kodak's transfer agent, Computershare Trust Company, N.A., and inform them of your request by phone: (800) 253-6057, or by mail: P.O. Box 43078, Providence, RI 02940-3078.
- If a broker or other nominee holds your Kodak shares, please contact Broadridge Financial Solutions, Inc. and inform them of your request by phone: (800) 542-1061, or by mail: Householding Department, 51 Mercedes Way, Edgewood, NY 11717. Be sure to include your name, the name of your brokerage firm and your account number.

AUDIO WEBCAST OF ANNUAL MEETING AVAILABLE ON THE INTERNET

Kodak's Annual Meeting will be webcast live. If you have internet access, you can listen to the webcast by going to Kodak's Investor Center webpage at

www.kodak.com/US/en/corp/investorCenter/investorsCenterHome.shtml. This webcast is listen only. You will not be able to ask questions. The Annual Meeting audio webcast will remain available on our website for a short period of time after the Annual Meeting.

Information included on our website, other than our Proxy Statement and proxy card, is not part of the proxy solicitation materials.

2008 Annual Report on Form 10-K

The Company will provide without charge, upon your request, a printed copy of its 2008 Annual Report on Form 10-K. To receive a printed copy of the 2008 Annual Report on Form 10-K, please contact:

Coordinator, Shareholder Services
Eastman Kodak Company
343 State Street
Rochester, NY 14650-0218
(585) 724-5492

E-mail: shareholderservices@kodak.com

PROPOSALS

COMPANY PROPOSALS

ITEM 1 □ Election of Directors

Kodak's By-laws require us to have at least nine directors but no more than 18. The number of directors is set by the Board and is currently 12. Mr. Perez is the only director who is an employee of the Company.

There are 11 directors standing for re-election (Richard S. Braddock, Timothy M. Donahue, Michael J. Hawley, William H. Hernandez, Douglas R. Lebda, Debra L. Lee, Delano E. Lewis, William G. Parrett, Antonio M. Perez, Dennis F. Strigl and Laura D. Andrea Tyson). All the nominees agree to serve a one-year term. Information about them is provided on pages 13 - 15 of this Proxy Statement. Hector de J. Ruiz will not be standing for re-election.

If a nominee is unable to stand for election, the Board may reduce the number of directors or choose a substitute. If the Board chooses a substitute, the shares represented by proxies will be voted for the substitute. If a director retires, resigns, dies or is unable to serve for any reason, the Board may reduce the number of directors or elect a new director to fill the vacancy.

Each director nominee who receives more □FOR□ votes than □AGAINST□ votes representing shares of the Company's common stock presented in person or represented by proxy and entitled to be voted at the Annual Meeting will be elected.

If a director nominee receives a greater number of votes □AGAINST□ his or her election than votes □FOR□ such election, the Board will decide, in accordance with the Company's Majority Vote Policy described on page 22 of this Proxy Statement, whether to accept the irrevocable letter of resignation the nominee submitted as a condition of being nominated to the Board as required by the Majority Vote Policy.

The Board of Directors recommends a vote FOR the election of all the director nominees.

ITEM 2 □ Ratification of the Audit Committee's Selection of PricewaterhouseCoopers LLP as Our Independent Registered Public Accounting Firm

PricewaterhouseCoopers LLP has been the Company's independent accountants for many years. The Audit Committee has selected PricewaterhouseCoopers LLP as the Company's independent registered public accounting firm to serve until the 2010 annual meeting.

A representative of PricewaterhouseCoopers LLP is expected to attend the Annual Meeting to respond to questions and, if he or she desires, make a statement.

As a matter of good corporate governance, the Audit Committee has determined to submit its selection of the independent registered public accounting firm to our shareholders for ratification. In the event that this selection of PricewaterhouseCoopers LLP is not ratified, the Audit Committee will review its future selection of an independent registered public accounting firm.

The ratification of the Audit Committee's selection of PricewaterhouseCoopers LLP requires the affirmative vote of a majority of the votes cast by the holders of shares entitled to vote.

The Board of Directors recommends a vote FOR ratification of the Audit Committee's selection of PricewaterhouseCoopers LLP as our independent registered public accounting firm.

BOARD STRUCTURE AND CORPORATE GOVERNANCE

INTRODUCTION

Ethical business conduct and good corporate governance are not new practices at Kodak. The reputation of our Company and our brand has been built by more than a century of ethical business conduct. The Company and the Board have long practiced good corporate governance and believe it to be a prerequisite to providing sustained, long-term value to our shareholders. We continually monitor developments in the area of corporate governance and lead in developing and implementing best practices. This is a fundamental goal of our Board.

CORPORATE GOVERNANCE GUIDELINES

Our Corporate Governance Guidelines reflect the principles by which the Company operates. From time to time, the Board reviews and revises our Corporate Governance Guidelines in response to regulatory requirements and evolving best practices. A copy of the Corporate Governance Guidelines is published on our website at www.kodak.com/go/governance.

BUSINESS CONDUCT GUIDE AND DIRECTORS' CODE OF CONDUCT

All of our employees, including the CEO, the CFO, the Controller, all other senior financial officers and all other Section 16 executive officers, as defined under Section 16 of the Securities Exchange Act of 1934 (a Section 16 Executive Officer) are required to comply with our long-standing code of conduct, the "Business Conduct Guide." The Business Conduct Guide requires our employees to maintain the highest ethical standards in the conduct of Company business so that they and the Company are always above reproach. The Company also has a code of conduct for its directors, known as the Directors' Code of Conduct. Both our Business Conduct Guide and our Directors' Code of Conduct are published on our website at www.kodak.com/go/governance. We will post on this website any amendments to the Business Conduct Guide or Directors' Code of Conduct and any waivers of either code for directors or the Company's CEO, CFO or Controller. Our directors annually certify in writing that they understand and are in compliance with the Directors' Code of Conduct.

BOARD INDEPENDENCE

For a number of years, a substantial majority of our Board has been comprised of independent directors. In February 2004, the Board adopted Director Independence Standards to aid it in determining whether a director is independent. The Director Independence Standards, which were amended by the Board in February 2009 to comply with recent changes to the director independence requirements of the New York Stock Exchange's (NYSE) Corporate Governance Listing Standards (Listing Standards), are attached as Exhibit I to this Proxy Statement.

The Board has determined that each of the following former and current directors has no material relationship with the Company (either directly or as a partner, shareholder or officer of an organization that has a relationship with the Company) and is independent under the Company's Director Independence Standards and, therefore, is independent within the meaning of the NYSE's Listing Standards and the rules of the SEC: Richard S. Braddock, Timothy M. Donahue, Michael J. Hawley, William H. Hernandez, Douglas R. Lebda, Debra L. Lee, Delano E. Lewis, William G. Parrett, Hector de J. Ruiz, Dennis F. Strigl and Laura D'Andrea Tyson. The remaining director, Antonio M. Perez, Chairman of the Board and CEO, is an employee of the Company and, therefore, is not independent.

In the course of the Board's determination regarding the independence of each non-employee director, it considered any transactions, relationships and arrangements as required by the Company's Independence Standards. In particular, with respect to the most recent completed fiscal year, the Board considered:

- The annual amount of purchases from the Company by the company where Mr. Hernandez is an executive officer, and determined that the amount of purchases did not exceed the greater of \$1,000,000 or 2% of the consolidated gross revenues of that company and, therefore, were immaterial.
- The annual amount of sales to the Company by the company where Mr. Hernandez is an executive officer, and determined that the amount of sales did not exceed the greater of \$1,000,000 or 2% of the

consolidated gross revenues of that company and, therefore, were immaterial.

- The annual amount of purchases from the Company by the company where Mr. Strigl is an executive officer, and determined that the amount of purchases did not exceed the greater of \$1,000,000 or 2% of the consolidated gross revenues of that company and, therefore, were immaterial.
- The annual amount of sales to the Company by the company where Mr. Strigl is an executive officer, and determined that the amount of sales did not exceed the greater of \$1,000,000 or 2% of the consolidated gross revenues of that company and, therefore, were immaterial.
- The annual amount of sales to the Company by the company where Dr. Tyson is a director, and determined that the amount of sales did not exceed the greater of \$1,000,000 or 2% of the consolidated gross revenues of that company and, therefore, were immaterial.

10

- The annual amount of sales to the Company by the company where Dr. Tyson is employed, and determined that the amount of sales did not exceed the greater of \$1,000,000 or 2% of the consolidated gross revenues of that company and, therefore, were immaterial.
- The amount of the contributions from the Company to a charitable organization where Ms. Lee is a director, and determined that the amount of the contributions did not exceed the greater of \$1,000,000 or 2% of the charitable organization's gross revenues and, therefore, were immaterial.
- The amount of the contributions from the Company to a second charitable organization where Ms. Lee is a director, and determined that the amount of the contributions did not exceed the greater of \$1,000,000 or 2% of the charitable organization's gross revenues and, therefore, were immaterial.

AUDIT COMMITTEE FINANCIAL QUALIFICATIONS AND MEMBERSHIPS

The Board has determined that all members of its Audit Committee (Richard S. Braddock, William H. Hernandez, Debra L. Lee, Delano E. Lewis, William G. Parrett and Dennis F. Strigl) are independent and are financially literate as required by the NYSE, and that Richard S. Braddock, William H. Hernandez and William G. Parrett possess the qualifications of an Audit Committee Financial Expert, as defined by SEC rules, and have accounting or related financial management expertise, as required by the NYSE.

The Board determined that William G. Parrett's simultaneous service on the audit committees of three other public companies will not impair his ability to effectively serve on the Company's Audit Committee.

REVIEW, APPROVAL OR RATIFICATION OF TRANSACTIONS WITH RELATED PERSONS

In February 2007, our Board, based on the recommendation of the Corporate Responsibility and Governance Committee, adopted written policies and procedures relating to approval or ratification of "interested transactions" with "related parties." Under these policies and procedures, which are posted on our website at

www.kodak.com/go/governance, our Governance Committee is to review the material facts of all interested transactions that require the Governance Committee's approval. The Governance Committee will approve or disapprove the interested transactions, subject to certain exceptions, by taking into account, among other factors it deems appropriate, whether the interested transaction is on terms no less favorable than terms generally available to an unaffiliated third-party under the same or similar circumstances and the extent of the related person's interest in the transaction. No director may participate in any discussion or approval of an interested transaction for which he or she is a related party. If an interested transaction will be ongoing, the Governance Committee may establish guidelines for our management to follow in its ongoing dealings with the related party and then at least annually must review and assess ongoing relationships with the related party.

