

Spirit AeroSystems Holdings, Inc.  
Form DEF 14A  
March 26, 2014

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UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

**SCHEDULE 14A**

Proxy Statement Pursuant to Section 14(a) of  
the Securities Exchange Act of 1934 (Amendment No. )

Filed by the Registrant

Filed by a Party other than the Registrant

Check the appropriate box:

- Preliminary Proxy Statement
- Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))**
- Definitive Proxy Statement
- Definitive Additional Materials
- Soliciting Material under §240.14a-12

**SPIRIT AEROSYSTEMS HOLDINGS, INC.**

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(Name of Registrant as Specified In Its Charter)

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(Name of Person(s) Filing Proxy Statement, if other than the Registrant)

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- No fee required.
- Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.
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(3) Filing Party:

(4) Date Filed:

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March 26, 2014

Dear Stockholder:

You are cordially invited to attend the 2014 Annual Meeting of Stockholders (the "Annual Meeting") of SPIRIT AEROSYSTEMS HOLDINGS, INC. (the "Company"), which will be held on Wednesday, April 30, 2014, at the Mandarin Oriental, located at 3376 Peachtree Road NE, Atlanta, GA 30326, in the Azalea Room, at 11:00 A.M. Eastern Time.

Details of the business to be conducted at the Annual Meeting are given in the attached Notice of Annual Meeting of Stockholders and accompanying Proxy Statement.

Your Board of Directors recommends a vote **FOR** the (1) election of the nominees for directors, (2) approval of the Spirit AeroSystems Holdings, Inc. 2014 Omnibus Incentive Plan and (3) approval on an advisory (non-binding) basis of the compensation of the Company's Named Executive Officers, as described in the Proxy Statement pursuant to the compensation disclosure rules of the Securities and Exchange Commission, and **AGAINST** (4) the shareholder proposal recommending that the Board of Directors take steps to ensure that all of the Company's outstanding stock has one vote per share. You will have an opportunity to submit questions or comments on matters of interest to stockholders generally.

Your vote is important. Whether or not you plan to attend the Annual Meeting in person, I urge you to complete, sign and date the enclosed proxy card and return it promptly in the enclosed envelope. If you decide to attend the Annual Meeting, you will be able to vote in person, even if you have previously submitted your proxy card.

On behalf of the Board of Directors, I would like to express our appreciation for your continued interest in the affairs of the Company. I look forward to greeting as many of our stockholders as possible.

Sincerely,

Larry A. Lawson  
*President and Chief Executive Officer*

The use of cameras at the Annual Meeting is prohibited and they will not be allowed into the meeting or any other related areas, except by credentialed media. We realize that many cellular phones and other wireless mobile devices have built-in digital cameras, and while these devices may be brought into the venue, the camera function may not be used at any time.

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**SPIRIT AEROSYSTEMS HOLDINGS, INC.**

3801 South Oliver  
Wichita, Kansas 67210

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**NOTICE OF 2014 ANNUAL MEETING OF STOCKHOLDERS**

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- TIME** Wednesday, April 30, 2014, 11:00 A.M. Eastern Time. Registration will begin at 9:00 A.M. The 2014 Annual Meeting of Stockholders (the "Annual Meeting") will begin at 11:00 A.M.
- PLACE** Azalea Room, Mandarin Oriental, located at 3376 Peachtree Road NE, Atlanta, GA 30326.
- AGENDA**
1. Elect ten members of the Board of Directors of the Company to serve until the 2015 Annual Meeting of Stockholders and until their successors have been duly elected and qualified.
  2. Approve the Spirit AeroSystems Holdings, Inc. 2014 Omnibus Incentive Plan.
  3. Approve on an advisory (non-binding) basis the compensation of the Company's Named Executive Officers as disclosed in the enclosed Proxy Statement in accordance with the compensation disclosure rules of the Securities and Exchange Commission (the "SEC") (the "Say-on-Pay Proposal").
  4. Vote upon the shareholder proposal recommending that the Board of Directors of the Company take steps to ensure that all of the Company's outstanding stock has one vote per share.
  5. Transact any other business properly brought before the meeting.
- RECORD DATE** You can vote if you were a stockholder at the close of business on March 7, 2014.
- MEETING ADMISSION**
- Registered Stockholders.* An admission ticket is attached to your proxy card. **Please bring the admission ticket with you to the meeting.**
- Beneficial Stockholders.* Stockholders whose stock is held by a broker or bank (often referred to as "holding in street name") should come to the beneficial stockholders table. *In order to be admitted, beneficial stockholders must bring account statements or letters from their brokers or banks showing that they owned the Company's Common stock as of March 7, 2014. In order to vote at the meeting, beneficial stockholders must bring legal proxies, which they can obtain only from their brokers or banks.* In all cases, stockholders must bring photo identification to the meeting for admission.
- VOTING BY PROXY**
- Registered Stockholders.* Please vote by mail by completing, signing, dating and promptly mailing the proxy card in the enclosed addressed envelope for which no postage is required if mailed in the United States. Any proxy may be revoked at any time prior to its exercise at the meeting.
- Beneficial Stockholders.* If your shares are held in the name of a broker, bank or other holder of record, follow the voting instructions you receive from the holder of record to vote your shares.

The enclosed Proxy Statement is issued in connection with the solicitation of a proxy on the enclosed form by the Board of Directors of Spirit AeroSystems Holdings, Inc., for use at the Annual

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Meeting. The Proxy Statement not only describes the items that stockholders are being asked to consider and vote on at the Annual Meeting, but also provides you with important information about our company. Financial and other important information concerning our company is also contained in our 2013 Annual Report on Form 10-K for the fiscal year ended December 31, 2013.

Pursuant to rules promulgated by the SEC, we have elected to provide access to our proxy materials by sending you this full set of proxy materials, including a proxy card, and notifying you of the availability of our proxy materials on the Internet. This Proxy Statement and our 2013 Annual Report are available at <http://www.edocumentview.com/spr>. We began distributing this Proxy Statement, a form of proxy and the 2013 Annual Report on or about March 26, 2014.

By order of the Board of Directors.

Sincerely,

Jon D. Lammers

*Senior Vice President, General Counsel and Secretary*

March 26, 2014

### **IMPORTANT**

Whether or not you expect to attend the Annual Meeting in person, we urge you to vote your shares at your earliest convenience. Promptly voting your shares by completing, signing, dating, and returning the enclosed proxy card will save the Company the expense and extra work of additional solicitation. An addressed envelope for which no postage is required if mailed in the United States is enclosed if you wish to vote by mail. Submitting your proxy now will not prevent you from voting your shares at the meeting if you desire to do so, as your proxy is revocable at your option.

#### **Important Notice Regarding the Availability of Proxy Materials for Spirit AeroSystems Holdings, Inc.'s 2014 Annual Meeting of Stockholders to be Held on April 30, 2014**

This Proxy Statement and our 2013 Annual Report are available at <http://www.edocumentview.com/spr>. In accordance with SEC rules, this website does not use "cookies", track the identity of anyone accessing the website to view the proxy materials or gather any personal information.

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**SPIRIT AEROSYSTEMS HOLDINGS, INC.**

3801 South Oliver  
Wichita, Kansas 67210

**PROXY STATEMENT FOR THE 2014 ANNUAL MEETING OF STOCKHOLDERS**

**General Information Regarding the Annual Meeting**

This Proxy Statement, which was first mailed to stockholders on or about March 26, 2014 (the "Mailing Date"), is furnished in connection with the solicitation of proxies by the Board of Directors (the "Board") of SPIRIT AEROSYSTEMS HOLDINGS, INC. (the "Company"), to be voted at the Company's 2014 Annual Meeting of Stockholders (the "Annual Meeting"), which will be held at 11:00 A.M. Eastern Time on Wednesday, April 30, 2014, in the Azalea Room at the Mandarin Oriental, located at 3376 Peachtree Road NE, Atlanta, GA 30326, for the purposes set forth in the accompanying Notice of 2014 Annual Meeting of Stockholders.

Any stockholder signing and returning the enclosed proxy has the power to revoke it by (1) giving written notice of revocation of such proxy to the Company's Corporate Secretary at the address set forth above, (2) completing, signing and submitting a new proxy card relating to the same shares and bearing a later date, or (3) attending the Annual Meeting and voting in person, although attendance at the meeting will not, by itself, revoke a proxy. The shares represented by the enclosed proxy will be voted as specified therein if said proxy is properly signed and received by the Company prior to the time of the Annual Meeting and is not properly revoked. The expense of this proxy solicitation will be borne by the Company. The Company's principal executive offices are located at 3801 South Oliver, Wichita, KS 67210.

The Board has fixed the close of business on March 7, 2014 as the record date (the "Record Date") for determining the holders of Common stock entitled to notice of and to vote at the Annual Meeting. On the Record Date, there were 118,954,921 shares of Class A Common stock outstanding, held of record by 1,037 stockholders. Each outstanding share of Class A Common stock is entitled to one vote. On the Record Date, there were 22,568,567 shares of Class B Common stock outstanding, held of record by 84 stockholders, excluding shares issued to certain employees and directors of the Company which remained subject to certain vesting requirements as of the Record Date, and during the pendency of such requirements may not be voted. Each outstanding share of Class B Common stock is entitled to ten votes. Each outstanding share of Class B Common stock is convertible into one share of Class A Common stock at the option of the holder at any time after vesting.

**Vote Required for Approval**

The presence, in person or by proxy, of stockholders entitled to cast a majority of the votes which all stockholders are entitled to cast at the Annual Meeting is necessary to constitute a quorum for the transaction of business. The Company will count abstentions and "broker non-votes" only for the purpose of determining the presence or absence of a quorum. "Broker non-votes" occur when a person holding shares through a bank or brokerage account does not provide instructions as to how his or her shares should be voted and the broker does not exercise discretion to vote those shares on a particular matter.

Under the rules of the New York Stock Exchange ("NYSE"), brokers may exercise discretion to vote shares as to which instructions are not given only with respect to certain "routine" matters. Under the NYSE rules, Proposal 1 (election of the ten members of the Board), Proposal 2 (approval of the Spirit AeroSystems Holdings, Inc. 2014 Omnibus Incentive Plan (the "2014 Omnibus Plan")), Proposal 3 (the Say-On-Pay Proposal) and Proposal 4 (shareholder proposal recommending that the Board of Directors take steps to ensure that all of the Company's outstanding stock has one vote per



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share) are not considered to be routine matters. Accordingly, brokerage firms are not permitted to vote shares for which they have not received voting instructions on these proposals.

With respect to Proposal 1 (election of the ten members of the Board), a plurality of the votes cast in person or by proxy at the Annual Meeting, and entitled to vote on the matter, is necessary for election of each member. As a result, the ten nominees receiving the greatest number of votes will be elected. With respect to Proposal 1, a stockholder may vote "FOR" all nominees, "WITHHOLD" its vote as to all nominees, or vote "FOR" all nominees except those specific nominees from whom the stockholder "WITHHOLDS" its vote. A properly executed proxy marked "WITHHOLD" with respect to the election of one or more directors will not be voted with respect to the director or directors indicated. The Company's stockholders do not have cumulative voting rights. Any shares not voted (whether by abstention, "broker non-vote" or otherwise) will have no impact on the election of the members of the Board.

Proposal 2 (approval of the 2014 Omnibus Plan) and Proposal 4 (shareholder proposal recommending that the Board of Directors take steps to ensure that all of the Company's outstanding stock has one vote per share) will be approved if stockholders entitled to cast a majority of the votes which all stockholders present, in person or by proxy, are entitled to vote on the matter, vote "FOR" such proposals. With respect to Proposals 2 and 4, a stockholder may vote "FOR", "AGAINST" or "ABSTAIN". Abstentions and "broker non-votes" will not be counted as votes "FOR" or "AGAINST" Proposals 2 and 4. However, because abstentions and "broker non-votes" will be counted as present at the Annual Meeting, they will have the effect of votes "AGAINST" Proposals 2 and 4.

Proposal 3 (the Say-On-Pay Proposal) represents an advisory vote and the results will not be binding on the Board or the Company. A vote "FOR" Proposal 3 by stockholders entitled to cast a majority of the votes which all stockholders present, in person or by proxy, are entitled to vote on the matter will constitute the stockholders' non-binding approval with respect to our executive compensation programs. The Board will review the voting results and take them into consideration when making future decisions regarding executive compensation. With respect to Proposal 3, a stockholder may vote "FOR", "AGAINST" or "ABSTAIN". Abstentions and "broker non-votes" will not be counted as votes "FOR" or "AGAINST" Proposal 3. However, because abstentions and "broker non-votes" will be counted as present at the Annual Meeting, they will have the effect of votes "AGAINST" Proposal 3.

Votes submitted by mail will be voted by the individuals named on the card (or the individuals properly authorized) in the manner indicated. If a stockholder submits a duly executed proxy and does not specify how shares should be voted, they will be voted in accordance with the Board's recommendations. Stockholders who hold shares in more than one account must vote each proxy and/or voting instruction card received to ensure that all shares owned are voted.

Votes cast by proxy or in person at the Annual Meeting will be received and tabulated by Computershare Shareowners Services, the Company's transfer agent and the inspector of elections for the Annual Meeting.

**Householding of Annual Meeting Materials**

Some brokers and other nominee record holders may be participating in the practice of "householding" proxy statements. This means that only one copy of the Proxy Statement may have been sent to multiple stockholders in a stockholder's household. The Company will promptly deliver a separate copy of the Proxy Statement to any stockholder who contacts the Company's Investor Relations Department by writing to Spirit AeroSystems, Investor Relations, P.O. Box 780008, Wichita, KS, 67278-0008, or by calling (316) 523-7040 or by sending an email request to investorrelations@spiritaero.com. If a stockholder is receiving multiple copies of the Proxy Statement at the stockholder's household and would like to receive a single copy of the Proxy Statement for a stockholder's household in the future, the stockholder should contact his or her broker, other nominee record holder, or the Company's Investor Relations Department to request mailing of a single copy of the Proxy Statement.

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**PROPOSAL 1: ELECTION OF DIRECTORS**

The Board currently consists of eleven directors. On March 6, 2014, Mr. Jeffrey L. Turner informed the Board that he decided not to run for re-election at the Annual Meeting. The Board will consist of ten directors following the Annual Meeting.

The Company's Corporate Governance and Nominating Committee has nominated each of the ten persons listed below for election as directors. If elected at the Annual Meeting, each of the ten nominees will hold office until the next Annual Meeting of Stockholders and until their successors are elected and qualified, or until their death, retirement, resignation or removal. The Company does not have a mandatory retirement age for its directors. All of the nominees except for Christopher E. Kubasik have served as directors of the Company since the 2013 Annual Meeting of Stockholders, and Mr. Kubasik has served as a director since November 25, 2013.

Each nominee for election has agreed to serve if elected, and we have no reason to believe that any nominee will be unavailable to serve. If any nominee is unable or declines to serve as a director at the time of the Annual Meeting, it is the intention of the proxy holders to vote such proxy for such other person or persons as designated by the present Board to fill such vacancy. Unless otherwise instructed, the proxy holders will vote the proxies received by them "**FOR**" the nominees named below. A director must receive a plurality of the votes cast in person or by proxy at the Annual Meeting, entitled to vote on the matter, and voted in favor thereof in order to be elected. As a result, the ten nominees receiving the greatest number of votes will be elected.

**Recommendation of the Board of Directors**

**THE BOARD OF DIRECTORS RECOMMENDS A VOTE "FOR" THE ELECTION OF EACH OF THE NOMINEES.**

**Information Regarding Nominees for Election as Directors**

The following sets forth certain information with respect to the ten nominees for election as directors of the Company at the Annual Meeting, based on information furnished to the Company by each nominee, and highlights the specific experience, qualifications, attributes and skills of the individual nominees that have led the Corporate Governance and Nominating Committee to conclude that each should continue to serve on the Board:

**Charles L. Chadwell, 73.** Mr. Chadwell became a director of the Company on April 22, 2008. Until his retirement in 2002, Mr. Chadwell served as Vice President and General Manager of Commercial Engine Operations for General Electric Aircraft Engines. Prior to that, he held a variety of general management and senior management positions at General Electric Aircraft Engines. From January 2007 to July 2012, Mr. Chadwell served on the Board of Directors of BE Aerospace, Inc.

*Qualifications, Experience, Key Attributes and Skills:* Mr. Chadwell has significant experience in supply base and manufacturing operations within the commercial aviation industry, gained from his extensive experience with The General Electric Company and his senior management positions at General Electric Aircraft Engines. Mr. Chadwell also brings to the Board experience as a public company director.

**Ivor (Ike) Evans, 71.** Mr. Evans became a director of the Company on November 15, 2006. Mr. Evans has been Chairman of the Board, Chief Executive Officer and President of Meritor, Inc. since August 2013, and previously was Executive Chairman of the Board and Interim Chief Executive Officer and President of Meritor Inc. from May 2013 until August 2013. Mr. Evans served as Vice Chairman of Union Pacific Corporation and Union Pacific Railroad from January 2004 through February 2005. From 1998 to February 2005 he was President and Chief Operating Officer of Union

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Pacific Railroad. Prior to joining Union Pacific in 1998, Mr. Evans held senior management positions at Emerson Electric and Armtex Corporation. Mr. Evans currently serves on the Board of Directors of Meritor, Inc., Textron Inc. and Roadrunner Transportation Systems, Inc. and has been an operating partner at HCI Equity Partners since April 2005. From April 2003 to November 2012, Mr. Evans served on the Board of Directors of Cooper Industries plc.

*Qualifications, Experience, Key Attributes and Skills:* Mr. Evans provides the Board with a broad level of business experience and knowledge of the commercial aviation and transportation industries, mergers and acquisitions, and finance and capital markets. Mr. Evans also brings to the Board significant public company board experience, including current service as a director of Textron Inc., a Fortune 500 company, and as director and chairman of the board of Meritor, Inc.

**Paul Fulchino, 67.** Mr. Fulchino became a director of the Company on November 15, 2006. From January 2000 until his retirement in February 2010, Mr. Fulchino served as Chairman, President, and Chief Executive Officer of Aviall, Inc. Aviall, Inc. became a wholly-owned subsidiary of The Boeing Company ("Boeing") on September 20, 2006. From 1996 through 1999, Mr. Fulchino was President and Chief Operating Officer of BE Aerospace, Inc., a leading supplier of aircraft cabin products and services. From 1990 to 1996, Mr. Fulchino served in the capacities of President and Vice Chairman of Mercer Management Consulting, Inc., an international general management consulting firm. Earlier in his career, Mr. Fulchino held various engineering positions at Raytheon Company. Mr. Fulchino currently serves on the Board of Directors of Wesco Aircraft Holdings, Inc.

*Qualifications, Experience, Key Attributes and Skills:* Mr. Fulchino possesses extensive knowledge and expertise regarding the commercial aviation industry, the Company's customers and supply base, and compensation and human resource matters. Mr. Fulchino also brings to the Board public company board experience.

**Richard Gephardt, 73.** Mr. Gephardt became a director of the Company on November 15, 2006. Mr. Gephardt was a member of the U.S. House of Representatives from 1977 to 2005 during which time he served as the Majority and Minority Leader. Since 2005, Mr. Gephardt has served as President and CEO of Gephardt Group, a multi-disciplined consulting firm. Mr. Gephardt is also an advisor to Goldman Sachs and Senior Counsel at DLA Piper. Mr. Gephardt currently serves on the Board of Directors of Centene Corporation, CenturyLink, Inc., Ford Motor Company and United States Steel Corporation. From June 2007 to July 2009, Mr. Gephardt served on the Board of Directors of Embarq Corporation and from January 2008 to March 2009, he served on the Board of Directors of Dana Holding Corporation.

*Qualifications, Experience, Key Attributes and Skills:* Mr. Gephardt brings significant governmental affairs and public relations experience to the Board as a former member of the U.S. House of Representatives from 1977 to 2005 (during which time he served as House Majority Leader from 1989 to 1995 and as Minority Leader from 1995 to 2003). Additionally, Mr. Gephardt has significant labor management and union experience and provides a wide range of management consulting services in his capacity as President and CEO of Gephardt Group, a multi-disciplinary consulting firm. Mr. Gephardt also brings to the Board significant public company board experience, including his current service on the Board of Directors of Ford Corporation, Centene Corporation, CenturyLink Inc. and United States Steel Corporation, each a Fortune 500 company.

**Robert Johnson, 66.** Mr. Johnson became a director of the Company on November 15, 2006 and serves as Chairman of the Board. From August 2006 until his retirement in December 2008, Mr. Johnson served as the Chief Executive Officer of Dubai Aerospace Enterprise Ltd. Mr. Johnson was Chairman of Honeywell Aerospace from January 2005 through January 2006, and from 2000 to 2004 he was its President and Chief Executive Officer. From 1994 to 1999 he served as AlliedSignal's President of Marketing, Sales, and Service, and as President of Electronic and Avionics, and earlier as

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Vice President of Aerospace Services. Prior to joining Honeywell in 1994, he held management positions at AAR Corporation for two years and General Electric Aircraft Engines for 24 years. Mr. Johnson currently serves on the Board of Directors of Roper Industries, Inc. and Spirit Airlines, Inc. From September 2003 to March 2007, Mr. Johnson served on the Board of Directors of Phelps Dodge Corporation, and from January 2005 to September 2012, Mr. Johnson served on the Board of Directors of Ariba, Inc.

*Qualifications, Experience, Key Attributes and Skills:* Mr. Johnson has significant experience with commercial aviation, airlines, and aviation suppliers, as well as expertise in marketing, sales, and production arising out of his prior service with Dubai Aerospace Enterprise Ltd., Honeywell Aerospace, AlliedSignal and General Electric Aircraft Engines. Mr. Johnson also brings to the Board significant public company board experience, having served on the boards of directors of a diverse group of public companies, including Phelps Dodge Corporation, a Fortune 500 company at the time Mr. Johnson served on its board.

**Ronald Kadish, 65.** Mr. Kadish became a director of the Company on November 15, 2006. Mr. Kadish served over 34 years with the U.S. Air Force until he retired on September 1, 2004 at the rank of Lieutenant General. During that time, Mr. Kadish served as Director, Missile Defense Agency and Director, Ballistic Missile Defense Organization, both of the Department of Defense ("DoD"). In addition, Mr. Kadish served in senior program management capacities, including the F-16, C-17 and F-15 programs. Since February 15, 2005, he has served as a Vice President at Booz Allen Hamilton. Mr. Kadish currently serves on the Board of Directors of Orbital Sciences Corp.

*Qualifications, Experience, Key Attributes and Skills:* Mr. Kadish provides the Board with unique expertise in military, security, international and governmental matters, including having served three decades with the U.S. Air Force, rising to the rank of Lieutenant General. Mr. Kadish also brings to the Board experience as a public company director.

**Christopher E. Kubasik, 52.** Mr. Kubasik was appointed as a director of the Company, effective November 25, 2013. In 2014, Mr. Kubasik was appointed President & Chief Operating Officer of Seabury Group LLC. During 2013, Mr. Kubasik has provided strategic guidance, operational expertise and financial insights, including the assessment of merger & acquisition opportunities, through his own firm, Acuity Advisors, LLC. Prior to 2013, Mr. Kubasik served in various senior leadership roles at Lockheed Martin Corporation from 1999 to 2012, including President and Chief Operating Officer from 2010 to 2012, Executive Vice President, Electronic Systems from 2007 to 2009, and Executive Vice President and Chief Financial Officer from 2001 to 2007. Prior to joining Lockheed Martin Corporation, Mr. Kubasik spent 17 years with Ernst & Young, LLP, where he was named partner in 1996. Mr. Kubasik has served on various public company boards and is currently on several privately-owned company boards.

*Qualifications, Experience, Key Attributes and Skills:* Mr. Kubasik provides the Board with financial, accounting, operational and aviation expertise and broad industry experience in aerospace, defense and technology, which he gained from his various senior leadership roles over the past 30 years.

**Larry A. Lawson, 56.** Mr. Lawson was appointed as a director of the Company, effective on April 6, 2013, concurrent with the effective date of his election as the Company's and Spirit's President and Chief Executive Officer. From April 2012 until his election as our President and Chief Executive Officer, Mr. Lawson served as Executive Vice President Aeronautics for Lockheed Martin Corporation, leading its military aircraft business. Mr. Lawson previously held management positions as Vice President General Manager for Lockheed Martin Corporation's F-35 aircraft program from May 2010 until April 2012, and as Vice President General Manager for Lockheed Martin Corporation's F-22 aircraft program from September 2004 until May 2010.

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*Qualifications, Experience, Key Attributes and Skills:* As the Company's President and Chief Executive Officer and the former head of Lockheed Martin Corporation's aeronautics division, Mr. Lawson brings a deep understanding of aviation program management and product development. Prior to joining the Company, Mr. Lawson spent over 26 years as an employee, general manager, Vice President and Executive Vice President of Lockheed Martin Corporation. In the process, he acquired significant knowledge and experience relative to aircraft manufacturing, business development, engineering operations, international marketing and performance based logistics.

**Tawfiq Popatia, 39.** Mr. Popatia became a director of the Company on October 26, 2010. Mr. Popatia is a Managing Director of Onex Corporation (together with its affiliates, "Onex"), which he joined in September 2007, and manages Onex's efforts in aerospace and transportation-focused industries. Prior to joining Onex, Mr. Popatia worked at the private equity firm of Hellman & Friedman LLC from July 2005 to July 2007. Prior to that, Mr. Popatia worked in the Investment Banking Division of Morgan Stanley & Co. for three years. Previously, Mr. Popatia held positions in the environmental services industry. Mr. Popatia also previously served as an Employer Trustee of the International Association of Machinists National Pension Fund.

*Qualifications, Experience, Key Attributes and Skills:* Mr. Popatia provides the Board with considerable experience in aerospace investing, capital markets, finance, and business and market strategy through his work at Onex, Hellman & Friedman LLC and the Investment Banking Division of Morgan Stanley & Co. In addition, Mr. Popatia has knowledge of Spirit and its relationship with its largest customer, Boeing, as well as knowledge of pension management and labor relations through his involvement with the International Association of Machinists National Pension Fund.

**Francis Raborn, 70.** Mr. Raborn became a director of the Company on November 15, 2006. Until his retirement in 2005, Mr. Raborn served as Vice President and Chief Financial Officer of United Defense Industries, Inc. since its formation in 1994 and as a director since 1997. Mr. Raborn joined FMC Corporation ("FMC"), the predecessor of United Defense Industries, Inc., in 1977 and held a variety of financial and accounting positions, including Controller of FMC's Defense Systems Group from 1985 to 1993 and Controller of FMC's Special Products Group from 1979 to 1985. Mr. Raborn currently serves on the Board of Directors of Allison Transmission Holdings, Inc.

*Qualifications, Experience, Key Attributes and Skills:* Mr. Raborn has significant experience in finance, accounting, defense, production and manufacturing, including through his tenure as Vice President and Chief Financial Officer of United Defense Industries, Inc. and his service in a variety of senior financial and accounting positions at FMC Corporation. Mr. Raborn also brings to the Board public company board experience.

## CORPORATE GOVERNANCE AND THE BOARD OF DIRECTORS

### Corporate Governance Information

The Company's Corporate Governance Guidelines and the charters of the four standing committees of the Board describe the governance practices followed by the Company. The Corporate Governance Guidelines and committee charters are intended to ensure that the Board has the necessary authority and practices in place to review and evaluate the Company's business operations; to make decisions that are independent of the Company's management; and to monitor adherence to the Company's standards and policies. The Corporate Governance Guidelines are also intended to align the interests of the Company's directors and management with those of the Company's stockholders. The Corporate Governance Guidelines establish the practices the Board follows with respect to the obligations of the Board and each director; Board composition and selection; Board meetings and involvement of senior management; chief executive officer performance evaluation and elected officer succession planning; Board committee composition, responsibilities and meetings; director

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compensation; director orientation and education; stockholders' advisory vote for say-on-pay; and director access to members of management, employees and independent advisors. The Board annually conducts a self-evaluation to assess its compliance with the Corporate Governance Guidelines and to identify opportunities to improve Board performance.

The Corporate Governance Guidelines and committee charters are reviewed periodically and updated as necessary to reflect changes in regulatory requirements and evolving oversight practices. The Corporate Governance Guidelines comply with corporate governance requirements contained in the listing standards of the NYSE and make enhancements to the Company's corporate governance policies. In 2013, the Corporate Governance and Nominating Committee reviewed the Corporate Governance Guidelines and considered various corporate governance principles that merit consideration by the Board. As a result of its review, the Corporate Governance and Nominating Committee recommended certain improvements to the Corporate Governance Guidelines and amended the Corporate Governance Guidelines in July 2013.

Current copies of the Corporate Governance Guidelines and Code of Ethics and Business Conduct are available under the "Investor Relations" portion of the Company's website, [www.spiritaero.com](http://www.spiritaero.com).

**Director Independence**

The Company is deemed to be a "controlled company" under the rules of the NYSE because more than 50% of the voting power of the Company is held by Onex. See "Stock Ownership Information Regarding Beneficial Ownership of Principal Stockholders, Directors and Management" below. Therefore, the Company qualifies for the "controlled company" exception to the board of directors and committee composition requirements under the rules of the NYSE. Pursuant to this exception, the Company is exempt from the rules that would otherwise require that the Board be comprised of a majority of "independent directors" and that the Company's Compensation Committee and the Corporate Governance and Nominating Committee be comprised solely of "independent directors," as defined under the rules of the NYSE. The controlled company exception does not modify the independence requirements for the Company's Audit Committee. Accordingly, the Company complies with the requirements of the Sarbanes-Oxley Act of 2002 (the "Sarbanes-Oxley Act") and the NYSE rules, which require that the Company's Audit Committee be comprised of independent directors exclusively.

The Board annually examines and makes a determination of each director's and each nominee's independence based on criteria set forth in the NYSE rules. The Board considers all relevant circumstances when examining director independence. For directors employed by, or serving as directors of, companies with which the Company does business in the ordinary course, the Board examined the amount paid by the Company to those companies and by those companies to the Company. The Board also examined the directors' memberships on other public company boards and private company, civic and not-for-profit boards, as well as any executive positions that the directors may hold and any consulting and other services that they may provide.

Based on this analysis, the Board has determined that the following directors and nominees meet the standards of independence under the Company's Corporate Governance Guidelines and applicable NYSE listing standards, including that each such director and nominee is free of any relationship that would interfere with his individual exercise of independent judgment: Mr. Chadwell, Mr. Evans, Mr. Fulchino, Mr. Gephardt, Mr. Johnson, Mr. Kadish, Mr. Raborn and Mr. Kubasik. Although the Company is a "controlled company" within the meaning of NYSE rules and qualifies for an exception to certain board of directors and committee composition requirements under such rules, independent directors currently comprise a majority of the Board, and will continue to comprise a majority following the Annual Meeting if all of the nominees for directors are elected. In contrast, the Company's Compensation Committee and Corporate Governance and Nominating Committee are not comprised solely of independent directors.

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**Nomination of Directors**

The Corporate Governance and Nominating Committee is responsible for identifying and evaluating qualified potential candidates to serve on the Board and recommending to the Board for its selection those nominees to stand for election as directors at the Company's Annual Meeting of Stockholders. While the Corporate Governance and Nominating Committee has established no minimum eligibility requirements for candidates to serve on the Board, in performing its duties, the Corporate Governance and Nominating Committee considers any criteria approved by the Board or that the Corporate Governance and Nominating Committee deems appropriate, including but not limited to the candidate's judgment, skill, education, diversity, age, relationships and experience with businesses and other organizations; whether the candidate meets the independence requirements of applicable legal and listing standards; the organization, structure, size and composition of the Board and the interplay of the candidate's experience with the experience of other Board members; the qualifications and areas of expertise needed to further enhance the deliberations of the Board; whether the candidate maintains a security clearance with the DoD; the requirements of the Special Security Agreement among Onex, the Company and the DoD (the "Special Security Agreement"); and the extent to which the candidate would be a desirable addition to the Board and any committees of the Board.

Each potential candidate to serve on the Board must satisfy the requirements of the Company's certificate of incorporation and bylaws, conform to high standards of integrity and ethics, and have a commitment to act in the best interest of the Company and its stockholders. Furthermore, potential candidates are evaluated based on whether they, when considered with all other members of the Board, allow the Company to satisfy the requirements of the Special Security Agreement, which among other things, (i) regulates the number of directors who are representatives of Onex, the number of DoD-approved directors who previously had no relationship with the Company or any entity controlled by Onex ("Outside Directors"), and the number of directors who are cleared officers of the Company ("Officer/Directors"); (ii) requires notice to and approval of the DoD concerning the appointment, removal and replacement of Outside Directors; and (iii) stipulates DoD personnel security clearance-eligibility requirements for Outside Directors and Officer/Directors.

The Corporate Governance and Nominating Committee will consider stockholder recommendations for candidates to the Board on the same basis that it considers all other candidates recommended to it. To recommend a director candidate to the Corporate Governance and Nominating Committee, a stockholder (other than a holder of the Company's Class B Common stock) must provide the Company with a written notice that contains, to the extent known to the nominating stockholder, (1) the name, age, business address and residence address of the nominating stockholder and the person to be nominated; (2) the total number and class of all shares of capital stock and other securities of the Company that are owned beneficially and of record by the person to be nominated and by the nominating stockholder and, if such securities are not owned solely and directly by the nominating stockholder or the proposed nominee, the manner of beneficial ownership (beneficial ownership has the same meaning as provided in Regulation 13D under the Securities Exchange Act of 1934, as amended (the "Exchange Act")); (3) the principal occupation of the proposed nominee; (4) a representation that the nominating stockholder is a holder of record of stock of the Company entitled to vote at such meeting and intends to appear in person or by proxy at the meeting to nominate the person or persons specified in the notice; (5) a description of all arrangements or understandings between the nominating stockholder or any of its affiliates or associates, and any others acting in concert with any of the foregoing, each person to be nominated, and any other person or persons (naming such person or persons) pursuant to which the nomination is to be made by the nominating stockholder; (6) such other information regarding such nominating stockholder and each person to be nominated by such stockholder as would be required to be included in a proxy statement filed pursuant to the proxy rules of the SEC, had the nominee been nominated, or been intended to be nominated, by

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the Board; and (7) the consent of the person to be nominated to serve as a director of the Company, if so elected, to be named in the Company's proxy statement (whether or not nominated), and the consent of the nominating stockholder to be named in the Company's proxy statement (whether or not the Board chooses to nominate the recommended nominee). The Company may request any proposed nominee to furnish such other information as may reasonably be required by the Company to determine the qualifications of the proposed nominee to serve as a director of the Company. If a stockholder wishes to formally nominate a candidate, he or she must follow the procedures described in the Company's bylaws.

All director candidate recommendations and formal nominations for membership to the Board for the 2015 Annual Meeting of Stockholders must be sent to the Company at the address set forth below and received by the date specified for stockholder proposals. See "Other Matters Stockholders Proposals to Be Presented at the 2015 Annual Meeting of Stockholders" below. The Company's presiding officer at the Annual Meeting of Stockholders may refuse to acknowledge the nomination of any person not made in compliance with the foregoing procedure.

**Experience, Qualifications, Attributes and Skills of the Members of the Board of Directors**

The Board believes that the Board, as a whole, should possess a combination of skills, professional experience and diversity of backgrounds necessary to oversee the Company's business. In addition, the Board believes that there are certain attributes that every director should possess, as reflected in the Board's membership criteria. Accordingly, the Board and the Corporate Governance and Nominating Committee consider the qualifications of directors and director candidates individually and in the broader context of the Board's overall composition and the Company's current and future needs.

The Corporate Governance and Nominating Committee is responsible for developing and recommending criteria for director nominees to the Board for approval. As discussed above, while the Corporate Governance and Nominating Committee has established no minimum eligibility requirements for candidates to serve on the Board, in performing its duties, the Corporate Governance and Nominating Committee considers any criteria approved by the Board or that the Corporate Governance and Nominating Committee deems to be appropriate. All of the Company's Board members share certain qualifications and attributes consistent with the general criteria set forth in the Company's Corporate Governance Guidelines. For example, each of them possesses specific skills and experience aligned with the Company's strategic direction and operating challenges and that complement the overall composition of the Board. In addition, each Board member has demonstrated certain core business competencies, including high achievement and a record of success, financial literacy, a history of making good business decisions and exposure to best practices. All of the Company's Board members also possess interpersonal skills that maximize group dynamics, including respect for others, strong communication skills and confidence to ask thought-provoking questions. The Board members are enthusiastic about the Company and devote sufficient time to be fully engaged in their roles as Board members. Finally, eight of the Company's non-employee directors satisfy the independence requirements of the NYSE and the SEC rules.

In addition, the Corporate Governance and Nominating Committee annually reviews the Board's requirements for Board members and the appropriate criteria for membership to the Board.

The Board also recognizes that the Company is more effectively governed when a diversity of viewpoints, backgrounds, opinions, skills, expertise, experiences and industry knowledge are represented on the Board. Accordingly, in October 2011, the Corporate Governance and Nominating Committee adopted the Board of Directors Diversity Policy for considering diversity in identifying nominees for director. The Board of Directors Diversity Policy provides that, in nominating candidates for election to the Board at each Annual Meeting of Stockholders, the Corporate Governance and Nominating Committee and the Board shall select individuals who represent a diversity of viewpoint, professional



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experience, education, skill, expertise, industry knowledge and such other factors as the Corporate Governance and Nominating Committee and the Board believe would enhance the diversity of the Board and the effective governance of the Company. Accordingly, diversity of thought, experience, gender, race and ethnic background are considered in the director evaluation process.

As discussed under the heading "Proposal 1: Election of Directors Information Regarding Nominees for Election as Directors", the Company's directors have experience with businesses that operate in industries in which Spirit operates, including commercial aviation, aviation supply and maintenance, and defense industries, or that involve important skills necessary to advise the Company in strategic areas, including finance, general management, labor negotiations, governmental affairs and business strategy. The Corporate Governance and Nominating Committee has taken the specific experience, qualifications, attributes and skills of the individual Board members into account in concluding that each should continue to serve on the Board.