Under the policies and procedures, an "interested transaction" is any transaction, arrangement or relationship, or series of similar transactions, arrangements or relationships (including any indebtedness or guarantee of indebtedness), in which the aggregate amount involved will or may be expected to exceed \$100,000 in any calendar year, the Company is a participant and any related party has or will have a direct or indirect interest (other than solely as a result of being a director or a less than 10% beneficial owner of another entity). A "related

party is any person who is or was since the beginning of the last fiscal year for which we have filed a Form 10-K and proxy statement, a Section 16 Executive Officer, director or nominee for election as a director (even if they presently do not serve in that role), any greater than 5% beneficial owner of the Company's common stock or any immediate family member of any of the foregoing. Immediate family member includes a person's spouse, parents, stepparents, children, stepchildren, siblings, mothers- and fathers-in-law, sons- and daughters-in-law, brothers- and sisters-in-law and anyone residing in such person's home (other than a tenant or employee).

The Governance Committee has reviewed and pre-approved certain types of interested transactions described below. In addition, our Board has delegated to the chair of the Governance Committee the authority to pre-approve or ratify (as applicable) any interested transaction with a related party in which the aggregate amount involved is expected to be less than \$500,000. Pre-approved interested transactions include:

- Employment of Section 16 Executive Officers either if the related compensation is required to be reported in our proxy statement or if the Section 16 Executive Officer is not an immediate family member of another Section 16 Executive Officer or a director of our Company and the related compensation would be reported in our proxy statement if the Section 16 Executive Officer was a "Named Executive Officer" and our Compensation Committee approved (or recommended that the Board approve) such compensation.
- Any compensation paid to a director if the compensation is required to be reported in our proxy statement.
- Any transaction with another company with which a related person's only relationship is as an employee (other than an executive officer), director or beneficial owner of less than 10% of that company's shares, if the aggregate amount involved does not exceed the greater of \$1,000,000 or 2% of that company's total annual revenues.
- Any charitable contribution, grant or endowment by the Company to a charitable organization, foundation or university with which a related person's only relationship is as an employee (other than an executive officer) or a director, if the aggregate amount involved does not exceed the greater of \$1,000,000 or 2% of the charitable organization's total annual receipts.

- Any transaction where the related person's interest arises solely from the ownership of the Company's common stock and all holders of our common stock received the same benefit on a pro rata basis (e.g., dividends).
- Any transaction involving a related party where the rates or charges involved are determined by competitive bids.
- Any transaction with a related party involving the rendering of services as a common or contract carrier, or public utility, at rates or charges fixed in conformity with law or governmental authority.
- Any transaction with a related party involving services as a bank depository of funds, transfer agent, registrar, trustee under a trust indenture or similar services.

The Governance Committee reviewed two interested transactions with related parties occurring in 2008 that did not fall within any of the pre-approved interested transactions described above. In each case, the Committee ratified the transaction and determined that the related person did not have a material interest in the transaction. Therefore, there are no related party transactions that need to be disclosed in this Proxy Statement under the relevant SEC rules.

BOARD OF DIRECTORS

NOMINEES TO SERVE A ONE-YEAR TERM EXPIRING AT THE 2010 ANNUAL MEETING

RICHARD S. BRADDOCK *Director since May 1987*

Mr. Braddock, 67, is the Chairman & CEO of Fresh Direct. He was named CEO on March 4, 2008 and has been the Chairman since 2005. Mr. Braddock began his business career in 1965 spending a number of years in product management at General Foods. He joined Citicorp in 1973, was elected to the board of directors in 1985 and was elected president and chief operating officer of Citicorp and its principal subsidiary, Citibank, N.A. in January, 1990. Mr. Braddock resigned from Citicorp in November 1992, and subsequently served as chief executive officer of Medco Containment Services, Inc. until its acquisition by Merck & Co., Inc., and then spent a year as a principal at Clayton, Dubilier & Rice, Inc. He served as Chairman (non-executive) of True North Communications Inc. from December 1997 to January 1999. He served as Chairman and CEO of priceline.com from August 1998 to April 2004. Mr. Braddock served as Chairman of MidOcean Partners from April 2003 until December 2007.

TIMOTHY M. DONAHUE *Director since October 2001*

Mr. Donahue, 60, is the retired Executive Chairman of Sprint Nextel Corporation, where he served since the merger of Sprint Corporation and Nextel Communications, Inc. on August 12, 2005. Prior to this, he was the President and CEO of Nextel Communications, Inc., positions he held since August 1999. He began his career with Nextel in February 1996 as President and COO. Mr. Donahue has served as Chairman of the Cellular Telecommunications and Internet Association, the industry's largest and most respected association. Before joining Nextel, he served as northeast regional president for AT&T Wireless Services Operations from 1991 to 1996. Mr. Donahue started his career with AT&T Wireless Services (formerly McCaw Cellular Communications) in 1986 as President for McCaw Cellular's paging division. In 1989, he was named McCaw Cellular's President for the U.S. central region. Mr. Donahue is a director of NVR, Inc., Covidien AG, and Tyco International Ltd.

MICHAEL J. HAWLEY *Director since December 2004*

Dr. Hawley, 47, is the former Director of Special Projects at the Massachusetts Institute of Technology, a position he held from 2001 until August 2006. Prior to assuming these duties, Dr. Hawley served as the Alex W. Dreyfoos Assistant Professor of Media Technology at the MIT Media Lab. From 1986 to 1995, he held a number of positions at MIT, including Assistant Professor, Media Laboratory; Assistant Professor, EECS; and Research Assistant, Media Laboratory. Dr. Hawley is the founder of Friendly Planet, a non-profit organization working to provide better educational opportunities for children in developing regions of the world. He is also a co-founder of Things That Think, a ground-breaking research program that examines the way digital media infuses itself into everyday objects.

WILLIAM H. HERNANDEZ *Director since February 2003*

Mr. Hernandez, 60, is Senior Vice President, Finance, and CFO of PPG Industries, Inc. Prior to assuming his current duties in 1995, Mr. Hernandez served as PPG's Corporate Controller from 1990 to 1994 and as Vice President and Controller in 1994. From 1974 until 1990, Mr. Hernandez held a number of positions at Borg-Warner Corporation, including Assistant Controller, Chemicals; Controller, Chemicals; Business Director, ABS Polymers; Assistant Corporate Controller; Vice President, Finance; and CFO, Borg-Warner Automotive, Inc. Earlier in his career, he was a financial analyst for Ford Motor Company. Mr. Hernandez is a Certified Management Accountant.

DOUGLAS R. LEBDA *Director since November 2007*

Mr. Lebda, 38, is the Chairman, Chief Executive Officer and Director of Tree.com. From the end of 2005 to January 2008, Mr. Lebda served as President and Chief Operating Officer of IAC/InterActiveCorp. Prior to assuming these roles, Mr. Lebda served as the Chief Executive Officer of LendingTree, which he founded, since September 1998. Prior to his tenure as Chief Executive Officer of LendingTree, Mr. Lebda served as Chairman of the Board and President of LendingTree since June 1996. Before founding LendingTree in June 1996, Mr. Lebda worked as an auditor and consultant for PriceWaterhouseCoopers LLP.

DEBRA L. LEE *Director since September 1999*

Ms. Lee, 54, is Chairman and CEO of BET Holdings, Inc. (BET), a media and entertainment company and a division of Viacom, Inc. She joined BET in 1986 as Vice President and General Counsel. In 1992, she was elected Executive Vice President of Legal Affairs and named publisher of BET's magazine division, in addition to serving as General Counsel. She was placed in charge of strategic business development in 1995. Ms. Lee is a director of WGL Holdings, Inc., Marriott International, Inc. and Revlon, Inc.

DELANO E. LEWIS *Director since July 2001*

Mr. Lewis, 70, is a Senior Fellow at New Mexico State University. Mr. Lewis is the former U.S. Ambassador to South Africa, a position he held from December 1999 to July 2001. Prior to his ambassadorship, Mr. Lewis was President and CEO of National Public Radio Corporation, a position he held from January 1994 until August 1998. He was President and CEO of C&P Telephone Company, a subsidiary of Bell Atlantic Corporation, from 1988 to 1993, after having served as Vice President since 1983. Mr. Lewis held several positions in the public sector prior to joining C&P Telephone Company. Mr. Lewis previously served as a director of Eastman Kodak Company from May 1998 to December 1999. He is a director of Colgate-Palmolive Co.

WILLIAM G. PARRETT *Director since November 2007*

Mr. Parrett, 63, is the retired CEO of Deloitte & Touche USA LLP. From 2003 to May 2007, he served as the Chief Executive Officer of Deloitte Touche Tohmatsu (DDT). Prior to serving as Chief Executive Officer of DDT, he was Managing Partner of Deloitte & Touche USA since 1999. Mr. Parrett joined Deloitte in 1967 and served in a series of roles of increasing responsibility. Mr. Parrett serves as a director of The Blackstone Group LP, Thermo Fisher Scientific and UBS AG.

ANTONIO M. PEREZ *Director since October 2004*

Mr. Perez, 63, joined Kodak as President and Chief Operating Officer in April 2003 and was elected to the Company's Board in October 2004. In May 2005, he was elected Chief Executive Officer, and on December 31, 2005, he became Chairman of the Company's Board. Mr. Perez joined Kodak after a 25-year career at Hewlett-Packard Company (HP), where he was a corporate Vice President and a member of the company's Executive Council. From August 1998 to October 1999, Mr. Perez served as President of HP's Consumer Business, with responsibility for Digital Media Solutions and corporate marketing. Prior to that assignment, Mr. Perez served for five years as President and CEO of HP's Inkjet Imaging Business. In his career, Mr. Perez held a variety of positions in research and development, sales, manufacturing, marketing and management both in Europe and the United States. Just prior to joining Kodak, Mr. Perez served as an independent consultant for large investment firms, providing counsel on the effect of technology shifts on financial markets. From June 2000 to December 2001, Mr. Perez was President and CEO of Gemplus International. He is a member of The Business Council as well as the Business Roundtable. Mr. Perez serves as Chair of the Diversity Best Practices CEO Diversity Initiative. Mr. Perez is a member of the board of directors of Schering-Plough Corporation.

DENNIS F. STRIGL *Director since February 2008*

Mr. Strigl, 62, is President and Chief Operating Officer of Verizon Communications. Prior to this position, he was the President and Chief Executive Officer of Verizon Wireless since its formation in April 2000. Mr. Strigl served as President and Chief Executive Officer of Bell Atlantic Mobile since 1991, Group President and Chief Executive Officer of the Global Wireless Group of Bell Atlantic, Vice President of Operations and

Chief Operating Office of Bell Atlantic New Jersey, Inc. and served on its board of directors. He began his career in 1968 with New York Telephone and held positions at AT&T and Wisconsin Telephone before becoming Vice President of American Bell Inc. He also served as President and Chief Executive Officer of Applied Data Research Inc. He serves on the board of directors of PNC Financial Services Group.

LAURA D'ANDREA TYSON *Director since May 1997*

Dr. Tyson, 61, has been a professor at the Walter A. Haas School of Business at the University of California, Berkeley, since January 2007. From January 2002 to December 2006, she was the Dean of London Business School. She was formerly the Dean of the Walter A. Haas School of Business at the University of California, Berkeley, a position she held between July 1998 and December 2001. Previously, she was Professor and holder of the Class of 1939 Chair in Economics and Business Administration at the University of California, Berkeley, a position she held from January 1997 to July 1998. Prior to this position, Dr. Tyson served in the first Clinton Administration as Chairman of the President's National Economic Council and 16th Chairman of the White House Council of Economic Advisers. Prior to joining the Administration, Dr. Tyson was Professor of Economics and Business Administration, Director of the Institute of International Studies, and Research Director of the Berkeley Roundtable on the International Economy at the University of California, Berkeley. She is a Director of Morgan Stanley and AT&T Inc.

15

COMMITTEES OF THE BOARD

The Board has the five committees described below. The Board has determined that each of the members of the Audit Committee (Richard S. Braddock, William H. Hernandez, Debra L. Lee, Delano E. Lewis, William G. Parrett and Dennis F. Strigl), the Corporate Responsibility and Governance Committee (Timothy M. Donahue, Michael J. Hawley, Douglas R. Lebda, Hector de J. Ruiz and Laura D'Andrea Tyson), the Executive Compensation and Development Committee (Richard S. Braddock, Michael J. Hawley, Douglas R. Lebda, Delano E. Lewis and William G. Parrett) and the Finance Committee (Timothy M. Donahue, William H. Hernandez, Debra L. Lee, Hector de J. Ruiz, Dennis F. Strigl and Laura D'Andrea Tyson) has no material relationship with the Company (either directly or as a partner, shareholder or officer of an organization that has a relationship with the Company) and is independent under the Company's Director Independence Standards and, therefore, independent within the meaning of the NYSE's Listing Standards and, in the case of the Audit Committee, the rules of the SEC.

Audit Committee — 9 meetings in 2008

The Audit Committee assists the Board in overseeing: the integrity of the Company's financial reports; the Company's compliance with legal and regulatory requirements; the independent registered public accounting firm's (PricewaterhouseCoopers LLP) selection, qualifications, performance and independence; the Company's systems of disclosure controls and procedures and internal controls over financial reporting; and the performance of the Company's internal auditors. A detailed list of the Audit Committee's functions is included in its charter, which can be accessed at www.kodak.com/go/governance.

In the past year, the Audit Committee:

- Discussed the independence of PricewaterhouseCoopers LLP;
- Discussed the accounting principles used to prepare the Company's financial statements;
- Reviewed the Company's periodic financial statements and SEC filings;
- Retained PricewaterhouseCoopers LLP as the Company's independent auditors;
- Reviewed and approved the audit and non-audit budgets and activities of both PricewaterhouseCoopers LLP and the internal audit staff of the Company;
- Received and analyzed reports from the Company's independent accountants and internal audit staff;

- Received and analyzed reports from the Company's Chief Compliance Officer;
- Met separately and privately with PricewaterhouseCoopers LLP, and with the Company's Director, Corporate Auditing, to ensure that the scope of their activities had not been restricted and that adequate responses to their recommendations had been received;
- Reviewed the progress of the Company's internal controls assessment;
- Conducted and reviewed the results of an Audit Committee self-evaluation;
- Reviewed the fees and activities of the Company's other significant accounting service providers;
- Reviewed the results of the PCAOB report on the 2007 limited inspection of PricewaterhouseCoopers LLP;
- Reviewed the results of the Company's employee affirmation and training process relating to the Company's Business Conduct Guide;
- Monitored the Company's legal and regulatory compliance, compliance with the Company's Business Conduct Guide and activity regarding the Company's Business Conduct Help Line;
- Received reports on the Company's enterprise risk management program, including the results of the Company's riskassessment and the activities of the corporate Risk Management Council; and
- Reviewed the Company's key accounting policies with the Controller and Assistant Controllers.

Corporate Responsibility and Governance Committee □ 6 meetings in 2008

The Corporate Responsibility and Governance Committee assists the Board in: overseeing the Company's corporate governance structure; identifying and recommending individuals to the Board for nomination as directors; performing an annual review of the Board's performance; and overseeing the Company's activities in the areas of environmental and social responsibility, charitable contributions, diversity and equal employment opportunity. A detailed list of the Corporate Responsibility and Governance Committee's functions is included in its charter, which can be accessed at www.kodak.com/go/governance.

In the past year, the Corporate Responsibility and Governance Committee:

- Recommended to the Board 2008 Board goals and monitored the Board's performance against these goals;
- Recommended to the Board that the Company's By-laws be amended to provide for the majority voting of directors in uncontested elections;
- Discussed best practices and evolving developments in the area of corporate governance;
- Reviewed and approved several amendments to the Committee's charter;
- Reviewed the Company's Corporate Responsibility Principles;
- Reviewed and approved changes to the Directors' Deferred Compensation Plan to comply with Section 409A of the Internal Revenue Code;
- Met with the Company's Chief Diversity Officer to review the Company's progress against the Diversity Advisory Panel's 2004 recommendations;

- Prepared and conducted an evaluation of the Corporate Responsibility and Governance Committee's own performance, discussed the results of the evaluation and prepared an action plan from these discussions to further enhance the Committee's performance;
- Reviewed the Company's Health, Safety and Environment strategies;
- Reviewed and approved the Company's 2009 Charitable Contributions Budget;
- Monitored the Board's progress against its action plan from its 2007 evaluation; and
- Oversaw the Board's annual performance review.

The Corporate Responsibility and Governance Committee is also referred to as the "Governance Committee" in this Proxy Statement.

Executive Compensation and Development Committee – 10 meetings in 2008

The Executive Compensation and Development Committee assists the Board in: overseeing the Company's executive compensation strategy; overseeing the administration of its executive compensation and equity-based compensation plans; reviewing and approving the compensation of the Company's CEO; overseeing the compensation of the Company's Section 16 Executive Officers; reviewing the Company's succession plans for its CEO, President, if applicable, and other key positions; and overseeing the Company's activities in the areas of leadership and executive development. A detailed list of the Executive Compensation and Development Committee's functions is included in its charter, which can be accessed at www.kodak.com/go/governance.

In the past year, the Executive Compensation and Development Committee:

- Determined the compensation arrangements for our Chairman and CEO, Antonio M. Perez;
- Reviewed the executive compensation strategy, goals and principles;
- Reviewed the Company's liabilities and cost control initiatives for U.S. benefits;
- Completed an evaluation of the Committee's own performance;
- Reviewed and approved the compensation recommendations for the Company's Section 16 Executive Officers;
- Reviewed Tally Sheets for the components of the CEO's and the Named Executive Officers' compensation; and
- Granted and certified awards under the Company's executive compensation plans.

The Executive Compensation and Development Committee is also referred to as the "Compensation Committee" in this Proxy Statement.

Finance Committee – 6 meetings in 2008

The Finance Committee assists the Board in overseeing the Company's: balance sheet and cash flow performance; financing plans; capital expenditures; acquisitions, joint ventures and divestitures; risk management programs; performance of sponsored pension plans; and tax policy. A detailed list of the Finance Committee's functions is included in its charter, which can be accessed at www.kodak.com/go/governance.

In the past year, the Finance Committee:

- Reviewed the Company's capital structure and financing strategies, including dividend declaration, capital expenditures, debt repayment plan, share repurchase and hedging of foreign exchange and commodity price risks;

- Reviewed cash flow and balance sheet performance;
- Reviewed credit ratings and key financial ratios;
- Reviewed significant acquisitions and divestitures, including real estate sales and joint ventures;

17

- Reviewed pension plan investment performance;
- Reviewed the funding status and performance of the Company's defined benefit pension plans;
- Reviewed the Company's insurance risk management, crisis management and asset protection programs;
- Reviewed the Company's tax policy and strategies; and
- Conducted and reviewed the results of the Committee self-evaluation.

Executive Committee □ No meetings in 2008

The Executive Committee is composed of the following directors: the Chairman of the Board, the Presiding Director and the Chairs of the other four committees. The Executive Committee is generally authorized to exercise all of the powers of the Board in the intervals between meetings of the Board. The Executive Committee did not meet in 2008. The Executive Committee's charter can be accessed at www.kodak.com/go/governance.

COMMITTEE MEMBERSHIP FROM FEBRUARY 26, 2008 □ MARCH 20, 2009

Director Name	Audit Committee	Corporate Responsibility and Governance Committee	Executive Compensation and Development Committee	Finance Committee
Richard S. Braddock	Member		Chair	
Timothy M. Donahue		Member		Chair
Michael J. Hawley		Member	Member	
William H. Hernandez	Chair			Member
Douglas R. Lebda		Member	Member	
Debra L. Lee	Member			Member
Delano E. Lewis	Member		Member	
William G. Parrett	Member		Member	
Hector de J. Ruiz		Chair		Member
Dennis F. Strigl	Member			Member
Laura D□Andrea Tyson		Member		Member

COMMITTEE MEMBERSHIP BEGINNING MARCH 20, 2009

Director Name	Audit Committee	Corporate Responsibility and Governance Committee	Executive Compensation and Development Committee	Finance Committee
Richard S. Braddock	Member		Chair	

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Timothy M. Donahue		Member		Chair
Michael J. Hawley		Member	Member	
William H. Hernandez		Member		Member
Douglas R. Lebda		Member	Member	
Debra L. Lee	Member			Member
Delano E. Lewis	Member		Member	
William G. Parrett	Chair		Member	
Hector de J. Ruiz*		Member		Member
Dennis F. Strigl	Member			Member
Laura D. Andrea Tyson		Chair		Member

* Dr. Ruiz is not seeking reelection at the 2009 Annual Meeting.

18

EXECUTIVE COMPENSATION AND DEVELOPMENT COMMITTEE

The Compensation Committee is comprised of five members of the Board, all of whom are independent in accordance with the Board's Director Independence Standards, which standards reflect the NYSE's director independence standards. The Compensation Committee assists the Board in fulfilling its responsibilities in connection with the compensation of its executives, including our Named Executive Officers. It performs this function by overseeing the Company's executive compensation strategy, overseeing the administration of its executive compensation and long-term equity incentive compensation plans, assessing the effectiveness of the Company's executive compensation plans, reviewing and approving the compensation of the Company's CEO, and reviewing and approving the compensation of the Company's Named Executive Officers and other Section 16 Executive Officers. The entire Board reviews the Company's succession plans for its CEO and other key positions, and oversees the Company's activities in the areas of leadership and executive development. The Compensation Committee operates under a written charter adopted by the Board, which details the Compensation Committee's duties and responsibilities. A current copy of the Compensation Committee's charter can be accessed at www.kodak.com/go/governance.