**Communications with the Board**

Stockholders and other interested persons may send communications to the Board, the chairman of the Board, individual members of the Board, members of any committee of the Board, or one or more non-management directors by letter addressed to Investor Relations at Spirit AeroSystems Holdings, Inc., 3801 South Oliver, Wichita, KS 67210, or by contacting Investor Relations at (316) 523-7040. These communications will be received and reviewed by the Company's Investor Relations office. The receipt of concerns about the Company's accounting, internal controls, auditing matters or business practices will be reported to the Company's Audit Committee. The receipt of other concerns will be reported to the appropriate committee(s) of the Board. The Company's employees also can raise questions or concerns confidentially or anonymously using the Company's Ethics Hotline. This hotline provides the Company's employees, suppliers and other stakeholders with a mechanism for reporting unethical activities and/or financial irregularities to the Board anonymously. Such persons are able to file reports via a web-based process or a toll free telephone number. Data reported to the Ethics Hotline is reviewed quarterly with the Audit Committee and with the Company's independent registered public accounting firm to help ensure that the Company's ethics and compliance programs remain effective. The Ethics Hotline is operated by a third-party service provider and is available 24 hours a day, 7 days a week and 365 days a year. Receipt of communications clearly not appropriate for consideration by members of the Board, such as unsolicited advertisements, inquiries concerning the products and services of the Company and harassing communications, are not forwarded to members of the Board.

**Board Leadership Structure**

We separate the roles of chief executive officer of the Company and chairman of the Board in recognition of the differences between the two roles. The chief executive officer is responsible for setting the strategic direction for the Company and the day to day leadership and performance of the Company, while the chairman of the Board provides guidance to the chief executive officer, sets the agenda for Board meetings and presides over meetings of the full Board. Because Mr. Johnson, the chairman of the Board, is not an employee of the Company and has been determined to be an "independent director", as defined under the rules of the NYSE, the Board has not deemed it necessary to appoint a lead independent director. The chairman of the Board also presides at all executive sessions of non-management directors and serves as the focal point for directors regarding resolving conflicts with the chief executive officer or other directors and coordinating feedback to the chief executive officer on behalf of directors regarding business issues and Board management. The Board generally holds executive sessions four times a year without the chief executive officer or other employees present, unless the presence of the chief executive officer and/or any other employees is requested by the Board.

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**The Board of Directors' Role in Risk Oversight**

The Board oversees an enterprise-wide approach to risk management, designed to support the achievement of organizational objectives, including strategic objectives, to achieve planned long-term organizational performance and enhance stockholder value. A fundamental part of risk management is not only understanding the risks of a company and what steps are required to manage those risks, but also understanding what level of risk is appropriate for that company. The involvement of the full Board in setting the Company's business strategy is a key part of its assessment of management's appetite for risk and also a determination of what constitutes an appropriate level of risk for the Company.

The Board's role in the Company's risk oversight process includes receiving regular reports from members of the Company's senior management on areas of material risk to the Company. The Board (or the appropriate committee in the case of risks that are under the purview of a particular committee) receives these reports from the appropriate "risk owner" within the organization to enable it to understand the Company's risk identification, risk management and risk mitigation strategies.

While the Board has the ultimate oversight responsibility for the risk management process, various committees of the Board also have responsibility for risk management. In particular, the Board has delegated to the Audit Committee primary oversight of the risk management process. The Audit Committee focuses on a broad range of legal, financial and operational risks, including internal controls, disclosure issues, contract accounting, Sarbanes-Oxley Act compliance, Ethics Hotline reports and legal and regulatory issues, including compliance with SEC rules and regulations. The Audit Committee annually reviews a comprehensive annual risk assessment report from the Company's internal auditors. The internal audit report surveys risks throughout the business, focusing on primary areas of risk, including operational, financial, contractual, legal and regulatory, strategic and reputational risks. The Audit Committee looks at the relative magnitude of these risks and management's mitigation plan, and provides strategic advice to the Company about ways to reduce and contain risk.

The Government Security Committee of the Board focuses its risk mitigation efforts in the areas of government and International Traffic in Arms Regulations compliance, compliance with the Company's Special Security Agreement with the Defense Security Service, intellectual property protection and segregation, information assurance policies, and information technology security and counter-espionage methodologies.

In addition, in setting compensation, the Compensation Committee strives to create incentives that encourage a level of risk-taking behavior consistent with the Company's business strategy. Such incentives are also designed to align our executives' interests with those of our stockholders by tying executive compensation to stockholder return and value.

Finally, the Board's Corporate Governance and Nominating Committee assists with risk mitigation by ensuring that the Board and its committees are composed of individuals with the appropriate credentials and backgrounds to assist the Company with its risk mitigation efforts, while ensuring that the Company complies with all applicable NYSE, SEC and other public company governance requirements.

**Committees of the Board**

The Board has four standing committees: the Audit Committee, the Compensation Committee, the Corporate Governance and Nominating Committee and the Government Security Committee. At the April 30, 2013 Board meeting, Messrs. Chadwell, Evans and Raborn were reappointed to the Audit Committee, Messrs. Fulchino, Gephardt, Johnson and Popatia were reappointed to the Compensation Committee, Messrs. Fulchino, Gephardt, Kadish and Popatia were reappointed, and Mr. Turner was

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appointed, to the Corporate Governance and Nominating Committee and Messrs. Chadwell, Evans, Johnson, Kadish and Raborn were reappointed to the Government Security Committee. Effective April 6, 2013, Mr. Lawson replaced Mr. Turner on the Government Security Committee. Effective November 25, 2013, Mr. Kubasik was appointed to the Audit Committee and the Government Security Committee. Eleven formal meetings of the Audit Committee, four formal meetings of the Compensation Committee, five formal meetings of the Corporate Governance and Nominating Committee, and four formal meetings of the Government Security Committee were held in 2013.

Below is a description of the duties and composition of each standing committee of the Board. Each committee has authority to engage legal counsel or other advisors or consultants as it deems appropriate to carry out its responsibilities. Directors hold committee memberships for a term of one year until the next Annual Meeting of Stockholders or, if later, until their successors are elected and qualified, or until their death, retirement, resignation or removal.

*Audit Committee.* In accordance with the Company's Audit Committee Charter, the Audit Committee is responsible for, among other things, (1) selecting and overseeing the independent registered public accounting firm; (2) pre-approving the overall scope of the audit and quarterly financial review; (3) reviewing the independent registered public accounting firm's report describing the auditing firm's internal quality-control procedures and any material issues raised by the most recent internal quality-control review or peer review of the auditing firm; (4) reviewing and discussing with management, the independent registered public accounting firm and the internal auditor management's accounting policies, significant estimates and assumptions, key accounting decisions, significant findings, major financial and other risk exposures, the steps management has taken to minimize such risks and management's policies with respect to risk assessment and risk management; (5) reviewing and discussing with management and the independent registered public accounting firm the Company's financial reporting and accounting processes, the Company's financial statements and the independent registered public accounting firm's annual audit report, and the effectiveness of the Company's internal control over financial reporting and disclosure controls and procedures; (6) overseeing the Company's internal audit function; (7) reviewing and discussing with the independent registered public accounting firm the matters required to be discussed by the Sarbanes-Oxley Act, the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010 and the NYSE rules relating to the conduct of the audit or quarterly review; (8) meeting periodically and separately with management, internal auditors and the independent registered public accounting firm; (9) reviewing procedures for the receipt, retention and treatment of complaints, including anonymous complaints from employees, concerning accounting, accounting controls, audit matters and regulatory compliance; (10) preparing the report of the Audit Committee to be included in the Company's proxy statement; (11) conducting a self-evaluation of the performance of the Audit Committee and reassessing its charter; and (12) reporting to the full Board.

No changes were made to the Audit Committee Charter in 2013.

The Company's Audit Committee consists of Messrs. Chadwell, Evans, Kubasik and Raborn, with Mr. Raborn serving as chairman. All of the Audit Committee members have been determined to be independent within the meaning of the NYSE listing standards, and Mr. Raborn has been determined to be an "audit committee financial expert," as such term is defined in Item 407(d)(5) of SEC Regulation S-K. The Audit Committee has a written Audit Committee Charter, the current copy of which can be found under the "Investor Relations" portion of the Company's website, [www.spiritaero.com](http://www.spiritaero.com).

*Compensation Committee.* In accordance with the Company's Compensation Committee Charter, the Compensation Committee is responsible for, among other things, (1) developing and modifying, as appropriate, a competitive compensation philosophy and strategy for the Company's directors and executive officers that promotes the recruitment and retention of talented individuals; (2) reviewing and approving goals and objectives with respect to compensation for the Company's chief executive officer;

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(3) reviewing and approving the evaluation process and compensation structure for the Company's officers; (4) establishing and reviewing policies concerning perquisite benefits, including adopting a perquisite allowance policy for senior executives and other officers; (5) reviewing the Company's equity and other stock-based incentive plans, and recommending any changes to those plans; (6) reviewing the Company's incentive compensation arrangements to confirm that incentive pay does not expose the Company to unnecessary or excessive risk, and reviewing the relationship among the Company's risk management policies and practices, corporate strategy and senior executive compensation; (7) reviewing the results of periodic say-on-pay advisory votes by the Company's stockholders and determining the weight to be given to those results in making compensation decisions; (8) reviewing and discussing with management the Compensation Discussion and Analysis section in the Company's annual proxy statement; (9) determining whether employment contracts and severance arrangements should be established with senior executive officers and approving the terms of those agreements and arrangements; (10) discussing the relationship between the Company's executive compensation and financial and share performance; (11) discussing the ratio between the total annual compensation for the Company's chief executive officer and the median annual compensation of the Company's other employees; (12) adopting a policy, or providing in executive employment agreements, for the clawback of unearned incentive compensation if the Company is required to restate its financials due to material noncompliance with financial reporting requirements; (13) preparing the Compensation Committee's report for inclusion in the Company's proxy statement; (14) reviewing director compensation; (15) conducting a self-evaluation of the performance of the Compensation Committee and reassessing its charter; and (16) reporting to the full Board. In addition, the Compensation Committee has the authority to elect any officer whom the Board has authority to elect, other than the Chief Executive Officer.

In 2013, the Compensation Committee reviewed and reassessed the adequacy of the Compensation Committee Charter. As a result of its annual review, the Compensation Committee recommended certain improvements to the Compensation Committee Charter and amended the Compensation Committee Charter in July 2013.

The Company's Compensation Committee consists of Messrs. Fulchino, Gephardt, Johnson and Popatia, with Mr. Fulchino serving as chairman. Three of the members of the Compensation Committee, Messrs. Fulchino, Gephardt and Johnson, are independent within the meaning of the NYSE listing standards. Mr. Popatia is not independent within the meaning of the NYSE listing standards. The Compensation Committee has a written charter, the current copy of which is available under the "Investor Relations" portion of the Company's website, [www.spiritaero.com](http://www.spiritaero.com).

*Corporate Governance and Nominating Committee.* In accordance with the Company's Corporate Governance and Nominating Committee Charter, the Company's Corporate Governance and Nominating Committee's purposes are to assist the Board in identifying individuals qualified to become members of the Board consistent with the criteria established by the Board, to determine the composition of the Board and its committees, to develop and implement the Company's corporate governance principles and to oversee risks related to the Company's governance structure or from related person transactions. The Corporate Governance and Nominating Committee is responsible for, among other things, (1) leading the search for and selecting nominees for election as directors; (2) developing qualifications for director candidates; (3) evaluating the composition and size of the Board and its committees and overseeing the function of the Board's committees; (4) formulating a policy for the consideration of diversity in the identification, evaluation and nomination of director candidates; (5) developing and recommending to the Board a set of corporate governance guidelines, reviewing and recommending any changes to the guidelines and considering other corporate governance principles that may merit consideration by the Board; (6) evaluating and recommending ways to enhance communications and relations with the Company's stockholders; (7) developing and recommending to the Board procedures for the self-evaluation of the Board and its committees and the

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evaluation of management; (8) periodically evaluating and proposing to the Board for its review, and monitoring, a plan of succession for the chief executive officer and other senior executive officers of the Company, and recommending to the Board candidates for appointment to such positions; (9) assisting the Board in determining the most appropriate organizational format and structure for the Company; (10) reviewing and monitoring compliance with the Company's Code of Ethics and Business Conduct and Insider Trading Policy; (11) reviewing and ratifying or prohibiting any related person transactions or relationships in accordance with the Company's Related Person Transaction Policy, and overseeing the disclosure of related person transactions; (12) conducting a self-evaluation of the performance of the Corporate Governance and Nominating Committee and reassessing its charter; and (13) reporting to the full Board.

In 2013, the Corporate Governance and Nominating Committee reviewed and reassessed the adequacy of the Corporate Governance and Nominating Committee Charter. As a result of its annual review, the Corporate Governance and Nominating Committee recommended certain improvements to the Corporate Governance and Nominating Committee Charter and amended the Corporate Governance and Nominating Committee Charter in July 2013.

The Company's Corporate Governance and Nominating Committee consists of Messrs. Fulchino, Gephardt, Kadish, Popatia and Turner, with Mr. Fulchino serving as chairman. Three of the members of the Corporate Governance and Nominating Committee, Messrs. Fulchino, Gephardt and Kadish, are independent within the meaning of NYSE listing standards. Mr. Popatia and Mr. Turner are not independent within the meaning of the NYSE listing standards. The Corporate Governance and Nominating Committee has a written charter, the current copy of which is available under the "Investor Relations" portion of the Company's website, [www.spiritaero.com](http://www.spiritaero.com).

*Government Security Committee.* In accordance with the requirements of the Special Security Agreement, the Government Security Committee is comprised of Outside Directors and Directors who are officers of the Company, each of whom is a cleared U.S. resident citizen. The Government Security Committee is responsible to ensure that the Company maintains policies and procedures to safeguard the classified and export-controlled information in the Company's possession, and to ensure that the Company complies with its industrial security agreements and obligations, U.S. export control laws and regulations, and the National Industrial Security Program Operating Manual.

The Government Security Committee consists of Messrs Chadwell, Evans, Johnson, Kubasik, Lawson and Raborn, with Mr. Kadish serving as chairman.

*Other Committees.* The Board may establish other committees as it deems necessary or appropriate from time to time, including special committees.

**Board Meetings and Attendance; Attendance at Annual Meeting of Stockholders**

During the fiscal year 2013, there were fourteen formal meetings of the Board and additional actions by unanimous written consent. All of the then-current directors attended at least 75% of the aggregate of (i) the total number of meetings (whether regular or special meetings) of the Board (held during the period for which such person was a director), and (ii) the total number of meetings held by all committees of the Board on which the director served (during the period that such director served). Recognizing that director attendance at the Annual Meeting of Stockholders can provide the Company's stockholders with an opportunity to communicate with Board members about issues affecting the Company, the Company actively encourages the members of the Board to attend its Annual Meeting of Stockholders. The Company held its 2013 Annual Meeting of Stockholders on April 30, 2013, and it was attended by all then-current members of the Board.

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**Executive Sessions of Non-Management Directors**

The non-management directors meet in executive session at least four times a year and generally at the end of every regularly scheduled Board meeting to consider such matters as they deem appropriate, without the Company's chief executive officer or other management present. In accordance with NYSE listed company rules, "non-management" directors are all those who are not executive officers of the Company. Among the items that the non-management directors meet privately in executive sessions to review is the performance of the Company's chief executive officer and recommendations of the Compensation Committee concerning compensation for employee directors and other senior executive officers. Mr. Johnson, who serves as the chairman of the Board, acts as the chair of the executive sessions of the non-management directors.

**Arrangements and Understandings**

The Company's bylaws provide that during the period that the Company's Special Security Agreement remains in effect, the Board shall be composed of, among other things, one or more representatives of Onex. Accordingly, Mr. Popatia serves on the Board pursuant to such requirement. As long as the Special Security Agreement remains in effect, Mr. Popatia will continue to serve as a member of the Board until each subsequent Annual Meeting of Stockholders of the Company and until his successor is elected and qualified, and will be nominated to stand for re-election as a director of the Company at each such Annual Meeting of Stockholders, unless Mr. Popatia resigns prior thereto or an alternative nomination is made by Onex.

**Miscellaneous**

There are no family relationships among executive officers and directors of the Company.

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**COMPENSATION OF NON-MANAGEMENT DIRECTORS**

Non-management directors' compensation is set by the Board at the recommendation of the Compensation Committee. In developing its recommendations, the Compensation Committee is guided by the following goals: compensation should fairly pay directors for work required in companies similar in size and scope to the Company; compensation should align directors' interests with the long-term interests of the Company's stockholders; and the structure of the compensation should be simple, transparent and easy for stockholders to understand.

The Compensation Committee reviews and recommends to the Board for its approval all compensation of the Company's non-employee directors, but no member of the Compensation Committee may act to fix his or her own compensation except as uniformly applied to all of the Company's non-employee directors for their service on the Board.

In 2005, the Board adopted a Director Stock Plan to provide certain non-employee directors of the Company or Spirit with the opportunity to acquire equity in the Company through grants of restricted shares of the Company's Class B Common stock. On April 21, 2008, the Board amended the Director Stock Plan to allow for grants of restricted stock units, provide for the grants of restricted shares of the Company's Class A Common stock or restricted stock units to comprise one-half of each non-employee director's annual director fee and provide for a one-year service vesting condition. Upon ceasing to serve as a director, a recipient will forfeit any restricted stock which was granted to him within the one year period prior to his ceasing to serve as a director and in which he has not before then acquired an interest, unless the one-year service requirement is waived by the Board. Assuming the approval of the 2014 Omnibus Plan at our upcoming 2014 Annual Meeting of Stockholders, grants to directors following the Annual Meeting will be made pursuant to the 2014 Omnibus Plan, rather than the Director Stock Plan. Under the Director Stock Plan, from inception through December 31, 2013, the Company's and Spirit's non-employee directors have received grants of an aggregate of 390,000 shares of Class B restricted Common stock, 10,129 restricted stock units and 198,726 shares of Class A restricted Common stock. Because of his affiliation with Onex and the Company's management arrangements with Onex (see "Certain Relationships and Related Transactions" below), Mr. Popatia did not receive any restricted stock grants from the Company.

In 2009, the Compensation Committee reviewed benchmark Board compensation data from Towers Watson (using a peer group established by revenue level), and Spirit's peer group of listed aerospace and defense companies and decided to set Company director compensation at the 75<sup>th</sup> percentile level to account for growth projections, the international nature of Spirit's business, and the desire to maintain the high quality of board appointments. In 2013, the Compensation Committee reviewed benchmark Board compensation data for Fortune 500 companies prepared by Towers Watson and decided not to make any changes to Company director compensation, although it agreed to further evaluate compensation in 2014.