The full Board sets the compensation of the Company's non-employee directors based on the recommendation of the Governance Committee.

The Compensation Committee has delegated limited authority to the Company's Chief Human Resources Officer to assist the Compensation Committee with administration of the Company's executive compensation and equity-based compensation plans. The Chief Human Resources Officer is authorized to amend any executive compensation or equity-based compensation plan in which our Named Executive Officers participate other than to materially increase the benefits accruing to a participant under the plan, increase the number of shares available for issuance under the plan or substantially modify the requirements as to eligibility for participation. The Chief Human Resources Officer has also been delegated the authority to amend award agreements under any executive compensation and equity-based compensation plan other than to increase the benefits accruing to the participant and to determine the manner and timing of payments under the Eastman Kodak Company 1982 Executive Deferred Compensation Plan (EDCP).

The Compensation Committee meets routinely throughout the year. It is the Compensation Committee's policy to make most compensation decisions in a two-step process to ensure sufficient deliberation. The Compensation Committee approves all compensation and awards under the Company's executive compensation plans for each of the Company's Named Executive Officers. The Compensation Committee also approves compensation levels for each component of total direct compensation following discussions and after review of analyses and recommendations received from its independent compensation consultant and management, as it deems appropriate. The CEO, Chief Human Resources Officer and Director of Global Compensation make

recommendations regarding each compensation element for the Named Executive Officers other than the CEO. The Compensation Committee's independent compensation consultant and the Director of Global Compensation present analyses and recommendations regarding CEO compensation to the Compensation Committee in executive sessions.

With respect to the Company's executive performance-based plans, management, including the CEO, CFO, Chief Human Resources Officer and Director of Global Compensation, proposes performance goals. The CEO and Chief Human Resources Officer are involved in formulating recommendations to the Compensation Committee on award levels for each Named Executive Officer for the upcoming performance year, with the exception of award levels for the CEO. Management develops these performance targets considering the Company's strategic and operational imperatives for the year and its executive compensation strategy and goals. Generally, the performance targets and individual award targets for the Company's annual variable pay plan are reviewed and approved by the Compensation Committee within the first 90 days of each calendar year. The performance targets of the Company's long-term equity incentive compensation plans for the new performance cycle are reviewed and approved by the Compensation Committee within the first 90 days of each calendar year while annual stock option grants and allocations for the Leadership Stock Program for the next performance cycle are generally established in December of the prior year. Throughout the year, the Compensation Committee reviews projections for achievement of each plan's performance targets.

Role of Compensation Consultant

To assist the Compensation Committee in evaluating the Company's executive compensation plans, the Compensation Committee engaged an independent compensation consultant, Frederic W. Cook & Co., Inc., to advise it directly. The Compensation Committee's consultant attends Compensation Committee meetings on a regular basis and provides the Compensation Committee with market information and analysis with respect to establishing executive compensation practices that are in line with the Company's executive compensation strategy and goals. The consultant is also asked to confirm that the Company's executive compensation goals continue to be aligned with best practices.

19

The Company's Chief Human Resources Officer and others directly involved with the Company's executive compensation programs routinely consult with and seek advice from the consultant regarding the design, competitiveness, operation and administration of our executive compensation programs and practices that fall within the scope of the Compensation Committee charter. In 2008, neither the Compensation Committee nor the Company engaged other consultants or advisors to advise in determining the amount or form of executive compensation. The consultant does not provide any services other than executive compensation consulting to Kodak.

During 2008 the Committee discussed principles of engagement between management and the consultant and approved an Independent Compensation Consultant Engagement Policy. This policy reinforces that the consultant reports directly to the Committee and provides services only in the area of Executive Compensation. In addition, the policy defines work done directly for the Committee and a limited set of work that is within the Committee's responsibilities that management may engage the consultant without the Committee's prior approval. The policy specifies that work outside the defined scope must be pre-approved by the Committee chair. At the end of 2008, the consultant provided to the Committee a written affirmation of its compliance with this policy.

COMPENSATION COMMITTEE INTERLOCKS AND INSIDER PARTICIPATION

The following directors served on the Compensation Committee during 2008: Richard S. Braddock, Timothy M. Donahue, Michael J. Hawley, Douglas R. Lebeda, Delano E. Lewis, William G. Parrett, Hector de J. Ruiz and Laura D'Andrea Tyson. There were no Compensation Committee interlocks between the Company and other entities involving the Company's executive officers and directors.

GOVERNANCE PRACTICES

Described below are some of the significant governance practices that have been adopted by our Board.

Presiding Director

Our Board created the position of Presiding Director in February 2003. The Board has designated Richard S. Braddock its Presiding Director. The primary functions of the Presiding Director are to: 1) see that our Board operates independently of our management; 2) chair the meetings of the independent directors; 3) act as the principal liaison between the independent directors and the CEO; and 4) assist the Board in its understanding of the boundaries between Board and management responsibilities. A more detailed description of the Presiding Director's duties can be found at www.kodak.com/go/governance.

Meeting Attendance

Our Board has a Director Attendance Policy. A copy of this policy is attached as an appendix to our Corporate Governance Guidelines, which can be accessed at www.kodak.com/go/governance. Under this policy, all of our directors are strongly encouraged to attend our annual meeting of shareholders.

In 2008, the Board held a total of eight meetings. Each incumbent director attended at least 75% of the meetings of the Board and committees of the Board on which the director served. Eleven out of our twelve directors attended our 2008 annual meeting; ten attended in person, one attended via phone.

Executive Sessions

Executive sessions of our non-management directors are chaired by our Presiding Director.

The Board's Corporate Governance Guidelines provide that the non-management directors will regularly meet in executive session, without management, at least four times per year. If all of our non-management directors are not independent, the independent directors will meet in executive session at least once a year. Our Presiding Director will chair these meetings.

In 2008, all of our non-management directors were independent. They met in executive session four times.

Policy on Recoupment of Executive Bonuses in the Event of Certain Restatements

The Board has a policy requiring the recoupment of bonuses paid to Named Executive Officers upon certain financial restatements. Under the policy, which is posted on our website at www.kodak.com/go/governance, the Company will require reimbursement of a certain portion of any bonus paid to a Named Executive Officer when:

- The payment was predicated upon the achievement of certain financial results that were subsequently the subject of a restatement;
- In the Board's view, the officer engaged in fraud or misconduct that caused the need for the restatement; and
- A lower payment would have been made to the officer based upon the restated financial results.

In each such instance, the Company will, to the extent practicable, seek to recover the amount by which the individual officer's annual bonus for the relevant period exceeded the lower payment that would have been made based on the restated financial results, plus a reasonable rate of interest.

Communications with Our Board

The Board maintains a process for our shareholders and other interested parties to communicate with the Board. Shareholders and interested parties who wish to communicate with the Board, the independent directors as a group, or an individual director, including the Presiding Director, may send an e-mail to our Presiding Director at

presiding-director@kodak.com or may send a letter to our Presiding Director at P.O. Box 92818, Rochester, NY 14650. Communications sent by e-mail will go simultaneously to Kodak's Presiding Director and Secretary. Our Secretary will review communications sent by mail, and if they are relevant to, and consistent with, Kodak's operations, policies and philosophies, they will be forwarded to the Presiding Director. By way of example, communications that are unduly hostile, threatening, illegal or similarly inappropriate will not be forwarded to the Presiding Director. Our Secretary will periodically provide the Board with a summary of all communications received that were not forwarded to the Presiding Director and will make those communications available to any director upon request. The Presiding Director will determine whether any communication sent to the full Board should be properly addressed by the entire Board or a committee thereof and whether a response to the communication is warranted. If a response is warranted, the Presiding Director may choose to coordinate the content and method of the response with our Secretary.

Consideration of Director Candidates

The Governance Committee will consider for nomination as director of the Company candidates recommended by its members, other Board members, management, shareholders and the search firms it retains.

Shareholders wishing to recommend candidates for consideration by the Governance Committee may do so by providing the following information, in writing, to the Governance Committee, c/o Secretary, Eastman Kodak Company, 343 State Street, Rochester, NY 14650-0218: 1) the name, address and telephone number of the shareholder making the request; 2) the number of shares of the Company owned, and, if such person is not a shareholder of record or if such shares are held by an entity, reasonable evidence of such person's ownership of such shares or such person's authority to act on behalf of such entity; 3) the full name, address and telephone number of the individual being recommended, together with a reasonably detailed description of the background, experience and qualifications of that individual; 4) a signed acknowledgement by the individual being recommended that he or she has consented to: a) serve as director if elected and b) the Company undertaking an inquiry into that individual's background, experience and qualifications; 5) the disclosure of any relationship of the individual being recommended with the Company or any subsidiaries or affiliates, whether direct or indirect; and 6) if known to the shareholder, any material interest of such shareholder or individual being recommended in any proposals or other business to be presented at the Company's next annual meeting of shareholders (or a statement to the effect that no material interest is known to such shareholder). Our Board may change the process by which shareholders may recommend director candidates to the Governance Committee. Please refer to the Company's website at www.kodak.com/go/governance for any changes to this process. The Governance Committee will consider candidates recommended by shareholders on the same basis as candidates identified through other means.

Director Qualification Standards

When reviewing a potential candidate for the Board, the Governance Committee looks to whether the candidate possesses the necessary qualifications to serve as a director. To assist it in these determinations, the Governance Committee has adopted "Director Qualification Standards." The Director Qualification Standards are attached as Exhibit II to this Proxy Statement and can also be accessed at www.kodak.com/go/governance. These standards specify the minimum qualifications that a nominee must possess in order to be considered for election as a director. If a candidate possesses these minimum qualifications, the Governance Committee, in accordance with the Director Selection Process described in the next section, will then consider the candidate's qualifications in light of the needs of the Board and the Company at that time, given the then-current mix of director attributes.

Director Selection Process

As provided in the Company's Corporate Governance Guidelines, the Governance Committee seeks to create a diverse and inclusive Board that, as a whole, is strong in both its knowledge and experience. When identifying, screening and recommending new candidates to the Board for membership, the Governance Committee follows the procedures outlined in its "Director Selection Process." The Director Selection Process is attached as Exhibit III to this Proxy Statement and can also be accessed at www.kodak.com/go/governance. The Governance Committee generally uses the services of a third-party executive search firm when identifying and evaluating possible nominees for director.

Board Goals

Our Board has a formal process for annually establishing and prioritizing its goals. The Board believes that adopting annual goals enhances its ability to measure its performance and improves its focus on the Company's long-term strategic issues. The Board's goals are aligned with the Company's operational and strategic imperatives.

Under the process approved by the Board, each year the Governance Committee submits to the Board a proposed list of Board goals for the following year. At its first meeting of the year, the Board finalizes its goals for the year based on the Governance Committee's recommendations. Once the goals are established by the Board, the Governance Committee is responsible for tracking the Board's performance against its goals and routinely reporting these results to the Board. Performance against the goals is assessed as part of the Board's annual evaluation process.

Strategic Role of Board

The Board plays a key role in developing, reviewing and overseeing the Company's business strategy. Twice each year, the Board devotes an extended meeting to an update from management regarding the strategic issues and opportunities facing the Company and its businesses. In addition, the Board throughout the year reviews the Company's strategic plan and receives briefings and reports on critical aspects of its implementation. These include business unit performance reviews, product category reviews and presentations regarding research and development initiatives and the Company's intellectual property portfolio.

Majority Voting for Directors

In February 2009, the Board amended the Company's By-laws, as a result of a recent change in New Jersey law, to provide for majority voting in uncontested director elections. Previously, the Company had a policy providing for the election of directors by majority vote in uncontested elections; the change in New Jersey law allowed the Company to implement majority voting of directors in uncontested elections via a by-law amendment.

Along with the by-law amendment, the Board also amended the Company's Majority Vote Policy to address the so-called "holdover" rule of New Jersey law. Under this rule, a director who fails to receive the required votes for reelection remains in office until his or her resignation or removal.

The amended Majority Vote Policy requires a director nominee, in connection with his or her nomination to the Board, to submit a resignation letter in which the director nominee irrevocably elects to resign if he or she fails to receive the required majority vote in the next election and the Board accepts the resignation. The policy requires the Board to nominate for election or reelection as director only those candidates who agree to execute such a letter upon his or her nomination. A copy of the amended Majority Vote Policy can be found on the Company's corporate governance website at www.kodak.com/go/governance.

If a director nominee fails to receive a majority vote in an uncontested election, the amended Majority Vote Policy provides that the Governance Committee will consider the resignation letter and recommend to the Board whether to accept it. The Governance Committee, in making its recommendation to the Board, and the Board, in reaching its decision, may under the policy consider those factors it considers relevant, including any stated reason why shareholders voted against the election of the director, the director's qualifications, the director's past and expected future contributions to the Company, the overall composition of the Board and whether accepting the resignation letter would cause the Company to fail to meet any applicable rule, such as the NYSE's Listing Standards.

The policy provides that the Board will act on the Governance Committee's recommendation and publicly disclose its decision whether to accept the director's letter of resignation within 90 days following the certification of the shareholder vote. If the letter of resignation is not accepted by the Board within these 90 days, the resignation will not be effective until the next annual meeting.

All of the director nominees standing for election at the Annual Meeting have submitted the irrevocable letter of resignation as a condition of being renominated to the Board as called for under the amended Majority Vote Policy.

DIRECTOR COMPENSATION

Introduction

Our directors are compensated through a combination of cash retainers and equity-based incentives. Consistent with the Board's Director Compensation Principles, a substantial portion of director compensation is linked to our stock performance. In addition, directors can elect to receive their entire Board remuneration in equity-based compensation. Our directors are required to keep all of the shares, net of any shares used to pay the exercise price when exercising an option, they receive as compensation until they own shares equal in market value to at least five times their annual retainer that is paid in cash.

Kodak does not pay management directors for Board service in addition to their regular employee compensation.

Director Compensation Principles

The Board has adopted the following director compensation principles, which are aligned with the Company's executive compensation principles:

- Pay should represent a moderately important element of Kodak's director value proposition.
- Pay levels should generally target near the market median, and pay mix should be consistent with market considerations.
- Pay levels should be differentiated based on the time demands on some members' roles, and the Board will ensure regular rotation of certain of these roles.
- The program design should ensure that rewards are tied to the successful performance of Kodak stock, and the mix of pay should allow flexibility and Board diversity.
- To the extent practicable, Kodak's Director Compensation Principles should parallel the principles of the Company's executive compensation program.

Review

The Governance Committee, which consists solely of independent directors, has the primary responsibility for reviewing and considering any changes to the Board's compensation program. The Board reviews the Governance Committee's recommendation and determines the amount of director compensation.

The Governance Committee last completed a review of the Board's compensation program in 2007. In connection with this review, the Governance Committee retained Peal Meyer & Partners, independent compensation consultant, to competitively assess our director compensation relative to market trends and comparable peer companies.

Director Compensation Program

The annual cash and equity components of the Company's director compensation program are now as follows:

	Cash		Equity ⁽¹⁾		Total
	Board Retainer ⁽²⁾	Chair/Presiding Director Retainer ⁽³⁾	Restricted Stock ⁽⁴⁾	Stock Options ⁽⁵⁾	
Director	\$70,000	□	\$70,000	\$70,000	\$210,000
Presiding Director ⁽⁶⁾	70,000	\$100,000	70,000	70,000	310,000

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Audit Committee Chair	70,000	20,000	70,000	70,000	230,000
Compensation Committee Chair	70,000	10,000	70,000	70,000	220,000
Finance Committee Chair	70,000	10,000	70,000	70,000	220,000
Governance Committee Chair	70,000	10,000	70,000	70,000	220,000

- (1) The methodology used to convert the dollar-denominated value of equity awards to the actual quantities of restricted stock and stock options that are granted is discussed on page 46 of this Proxy Statement.
- (2) Directors can elect to have their cash Board retainer paid in stock or deferred into the Directors' Deferred Compensation Plan.
- (3) The Committee Chairs and the Presiding Director may elect to have their retainers paid in stock or deferred into the Directors' Deferred Compensation Plan.
- (4) The restricted shares vest on the first anniversary of the date of grant. Directors who stop serving on the Board prior to vesting forfeit their restricted shares, unless their cessation of service is due to retirement, approved reason or death, in which case the restrictions on the shares lapse on the date of the director's cessation of service. Directors may elect to defer their restricted shares into the Directors' Deferred Compensation Plan.

23

- (5) The exercise price of the options is the mean between the high and low price of our common stock on the date of grant. The options become exercisable on the first anniversary of the date of grant and expire seven years after grant. Directors who stop serving on the Board prior to vesting forfeit their unvested options, unless their cessation of service is due to retirement, approved reason or death. In the case of retirement and cessation for approved reason, the options continue to vest per their terms and remain exercisable for the remainder of the option's full term. In the case of death, the options fully vest upon death and remain exercisable by the directors' estate for the remainder of the option's full term.
- (6) Currently, our Presiding Director also serves as the Chair of the Compensation Committee and therefore receives an additional retainer as Chair of that committee.

Director Share Ownership Requirements

A director is not permitted to exercise any stock options or sell any restricted shares granted to him or her by the Company unless and until the director owns shares of stock in the Company (either outright or through phantom stock units in the Directors' Deferred Compensation Plan) that have a value equal to at least five times the then maximum amount of the annual retainer which may be taken in cash by the director (currently, this amount is \$350,000).

Director Compensation Table

In 2008, we provided the following compensation to our directors who are not employees:

Fees Earned or			Non-qualified Deferred		Total
Paid In Cash	Stock Awards	Option Awards	Compensation Earnings	All Other Compensation	
(\$)	(\$)	(\$)	(\$)	(\$)	(\$)

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Name	(1)	(2)	(3)	(4)	(5)	
Richard S. Braddock	\$180,000	\$59,240	\$59,691	\$ 0	\$32,442	\$331,372
Timothy M. Donahue	80,000	59,240	59,691	0	4,351	203,282
Michael J. Hawley	70,000	59,240	59,691	0	23,471	212,402
William H. Hernandez	90,000	59,240	59,691	0	3,174	212,105
Douglas R. Lebda	70,000	59,240	59,691	0	31,212	220,143
Debra L. Lee	70,000	59,240	59,691	0	34,475	223,406
Delano E. Lewis	70,000	59,240	59,691	0	25,083	214,014
William G. Parrett	70,000	59,240	59,691	0	7,975	196,906
Hector de J. Ruiz	80,000	59,240	59,691	0	760	199,691
Dennis F. Strigl	70,000	1,903	4,136	0	1,686	77,725
Laura D Andrea Tyson	70,000	59,240	59,691	2,555	760	192,246

- (1) This column reports the director, chair and presiding director retainers earned in 2008. The following table reports the cash portion of the annual retainer that was deferred by a director into his or her deferred stock account under the Directors' Deferred Compensation Plan and the amount of phantom stock units that were credited to the director as a result of that deferral.

Name	Deferred Amount	Phantom Stock Units
Douglas R. Lebda	\$70,000	4,091.62

- (2) This column represents the dollar amount of expense recognized for financial statement reporting purposes with respect to the 2008 fiscal year for the fair value of restricted stock awards granted in 2008, as well as prior fiscal years, in accordance with Statement No. 123R, "Share-Based Payment" (SFAS 123R). The assumptions used to calculate the value of the stock awards are the same as those used for our stock-based compensation disclosure in Note 20 to our financial statements in our Annual Report on Form 10-K for the year ended December 31, 2008, as filed with the SEC on February 27, 2009.

24

The following table reports the outstanding stock awards held by each of the non-employee directors at the end of fiscal year 2008.

Aggregate Stock Awards Outstanding at Fiscal Year End

Name	Unvested	Vested
Richard S. Braddock	4,600	7,070
Timothy M. Donahue	4,600	7,070
Michael J. Hawley	4,600	7,070
William H. Hernandez	4,600	7,070
Douglas R. Lebda	4,600	2,570
Debra L. Lee	4,600	7,070
Delano E. Lewis	4,600	7,070
William G. Parrett	4,600	2,570
Hector de J. Ruiz	4,600	7,070
Dennis F. Strigl	4,600	0
Laura D Andrea Tyson	4,600	7,070

- (3) This column represents the dollar amount of expense recognized for financial statement reporting purposes with respect to the 2008 fiscal year for the fair value of stock options granted in 2008 as well as in prior years, in accordance with SFAS 123R. The assumptions used to compute the value of the stock options granted on December 11, 2007 and December 9, 2008 were:

Grant Date	Risk-Free Interest Rate (%)	Expected Option Life (Years)	Expected Volatility (%)	Expected Dividend Yield (%)
December 11, 2007	3.59	7	35.15	1.90
December 9, 2008	1.82	6	32.17	7.42

The following table reports the outstanding option awards held by each of the non-employee directors at the end of fiscal year 2008.