Non-management directors receive an annual board retainer fee of \$150,000 for their service as Board members. In 2013, the annual board retainer fee paid in respect of Mr. Popatia was paid in cash to Onex Partners Advisor LP. Other than with respect to Mr. Popatia, annual board retainer fees are paid in accordance with the terms of the Director Stock Plan. Under the Director Stock Plan, at least 50% of the annual board retainer fee is required to be paid in either shares of restricted Common stock or restricted stock units of the Company, which are subject to a one-year time-vesting requirement. Directors have the option to receive the remaining 50% of their compensation in cash, restricted stock or restricted stock units. In addition to the \$150,000 annual board retainer fee, in May 2012 the Board implemented an additional annual discretionary grant of \$15,000 in equity compensation per director in accordance with the Director Stock Plan. Non-management directors who serve on any of the Board's committees receive additional individual cash retainer fees. The chairman of the Board receives an additional annual retainer fee of \$40,000, the chairman of the Audit

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Committee receives an additional annual retainer fee of \$15,000, the chairman of each of the Board's other committees receives an additional annual retainer fee of \$10,000, each non-management director who serves on the Audit Committee receives an additional annual retainer fee of \$12,000 and each non-management director who serves on other committees receives an additional annual retainer fee of \$8,000 per committee. No additional fees are paid for attending Board or committee meetings. The annual board retainer fees and additional individual retainer fees are payable quarterly in arrears to all directors who have served the full quarter ended prior to the date of payment. No additional or other compensation is paid to the Company's executive officers who are also members of the Board. All directors are reimbursed for their out-of-pocket expenses incurred in connection with their director services. Occasionally, certain perquisites or personal benefits are provided to non-management directors under the same general standards as perquisites or personal benefits are provided to the Company's executive officers. Perquisites and personal benefits have been provided to non-management directors and to Mr. Lawson under the standards described in the Company's Perquisite Allowance Plan, which is discussed below in the Compensation Discussion & Analysis section. All compensation paid to Mr. Lawson and all compensation paid to Mr. Turner in their capacity as an employee or consultant of the Company is described in the executive compensation tables and narrative below under the caption "Executive Compensation". Fees earned or paid to non-management directors in 2013 are listed in the "Director Compensation for Fiscal Year 2013" table below.

The Company maintains a minimum stockholding requirement for non-employee directors, other than for any Onex-designated director (currently Mr. Popatia), who is deemed to be in compliance due to Onex's stock ownership. Each existing non-employee director is expected to accumulate over four years of service on the Board (beginning on the later of (i) the initial adoption of a minimum stockholding requirement in April 2009 and (ii) the initial appointment of the director to the Board) and thereafter, while serving on the Board, to continue to hold a minimum stockholding requirement in effect prior to May 2012, which was at least the greater of (1) the number of shares of our Common stock with an aggregate market value of \$225,000 and (2) 10,000 shares. In May 2012, the minimum stockholding requirement was increased to the greater of (1) the number of shares of our Common stock with an aggregate market value of \$250,000 and (2) 12,500 shares. Non-employee directors have four years after the adoption of the increased minimum stockholding requirement to accumulate the increased amount of shares. Restricted stock units held by directors are counted in determining whether the minimum stockholding requirements are satisfied. Newly appointed members of the Board are permitted four full years of service on the Board during which to attain the minimum stockholding requirement. Information regarding the current stock ownership of the Company's directors can be found below under "Stock Ownership Information Regarding Beneficial Ownership of Principal Stockholders, Directors and Management."

**Director Compensation for Fiscal Year 2013**

The following table presents information concerning compensation attributable to the Company's non-management directors for the fiscal year ended December 31, 2013. Mr. Lawson became the Company's President and Chief Executive Officer effective as of April 6, 2013, and therefore did not receive any compensation as a director of the Company. Mr. Turner served as the Company's President and Chief Executive Officer until April 6, 2013 and therefore did not receive any compensation as a director of the Company prior to that date. The fees described below with respect to Mr. Turner only represent his compensation for serving as a director after April 6, 2013. The compensation paid to Mr. Turner prior to April 6, 2013, as well as the compensation Mr. Turner received under his



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Retirement and Consulting Agreement, is described in the executive compensation tables and narrative below under the caption "Executive Compensation".

Name	Fees Earned or Paid in Cash (\$)	Stock Awards (\$)(4)	All Other Compensation (\$)(5)	Total (\$)
Charles L. Chadwell	66,876	108,753		175,629
Ivor Evans	95,000	90,006		185,006
Paul Fulchino	20,000	164,994		184,994
Richard Gephardt	91,000	90,006		181,006
Robert Johnson	131,000	90,006	10,290(6)	231,296
Ronald Kadish	93,000	90,006		183,006
Christopher E. Kubasik(1)	15,834			15,834
Tawfiq Popatia(2)	181,000			181,000
Francis Raborn	98,000	90,006		188,006
Jeffrey L. Turner(3)	41,500	138,791		180,291

- (1) Mr. Kubasik was elected to the Board effective November 25, 2013, and his compensation earned in respect of his time served as director in 2013 will be paid in 2014.
- (2) The fees for Mr. Popatia were paid to Onex Partners Advisor LP.
- (3) Mr. Turner was the Company's President and Chief Executive Officer until April 6, 2013, and therefore did not receive any compensation as a director of the Company prior to such date.
- (4) Represents the full aggregate grant date fair values, computed in accordance with Financial Accounting Standards Board's (FASB) authoritative guidance on stock-based compensation accounting, for awards of restricted stock and restricted stock units granted in 2013. Additional information concerning the Company's accounting for restricted stock and restricted stock unit awards may be found in Note 18 to the Company's consolidated financial statements in its Annual Report on Form 10-K for 2013.
- (5) The amount of perquisites and other personal benefits has been excluded for all directors other than Mr. Johnson, as the total value of each such director's perquisites and other personal benefits was less than \$10,000.
- (6) Represents vehicle lease payments made pursuant to our Perquisite Allowance Plan.

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**CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS**

Related-person transactions have the potential to create actual or perceived conflicts of interest between the Company and its directors and executive officers or their immediate family members. The Board reviews such matters as they pertain to transactions with related persons as described by Item 404(a) of the SEC's Regulation S-K. In deciding whether to continue to allow these related-person transactions involving a director, executive officer or their immediate family members, the Board considered, among other factors:

information about the goods or services proposed to be or being provided by or to the related party or the nature of the transactions;

the nature of the transactions and the costs to be incurred by the Company or payments to the Company;

an analysis of the costs and benefits associated with the transaction and a comparison of comparable or alternative goods or services that are available to the Company from unrelated persons;

the business advantage the Company would gain by engaging in the transaction; and

an analysis of the significance of the transaction to the Company and to the related person.

The Board determined that the related person transactions disclosed herein are on terms that are fair and reasonable to the Company, and which are as favorable to the Company as would be available from non-related entities in comparable transactions. The Board believes that there is a Company business interest supporting the transactions and that the transactions meet the same Company standards that apply to comparable transactions with unaffiliated entities.

The Board has adopted a written Related Person Transaction Policy that is communicated to the appropriate level of management and can be found under the "Investor Relations" portion of the Company's website, [www.spiritaero.com](http://www.spiritaero.com). Under the policy, a related person transaction is (1) any financial transaction (including any indebtedness or guarantee of indebtedness) in which the Company or any of its subsidiaries was, is, or will be a participant, where the amount involved exceeds \$120,000 within a 24-month period, and in which a Related Person (as defined in the policy) had, has or will have a direct or indirect "material interest" as determined by the Corporate Governance and Nominating Committee, or (2) any business, consulting, professional or similar relationship which a Related Person had, has or will have, directly or indirectly, with any material customer or supplier of the Company, where the amount of compensation involved exceeds \$120,000 within a 24-month period.

The Corporate Governance and Nominating Committee is responsible for reviewing these transactions and may take into consideration, among other things, (1) the materiality of the transaction; (2) the actual or perceived conflict of interest between the Company and the related person; (3) the impact on the transaction of applicable corporation and fiduciary duty laws and rules; (4) whether any products or services provided by the related person are provided on an arms'-length basis on terms comparable to those provided by unrelated third persons; (5) whether any products or services provided by the related person are of a nature, quantity or quality, or on other terms, that are not readily available from alternative sources; (6) disclosure considerations; (7) the potential impact of the transaction on the Company's relations with its customers, suppliers, stockholders and securities markets; (8) the Company's Corporate Governance Guidelines and Code of Ethics and Business Conduct; (9) the potential impact of the transaction on the objectivity of the related person; and (10) the best interests of the Company and its stockholders.

After review of the relevant facts and circumstances, if the Corporate Governance and Nominating Committee concludes that the related person transaction is in, or is not opposed to, the best interests of the Company and its stockholders, it may approve or ratify the transaction. If the Corporate

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Governance and Nominating Committee declines to approve or ratify any related person transaction, the Company's general counsel, in coordination with the affected business unit or corporate function, will review the transaction, determine whether it should be terminated or amended in a manner that is acceptable to the Corporate Governance and Nominating Committee, and advise the Corporate Governance and Nominating Committee of his or her recommendation. The Corporate Governance and Nominating Committee will then consider the recommendation at its next meeting. If the general counsel does not ultimately recommend the transaction to the Corporate Governance and Nominating Committee, or if the Corporate Governance and Nominating Committee does not approve the transaction, the proposed transaction will not be pursued or, if the transaction has already been entered into, the Corporate Governance and Nominating Committee will determine an appropriate course of action with respect to the transaction.

Below are the transactions that occurred or have continued since the beginning of the fiscal year 2013, or any currently proposed transactions, in which, to the Company's knowledge, the Company was or is a party and the amount involved exceeded \$120,000, and in which any director, director nominee, executive officer, holder of more than 5% of any class of the Company's Common stock, or any member of the immediate family of any of the foregoing persons had or will have a direct or indirect material interest.

Mr. Turner, the Company's President and Chief Executive Officer until April 6, 2013 and a director of the Company, is a member of the Board of Directors of INTRUST Bank, a Wichita, Kansas bank that provides banking services to Spirit. In connection with the banking services provided to Spirit, the Company pays fees consistent with commercial terms that would be available to unrelated third parties.

In addition, the Company paid approximately \$360,000, including reimbursement of expenses, to Onex during the fiscal year 2013 for various consulting services rendered by it to the Company. As previously mentioned, Mr. Popatia is a Managing Director of Onex.

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The following table sets forth, as of the Record Date (unless otherwise stated below), information regarding the beneficial ownership of the Company's Class A Common stock and Class B Common stock by all directors, nominees for director, each person who has served as the Company's chief executive officer during a portion of fiscal year 2013, each person who has served as the Company's chief financial officer during a portion of fiscal year 2013, and the three other most highly compensated executive officers serving as executive officers at the end of the last fiscal year (collectively, the "Named Executive Officers"), and the Company's directors and all executive officers as a group. It also sets forth the ownership of any person or group who is known by the Company to be the beneficial owner of more than five percent of either class of the Company's Common stock, together with such beneficial owner's address.

Name	Title of Class of Shares Owned	Amount and Nature of Beneficial Ownership	Percentage of Class A Common Stock(+)	Percentage of Class B Common Stock(+)	Percentage of Total Voting Power(+)
<b>Five Percent Stockholders</b>					
Onex Corporation 161 Bay Street, P.O. Box 700 Toronto, Ontario M5J 2S1 Canada Onex Partners LP OAH Wind LLC Onex Spirit Co-Invest LP	Class B	22,411,638(1)		99.3%(1)	65.0%(1)
Scopia Capital Management LLC Matthew Sirovich Jeremy Mindich 152 West 57 <sup>th</sup> Street 33 <sup>rd</sup> Floor New York, New York 10019	Class A	19,239,099(2)	16.1%		5.6%
BlackRock, Inc. 40 East 52 <sup>nd</sup> Street New York, New York 10022	Class A	7,503,821(3)	6.3%		2.2%
Eton Park Fund, L.P. Eton Park Master Fund, Ltd. Eton Park Associates, L.P. Eton Park Capital Management, L.P. Eric M. Mindich 399 Park Avenue, 10 <sup>th</sup> Floor New York, New York 10022	Class A	7,500,000(4)	6.3%		2.2%
The Vanguard Group 100 Vanguard Blvd. Malvern, PA 19355	Class A	6,528,759(5)	5.5%		1.9%

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Name	Title of Class of Shares Owned	Amount and Nature of Beneficial Ownership	Percentage of Class A Common Stock(+)	Percentage of Class B Common Stock(+)	Percentage of Total Voting Power(+)
<b>Directors, Director Nominees and Executive Officers</b>					
Charles L. Chadwell	Class A	27,119(6)	*		*
Ivor Evans	Class A	18,690(7)	*		*
	Class B	1,691		*	*
Paul Fulchino	Class A	34,168(8)	*		*
	Class B	1,691		*	*
Richard Gephardt	Class A	20,301(9)	*		*
Robert Johnson	Class A	16,824(10)	*		*
Ronald Kadish	Class A	31,655(11)	*		*
Christopher E. Kubasik	Class A				
Tawfiq Popatia	Class A				
Francis Raborn	Class A	18,690(12)	*		*
Larry A. Lawson	Class A	96,016(13)			
Jeffrey L. Turner	Class A	662,757(14)	*		*
	Class B	(15)			
Sanjay Kapoor	Class A	(16)			*
Philip D. Anderson	Class A	33,861(17)	*		*
David M. Coleal	Class A	9,742(18)	*		*
John A. Pilla	Class A	55,342(19)	*		*
	Class B	2,599(20)		*	*
Samantha Marnick	Class A	13,309(21)	*		*
	Class B	(22)			
All directors and executive officers as a group (19 persons)	Class A	1,119,540(23)	0.9%		*
	Class B	5,981(23)		*	*

\* Represents beneficial ownership of less than 1%.

(+) Class A Common stock has one vote per share. Class B Common stock has ten votes per share. Each outstanding share of Class B Common stock is convertible at any time after vesting, at the option of the stockholder, into one share of Class A Common stock.

(1) Includes the following: (i) 12,583,318 shares of Class B Common stock held by Onex Partners LP (representing 55.8% of Class B Common stock and 36.5% of total voting power); (ii) 5,949,997 shares of Class B Common stock held by OAH Wind LLC (representing 26.4% of Class B Common stock and 17.3% of total voting power); (iii) 366,738 shares of Class B Common stock held by Wind EI II LLC (representing 1.6% of Class B Common stock and 1.1% of total voting power); (iv) 128,303 shares of Class B Common stock held by Onex U.S. Principals LP; and (v) 3,383,282 shares of Class B Common stock held by Onex Spirit Co-Invest LP (representing 15.0% of Class B Common stock and 9.8% of total voting power). Onex Corporation may be deemed to own beneficially the shares of Class B Common stock held by (a) Onex Partners LP, through Onex Corporation's ownership of all of the common stock of Onex Partners GP, Inc., the general partner of Onex Partners GP LP, the general partner of Onex Partners LP; (b) OAH Wind LLC, through Onex Corporation's ownership of all of the equity of Onex American Holdings II LLC, which owns all of the equity of Onex American Holdings Subco LLC, which owns all of the equity of OAH Wind LLC; (c) Wind EI II LLC, through Onex Corporation's ownership of Onex American Holdings II LLC, which owns all of the voting power of Wind Executive Investco LLC, which owns all of the equity of Wind EI II LLC; (d) Onex U.S. Principals LP

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through Onex Corporation's ownership of all of the equity of Onex American Holdings GP LLC, the general partner of Onex U.S. Principals LP; and (e) Onex Spirit Co-Invest LP, through Onex Corporation's ownership of all of the common stock of Onex Partners GP, Inc., the general partner of Onex Partners GP LP, the general partner of Onex Spirit Co-Invest LP. Onex Corporation disclaims such beneficial ownership. In addition, (i) all of the shares of Class B Common stock owned by Onex Partners LP may be deemed owned beneficially by each of Onex Partners GP LP, and Onex Partners GP, Inc., (ii) all of the shares of Class B Common stock owned by OAH Wind LLC may be deemed owned beneficially by each of Onex American Holdings Subco LLC and Onex American Holdings II LLC, and (iii) all of the shares of Class B Common stock owned by Onex Spirit Co-Invest LP may be deemed owned beneficially by each of Onex Partners GP LP and Onex Partners GP, Inc.

Mr. Gerald W. Schwartz, the Chairman, President, and Chief Executive Officer of Onex Corporation, owns shares representing a majority of the voting rights of the shares of Onex Corporation and as such may be deemed to own beneficially all of the shares of the Company's Class B Common stock owned beneficially by Onex Corporation. Mr. Schwartz disclaims such beneficial ownership.

The addresses of the five percent stockholders, in addition to Onex Corporation, are as follows: Onex Partners LP c/o Onex Investment Corporation, 712 Fifth Avenue, New York, New York 10019; OAH Wind LLC 421 Leader Street, Marion, Ohio 43302; Onex Spirit Co-Invest LP c/o Onex Investment Corporation, 712 Fifth Avenue, New York, New York 10019.

- (2) Information is based on an amended Schedule 13G filed by Scopia Capital Management LLC, a limited liability company formed under the laws of Delaware ("Scopia"), Matthew Sirovich and Jeremy Mindich on February 14, 2014. Each of Scopia and Mr. Mindich reported beneficial ownership of 19,144,099 shares of Class A Common stock, and Mr. Sirovich reported beneficial ownership of 19,239,099 shares of Class A Common stock. According to the Schedule 13G, each of Scopia, Mr. Sirovich and Mr. Mindich has shared voting power and shared dispositive power over 19,144,099 shares, and Mr. Sirovich has sole voting power and sole dispositive power over 95,000 shares.
- (3) Information is based on an amended Schedule 13G filed by BlackRock, Inc., a corporation formed under the laws of the State of Delaware ("BlackRock"), on January 30, 2014. BlackRock reported 7,503,821 shares of Class A Common stock beneficially owned by it and certain of its affiliates. According to the Schedule 13G, BlackRock has the sole dispositive power over all of the reported shares and sole voting power over 6,069,440 shares.
- (4) Information is based on a Schedule 13G filed on November 18, 2013 by Eton Park Fund, L.P. ("EP Fund"), Eton Park Master Fund, Ltd. ("EP Master Fund"), Eton Park Associates, L.P., the general partner of EP Fund ("EP Associates"), Eton Park Capital Management, L.P., the investment manager to EP Fund and EP Master Fund ("EP Management") and Eric M. Mindich, as the managing member of the general partners of each of EP Associates and EP Management and as the investment adviser of EP Master Fund and EP Fund. Each of EP Management and Mr. Mindich reported beneficial ownership of 7,500,000 shares of Class A Common stock (which includes 1,500,000 shares that are issuable upon the exercise of 15,000 options), of which (i) EP Master Fund reported beneficial ownership of 4,875,000 shares of Class A Common stock (which includes 975,000 shares that are issuable upon the exercise of 9,750 options) and (ii) each of EP Associates and EP Fund reported beneficial ownership of 2,625,000 shares of Class A Common stock (which includes 525,000 shares that are issuable upon the exercise of 5,250 options). According to the Schedule 13G, each of EP Fund, EP Master Fund, EP Associates, EP Management and Mr. Mindich has shared voting power and shared dispositive power over the aforementioned shares that such party beneficially owns.

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- (5) Information is based on a Schedule 13G filed by The Vanguard Group, Inc., a corporation formed under the laws of the State of Pennsylvania ("Vanguard"), on February 11, 2014. Vanguard reported 6,528,759 shares of Class A Common stock beneficially owned by it and certain of its affiliates. According to the Schedule 13G, Vanguard has sole voting power over 64,962 reported shares, sole dispositive power over 6,470,097 reported shares and shared dispositive power over 58,662 reported shares.
- (6) Includes 4,339 restricted stock units for which benefits will be paid, at the Board's option, in cash or shares of the Company's Class A Common stock at market value of the Company's Class A Common stock upon Mr. Chadwell's termination of service with the Company and its affiliates. In addition, Mr. Chadwell has 5,221 shares which will vest on May 8, 2014 if Mr. Chadwell remains a member of the Board at that time.
- (7) In addition, Mr. Evans has 4,321 shares which will vest on May 8, 2014 if Mr. Evans remains a member of the Board at that time.
- (8) In addition, Mr. Fulchino has 7,921 shares which will vest on May 8, 2014 if Mr. Fulchino remains a member of the Board at that time.
- (9) Includes 5,790 restricted stock units for which benefits will be paid, at the Board's option, in cash or shares of the Company's Class A Common stock at market value of the Company's Class A Common stock upon Mr. Gephardt's termination of service with the Company and its affiliates. In addition, Mr. Gephardt has 4,321 shares which will vest on May 8, 2014 if Mr. Gephardt remains a member of the Board at that time.
- (10) Represents shares owned by the RDJ Trust of which Mr. Johnson is a beneficial owner as a trustee of the RDJ Trust. In addition, Mr. Johnson has 4,321 shares which will vest on May 8, 2014 if Mr. Johnson remains a member of the Board at that time.
- (11) Represents shares owned by the Ronald T. Kadish Trust of which Mr. Kadish is a beneficial owner as a trustee of the Ronald T. Kadish Trust. In addition, Mr. Kadish has 4,321 shares which will vest on May 8, 2014 if Mr. Kadish remains a member of the Board at that time.
- (12) Represents shares owned by the Francis Raborn Revocable Trust of which Mr. Raborn is a beneficial owner as a trustee of the Francis Raborn Revocable Trust. In addition, Mr. Raborn has 4,321 shares which will vest on May 8, 2014 if Mr. Raborn remains a member of the Board at that time.
- (13) Includes 96,016 shares of Class A Common stock which will vest on April 6, 2014. In addition, Mr. Lawson has (i) 96,016 shares of Class A Common stock which will vest on April 6, 2015, (ii) 64,011 shares of Class A Common stock which will vest on May 8, 2015, (iii) 96,015 shares of Class A Common stock which will vest on April 6, 2016, (iv) 64,010 shares of Class A Common stock which will vest on May 8, 2016, and (v) 64,010 shares of Class A Common stock which will vest on May 8, 2017, in each case, if Mr. Lawson continues to be employed by the Company or any of its subsidiaries on each such vesting date.
- (14) Includes 36,592 shares of Class A Common stock which will vest on May 4, 2014. In addition, Mr. Turner has (i) 41,516 shares of Class A Common stock which will vest on May 8, 2014, (ii) 35,371 shares of Class A Common stock which will vest on May 10, 2014, (iii) 66,159 shares of Class A Common stock which will vest on May 8, 2015, (iv) 35,371 shares of Class A Common stock which will vest on May 10, 2015, (v) 66,159 shares of Class A Common stock which will vest on May 8, 2016 and (vi) 24,644 shares of Class A Common stock which will vest on May 8, 2017.
- (15) Does not include 163,897 shares of Class B Common stock held by Mr. Turner, which remain subject to restriction until the occurrence of certain liquidity events.

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- (16) Mr. Kapoor has (i) 22,574 shares of Class A Common stock which will vest on September 23, 2014, (ii) 22,572 shares of Class A Common stock which will vest on September 23, 2015, and (iii) 22,572 shares of Class A Common stock which will vest on September 23, 2016, in each case, if Mr. Kapoor continues to be employed by the Company or any of its subsidiaries on each such vesting date.
- (17) Includes 5,642 shares of Class A Common stock that will vest on May 4, 2014. In addition, Mr. Anderson has (i) 10,784 shares of Class A Common stock which will vest on May 8, 2014, (ii) 6,084 shares of Class A Common stock which will vest on May 10, 2014, (iii) 23,586 shares of Class A Common stock which will vest on May 8, 2015, (iv) 6,084 shares of Class A Common stock which will vest on May 10, 2015, (v) 23,585 shares of Class A Common stock which will vest on May 8, 2016, and (vi) 12,802 shares of Class A Common stock which will vest on May 8, 2017, in each case, if Mr. Anderson continues to be employed by the Company or any of its subsidiaries on each such vesting date.
- (18) In addition, Mr. Coleal has (i) 6,228 shares of Class A Common stock which will vest on May 8, 2014, (ii) 7,899 shares of Class A Common stock which will vest on May 10, 2014, (iii) 38,056 shares of Class A Common stock which will vest on May 8, 2015, (iv) 7,899 shares of Class A Common stock which will vest on May 10, 2015, (v) 38,056 shares of Class A Common stock which will vest on May 8, 2016, and (vi) 31,829 shares of Class A Common stock which will vest on May 8, 2017, in each case, if Mr. Coleal continues to be employed by the Company or any of its subsidiaries on each such vesting date.
- (19) Includes 5,773 shares of Class A Common stock which will vest on May 4, 2014. In addition, Mr. Pilla has (i) 7,104 shares of Class A Common stock which will vest on May 8, 2014, (ii) 5,292 shares of Class A Common stock which will vest on May 10, 2014, (iii) 28,388 shares of Class A Common stock which will vest on May 8, 2015, (iv) 5,291 shares of Class A Common stock which will vest on May 10, 2015, (v) 7,103 shares of Class A Common stock which will vest on May 8, 2016, (vi) 21,283 shares of Class A Common stock which will vest on May 8, 2016, and (vii) 21,283 shares of Class A Common Stock which will vest on May 8, 2017, in each case, if Mr. Pilla continues to be employed by the Company or any of its subsidiaries on each such vesting date.
- (20) Does not include 16,947 shares of Class B Common stock held by Mr. Pilla, which remain subject to restriction until the occurrence of certain liquidity events.
- (21) Includes 2,053 shares of Class A Common stock which will vest on May 4, 2014. In addition, Ms. Marnick has (i) 4,853 shares of Class A Common stock which will vest on May 8, 2014, (ii) 4,245 shares of Class A Common stock which will vest on May 10, 2014, (iii) 20,696 shares of Class A Common stock which will vest on May 8, 2015, (iv) 4,244 shares of Class A Common stock which will vest on May 10, 2015, (v) 20,695 shares of Class A Common stock which will vest on May 8, 2016 and (vi) 15,842 shares of Class A Common Stock which will vest on May 8, 2017, in each case, if Ms. Marnick continues to be employed by the Company or any of its subsidiaries on each such vesting date.
- (22) Does not include 3,226 shares of Class B Common stock held by Ms. Marnick, which remain subject to restriction until the occurrence of certain liquidity events.
- (23) Includes shares issued to employees and directors of the Company which are subject to certain vesting requirements and may vest within 60 days of the Record Date and excludes other shares issued to employees and directors of the Company which are subject to certain longer vesting requirements.



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**Compensation Committee Interlocks and Insider Participation**

None of the Company's executive officers served during fiscal year 2013 or currently serves, and the Company anticipates that none will serve, as a member of the board of directors or compensation committee of any entity (other than the Company) that has one or more executive officers that serves on the Company's Board or Compensation Committee. Mr. Popatia serves on the Company's Compensation Committee and has a relationship that qualified as a related person transaction. See "Certain Relationships and Related Transactions" concerning this relationship.

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

Section 16(a) of the Exchange Act, or "Section 16(a)," requires that directors, executive officers, and persons who own more than ten percent of any registered class of a company's equity securities, or "reporting persons," file with the SEC initial reports of beneficial ownership and report changes in beneficial ownership of common stock and other equity securities. Such reports are filed on Form 3, Form 4 and Form 5 under the Exchange Act, as appropriate. Reporting persons holding the Company's stock are required by the Exchange Act to furnish the Company with copies of all Section 16(a) reports they file.

To the Company's knowledge, based solely on the Company's review of copies of these reports, and written representations from such reporting persons, the Company believes that, except as stated in the paragraph below, all filings required to be made by reporting persons holding the Company's stock were timely filed for the year ended December 31, 2013 in accordance with Section 16(a).

Mr. Turner, former President and Chief Executive Officer of the Company, inadvertently failed to timely report the withholding by the Company of 5,092 shares of Class A Common stock for the purposes of satisfying Mr. Turner's withholding tax obligations in connection with the vesting of shares granted to Mr. Turner under the Short-Term Incentive Plan (STIP). The disposition of such shares was subsequently reported on a Form 4, filed on October 3, 2013.

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**EXECUTIVE COMPENSATION  
COMPENSATION DISCUSSION & ANALYSIS**

*This Compensation Discussion and Analysis contains statements regarding our performance targets and goals. These targets and goals are discussed in the limited context of our compensation program and should not be considered statements of our management's expectations or estimates of our results or other guidance. We specifically caution investors not to apply these statements to other contexts.*

This Compensation Discussion and Analysis ("CD&A") describes the philosophy, objectives, and features of our executive compensation program, which is generally applicable to each of our senior officers.

The Company's compensation programs are designed to reward our executives for delivering both shorter-term performance results and longer-term shareholder value. Through our programs, we are able to provide a competitive total compensation package while aligning executive interests with those of our stockholders. The following highlights the key considerations our Compensation Committee considers in the development, review and approval of our Named Executive Officers' ("NEOs") compensation:

***Key considerations when reading the CD&A:***

*Leadership changes in 2013 resulted in several changes in NEO positions during the course of the year.*

*Mr. Jeffrey L. Turner, our former President and Chief Executive Officer, officially retired from the Company and Spirit on June 30, 2013. Mr. Turner had been Spirit's President and Chief Executive Officer since the Company's formation in 2005. Mr. Turner remains on the Company's Board of Directors.*

*Our Board of Directors named Mr. Larry Lawson our new President and Chief Executive Officer on April 6, 2013. Mr. Lawson previously was the former Executive Vice President of Lockheed Martin's Aeronautics business segment.*

*Mr. Philip D. Anderson changed leadership positions in September 2013, moving from Senior Vice President and Chief Financial Officer to become the new Senior Vice President of Defense & Contracts with responsibility for all company contracting as well as solidifying our structure to allow us to pursue more military work in the future.*

*Mr. Sanjay Kapoor joined the Company and Spirit as the new Senior Vice President and Chief Financial Officer in September 2013, succeeding Mr. Philip D. Anderson. Mr. Kapoor previously served as the Chief Financial Officer at divisions within the Raytheon Company and United Technologies Corporation.*



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**Executive Summary**

*2013 Company Performance*

In 2013, Mr. Lawson was named as Spirit's new President and CEO. Mr. Lawson quickly commenced a strategic and financial review of the Company and its programs. He subsequently added new leadership talent to the team, re-organized the Company to support our customers and programs, and began working to improve operational and cost performance.

Based on the changes in leadership, 2013 was the start of a multi-year transformation that positioned the Company to move forward as we ramp up alongside our customers to all-time historical highs in commercial aircraft production rates.

The nearby charts help summarize our performance in 2013 and include several measures that are directly tied to compensation through our Short-Term Incentive Plan (STIP) and Long-Term Incentive Plan (LTIP).

Revenue in 2013 increased 10% to \$6 billion. While our earnings before interest and taxes (EBIT) performance was negative in 2013, we generated positive cash flow. Moreover, in 2013, we continued to invest heavily in order to position us for the longer-term as our customers' demand for high quality, cost-effective engineering and manufacturing intensifies.

The Company is entering 2014 with a strong cost discipline and a relentless focus on performance and accountability that should begin to yield consistent cash generation.



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The Company's three-year annualized total shareholder return of 18% demonstrates that the Company is creating long-term value for its stockholders. Our stock delivered a one-year total shareholder return of 101% in 2013, reflecting that stock performance continued to improve in 2013 under the Company's new leadership and clear strategic focus on performance.

To ensure we continue our commitment to and alignment with shareholder value in our pay programs, we annually grant to qualifying employees restricted shares with a value that is directly tied to our share price. In addition, to strengthen this tie to pay-for-performance, our Compensation Committee determined that, beginning in 2014, vesting of 25% of the long-term incentive grant to qualifying employees will be contingent on our total shareholder return compared to that of our peer group.

In 2013, through increases in our stock price, the Company increased shareholder wealth by nearly \$2.4 billion in total (although we acknowledge that our year-to-date stock performance has given up a portion of the 2013 gains).

The following message delivered to the Spirit executive team in 2013 by Mr. Lawson highlights the Company's focus and alignment around performance and increasing shareholder value.

**2013 CEO Messages to Spirit Team:**

We aligned the Company towards its customers and programs, took aggressive action to reduce costs and added talent to our leadership team.

Our 2013 actions reflect a commitment to our shareholders, customers and employees to sharpen Spirit's focus and generate cash. We are laser-focused on the right things: disciplined decision-making focused on the market, performance, cost and cash flow.

Our increased focus on the essentials of performance and quality are showing signs of progress. We've begun reducing costs as we deliver great aerostructures to our customers and generate cash to reinvest for our future.

We reported 2013 financial results reflecting continued strong demand for large commercial aircraft and strong mature program operating performance.

Our robust \$41 billion backlog represents the growing, globally-diverse demand for our industry-leading products and capabilities. As single-aisle products remain the major driver of large commercial aerospace market growth over the next twenty years, Spirit is well-positioned with approximately 62 percent of backlog on the next generation 737 and A320 families. Longer-term, we believe there are growth opportunities

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in large commercial aircraft. In the defense market, we made an announcement this year of a teaming agreement with Bell Helicopter on the V-280 Valor, the next generation tiltrotor to meet the Army's Future Vertical Lift requirements.

Table of Contents**2013 Compensation Program Decisions**

Our decisions on executive compensation reflect the Company's commitment to pay-for-performance and increase alignment between the interests of executives and stockholders. Decisions made by our Compensation Committee in 2013, as well as executive compensation changes set to become effective in 2014, are described below.

**Key 2013 Compensation Decisions** The Company's leadership team changed significantly in 2013 with the addition of a new CEO and CFO, along with several role changes for other NEOs. The following provides a high-level overview of compensation decisions for 2013.

*See pages 38-41 for details*

**Base Salaries**

To enable the Company to attract high caliber external candidates with specialized skills, the Compensation Committee has determined that executive officers' base salaries should be paid at market median. As part of this move toward market median, David Coleal received a 52% increase due to his promotion to EVP, GM Boeing, Military, Business & Regional Jet Programs & Aftermarket, Samantha Marnick received a base salary increase of 10% in May 2013 and John Pilla's base salary increased 13% in connection with the expanded responsibilities of his promotion to EVP, GM Airbus and A350 xWB Program Management. Mr. Anderson did not receive a pay increase based on his current positioning against market median, nor did Mr. Turner due to his impending retirement.

Increases to annual base salaries noted in the table below may not match those reported in the Summary Compensation Table because of the timing of an executive's hiring, retirement or promotion.

<b>Lawson</b>	N/A	<b>\$1,000,000</b>	N/A
<b>Turner</b>	\$770,000	\$770,000	0%
<b>Kapoor</b>	N/A	\$525,000	N/A
<b>Anderson</b>	\$400,000	\$400,000	0%
<b>Coleal</b>	\$385,000	\$585,000	52%
<b>Pilla</b>	\$310,000	\$350,000	13%
<b>Marnick</b>	\$300,000	\$330,000	10%

**Short-Term Incentive Plan (STIP)**

Seventy-five percent of the 2013 STIP potential award was based on the company-wide quantitative measures of earnings before interest and taxes (EBIT), EBIT as a Percentage of Revenue, and Total Free Cash Flow. Twenty-five percent of the 2013 STIP potential award was based on qualitative measures evaluated by the Board.

The performance of the Company fell short of the STIP target goals set for 2013 (largely due to charges taken on several of our maturing programs, which led the Compensation Committee to award a payout of 48% of the target STIP for each NEO other than Mr. Lawson. In accordance with his Employment Agreement (detailed on page 38), Mr. Lawson was guaranteed a target annual bonus STIP award for 2013 of no less than 115% of his base salary.



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**Discretionary Cash Award**

To reflect the progress made during this transitional year to strengthen the Company for the future, the Compensation Committee approved the use of the 10% discretionary bonus pool. As our new CEO, Mr. Lawson quickly aligned the organization to support our customers and programs, added new leadership talent to the team and helped to position the Company for success. In recognition of this strong performance in his new role, Mr. Lawson received 20% of his annualized 2013 base salary as a discretionary bonus award. The other NEOs serving as officers at year-end received either 8%, 10% or 12% of base salary in recognition of their individual contributions to the business. The 2013 discretionary bonus awards will mark our last payouts of awards of this type, as the discretionary bonuses are being discontinued.

**Long-Term Incentive Plan (LTIP)**

Under our LTIP, which has provided for time-based awards aimed at retention, the NEOs received restricted stock grants with values ranging from \$0.5 - \$4.0 million in May 2013. Messrs. Lawson and Kapoor received additional restricted stock grants as part of their compensation packages when joining the Company. Based on the restructuring of our leadership team, Mr. Pilla, Mr. Coleal and Ms. Marnick also each received a one-time special retention restricted stock grant that vests over four years.

**2014 Program Updates**

*See pages 65-71 for details*

**Consolidation of Incentive Plans**

As of March 7, 2014, we had 8,992,019 remaining ungranted shares of stock allocated to four compensation plans: STIP, LTIP, EIP and DSP. Each of those plans was intended for a specific purpose, and none of them permits awards that would satisfy the performance-based exemption under IRC Section 162(m). As described in this Proxy Statement, we are seeking stockholder approval at the 2014 Annual Meeting of Stockholders of the 2014 Omnibus Plan to replace those four plans (See p. 65). If the 2014 Omnibus Plan is approved, it would not be dilutive, as it will be funded with 8.5 million shares, while the right to make awards on the 8,992,019 shares remaining under the other four plans would terminate.

**Short-Term Incentive Awards**

In order to strengthen the focus of the short-term incentive award on the results of the Company creating a greater link between pay and performance the qualitative component has been removed and replaced with measures relating to the program and functions in which the individual operates and an explicit focus on individual performance; the new short-term incentive awards (as described below) will have the following performance weightings:

- 70% weighting tied to Company performance
  - 25% EBIT
  - 25% Revenue
  - 50% Total Free Cash Flow
- 20% weighting on program/functional performance, and
- 10% weighting tied to individual performance

In addition, starting with 2014 payments in respect of 2013 performance, short term incentive awards to our executives will be paid fully in cash moving forward (rather than 50% cash and 50% stock, as previously awarded), in accordance with market best practices.

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**Discretionary Cash Award**

Discretionary cash bonus awards have been discontinued beginning in 2014 in order to align with our enhanced focus on accountability for performance and to align with market best practices.