Aggregate Stock Options Outstanding at Fiscal Year End

Name	Unvested	Vested
Richard S. Braddock	18,180	24,120
Timothy M. Donahue	18,180	22,120
Michael J. Hawley	18,180	14,120
William H. Hernandez	18,180	16,120
Douglas R. Lebda	18,180	9,620
Debra L. Lee	18,180	24,120
Delano E. Lewis	18,180	22,120
William G. Parrett	18,180	9,620
Hector de J. Ruiz	18,180	22,120
Dennis F. Strigl	18,180	0
Laura D□Andrea Tyson	18,180	24,120

- (4) The amount for Dr. Tyson represents the above-market interest earned by her contributions to the Directors□ Deferred Compensation Plan.
- (5) The amounts in this column include perquisites and other benefits provided to directors. The total incremental cost of all perquisites or other benefits paid to our directors must be disclosed, unless the aggregate value of this compensation is less than \$10,000. Despite the minimum disclosure threshold, we have disclosed the full value for all of our directors.

25

Name	Transportation (a)	Company Sponsored Events (b)	Company Samples of Products & Services	Total
Richard S. Braddock	\$26,115	\$5,068	\$1,259	\$32,442
Timothy M. Donahue	920	2,671	760	4,351
Michael J. Hawley	17,705	4,640	1,126	23,471
William H. Hernandez	0	2,048	1,126	3,174
Douglas R. Lebda	26,112	3,974	1,126	31,212
Debra L. Lee	27,898	5,211	1,366	34,475
Delano E. Lewis	19,256	4,701	1,126	25,083
William G. Parrett	834	6,015	1,126	7,975
Hector de J. Ruiz	0	0	760	760
Dennis F. Strigl	0	0	1,686	1,686
Laura D□Andrea Tyson	0	0	760	760

- (a) The amounts in this column include transportation expenses the Company paid for the director and his/her spouse/guest to attend one or more events which the Company sponsored for promotional purposes.

- (b) The amounts in this column include all other expenses, e.g., meals, tickets and Kodak apparel, that the Company paid for the director and his/her spouse/guest, relating to one or more events which the Company sponsored for promotional purposes.

Deferred Compensation

Non-employee directors may defer some or all of their Board retainer, chair retainer, presiding director retainer and restricted stock award into the Directors' Deferred Compensation Plan. The plan has two investment options: an interest-bearing account that pays interest at the prime rate and a Kodak phantom stock account. The value of the Kodak phantom stock account reflects changes in the market price of the common stock and dividends paid. Five directors deferred compensation in 2008. In the event of a change-in-control, the amounts in the phantom accounts will generally be paid in a single cash payment. The plan's benefits are neither funded nor secured.

Other Benefits

The Company reimburses its directors for travel expenses incurred in connection with attending Board, committee and shareholder meetings and other Company-sponsored events, and provides Company transportation to the directors (including use of Company aircraft) to attend such meetings and events. From time to time, we also invite our directors' spouses, significant others and other family members to accompany them to these meetings and events, and we reimburse travel and incidental expenses related to their attendance, in order to encourage attendance and to foster social interaction among directors. To encourage our directors to experience and familiarize themselves with our products and services, we occasionally provide them samples of the Company's products and services.

Charitable Award Program

This program, which was closed to new participants effective January 1, 1997, provides for a contribution by the Company of up to a total of \$1,000,000 following a director's death, to be shared by a maximum of four charitable institutions recommended by the director. The individual directors derive no financial benefits from this program. It is funded by self-insurance and joint life insurance policies purchased by the Company. Mr. Braddock is the only current director who continues to participate in the program.

26

BENEFICIAL OWNERSHIP

BENEFICIAL SECURITY OWNERSHIP OF MORE THAN 5% OF THE COMPANY'S COMMON STOCK

As of February 17, 2009, based on Schedule 13G/A and Schedule 13D filings, the Company was aware of the following beneficial owners of more than 5% of its common stock:

Shareholder's Name and Address	Number of Common Shares Beneficially Owned	Percentage of Company's Common Shares Beneficially Owned
Legg Mason Capital Management, Inc. LMM LLC 100 Light St. Baltimore, MD 21202	47,298,653 (1)	17.62%
Brandes Investment Partners, L.P. 11988 El Camino Real Suite 500 San Diego, CA 92130	24,381,748 (2)	9.08%
Franklin Mutual Advisors, LLC 101 John F. Kennedy Parkway	15,575,778 (3)	5.4%

Short Hills, NJ 07078
 Cascade Investment, L.L.C.
 2365 Carillon Point
 Kirkland, WA 98033
 Bill & Melinda Gates Foundation Trust
 1551 East Lake Avenue E.
 Seattle, WA 98102

14,000,000 (4)

5.2%

- (1) As set forth in Amendment No. 6 of Shareholder's Schedule 13G/A, as of December 31, 2008, filed on February 17, 2009, the following entities were listed as having shared voting and dispositive power with respect to all shares as follows:

Name	Number of Shares with Shared Voting and Dispositive Power	Percent of Class Represented
Legg Mason Capital Management, Inc.	41,009,453*	15.28%
LMM LLC	6,289,200	2.34%

* Includes 18,300,900 shares, representing 6.82% of total shares outstanding, owned by Legg Mason Value Trust, Inc., a Legg Mason Capital Management managed fund.

- (2) As set forth in Amendment No. 6 of Shareholder's Schedule 13G/A, as of December 31, 2008, filed on February 17, 2009, the 24,381,748 shares are also deemed to be beneficially owned by the following as control persons of the investment advisor: Brandes Investment Partners, L.P.; Brandes Investment Partners, Inc.; Brandes Worldwide Holdings, L.P.; Charles H. Brandes; Glenn R. Carlson; and Jeffrey A. Busby. Brandes Investment Partners, L.P., has shared voting power with respect to 19,405,695 of the shares and shared dispositive power with respect to 24,381,748 of the shares.

- (3) As set forth in Shareholder's Schedule 13D, as of July 3, 2008, filed on July 14, 2008.

- (4) As set forth in Shareholder's Schedule 13G, as of December 31, 2008, filed February 17, 2009, the following entities were listed as having voting and dispositive power with respect to the shares as follows:

Name	Number of Shares with Shared Voting and Dispositive Power	Number of Shares with Sole Voting and Dispositive Power	Percent of Class Represented
Cascade Investment, L.L.C.	0	7,950,000*	3.0%
Bill & Melinda Gates Foundation Trust	6,050,000**	0	2.2%

* These 7,950,000 shares are also deemed to be beneficially owned by William H. Gates III.

** The 6,050,000 shares are also deemed to be beneficially owned by William H. Gates III and Melinda French Gates as co-trustees of the Trust.

Directors, Nominees and Section 16 Executive Officers	Number of Common Shares Beneficially Owned on March 2, 2009	Percentage of Company's Common Shares Beneficially Owned
Robert L. Berman	188,990 (b) (c)	*
Richard S. Braddock	113,259 (a) (b)	*
Timothy M. Donahue	39,516 (a) (b)	*
Philip J. Faraci	259,201 (b)	*
Michael J. Hawley	25,903 (a) (b)	*
Mary Jane Hellyar	256,066 (b)	*
William H. Hernandez	20,190 (a) (b)	*
James T. Langley	152,712 ^(b)	*
Douglas R. Lebda	12,593 (a) (b)	*
Debra L. Lee	33,878 (a) (b)	*
Delano E. Lewis	30,990 (a) (b)	*
William G. Parrett	14,593 (a) (b) (d)	*
Antonio M. Perez	1,564,712 (b) (c)	*
Hector de J. Ruiz	62,771 (b)	*
Frank S. Sklarsky	143,255 (b)	*
Dennis F. Strigl	6,700 (b)	*
Laura D. Andrea Tyson	31,659 ^{(a) (b)}	*
All Directors, Nominees and Section 16 Executive Officers as a Group (21), including the above	3,350,707 (b) (e)	1.2364%

* Represents holdings of less than 1%.

The above table reports beneficial ownership of the Company's common stock in accordance with the applicable SEC rules. All Company securities over which the directors, nominees and Section 16 Executive Officers directly or indirectly have or share voting or investment power are listed as beneficially owned. The figures above include shares held for the account of the above persons in the Kodak Employees' Stock Ownership Plan, and the interests of the above persons in the Kodak Stock Fund of the Eastman Kodak Employees' Savings and Investment Plan, stated in terms of Kodak shares.

(a) The amounts listed for each non-employee director do not include stock units representing fees that non-employee directors have elected to defer under the Directors' Deferred Compensation Plan. The combined number of stock units subject to deferred share awards, and in stock unit accounts of non-employee directors as of March 2, 2009 were as follows: Mr. Braddock: 7,194 shares; Mr. Donahue: 7,702 shares; Dr. Hawley: 4,912 shares; Mr. Hernandez: 18,222 shares; Mr. Lebda: 14,148 shares; Ms. Lee: 14,423 shares; Mr. Lewis: 9,681 shares; Mr. Parrett: 4,600; and Dr. Tyson: 16,708 shares. Stock units under the Directors' Deferred Compensation Plan do not carry voting rights and are not transferable. Stock units are distributed in cash following a director's departure.

28

(b) The chart below includes the number of shares which may be acquired by exercise of stock options:

Name	Options
Robert L. Berman	170,575
Richard S. Braddock	24,120
Timothy M. Donahue	22,120
Philip J. Faraci	223,854
Michael J. Hawley	14,120
Mary Jane Hellyar	206,828

William H. Hernandez	16,120
James T. Langley	152,712
Douglas R. Lebeda	9,620
Debra L. Lee	24,120
Delano E. Lewis	22,120
William G. Parrett	9,620
Antonio M. Perez	1,418,769
Hector de J. Ruiz	22,120
Frank S. Sklarsky	103,286
Dennis F. Strigl	0
Laura D. Andrea Tyson	24,120
All Directors, Nominees and Section 16 Executive Officers	2,808,474

- (c) Mr. Perez has 94,796 stock units and Mr. Berman has 3,476 stock units that they each elected to defer under the 2000 Long-Term Omnibus Plan which are not included in this table. These units do not carry voting rights and may not be redeemed as shares of common stock within 60 days of Mr. Perez's and Mr. Berman's departures from the Company.
- (d) Mr. Parrett has 2,000 shares that have been pledged as security.
- (e) Each individual Section 16 Executive Officer and director listed beneficially owned less than 1% of the outstanding shares of the Company's common stock. As a group, these Section 16 Executive Officers and directors owned 1.2364% of the outstanding shares of the Company's common stock.