**Long-Term Incentive Awards**

To strengthen the link between pay and performance, beginning with 2014 grants, twenty-five percent of the long-term incentive award vesting will be contingent upon how our total shareholder return (TSR) compares to our peers. Seventy-five percent of the LTIP restricted stock awards will remain time-based to support retention. Concurrently with this design change, the vesting of the time-based awards will change from four years to three years to align with market practices.

**Executive Compensation Governance and Practices**

Pay for performance

No on-going new defined benefit SERP accruals

Target pay based on market norms

No tax gross-ups for change-in-control severance

Benchmark against relevant market data

No share recycling (other than in the context of forfeited shares)

Deliver total direct compensation primarily through variable pay

Use relevant corporate measures in short-term incentive awards

Set challenging short-term incentive award goals

Pay long-term incentive entirely in stock

Maintain robust stock ownership requirements

Offer market-competitive benefits

Consult with an independent advisor on pay

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**Pay-for-Performance Focus**

*Aligning Pay with Performance*

Our success as a company depends largely on the contributions of our senior executives and their efforts to deliver strong business results and increase shareholder value. This understanding supports our commitment to pay-for-performance and shapes our approach to providing a competitive total compensation package to our NEOs.

The Company uses a balance of short- and long-term incentives as well as cash and non-cash compensation to reward NEOs for their roles in meeting company objectives. Under our pay-for-performance philosophy, executive officers have the opportunity to earn in excess of market median levels when their performance exceeds expectations. Conversely, if performance falls below expectations, our incentive plans pay below target levels.

Program Design: As designed, 84% of the total annualized direct compensation for our CEO and between 74% - 77% for our other NEOs is comprised of variable pay (notwithstanding any guaranteed minimum payments or awards under the CEO's employment agreement). The portion of target annual compensation that is variable generally increases with the executive officer's position level and impact on our performance, providing significantly more upside potential and downside risk for more senior positions as these executives have a greater influence on our performance as a whole. The actual value realized from short-term incentive awards ranges from zero if threshold performance targets are not met up to 200% of targeted amounts for exceptional company performance, while the long-term portion has been time-based variable pay (though starting in 2014, 25% of long-term awards will be tied to total shareholder return relative to our peers). Prior to 2014, discretionary awards were also offered based on individual performance against company objectives.

Performance Assessment: Our Compensation Committee uses a comprehensive and well-defined process to assess Company performance. We believe the performance measures for our incentive plans focus management on the appropriate objectives for the creation of both short- and long-term shareholder value.

The Company's incentive compensation components for NEOs are intended to link compensation performance with the full spectrum of our business goals, some of which are short-term, while others take several years or more to achieve.

Over time, our incentive compensation programs have demonstrated our commitment to pay-for-performance. As evidenced by the chart to the right, we have a record of making short-term incentive award payouts below our targets when we do not meet our performance goals.

In addition to our short- and long-term incentive plans, our stock ownership guidelines require all senior executives to meet specific ownership targets based on position. This requirement subjects these executives to the same long-term stock price volatility our stockholders experience and further aligns our executives' interests with those of our stockholders'. See page 43 for details.

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**CEO Pay at a Glance**

Mr. Lawson's annualized target pay for 2013 positioned his target total direct compensation (base salary, target short-term incentives, target long-term and discretionary incentives) slightly below the 50th percentile of the peer group and survey data described on page 36.

**Determining Compensation for 2013**

*Role of the Compensation Committee*

The Compensation Committee of the Board is responsible for establishing, implementing and monitoring compliance with our compensation philosophy and objectives. Generally, the Compensation Committee strives for internal equity among our NEOs and, accordingly, the types of compensation and benefits offered to our NEOs are consistent among the group.

The Compensation Committee develops and modifies, as appropriate, the executive compensation philosophy and objectives, and makes recommendations to the full Board on the performance goals, objectives and compensation structure for NEO compensation.

Each year, the Compensation Committee evaluates each NEO's performance in relation to the Board of Directors' goals and objectives, and with respect to our CEO, reviews his self-evaluation. Based on these evaluations, the Compensation Committee reviews and approves our NEOs' annual compensation, including salary, short- and long-term incentives, any discretionary awards and other similar arrangements. Together with our CEO, the Compensation Committee also reviews and approves annual discretionary cash bonuses for the other NEOs.

In establishing the overall philosophy and strategy of our NEO compensation, the Compensation Committee takes into consideration the counsel and recommendations of our CEO and Senior Vice President of Corporate Administration and Human Resources, recommendations of other members of the Board, and the research analysis and advice of Towers Watson.

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The Compensation Committee continues to examine existing and new compensation programs and objectives to ensure that ours remain appropriate and consistent with our overall philosophy and objectives.

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*Role of the CEO*

Each year, our NEOs prepare and discuss their self-evaluations with our CEO, who presents a compensation recommendation for each other NEO to the Compensation Committee. These recommendations are based on the CEO's review of their performance, job responsibilities and importance to our overall business strategy, as well as our compensation philosophy. Although these recommendations are given significant weight, the Compensation Committee retains full discretion when determining compensation for our executive officers.

The CEO also prepares a self-evaluation and presents it to the Compensation Committee.

*Role of the Compensation Consultant*

The Compensation Committee retains the authority to approve and monitor all compensation and benefit programs (other than broad-based welfare benefit programs). To add rigor in the review process and to inform the Compensation Committee of market trends, the Compensation Committee utilized the services of Towers Watson in 2013. Towers Watson assisted the Compensation Committee in benchmarking our executive compensation and reviewing trends and regulatory implications for executive pay and developing incentive plan design alternatives. This information was also used by the Compensation Committee in establishing our NEOs' base salaries and target goals for compensation plan awards.

Towers Watson is engaged by our management, with the prior and ongoing approval of the Compensation Committee, and provides executive compensation consulting services that support the Compensation Committee's goal to align the interests of our executive officers with those of our stockholders. Towers Watson and its affiliates did not provide any other services to the Company in 2013. The Compensation Committee has considered the factors specified by the SEC in determining that Towers Watson provides independent advice.

Mercer Human Resources Consulting is also engaged by our management to provide non-executive compensation consulting services to the Company.

**Consideration of Advisory Stockholder Vote on Executive Compensation**

We believe that it is appropriate to seek the views of our stockholders on the design and effectiveness of our executive compensation program. At our 2011 Annual Meeting of Stockholders, we held our first non-binding, advisory stockholder vote on executive compensation under the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010. In 2011, the advisory vote on executive compensation (the Say-On-Pay vote) received greater than 93% support from the votes of our stockholders present, in person or by proxy, and entitled to vote on the matter. As an advisory vote, the results of this stockholder vote are not binding upon us; however, the Compensation Committee, which is responsible for designing and administering our executive compensation program, values the opinions expressed by our stockholders in their vote and considered the outcome of this vote when it made compensation decisions for the Named Executive Officers. The Compensation Committee considered the 93% stockholder vote supporting our executive compensation, and accordingly decided not to make significant changes to the executive compensation that received the strong support of our stockholders.

In addition, at our 2011 Annual Meeting of Stockholders, our stockholders approved holding the advisory vote every three years (the Say-When-On-Pay vote), which we believe will allow for a meaningful evaluation period of performance against our compensation practices. In accordance with the advisory vote of our stockholders at the 2011 Annual Meeting of Stockholders, and as determined by the Compensation Committee and the Board, we will include an advisory vote on executive compensation in our proxy statement every three years.

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**Benchmarking Our 2013 Executive Compensation Program**

Our executive compensation program total direct compensation consisting of base salary, short-term incentives and long-term incentives is compared to that of our peers in order to determine competitive levels to support the attraction and retention of our executive officers.

We benchmark executive compensation against a peer group of comparably-sized (in terms of revenue) U.S.-based companies (emphasizing aerospace, defense and auto component manufacturers). The companies specified below were included in the Towers Watson peer group analyses for 2013. The graph below demonstrates that the peers represent a reasonable range of smaller and larger companies (based on revenues). (Note that changes from the 2012 group include the removal of Esterline Technologies (less than \$2 billion in revenue) and the addition of Terex to replace it.)

The Company will measure its total shareholder return relative to this peer group to determine the degree to which the performance-based shares of restricted stock it plans to award in 2014 (if stockholders approve the 2014 Omnibus Plan) will vest.

We also used a broader survey sample for benchmarking executive compensation. In 2012, in connection with setting 2013 pay, the Compensation Committee reviewed compensation benchmarking based on national, proprietary compensation surveys. Specifically, data was prepared principally using a Towers Watson Executive Compensation custom survey on aerospace and defense, transportation, industrial manufacturing, energy and electrical equipment and services, automotive, building products and general industry companies. Comparable benchmarking was also conducted in 2013 in connection with establishing 2014 pay.

The composition of the survey group may vary somewhat from year to year based on survey participation. The survey analysis considers companies in relevant industries (aerospace and defense, machinery, auto components, and electrical equipment) as well as companies in a broad array of industries when necessary to complement data limitations. Survey data were size-adjusted to approximate Spirit's revenue either through regression or by limiting the survey sample to comparably-sized companies.

The Compensation Committee believes that overall executive compensation should be designed to be competitive with comparable companies, to reward effective execution of our goals and the individual objectives set for our executive officers, and to recognize exceptional



performance and results.

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**Elements of the Executive Compensation Program**

The following table describes how elements of compensation are intended to satisfy the Company's compensation objectives.

	Fixed compensation to attract and retain executives		
<b>Base Salary</b>	Reflects experience, responsibility and performance levels of executive talent	Cash	Continue movement towards market median
	Generally set at a competitive level commensurate with market median		
	Annual performance-based cash award		New weightings based on Company, Program and individual performance
<b>Short Term Incentive Award</b>	Supports pay-for-performance philosophy	Cash	Eliminated qualitative performance measures
	Motivates executives to achieve our near-term focus on cash and quality that drives our long-term performance		Will be paid entirely in cash
<b>Discretionary Award</b>	Additional annual cash component provided from a discretionary bonus pool based upon Company performance	Cash	Discretionary awards discontinued beginning with the 2014 fiscal year
	Recognizes and rewards exceptional individual performance and contributions toward achievement of company goals		
<b>Long Term Incentive Award</b>	Time-based restricted stock component to support retention needs and reward our high potential employees	Equity	25% of total LTIP grant will vest based on the Company's TSR results versus its peer group

Performance-based restricted stock tied to relative total shareholder return

75% will vest over three years for retention purposes

Retirement Savings Plan (RSP/401(k)); (CEO and NEOs participate in the same retirement benefits as other employees)

**Retirement**

Legacy frozen plans Supplemental Employee Retirement Program (SERP) and Pension Value Plan (PVP)

Benefit

No changes in these plans

Deferred Compensation Plan (Deferred compensation plans available to all executives)

**Other Benefits**

Qualified Health Plans (CEO and NEOs participate in same health benefits as other employees)

Benefit

No changes in these plans

Perquisites

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**Analysis of 2013 Compensation**

*CEO Employment Agreement*

Mr. Lawson was hired on April 6, 2013. His compensation is market-based and is 14% above Mr. Turner's target pay prior to his retirement. His Employment Agreement provided for compensation as follows:

Initial Base salary of \$1,000,000

Signing bonus of \$2,000,000 in restricted stock

Buy-out bonus of \$4,000,000 in restricted stock for foregone benefits from his previous employer

Guaranteed target annual bonus award of no less than 115% of base salary for 2013 performance

Long term incentive award equal to \$4,000,000

Company contribution of \$1,000,000 in deferred compensation credited on each of the first five anniversaries of hire date

Relocation benefits, made under Company-wide programs

*Base Salaries*

In the early years after our formation as a stand-alone company and the acquisition of the assets of Spirit from Boeing (the "Boeing Acquisition"), we managed salaries well below the market median with above market annual incentives to restore the opportunity to reach market median. In recent years, we have been shifting that approach and are increasingly managing base salary at a level commensurate with market median.

In 2013 Mr. Coleal received a 52% base salary increase due to his promotion to Executive Vice President and General Manager for Boeing, Military, Business & Regional Jet Programs & Aftermarket, and Mr. Pilla's base salary increased 13% in connection with the expanded responsibilities of his promotion to Executive Vice President and General Manager for Airbus and A350 xWB Program Management. Ms. Marnick received a base salary increase of 10% in May 2013 to better approximate market amounts.

Mr. Anderson did not receive a pay increase based on his current positioning against market median, nor did Mr. Turner due to his impending retirement.

Mr. Kapoor joined the Company as the new Senior Vice President and Chief Financial Officer in 2013. Mr. Kapoor received a starting salary of \$525,000 consistent with market median for his role.

*Short-Term Incentive Awards*

We target annual incentive awards at a level that, when combined with base salaries, result in total annual compensation that is above the market median when the Company performs well. As we are elevating the base salary component to market median, we are in the process of reducing the target short-term incentive awards.

Each year the Board establishes company performance objectives, targeted achievement levels and weighting to be used for the annual incentive award determination, based on a recommendation from the Compensation Committee. In assessing our performance against objectives following the close of each year, the Compensation Committee considers actual quantitative results against the specific budgetary objectives,

which has been the basis for 75% of the overall STIP award. The Compensation Committee has also considered a qualitative component of up to 25% based upon predetermined

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objectives. The Compensation Committee then determines the percentage of the target award that will be paid to each of our executive officers.

In February 2013, the Compensation Committee recommended performance goals to the Board for 2014 payout in respect of 2013 based on three primary quantitative metrics as well as five qualitative considerations. The quantitative metrics are: (1) earnings before interest and taxes (EBIT), (2) EBIT as a Percentage of Revenues and (3) Free Cash Flow (cash flow from operations less net capital expenditures). The qualitative considerations that the Compensation Committee identified were: (1) results of customer re-pricing, (2) stability of our new programs, (3) improvement of our product quality and processes, 4) productivity maximization and (5) our operating values. After first quarter performance, the qualitative considerations were realigned by the Compensation Committee to focus on the following six qualitative metrics: (1) customer pricing, (2) stability of our new programs, (3) core program capacity expansion and rate increases (4) quality, process and productivity improvement, (5) teamwork and succession, and (6) our operating values.

### *STIP Performance Results*

The table below summarizes our 2013 performance versus the previously-determined STIP goals. We failed to meet the threshold required for payment under the EBIT and EBIT as a Percentage of Revenue measures. Our Total Free Cash Flow results exceeded the target. The board assessed our performance against qualitative objectives at below-target levels. As a result, the Compensation Committee determined a payout of 48% of the target STIP (28% based on quantitative company performance and 20% based on qualitative results).

Measure (\$mm)	Weight	Target	Result	Weighted Payout
EBIT	25%	\$ 543	\$ (331)	0%
EBIT %	25%	9.1%	-5.6%	0%
Total Free Cash Flow	25%	\$ 50	\$ 57	28%
Board's Qualitative Assessment	25%	100%	80%	20%
<b>STIP Total</b>				<b>48%</b>

As shown in the table below, the NEOs earned less than half of their target award, with the exception of Messrs. Lawson and Kapoor, whose awards were guaranteed at target based on their contractual agreements. Mr. Turner's payout reflects a prorated payout of six months, the portion of 2013 prior to his retirement.

<b>Lawson</b>	\$1,150,000	\$1,150,000
<b>Turner</b>	\$767,890	\$368,587
<b>Kapoor</b>	\$525,000	\$525,000
<b>Anderson</b>	\$480,000	\$230,400
<b>Coleal</b>	\$505,282	\$242,535
<b>Pilla</b>	\$403,956	\$193,899
<b>Marnick</b>	\$363,912	\$174,678

In 2014, Mr. Lawson's target will remain 115% of his base salary; however, in connection with the recalibration of base salaries and short-term incentive award to market, all other NEOs targets will be set at or reduced to 100% of base salary.

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Our past practice has been to pay annual awards to our chief executive officer in 50% cash and 50% restricted stock, and we generally have used the same split to pay annual awards to our other executive officers, at the discretion of the Compensation Committee. Starting with 2014 payments in respect of 2013 performance and moving forward, annual awards to our executives are being paid in all cash, commensurate with market best practices.

With respect to the stock portion of the 2012 STIP awards that were paid in 2013, the fair market value was set by the Board to be the average of the opening and closing trading prices of the Class A Common stock on February 24, 2013, which was the third trading day after our quarterly earnings announcement. The "Grants of Plan-Based Awards for Fiscal Year 2012" table below reflects the actual number of STIP stock awards granted in 2013 for 2012 performance and paid in 2013. The 2012 STIP award was confirmed by the Board in executive session on February 5, 2013.

The STIP awards paid in cash in February 2014 for 2013 performance are considered to have been earned in 2012. These cash awards for the Named Executive Officers are reported as 2013 compensation in the "Non-Equity Incentive Plan Compensation" column of the "Summary Compensation Table."

*Discretionary*

In order to recognize exceptional individual performance and contributions toward achievement of Company goals, executive officers have the opportunity to earn an additional cash award. This bonus has been reserved for the Company's highest performers. The discretionary bonus pool has been equal to 10% of aggregate executive base salaries at target performance; however, the pool allocation and the specific officer recipients have been determined in the sole discretion of the Compensation Committee upon consultation with the CEO. The discretionary bonus pool could have been set as high as 20% of aggregate executive base salaries if target performance was exceeded and could be set under 10% in the event of lower Company performance. The Compensation Committee separately reviews the CEO's performance to determine whether any discretionary award is appropriate for him. In making this determination, the Compensation Committee considers whether it is appropriate to further reward the CEO for exceeding individual performance toward Company objectives and furthering shareholder returns.

To reflect the progress made during this transitional year to strengthen the Company for the future, the Compensation Committee approved the use of the 10% discretionary bonus pool for 2013. This award is included in the bonus column of the "Summary Compensation Table."

In order to align better with our increased focus on accountability for performance results and to align with the market practices, discretionary awards will be discontinued beginning in 2014.

*Long-Term Incentive Awards*

The LTIP is an important component of compensation, as it is used to provide long-term, equity-based incentive compensation in keeping with our executive compensation philosophy for the entire executive group. As the STIP has provided the at-risk component of the executive package, the LTIP has been a time-based vesting plan used to retain our executive leadership and reward our high potential employees and tie pay to stockholder returns.

For 2013, we granted restricted stock awards with multi-year vesting schedules under the LTIP to our CEO and Named Executive Officers and all of our other executive officers in May 2013. Typically, the shares granted provide for vesting in three equal installments on each of the 2nd, 3rd and 4th anniversaries of the grant date.

Special one-time awards were granted to our newly-hired NEOs Messrs. Lawson and Kapoor, whose grants were in the form of sign-on bonuses. Mr. Turner also received an award in connection

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with his retirement and consulting agreement. In connection with our leadership changes and re-alignment, Messrs. Coleal and Pilla, and Ms. Marnick received retention awards equal in value to their annual LTIP grant. The table below outlines the special one-time LTIP awards made to NEOs in 2013 in addition to their annual target LTIP awards (reflecting fair value as calculated in accordance with applicable accounting rules).

<b>Lawson</b>	\$4,000,006	\$6,000,019
<b>Turner</b>	N/A	\$1,540,004
<b>Kapoor</b>	N/A	\$2,000,051
<b>Anderson</b>	\$800,018	N/A
<b>Coleal</b>	\$994,508	\$994,508
<b>Pilla</b>	\$664,998	\$664,998
<b>Marnick</b>	\$495,004	\$495,004

For 2014, increased emphasis will be on Company performance and shareholder value. The long-term incentive design will change to include a 25% weighting on performance-based shares, the vesting of which will be determined by our total shareholder return compared to our peer group. (See Proxy Peer Group Table, page 36)

*Executive Incentive Plan (EIP)*

The EIP was introduced when we became a stand-alone company. Under this plan, our executive officers who made an initial investment in the Company were able to earn matching stock awards based on our performance over time. Awards under the plan were subject to a five-year service requirement, and all NEOs who were participants in the EIP have met this service requirement; however, some of the outstanding shares under the plan remain subject to sale restrictions, and participants do not have the unrestricted rights of stockholders with respect to those shares until the earlier of a liquidity event or June 16, 2015. No stock has been purchased or granted under the EIP since July 31, 2006, and no further shares will be granted under the EIP.



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**Other Compensation Elements**

*Executive Recruitment*

**Factors Guiding Our Decisions to Support Attraction, Motivation and Retention of Top Talent**

In light of our decision to bring in new talent, we have evaluated new measures to help attract such talent.

- ii We seek highly qualified executive talent for our leadership team in a very competitive industry.
- ii We conduct strategic talent reviews of our executives against business needs on a regular and recurring basis.
- ii We balance our internal development and succession planning process with attracting high performing executives, who have proven records of skill and performance, from other companies, including our competitors.
- ii In attracting external, skilled, high-performing talent, the Compensation Committee believes that the initial compensation package provided to an executive officer must be significant enough to attract the talent from his or her current company; therefore, base salaries have been moving from below market median to around the market median.
- ii Generally, we target market median levels in total compensation; over time we've been elevating the portion paid in salary to align with market practices and reducing our above-market incentives to help mitigate any undue risk-taking.

We have structured a variety of compensation arrangements and approved various payments to recruit executive talent. The Compensation Committee has approved LTIP stock and cash payments designed to compensate individual executive officers for compensation that they would forgo by leaving their current employers. More specifically, Mr. Lawson's employment agreement provided for a signing bonus of restricted stock units valued at \$2,000,000 and a buyout bonus of restricted stock units valued at \$4,000,000 to compensate for foregone compensation benefits from Mr. Lawson's previous employer. Mr. Kapoor received a signing bonus of restricted stock units valued at \$2,000,000 under his employment agreement; in addition, in consideration of bonuses foregone from his previous employer, Mr. Kapoor received a cash sign-on bonus of \$250,000, \$100,000 of which is payable on the second anniversary of his employment. These awards are included in the "Bonus" and "Stock Award" columns of the "Summary Compensation Table", as applicable. The Compensation Committee believes that its decision to adopt those compensation arrangements and approve those payments was reasonable and necessary to achieve our overall goals and was consistent with our compensation philosophy.

*Perquisites*

Perquisites and other benefits represent a small part of the overall compensation package for our executive officers. Beginning with fiscal year 2012, all individual perquisites for the participants were eliminated and replaced with an annual allowance of \$25,000 for our chief executive officer and up to \$13,000 for each other participant, including each of our other Named Executive Officers. Any portion of a participant's annual allowance that is not used by him or her by the end of the applicable calendar year lapses and does not carry over to the following calendar year. Our chief executive officer administers the plan on behalf of the Board and the Compensation Committee, including designating participants and allowance amounts and ensuring that the use of perquisites is in compliance with the plan.

The Company's executive security procedures which prescribe the level of personal security to be provided to the CEO are based on business related security concerns and are an integral part of the

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Company's overall risk management. This has been assessed by an independent security consulting firm and deemed necessary and appropriate for the protection of our CEO. Therefore, it is recommended that our CEO use company aircraft for personal travel for security reasons, and as a result, his use of our aircraft is a substantial portion of his perquisite usage.

The Compensation Committee will periodically review competitive market data to ensure that the Perquisite Allowance Plan is reasonable and within market practice.

*Health Benefits/Retirement Plans*

We provide our executive officers, including our NEOs, benefits provided to all other salaried, non-union employees, including medical and dental insurance and tax-qualified defined contribution participation and matching (our 401(k) plan). These benefits are important for retaining our executive officers and enhancing their compensation through tax-excluded or tax-deferred vehicles. Our contributions to our 401(k) plan on behalf of the NEOs are included in the "All Other Compensation" column of the "Summary Compensation Table" below. This plan furthers our objectives of attracting and retaining well-qualified employees and executive officers as it is our only active retirement plan.

We adopted a supplemental executive retirement plan (SERP) in connection with the Boeing Acquisition in order to attract certain employees from Boeing. The SERP provides deferred compensation benefits to those of our executive officers and certain other members of management that previously participated in Boeing's Supplemental Executive Retirement Plan for Employees of Boeing prior to the Boeing Acquisition. Also in connection with the Boeing Acquisition, we adopted the Pension Value Plan (PVP) for those former employees of Boeing who did not retire from Boeing by August 1, 2005. Both the SERP and the PVP are frozen plans, so no additional employees are becoming participants in the plans and no current participants are accruing any additional benefits. The PVP allowed the transfer of pension values from Boeing pension plans. The PVP is fully paid for by us, and our employees are vested after reaching five years of service. We list the benefit numbers for the Named Executive Officers in the "Pension Benefits" table and the additional narrative following that table.

**Stock Ownership Guidelines**

The Company maintains stock ownership guidelines for its Named Executive Officers and other senior executives to further promote alignment of management and stockholder interests. The ownership requirements (measured by value of our stock required to be held) are based on a multiple of base salary tied to pay grade.

The stock ownership guidelines establish the following target levels for Company stock ownership:

<b>Chief Executive Officer</b>	5x
<b>Senior Vice Presidents</b>	3x
<b>Vice Presidents</b>	1x

Non-employee directors are expected to own the greater of \$250,000 worth of stock by market value or 12,500 shares or RSUs, exclusive of Onex-designated Board members who are deemed to be in compliance with this requirement because of existing stock ownership in the Company by Onex and its affiliates. Shares that satisfy the stock ownership guidelines include:

Shares of the Company's Class A and Class B Common stock or restricted stock units (i) owned outright either individually by an officer or as co-owner with spouse, (ii) owned in the name of any of the officer's minor children, either outright or with the officer and/or spouse, or (iii) held in trust for the officer, the officer's spouse and/or minor children;

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Shares of the Company's Class B Common stock granted under the EIP for which the officer has met the service requirements; and

Phantom shares held in the SERP.

The stock ownership guidelines require that the chief executive officer and other senior elected officers accumulate their required positions within five years of the adoption of the guidelines, or for new officers, within five years of being hired or promoted into the officer position. In addition, increases in an officer's target level resulting from salary increases or promotions are required to be achieved within five years of the event requiring the increase. We believe that five years provides a reasonable goal for executives to accumulate shares through earned incentive awards.

During the five-year accumulation period, the chief executive officer and other senior elected officers are expected to continuously accumulate qualifying equity until they meet the minimum stock ownership guideline. The Company will review on an annual basis the ownership position of the chief executive officer and each of the other senior elected officers who is required to adhere to these guidelines. The Company may restrict the officer from liquidating any of his or her then-current holdings in Company stock, except for those shares which are sold to meet Company tax withholding requirements. The Company may modify or waive the requirements of the guidelines, at its discretion, if it determines that compliance would result in severe hardship for an officer.

**Compensation in Connection with Termination of Employment**

We believe that competitive severance protection is an appropriate incentive in attracting and retaining talent. We have provided for termination compensation through certain individual employment agreements in the form of salary and benefit continuation for a moderate period of time following involuntary termination of an executive officer's employment. We have also agreed to individual severance arrangements at the time of termination of employment, taking into account the specific facts and circumstances surrounding termination, including other compensation available at such time. We also consider the need to protect our business and confidential and proprietary information through non-competition, non-solicitation and similar agreements, and the desire to provide for effective transitions between departing executives and continuing or new management.

You can find additional information regarding our practices in providing compensation in connection with termination of employment and change-in-control under the heading "Potential Payments on Termination or Change-in-Control" below.

**Compensation in Connection with Change-In-Control (CIC)**

We maintain several programs of broad application that are designed to provide compensation in connection with the termination of employment or a change-in-control of the Company. Specifically, our short-term incentive awards, our long-term incentive awards, and our Perquisite Allowance Plan provide for certain compensation in connection with a change-in-control of the Company as discussed below under "Potential Payments Upon Termination or Change-in-Control Change-in-Control."

*Short-Term Incentive Awards*

Upon the occurrence of a change-in-control of the Company (i) each short-term incentive award participant who is employed by the Company on the date of the change-in-control or who was terminated without cause within 90 days prior to the change-in-control will be entitled to receive an award of cash in an amount equal to the full-year short-term incentive award that such participant would have been entitled to receive for such year had the target performance metrics established for such year been met and (ii) any outstanding unvested short-term incentive award shares previously granted to each such participant will vest immediately. In addition, under the current STIP, a

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"Qualifying Retirement" by a STIP participant will entitle the participant to (i) receive a prorated STIP award (based on the portion of the year in which services were performed), paid in cash, based on the full-year STIP performance metrics actually achieved for such year and (ii) acceleration in full of the vesting requirement of any outstanding unvested STIP shares previously granted to such participant.

*Long-Term Incentive Awards*

Upon the occurrence of a change-in-control of the Company (i) each long-term incentive award participant who is employed by the Company on the date of the change-in-control or who was terminated without cause within 90 days prior to the change-in-control will be entitled to receive an award of cash in an amount equal to the value of the full-year long-term incentive award that would have been made to such participant within the 12-month period following the change-in-control if not for the occurrence of the change-in-control and (ii) any outstanding unvested long-term incentive award shares previously granted to each such participant will vest immediately.

*Perquisite Allowance Plan*

The Perquisite Allowance Plan provides that, in the event of a change-in-control of the Company, each participant will receive a cash award equal to any remaining unused portion of his or her allowance for the year in which the change-in-control occurs, plus an amount equal to the participant's full allowance for the calendar year in which the change-in-control occurs, which is intended to enable the employee to transition to self-funding.

*EIP*

All shares that have been issued under the EIP have vested for tax purposes. However, restrictions on the sale of some of those shares remain in effect until the earlier of a liquidity event (including a change in control) or June 16, 2015.

**Accounting and Tax Treatment of Compensation**

Section 162(m) of the Internal Revenue Code of 1986, as amended (the "Code"), imposes a \$1 million limit on the amount that a public company may deduct for compensation paid to a company's chief executive officer or any of a company's three other most highly compensated executive officers (other than its chief financial officer) who are employed as of the end of the year. This limitation does not apply to compensation that meets the requirements under Section 162(m) for "qualifying performance-based" compensation (i.e., compensation paid only if the individual's performance meets pre-established objective goals based on performance criteria approved by stockholders).

We believe that it is important to preserve flexibility in administering compensation programs in a manner designed to promote varying corporate goals. Accordingly, we have not adopted a policy that all compensation must qualify as deductible under Section 162(m). Amounts currently paid under our compensation programs do not qualify as performance-based compensation that is excluded from the limitation on deductibility. The 2014 Omnibus Plan which we are asking stockholders to approve in connection with this proxy statement will permit us, if the plan is approved, to make short-term and long-term incentive awards in the future that meet the performance-based criteria.

We have adopted FASB's authoritative guidance on stock-based compensation accounting, which generally requires companies to measure the cost of employee and non-employee services received in exchange for an award of equity instruments based on the grant-date fair value and to recognize this cost over the requisite service period or immediately if there is no service and there are no other vesting requirements. The notes to our consolidated financial statements, included in our Annual

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Report on Form 10-K for fiscal year 2013 filed with the SEC, contain further information concerning our policies with respect to FASB's authoritative guidance on stock-based compensation accounting.

**Reconciliations of Non-GAAP Financial Information for the 2013 STIP Award**

We define earnings before interest expense and taxes (EBIT) as operating (loss) income as reported in our income statement plus net other income plus adjustments for severe weather expenses.

Operating (loss) of (\$364 million)

Plus net other income of \$3 million

Plus adjustments of \$30 million for severe weather expenses

EBIT of (\$331 million)

We define EBIT as a percent of sales as

EBIT of (\$331 million) as described above

Divided by net revenues of \$5,961 as reported in our income statement

EBIT as a percent of sales as (5.6%)

We define total free cash flow as net cash provided by (used in) operating activities in our statement of cash flow, less purchase of property plant and equipment in our statement of cash flow, plus adjustments for severe weather expense identified in our earnings release of February 6, 2014.

Net cash from operations of \$261 million

Less purchase of property plant and equipment (excluding purchase in relation to severe weather event) of (\$234 million)

Plus other adjustments of \$30 million due to the Severe Weather Impact as noted in the earnings release

Total free cash flow of \$57 million

**Compensation Committee Report**

The Compensation Committee establishes and oversees the design and functioning of our executive compensation program. The Compensation Committee has reviewed and discussed the Compensation Discussion and Analysis section in this Proxy Statement with our management. Based on such review and discussions, the Compensation Committee recommended to the Board that the Compensation Discussion and Analysis be included in this Proxy Statement for the 2014 Annual Meeting of Stockholders and also be incorporated by reference in our Annual Report on Form 10-K for the fiscal year 2013.

*Compensation Committee*

Paul Fulchino, Chairman  
Richard Gephardt  
Robert Johnson  
Tawfiq Popatia

Table of Contents**Summary Compensation Table**

The following table summarizes compensation information for the fiscal year ended December 31, 2013, for (i) Mr. Lawson, our chief executive officer, (ii) Mr. Turner, our former chief executive officer, (iii) Mr. Kapoor, our chief financial officer, (iv) Mr. Anderson, our former chief financial officer and current senior vice president of defense and contracts, and (v) our other three Named Executive Officers. The following table also summarizes compensation information for the fiscal years ended December 31, 2011 and 2012 for those of the foregoing officers who were listed as Named Executive Officers in our Proxy Statements for our 2012 and 2013 Annual Meetings of Stockholders.

Name and Principal Position	Year	Salary (\$)	Bonus (\$)	Stock Awards (\$)(18)	Option Awards (\$)	Non-Equity Incentive Plan Compensation (\$)(19)	Change in Pension Value and Nonqualified Compensation	All Other Compensation (\$)(21)	Total (\$)
							Deferred Earnings (\$)		
Larry A. Lawson, President & CEO(1)	2013	688,463	200,000(14)	10,000,025		1,150,000		73,235(22)	12,111,723
Jeffrey L. Turner, Former President & CEO(2)	2013	567,586(8)		1,720,110		184,800(8)	0(20)	45,581(23)	2,518,077
	2012	743,075(9)	100,000(14)	3,439,598		186,571(9)	109,803(20)	50,032(24)	4,629,079
	2011	558,456(9)		3,120,429		370,310(9)	117,322(20)	39,049(25)	4,205,566
Sanjay Kapoor SVP/CFO(3)	2013	119,133	202,500(15)	2,000,051		525,000		13,285(26)	2,859,969
Philip D. Anderson, Former SVP & CFO and Current SVP of Defense and Contracts(4)	2013	400,005	32,000(14)	854,500		230,400		31,452(27)	1,548,357
	2012	373,077(10)	50,000(14)	874,591		56,443(10)		17,051(28)	1,371,162
	2011	248,620(10)	40,000(14)	557,175		76,792(10)		16,535(29)	939,122
David M. Coleal, EVP/General Manager Boeing, Military, Business & Regional Jet Programs & Aftermarket(5)	2013	508,080(11)	120,326(16)	2,028,902		242,640(11)		63,876(30)	2,963,824
	2012	381,160(11)	239,472(17)	537,756		41,343(11)		49,892(31)	1,249,623
John A. Pilla, EVP/General Manager Airbus & A350 xWB Program Management(6)	2013	334,618(12)	35,000(14)	1,371,942		193,920(12)	0(20)	33,917(32)	1,969,397
	2012	286,923(12)	100,000(14)	596,719		43,451(12)	109,012(20)	31,684(33)	1,167,789
Samantha Marnick, SVP/Chief Administration Officer(7)	2013	324,225(13)	40,000(14)	1,024,577		174,720(13)		30,727(34)	1,594,249

- (1) Mr. Lawson was appointed President and Chief Executive Officer of the Company, effective April 6, 2013.
- (2) Mr. Turner resigned as President and Chief Executive Officer of the Company, effective April 6, 2013. Compensation reflected in this table for 2013 reflects Mr. Turner's compensation from the Company in 2013, including pursuant to his Retirement and Consulting Agreement, but excludes compensation received as a non-employee director, which is reflected under "Compensation of Non-Management Directors Director Compensation for Fiscal Year 2013" on pp. 16-18.
- (3) Mr. Kapoor was appointed Senior Vice President and Chief Financial Officer of the Company, effective September 23, 2013.
- (4) Mr. Anderson served as Senior Vice President and Chief Financial Officer of the Company until September 23, 2013, and thereafter has been serving as Senior Vice President of Defense and Contracts of the Company.
- (5) Mr. Coleal was not a Named Executive Officer in the fiscal year ended December 31, 2011.
- (6) Mr. Pilla was not a Named Executive Officer in the fiscal year ended December 31, 2011.