29

Share Ownership Program

In order to closely align the interests of our executives with those of our shareholders, the Company strongly encourages executives to acquire a significant ownership stake in Company stock. Effective February 26, 2008, our share ownership program was revised to require our Section 16 Executive Officers to retain 100% of shares attributable to stock option exercises or the vesting or earn-out of full value shares (such as restricted shares or Leadership Stock) until they attain specified ownership levels, which are expressed below as a multiple of base salary. Also, stock acquired upon stock option exercise, restricted stock, restricted stock units, any shares held in the executive's account under Kodak's Employee Stock Ownership Plan or Savings and Investment Plan and any "phantom stock" selected by an executive as an investment option in the Executive Deferred Compensation Plan count toward meeting the executive's share ownership requirement. The Compensation Committee monitors each executive's status regarding achievement of the applicable minimum ownership requirement throughout the year utilizing a fixed stock price of \$25.66 per share that was established at the commencement of the program. As of January 31, 2009, Messrs. Berman, Perez and Sklarsky and Ms. Hellyar had met their share ownership targets.

Effective February 26, 2008, our Named Executive Officers have the following share ownership guidelines:

Named Executive Officer	Salary Multiple	Retention Ratio
A.M. Perez	5X	100%
P.J. Faraci	4X	100%
F.S. Sklarsky	3X	100%
M.J. Hellyar		
R.L. Berman	2X	100%

30

COMMITTEE REPORTS

REPORT OF THE AUDIT COMMITTEE

The Audit Committee of the Company's Board is composed solely of independent directors and operates under a written charter adopted by the Board, most recently amended on February 17, 2004. A copy of the Audit Committee's charter can be found on our website at www.kodak.com/go/governance.

Management is responsible for the Company's internal control over financial reporting, the Company's disclosure controls and procedures, and preparing the Company's consolidated financial statements. The Company's independent registered public accounting firm (independent accountants), PricewaterhouseCoopers LLP (PwC), is responsible for performing an independent audit of the consolidated financial statements and of its internal control over financial reporting in accordance with standards of the Public Company Accounting Oversight Board (United States) and for issuing a report of the results. As outlined in its charter, the Audit Committee is responsible for overseeing these processes.

During 2008, the Audit Committee met and held discussions with management and the independent accountants on a regular basis. Management represented to the Audit Committee that the Company's consolidated financial statements were prepared in accordance with accounting principles generally accepted in the United States (U.S. GAAP), and the Audit Committee reviewed and discussed the audited consolidated financial statements with management and the independent accountants.

The Audit Committee met and discussed with the Corporate Controller and Assistant Controller the Company's significant accounting matters, key fluctuations in the Company's financial statements and the quality of the Company's earnings reports.

The Audit Committee discussed with the independent accountants the matters specified by Statement on Auditing Standards No. 61, "Communications with Audit Committee," as adopted by the PCAOB in Rule 3200T. The independent accountants provided to the Audit Committee the written disclosures required by the PCAOB in Rule 3526, "Communication with Audit Committees Concerning Independence." The Audit Committee discussed with the independent accountants their independence.

The Audit Committee discussed with the Company's internal auditors and independent accountants the plans for their audits. The Audit Committee met with the internal auditors and independent accountants, with and without management present. The internal auditors and independent accountants discussed with or provided to the Audit Committee the results of their examinations, their evaluations of the Company's internal control over financial reporting, the Company's disclosure controls and procedures, and the quality of the Company's financial reporting.

With reliance on these reviews, discussions and reports, the Audit Committee recommended that the Board approve the audited financial statements for inclusion in the Company's Annual Report on Form 10-K for the year ended December 31, 2008, and the Board accepted the Audit Committee's recommendations. The following fees were paid to PwC for services rendered in 2008 and 2007:

(in millions)	2008	2007
Audit Fees	\$13.0	\$14.4
Audit-Related Fees	0.5	3.2
Tax Fees	1.0	2.1
All Other Fees	0.0	0.0
Total	\$14.5	\$19.7

The audit fees related primarily to the annual audit of the Company's consolidated financial statements (including Section 404 internal control assessment under the Sarbanes-Oxley Act of 2002) included in the Company's Annual Report on Form 10-K, quarterly reviews of interim financial statements included in the Company's Quarterly Reports on Forms 10-Q, statutory audits of certain of the Company's subsidiaries, and services relating to filings under the Securities Act of 1933 and the Securities Exchange Act of 1934.

The audit-related fees for 2008 related primarily to audits of certain benefit plans of the Company. The audit-related fees for 2007 related primarily to separate financial statement audits for the Company's former Health Group Segment.

Tax fees in 2008 consisted of \$0.9 million for tax compliance services and \$0.1 million for tax planning and advice. Tax fees in 2007 consisted of \$1.9 million for tax compliance services and \$0.2 million for tax planning and advice.

The Audit Committee appointed PwC as the Company's independent accountants. In addition, the Audit Committee approved the scope of non-audit services anticipated to be performed by PwC in 2009 and the estimated budget for those services. The Audit Committee has adopted an Audit and Non-Audit Services Pre-Approval Policy, a copy of which is attached to this Proxy Statement as Exhibit IV.

William H. Hernandez, Chair
Richard S. Braddock
Debra L. Lee
Delano E. Lewis
William G. Parrett
Dennis F. Strigl

Dated: February 24, 2009

REPORT OF THE CORPORATE RESPONSIBILITY AND GOVERNANCE COMMITTEE

Introduction

The Company has long practiced and led in developing and implementing good corporate governance. The Corporate Responsibility and Governance Committee of the Board is primarily responsible for overseeing the Company's governance practices, with the intent of seeking to maintain "best practices" in the area of corporate governance.

The Governance Committee continually considers ways to improve the Company's corporate governance practices. In this regard, the Governance Committee periodically reviews the Board's governance policies and procedures to ensure that they are aligned with best practices, the Board's corporate governance documents and applicable statutory and regulatory requirements.

This report, an annual voluntary governance practice that the Governance Committee began in 2003, highlights the Governance Committee's corporate governance activities during the past year.

Governance Committee Composition

The Governance Committee is composed of five directors, each of whom meets the definition of independence set forth in the NYSE's corporate governance listing standards. During 2008, the Governance Committee met six times and routinely reported its activities to the full Board. The Governance Committee acts pursuant to a written charter, which can be accessed electronically in the "Corporate Governance" section at www.kodak.com/go/governance.

Governance Committee Responsibilities

The primary role of the Governance Committee is to: assess the independence of Board members; lead the annual evaluation of the Board and its committees; identify and assess candidates for Board membership; oversee the Company's activities in the areas of environmental and social responsibility, charitable contributions, diversity and equal employment opportunity; and generally oversee the Company's corporate governance structure. The Governance Committee monitors emerging issues and practices in the area of corporate governance and pursues those initiatives that it believes will enhance the Company's governance practices and policies. In addition, the Governance Committee is responsible for, among other things: 1) administering the Board's Director Selection Process; 2) developing the Board's Director Qualification Standards; 3) implementing the Board's director orientation and education programs; 4) overseeing and reviewing the Company's Corporate Governance Guidelines and Director Independence Standards; and 5) recommending to the Board the compensation for directors. A complete description of the Governance Committee's responsibilities can be found in its charter.

Governance Initiatives

Described below are some of the significant governance actions that the Governance Committee has taken since its report in last year's proxy statement.

Director Search

The Governance Committee continued to spend a significant amount of its time considering and recruiting candidates to fill the Board's vacancies. To assist in this process, the Governance Committee engaged an external executive search firm who helped in identifying and evaluating qualified independent candidates who met the Board's target candidate profiles and fit the Board's Director Qualification Standards.

Based on the Governance Committee's recommendation, Dennis F. Strigl was elected to the Board in February 2008. Mr. Strigl was reelected to the Board by you at the 2008 annual meeting. The Governance Committee's external executive search first suggested that it consider Mr. Strigl as a candidate for the Board. In accordance with the Board's Director Selection Process, the Committee oversaw the process of electing Mr. Strigl to the Board. A copy of the Board's Director Selection Process and Director Qualification Standards can be found in the "Corporate Governance" section of www.kodak.com/go/governance.

32

Majority Voting

Based on the recommendation of the Governance Committee, the Board recently approved an amendment to the Company's By-laws to provide for majority voting in the election of directors in uncontested elections. A description of this by-law amendment appears on page 22 of this Proxy Statement. The Committee suggested this action in response to your vote at our 2008 annual meeting on the shareholder proposal on majority voting requirements for director nominees.

The Board first addressed this topic in early 2007 when it adopted a majority voting policy for the election of directors. While the Board would have preferred to implement majority voting by way of a by-law amendment, rather than a policy, New Jersey law at the time did not permit this.

Other Key Actions

Some of the other key actions taken by the Governance Committee last year are described below.

Director Independence Standards

The Board, based on the advice of the Governance Committee, amended its Director Independence Standards to be consistent with the recent changes by the NYSE to its independence standards. A copy of the amended Director Independence Standards is attached to this Proxy Statement as Exhibit I.

Director Independence

The Governance Committee assessed each non-management director's independence based upon the Board's Director Independence Standards and those of the NYSE, and made recommendations to the full Board regarding each non-management director's independence.

Board Annual Goals

Based on the Governance Committee's assistance, the Board last year continued its practice of establishing annual Board goals. A more detailed description of this process appears on page 21 of this Proxy Statement. The Governance Committee tracked the Board's performance against its goals and provided periodic reports to the Board on its progress.

Governance Committee Evaluation

The Governance Committee prepared and conducted an annual self-evaluation, discussed the results of this evaluation and developed an action plan from these discussions to further enhance the Governance Committee's

performance.

Diversity Advisory Panel's Recommendations

The Governance Committee met with the Company's Chief Diversity Officer to assess the Company's progress with regard to the recommendations of the Diversity Advisory Panel, a seven-member, blue-ribbon panel launched in 2001 to provide advice on the Company's comprehensive diversity strategy and assess future diversity trends and the potential impact on Kodak.

Board Action Plan

The Governance Committee monitored the Board's performance against the action plan arising from the Board's 2007 annual evaluation and provided periodic reports to the Board concerning its progress against the action plan.

Hector de J. Ruiz, Chair
Timothy M. Donahue
Michael J. Hawley
Douglas R. Lebda
Laura D'Andrea Tyson

Dated: February 24, 2009

REPORT OF THE EXECUTIVE COMPENSATION AND DEVELOPMENT COMMITTEE

The Executive Compensation and Development Committee has reviewed and discussed the Compensation Discussion and Analysis that is required by the SEC rules with the Company's management.