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- (7) Ms. Marnick was not a Named Executive Officer in the fiscal years ended December 31, 2011 and 2012.
- (8) Effective as of June 30, 2013, Mr. Turner's annual base salary decreased from \$770,000 to \$335,000 pursuant to the terms of his Retirement and Consulting Agreement. Accordingly, Mr. Turner's annual salary for 2013 was prorated based on the portion of the year for which his new compensation arrangement applied.
- (9) Effective as of (a) May 4, 2012, Mr. Turner's annual base salary increased from \$700,000 to \$770,000 and (b) September 1, 2011, Mr. Turner's annual base salary increased from \$500,000 to \$700,000. Accordingly, Mr. Turner's annual salaries for 2012 and 2011 and cash compensation earned under the STIP for 2012 and 2011 performance were prorated based on the portions of the year for which his new compensation arrangements applied.
- (10) Effective as of (a) May 4, 2012, Mr. Anderson's annual base salary increased from \$330,000 to \$400,000, and (b) September 1, 2011, Mr. Anderson's annual base salary increased from \$215,000 to \$330,000. Accordingly, Mr. Anderson's annual salaries for 2012 and 2011 and cash compensation earned under the STIP for 2012 and 2011 performance were prorated based on the portions of the year for which his new compensation arrangements applied.
- (11) Effective as of (a) May 3, 2013, Mr. Coleal's annual base salary increased from \$385,000 to \$585,000 and (b) May 4, 2012, Mr. Coleal's annual base salary increased from \$375,000 to \$385,000. Accordingly, Mr. Coleal's annual salary for 2013 and 2012 and cash compensation earned under the STIP for 2013 and 2012 performance were prorated based on the portion of the year for which his new compensation arrangement applied.
- (12) Effective as of (a) May 3, 2013, Mr. Pilla's annual base salary increased from \$310,000 to \$350,000 and (b) May 4, 2012, Mr. Pilla's annual base salary increased from \$250,000 to \$310,000. Accordingly, Mr. Pilla's annual salary for 2013 and 2012 and cash compensation earned under the STIP for 2013 and 2012 performance were prorated based on the portion of the year for which his new compensation arrangement applied.
- (13) Effective as of May 3, 2013, Ms. Marnick's annual base salary increased from \$300,000 to \$330,000. Accordingly, Ms. Marnick's annual salary for 2013 and cash compensation earned under the STIP for 2013 performance were prorated based on the portion of the year for which her new compensation arrangement applied.
- (14) Represents a discretionary cash bonus paid to the respective executive officer.
- (15) Represents (i) a discretionary bonus in the amount of \$52,500 and (ii) \$150,000 as a portion of the signing bonus payable under Mr. Kapoor's employment agreement.
- (16) Represents (i) a discretionary bonus in the amount of \$47,000 and (ii) \$73,326 as a portion of the cash signing bonus payable under Mr. Coleal's employment agreement.
- (17) Represents (i) a discretionary bonus in the amount of \$125,000 and (ii) \$114,472 as a portion of the cash signing bonus payable under Mr. Coleal's employment agreement.
- (18) Represents the dollar amount computed based on the individual award grant date fair values reported in the applicable year's Grants of Plan-Based Awards Table in accordance with FASB's authoritative guidance on stock-based compensation accounting. Additional information concerning the Company's accounting for stock awards may be found in Note 18 to the Company's consolidated financial statements in our Annual Report on Form 10-K for 2013.
- (19) Represents cash compensation earned by each Named Executive Officer under the STIP for the respective fiscal years.
- (20) Represents the aggregate increase in the actuarial present value of the respective executive officer's interest under the Company's Pension Value Plan, although the value of the benefits payable to Mr. Turner and Mr. Pilla under the Pension Value Plan in 2013 decreased by \$63,737 and \$55,841, respectively. There were no above-market earnings on the respective executive officer's interest under the Company's Deferred Compensation Plan.
- (21) "Personal airplane usage", as referenced in footnote 22, is included in All Other Compensation as a perquisite, and consists of the incremental cost to the Company of personal usage of its corporate airplane. The incremental cost to the Company for personal airplane usage is calculated based on a methodology that includes the weighted average cost of fuel, maintenance expenses, parts and supplies, landing fees, ground services, catering and



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crew expenses associated with such use, including those associated with "deadhead" flights related to such use. Because the corporate airplane is used primarily for business travel, the methodology excludes fixed costs that do not change based on usage. Fixed costs include pilot salaries, the purchase or lease costs of the airplane and the cost of maintenance not related to personal travel. Executives, their families and invited guests occasionally fly on the corporate airplane as additional passengers on business flights. In those cases, the aggregate incremental cost to the Company is a de minimis amount, and as a result, no amount is reflected in the Summary Compensation Table. Executives, directors, their families and invited guests also occasionally fly on the corporate airplane as additional passengers on personal flights that are attributed to another executive, in which case the entire incremental cost is allocated to the executive who arranged for the personal flight. We do not grant bonuses to cover, reimburse or otherwise "gross-up" any income tax owed for personal travel on the corporate airplane.

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- (22) Includes (a) financial professional services, (b) \$31,484 for personal airplane usage, (c) personal use of country club membership paid for by the Company, (d) \$13,125 for Company contributions to defined contribution plans, and (e) \$1,715 for Company contributions toward life insurance.
- (23) Includes (a) tax professional expenses, (b) legal professional expenses, (c) transportation expenses, (d) entertainment-related expenses, (e) personal use of corporate skybox, (f) \$32,541 for Company contributions to defined contribution plans, and (g) \$2,079 for Company contributions toward life insurance.
- (24) Includes (a) personal airplane usage (including for use associated with attendance at outside board meetings), (b) dependent travel and travel-related expenses, (c) personal use of corporate skybox, (d) \$32,349 for Company contributions to defined contribution plans, and (e) \$3,861 for Company contributions toward life insurance coverage. We note that, although use of the corporate airplane for attendance of outside board meetings is reported as a perquisite and included in All Other Compensation, we view our executives' service on outside boards as serving a useful business purpose for the Company.
- (25) Includes (a) personal airplane usage (including for use associated with attendance at outside board meetings), (b) personal use of corporate skybox, (c) \$31,975 for Company contributions to defined contribution plans, and (d) \$3,188 for Company contributions toward life insurance coverage.
- (26) Includes (a) vehicle costs, and (b) \$285 for Company contributions towards life insurance.
- (27) Includes (a) vehicle lease payments, (b) personal use of country club membership paid for by the Company, (c) \$18,721 for Company contributions to defined contribution plans, and (d) \$683 for Company contributions towards life insurance.
- (28) Includes (a) \$16,479 for Company contributions to defined contribution plans and (b) \$572 for Company contributions toward life insurance coverage.
- (29) Includes (a) \$16,050 for Company contributions to defined contribution plans, (b) \$365 for Company contributions toward life insurance coverage and (c) personal use of country club membership paid for by the Company.
- (30) Includes (a) travel-related expenses, (b) vehicle lease payments and other vehicle-related expenses, (c) tax professional expenses, (d) gym membership, (e) satellite radio fees, (f) \$18,931 for Company contributions to defined contribution plans, (g) \$33,680 for Company contributions to non-qualified deferred compensation plan and (h) \$696 for Company contributions toward life insurance coverage.
- (31) Includes (a) dependent travel, (b) tax and financial professional services, (c) vehicle lease payments, (d) professional organizational dues, (e) \$11,270 for Company contributions to defined contribution plans, (f) \$25,025 for Company contributions to non-qualified deferred compensation plan and (g) \$597 for Company contributions toward life insurance coverage.
- (32) Includes (a) \$33,117 for Company contributions to defined contribution plans, and (b) \$800 for Company contributions toward life insurance coverage.
- (33) Includes (a) \$31,051 for Company contributions to defined contribution plans, and (b) \$633 for Company contributions toward life insurance coverage.
- (34) Includes (a) vehicle lease payments, (b) accounting professional services, (c) lodging expenses, (d) \$17,394 for Company contributions to defined contribution plans, and (e) \$333 for Company contributions towards life insurance.

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**Grants of Plan-Based Awards for Fiscal Year 2013**

The following table presents information regarding grants of plan-based awards to our Named Executive Officers during the fiscal year ended December 31, 2013.

Name	Grant Date	Estimated Possible Payouts Under Non-Equity Incentive Plan Awards(1)			Estimated Future Payouts Under Equity Incentive Plan Awards(2)			All Other Stock Awards(3)	All Other Options(4)	Base Grant Date of Stock Awards	Fair Value of Stock Awards
		Threshold (\$)	Target (\$)	Maximum (\$)	Threshold (\$)	Target (\$)	Maximum (\$)	Number of Shares or Units	Number of Securities or Options		
Larry A. Lawson President & CEO	N/A 5/8/13	287,500	1,150,000	2,300,000						N/A	
Jeffrey L. Turner, Former President & CEO	2/23/13 N/A 5/8/13	192,500	770,000	1,540,000	186,571	746,284	1,492,568	480,078(3)		180,106	10,000,025
Sanjay Kapoor SVP & CFO	N/A 11/6/13	131,250	525,000	1,050,000				73,932(4)		N/A	2,000,051
Philip D. Anderson, Former SVP, CFO and Current SVP of Defense and Contracts	2/22/13 N/A 5/8/13	120,000	480,000	960,000	56,443	225,770	451,541	38,407(4)		54,482	800,018
David M. Coleal, EVP/General Manager Boeing, Military, Business & Regional Jet Programs & Aftermarket	2/22/13 N/A 5/8/13	126,375	505,500	1,011,000	41,343	165,373	330,746	95,487(4)		39,908	1,988,994
John A. Pilla, EVP/General Manager Airbus & A350 xWB Program Management	2/22/13 N/A 5/8/13	101,000	404,000	808,000	43,451	173,803	347,607	63,850(4)		41,946	1,329,996
Samantha Marnick, SVP/Chief Administration Officer	2/22/13 N/A 5/8/13	91,000	364,000	728,000	35,806	143,224	286,448	47,528(4)		34,569	990,008

- (1) 2013 STIP cash awards, paid in February 2014, were granted and earned in 2013. The actual cash awards for the Named Executive Officers for 2013 are reported in the "Non-Equity Incentive Plan Compensation" column of the "Summary Compensation Table." Starting with 2014 payments in respect of 2013 performance, short term incentive awards to STIP participants will be paid fully in cash (rather than 50% cash and 50% stock, as previously awarded). The threshold, target, and max amounts have been adjusted (to twice the amount they would have been had cash represented 50% of the STIP award) in connection with this shift.
- (2) The STIP restricted stock awards are denominated in dollars and then converted and paid in shares of Class A Common stock. Mr. Turner was granted 10,962 shares, Mr. Anderson was granted 3,316 shares, Mr. Coleal was granted 2,429 shares, Mr. Pilla was granted 2,553 shares, and Ms. Marnick was granted 2,104 shares under the STIP in February 2013 for 2012 performance.
- (3) 288,047 of the LTIP restricted stock awards will vest annually at a rate of 33% beginning April 6, 2014 and 192,031 of the LTIP restricted stock awards will vest annually at a rate of 33% beginning May 8, 2015 if Mr. Lawson remains employed by the Company or any of its subsidiaries on each annual vesting date.
- (4)

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The LTIP restricted stock awards will vest annually at a rate of 33% beginning May 8, 2015 if such Named Executive Officer remains employed by the Company or any of its subsidiaries on each annual vesting date (other than Mr. Turner's awards, the vesting of which is not dependent on continued employment).

- (5) 33,859 of the LTIP restricted stock awards will vest annually at a rate of 33% beginning September 23, 2014 and 33,859 of the LTIP restricted stock awards will vest annually at a rate of 25% beginning September 23, 2014 if Mr. Kapoor remains employed by the Company or any of its subsidiaries on each annual vesting date.
- (6) Represents the grant date fair value of each equity award computed in accordance with FASB's authoritative guidance on stock-based compensation accounting and includes amounts from awards granted in 2013. Additional information concerning the Company's accounting for stock awards may be found in Note 18 to the Company's consolidated financial statements in our Annual Report on Form 10-K for 2013.

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**Outstanding Equity Awards at End of Fiscal Year 2013**

The following table presents information concerning the number and value of unvested restricted stock grants to our Named Executive Officers under our LTIP, STIP and EIP plans outstanding as of December 31, 2013. We have not granted any options or option-like awards.

Name	Option Awards					Stock Awards		Equity Incentive Plan	
	Number of Securities Underlying Unexercised Options (#) Exercisable	Number of Securities Underlying Unexercised Options (#) Nonexercisable	Equity Incentive Plan Awards: Number of Securities Underlying Unexercised Options (#)	Exercise Price (\$)	Option Expiration Date	Number of Shares or Units of Stock That Have Not Vested (#)	Market Value of Units of Stock That Have Not Vested (\$)	Equity Awards: Number of Unearned Shares, Units or Rights That Have Not Vested (#)	Market or Payout Value of Unearned Shares, Units or Rights That Have Not Vested (\$)
Larry A. Lawson President & CEO						480,078(1)	16,361,058		
Jeffrey L. Turner, Former President & CEO						469,709(2)	16,007,683		
Sanjay Kapoor SVP & CFO						67,718(3)	2,307,829		
Philip D. Anderson, Former SVP, CFO and Current SVP of Defense and Contracts						91,883(4)	3,131,373		
David M. Coleal, EVP/General Manager Boeing, Military, Business & Regional Jet Programs & Aftermarket						132,396(5)	4,512,056		
John A. Pilla, EVP/General Manager Airbus & A350 xWB Program Management						121,017(6)	4,124,259		
Samantha Marnick, SVP/Chief Administration Officer						77,958(7)	2,656,809		

(1) (a) 288,047 restricted Class A shares granted under the LTIP will vest annually at a rate of 33% beginning April 6, 2014 and (b) 192,031 restricted Class A shares granted under the LTIP will vest annually at a rate of 33% beginning May 8, 2015, in each case, if Mr. Lawson continues to be employed by the Company or any of its subsidiaries on each such vesting date.

(2) (i) 163,897 restricted Class B shares granted under the EIP do not vest unless and until certain conditions have been satisfied, as described in "Compensation Discussion & Analysis" under "Executive Incentive Plan (EIP)", and (ii) (a) 36,592 restricted Class A shares granted under the LTIP will vest on May 4, 2013, (b) 70,742 restricted Class A shares granted under the LTIP will vest annually at a rate of 50% beginning on May 10, 2013, (c) 124,546 restricted Class A shares granted under the LTIP will vest annually at a rate of 33% beginning on May 8, 2014, and (d) 73,932 restricted Class A shares granted under the LTIP will vest annually at a rate of 33% beginning on May 8, 2014.



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- (3) (a) 33,859 restricted Class A shares granted under the LTIP will vest annually at a rate of 33% beginning September 23, 2014 and (b) 33,859 restricted Class A shares granted under the LTIP will vest annually at a rate of 25% beginning September 23, 2014, in each case, if Mr. Kapoor continues to be employed by the Company or any of its subsidiaries on each such vesting date.
- (4) (i) (a) 5,642 restricted Class A shares granted under the LTIP will vest on May 4, 2014, (b) 12,168 restricted Class A shares granted under the LTIP will vest annually at a rate of 50% beginning on May 10, 2014, (c) 32,350 restricted Class A shares granted under the LTIP will vest annually at a rate of 33% beginning on May 8, 2014 and (d) 38,407 restricted Class A shares granted under the LTIP will vest annually at a rate of 33% beginning on May 8, 2015, in each case, if Mr. Anderson continues to be employed by the Company or any of its subsidiaries on each such vesting date, and (ii) 3,316 restricted Class A shares granted under the STIP vested on February 22, 2014.
- (5) (i) (a) 18,682 restricted Class A shares granted under the LTIP will vest annually at a rate of 33% beginning on May 8, 2014 and (b) 15,798 restricted Class A shares granted under the LTIP will vest annually at a rate of 50% beginning on May 10, 2014, (c) 95,487 restricted Class A shares granted under the LTIP will vest annually at a rate of 33% beginning May 8, 2015, in each case, if Mr. Coleal continues to be employed by the Company or any of its subsidiaries on each such vesting date, and (ii) 2,429 restricted Class A shares granted under the STIP vested on February 22, 2014.
- (6) (i) 16,947 restricted Class B shares granted under the EIP do not vest unless and until certain conditions have been satisfied, as described in "Compensation Discussion & Analysis" under "Executive Incentive Plan (EIP)", (ii) (a) 5,773 restricted Class A shares granted under the LTIP will vest on May 4, 2014, (b) 21,311 restricted Class A shares granted under the LTIP will vest annually at a rate of 33% beginning on May 8, 2014, (c) 10,583 restricted Class A shares granted under the LTIP will vest annually at a rate of 50% beginning on May 10, 2014, and (d) 63,850 restricted Class A shares granted under the LTIP will vest annually at a rate of 33% beginning on May 8, 2015, in each case, if Mr. Pilla continues to be employed by the Company or any of its subsidiaries on each such vesting date, and (iii) 2,553 restricted Class A shares granted under the STIP vested on February 22, 2014.
- (7) (i) 3,226 restricted Class B shares granted under the EIP do not vest unless and until certain conditions have been satisfied, as described in "Compensation Discussion & Analysis" under "Executive Incentive Plan (EIP)", (ii) (a) 2,053 restricted Class A shares granted under the LTIP will vest on May 4, 2014, (b) 14,558 restricted Class A shares granted under the LTIP will vest annually at a rate of 33% beginning on May 8, 2014, (c) 8,489 restricted Class A shares granted under the LTIP will vest annually at a rate of 50% beginning on May 10, 2014 and (d) 47,528 restricted Class A shares granted under the LTIP will vest annually at a rate of 33% beginning on May 8, 2015, in each case, if Ms. Marnick continues to be employed by the Company or any of its subsidiaries on each such vesting date, and (iii) 2,104 restricted Class A shares granted under the STIP vested on February 22, 2014.
- (8) Market value calculated by multiplying the number of shares by \$34.08, the closing price per share of our Class A Common stock on the last trading day of our fiscal year 2013. Upon vesting, shares of Class B Common stock are convertible into shares of Class A Common stock on a one-for-one basis.

### **Option Exercises and Stock Vested for Fiscal Year 2013**

The following table presents information concerning the vesting of restricted stock for our Named Executive Officers during the fiscal year ended December 31, 2013. We have not granted any options or option-like awards.

Name	Option Awards		Stock Awards	
	Number of Shares Acquired on Exercise (#)	Value Realized on Exercise (\$)	Number of Shares Acquired on Vesting (#)	Value Realized on Vesting(6) (\$)
Larry A. Lawson, President & CEO				
Jeffrey L. Turner, Former President & CEO			169,720(1)	3,477,906
Sanjay Kapoor, SVP & CFO				
Philip D. Anderson, Former SVP, CFO and Current SVP of Defense and Contracts			17,645(2)	355,044
David M. Coleal, EVP/General Manager Boeing, Military, Business & Regional Jet Programs & Aftermarket			10,996(3)	217,984
John A. Pilla, EVP/General Manager Airbus & A350 xWB Program Management			24,871(4)	504,632
Samantha Marnick, SVP/Chief Administration Officer			13,654(5)	273,266

(1)

Represents 26,102 Class A shares of restricted Common stock awarded by us under the STIP and 143,618 Class A shares of restricted Common stock awarded by us under the LTIP.



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- (2) Represents 3,140 Class A shares of restricted Common stock awarded by us under the STIP and 14,505 Class A shares of restricted Common stock awarded by us under the LTIP.
- (3) Represents 3,097 Class A shares of restricted Common stock awarded by us under the STIP and 7,899 Class A shares of restricted Common stock awarded by us under the LTIP.
- (4) Represents 2,850 Class A shares of restricted Common stock awarded by us under the STIP and 22,021 Class A shares of restricted Common stock awarded by us under the LTIP.
- (5) Represents 2,616 Class A shares of restricted Common stock awarded by us under the STIP and 11,038 Class A shares of restricted Common stock awarded by us under the LTIP.
- (6) Class A shares of restricted Common stock awarded by us under the STIP vested on (i) February 24, 2013 at \$16.54, the closing price of our Class A Common stock on February 25, 2013, the first market trading date after the vesting date, which was a Sunday, and (ii) June 30, 2013 at \$21.83, the closing price of our Class A Common stock on July 1, 2013, the first market trading date after the vesting date, which was a Sunday. Class A shares of restricted Common stock awarded by us under the LTIP vested on May 2, 2013, May 4, 2013, May 5, 2013 and May 10, 2013. The closing price of our Class A Common stock on May 2, 2013 was \$20.35. The closing price of our Class A Common stock on May 6, 2013, the first market trading day after each of the vesting dates of May 4, 2013 and May 5, 2013, which were a Saturday and Sunday, respectively, was \$20.75. The closing price of our Class A Common stock on May 10, 2013 was \$21.10.

**Pension Benefits**

The following table presents information concerning benefits rec