Based on such review and discussions, the Compensation Committee recommended to the Company's Board of Directors that the Compensation Discussion and Analysis be included in this Proxy Statement.

Richard S. Braddock, Chair
Michael J. Hawley
Douglas R. Lebda
Delano E. Lewis
William G. Parrett

Dated: February 24, 2009

33

COMPENSATION DISCUSSION AND ANALYSIS

INTRODUCTION

The Executive Compensation and Development Committee, to which we refer in this discussion as the Committee, has oversight responsibility for the Company's executive compensation strategy. The Committee approves our compensation objectives, plans, philosophy and forms of compensation for all executives, including our Named Executive Officers. In 2008, our Named Executive Officers included our:

- 1) Chairman & Chief Executive Officer (CEO), Antonio M. Perez,
- 2) Executive Vice President (EVP) and Chief Financial Officer (CFO), Frank S. Sklarsky,
- 3) President and Chief Operating Officer (COO), Philip J. Faraci,
- 4) Executive Vice President and President, Film, Photofinishing and Entertainment Group (FPEG), Mary Jane Hellyar, and
- 5) Senior Vice President (SVP) and Chief Human Resources Officer (CHRO), Robert L. Berman.

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Our Named Executive Officers for 2008 also included one former Senior Vice President, James T. Langley. Decisions for Mr. Langley can be found on pages 45, 54, 65 and 71 of this Proxy Statement.

The 2008 year marked Kodak's first year following its four-year transformation to a digital company. The focus of our business strategy and key financial metrics for 2008 are described in the table below.

Our 2008 business strategy focused on:

- Our capabilities at the intersection of materials science and digital imaging science;
- The profitable growth of our digital portfolio; and
- The continued management of a sustainable business model implemented in 2007 for our traditional businesses.

Our 2008 business metrics focused on:

- Digital revenue growth;
- Cash; and
- Segment earnings from operations.

Management selected our 2008 business metrics because they provide insight to the Company's ability to grow revenue from our digital portfolio and generate cash and profitability.

To support our business strategy, our compensation philosophy continued to focus on attracting, retaining and motivating world-class executive talent critical to the success of the Company's business goals. During 2008, our compensation strategy focused on:

- Designing our annual variable pay and long-term incentive plans to be highly performance-based and to ensure a strong linkage between realized compensation and the achievement of our key operational and strategic objectives;
- Monitoring our long-term incentive plans to achieve their objectives, which include 1) aligning the economic interest of our executives with our shareholders; 2) creating significant incentives for retention; 3) encouraging long-term performance by our executives; and 4) promoting stock ownership; and
- Maintaining target compensation levels for our Named Executive Officers that are competitive relative to the marketplace for executives with comparable levels of responsibility.

Following the completion of our four-year transformation, the Company created significant momentum in our digital portfolio. Revenues from digital businesses grew by double-digits for four consecutive quarters from the third quarter of 2007 through the second quarter of 2008. The revenue decline in our traditional businesses during the first half of 2008 was in line with our expectations.

As we entered the second half of 2008, the global recession broadened dramatically and began to negatively impact all of our businesses. The global economic downturn is particularly challenging for the Company and other businesses in our industries that rely heavily on consumer discretionary spending and business capital investment to fuel growth in revenue and profit. In addition, the heavy fourth quarter seasonality of our consumer businesses coincided with the acceleration of the economic downturn. In response, the Company aggressively implemented necessary actions to align the business with external realities.

Despite the economic downturn, we achieved most of our strategic business objectives in 2008, such as key product introductions, market share maintenance or growth and effective cash management, all of which will help to position us well when the economy recovers. We did not, however, achieve our key operational objectives, which were established prior to the deteriorating economic conditions that occurred in the second half of the year. While the Committee felt the Company performed well leading up to the economic downturn, and responded aggressively and appropriately to the downturn, it agreed with management's recommendation that no payouts be made under our annual variable pay or long-term equity incentive compensation plans in 2008. The Committee's decision was consistent with our highly results-oriented compensation strategy.

COMPENSATION PHILOSOPHY AND PROGRAM

Our overall compensation philosophy focuses on attracting, retaining and motivating world-class executive talent critical to the success of the Company's business goals. Our objective is to leverage all elements of market competitive total compensation to drive profitable growth and shareholder value consistent with our Company values. We design our plans to be highly performance-based to drive appropriate rewards for outstanding performance.

Our executive compensation program consists of the following material elements: 1) base salary; 2) annual variable pay; 3) long-term equity incentives; and 4) benefits, which include retirement, termination and change-in-control arrangements. Our Named Executive Officers are also eligible to participate in a limited set of perquisites and the benefit plans and programs that are generally available to our employees.

The Committee regularly reviews the Company's executive compensation principles, which provide a framework for the Company's executive compensation programs. In 2008, the Committee reviewed and approved the following principles:

- Aggregate total direct compensation, consisting of base salary, annual variable pay and long-term equity incentives, should be at a competitive median level while maintaining flexibility to selectively target compensation for key positions at the 75th percentile.
- A significant portion of each executive's compensation should be at risk, with a positive correlation between the degree of risk and the level of the executive's responsibility. In other words, the senior-most executives have the greatest amount of compensation at risk, which ensures that executives most responsible to shareholders are held most accountable to changes in shareholder value and achievement of critical performance goals.
- Interests of executives should be aligned with those of the Company's shareholders by providing long-term equity incentives and encouraging executives to acquire and maintain a requisite level of stock ownership.
- Compensation should be linked to key operational and strategic metrics of the Company's business plan, along with qualitative and behavioral expectations.
- Executive compensation should be differentiated on the following basis:
 - Base salaries □ internal and external relative responsibility and experience;
 - Annual variable pay □ Company performance, unit level performance (where applicable), individual performance as it relates to results vs. commitments, and leadership and diversity; and
 - Long-term equity incentives □ Company performance and individual execution and leadership.
- Compensation program design should ensure high standards and consider best practices.

DETERMINING EXECUTIVE TOTAL DIRECT COMPENSATION

The Committee oversees the Company's executive compensation strategy and reviews and approves the compensation of our Named Executive Officers. The Committee annually conducts a review of each Named Executive Officer's total direct compensation including a review of base salary, target total cash and total long-term equity incentive. In the course of the Committee's review in 2008, the Committee sought the advice and input of its independent compensation consultant, Frederic W. Cook & Co., Inc. (Consultant), as well as Company management. In general, management gathers and analyzes data and provides a recommendation, with rationale, for dialog with the Committee. Management provides a recommendation for each Named Executive Officer, with the exception of our CEO. In the case of our CEO, the Consultant gathers and analyzes data and discusses a recommendation with the Committee Chair. The Committee takes these recommendations into consideration and

exercises its judgment to make decisions. For additional information regarding the role of the Consultant, see page 19 of this Proxy Statement.

The Committee made the following decisions in 2008, which are described and referred within this Compensation Discussion and Analysis as the "2008 Awards."

2008 Executive Compensation Determination Timeline	
Committee Meeting	Compensation Determination
February-08	2008 Base salary considerations 2008 Annual variable pay plan (Executive Compensation for Excellence and Leadership: EXCEL) target opportunity
December-08	Aggregate 2009 target dollar value, form and mix of long-term equity incentive awards December 2008 stock option grant January 2009 Leadership Stock allocation (Kodak's performance stock unit plan)
January-09	January 2009 restricted stock unit (RSU) grant 2008 Annual variable pay plan (EXCEL) award certification
February-09	2008 Leadership Stock certification 2009 Base salary considerations 2009 Annual variable pay plan (EXCEL) target opportunity

Decisions made by the Committee in 2007, which impacted 2008 compensation, were described in the Notice of 2008 Annual Meeting and Proxy Statement.

Factors Considered by the Committee to Determine Level and Mix of Total Direct Compensation

The Committee considers a broad range of facts and circumstances when determining levels of executive compensation. Among the factors that the Committee considers are: 1) market competitiveness; 2) experience relative to typical market peers; 3) the importance of the position in the Company relative to other senior management positions; 4) sustained individual performance; 5) readiness for promotion to a higher level and/or role in the Company's senior management succession plans; and 6) retention of critical talent. The significance of any individual factor will vary from year-to-year and may vary among Named Executive Officers.

The Committee establishes each Named Executive Officer's level of annual target total direct compensation after reviewing market data and factors listed in the prior paragraph. In general, the Committee does not consider awards granted or earned under plans in past years, or the effect of changes in the Company's stock price when setting annual target total direct compensation levels of our Named Executive Officers. The Committee does, however, consider equity awards granted in past years in the evaluation of the retentive value of the Company's long-term equity incentive plans and the mix of long-term equity incentives as further described on page 42 of this Proxy Statement. In addition, the Committee averaged the Company's stock price over a 60-day period when converting the dollar-denominated annual long-term incentive target opportunities into share equivalents as discussed on page 46 of this Proxy Statement.

Competitive Compensation Analysis

To assist the Committee in its annual market review of each Named Executive Officer's total direct compensation, the Consultant prepares an analysis of the market competitiveness of the aggregate value of total direct compensation as well as the market competitiveness of each element of total direct compensation for each Named Executive Officer. The Consultant derives the market data from the average of data from national surveys in which the Company participates.

In 2008, market data was compiled from the Towers Perrin Executive Compensation Survey, the Hewitt Executive Compensation Survey and the Radford Survey. These surveys are national non-industry specific compensation

surveys. The data in each survey was size-adjusted to be representative of companies with approximately \$10.3 billion and \$13.3 billion in revenue. The Committee reviewed this competitive data for companies at both revenue levels to reflect the Company's revenue size at the start of 2008 and its revenue size prior to the divestiture of the Health Group on April 30, 2007. Given that the divestiture of the Health Group occurred in the prior year, the Committee wanted visibility to the competitive target positioning at both revenue levels to ensure appropriate consideration for executives who drove a divestiture decision in the best interest of shareholders. The number of companies included in the data with regard to each survey is approximately 50.

The Committee does not review the individual companies who participate in these surveys. The Committee has used the national survey data in lieu of a smaller group of specific companies to conduct a comparative analysis of total direct compensation because there were few companies with a similar product portfolio, revenue and market capitalization size during the Company's transformation and emergence as a digital company. Based on the recommendation of its Consultant, the Committee believes these surveys provide a reasonable representation of the cost to hire and retain executive talent.

In 2008, the Committee agreed that this approach continued to be appropriate for the same reasons as outlined above. The Committee intends to periodically review the methodology to assess the market competitiveness of our total direct compensation, including, but not limited to, the process of using survey versus specific peer frame data and adopt, if and when appropriate, changes to its methodology.