Spirit AeroSystems Holdings, Inc.
Form DEF 14A
March 11, 2019

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.

(Name of Registrant as Specified In Its Charter)

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

Payment of Filing Fee (Check the appropriate box):
No fee required.
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(1) Amount Previously Paid:
(2) Form, Schedule or Registration Statement No.:
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(4) Date Filed:

DEAR FELLOW STOCKHOLDERS

Thomas C. Gentile III

PRESIDENT AND

CHIEF EXECUTIVE OFFICER

Robert D. Johnson

CHAIRMAN

March 11, 2019

On behalf of the Board of Directors, we are delighted to invite you to attend the 2019 Annual Meeting of Stockholders (the "Annual Meeting") of Spirit AeroSystems Holdings, Inc. (the "Company" or "Spirit"). Details of the business to be conducted at the Annual Meeting are included in the attached Notice of Annual Meeting of Stockholders and accompanying Proxy Statement.

While 2018 was a challenging year for Spirit, it was also a time of great learning and adaptation that has prepared us well for success in 2019 and beyond. The majority of issues impacted the Boeing 737 program, driven by rate increases, supplier limitations, and a learning curve transitioning to the 737 MAX. Likewise, on the A350 XWB program, we experienced weather delays and technology complications at our plant in Kinston, N.C. However, thanks to tremendous efforts on all programs by our employees and suppliers, we ended the year back on our master delivery schedule and met our financial targets.

Highlights of 2018 include:

- Reported revenue of $7.222 billion, up 3% from 2017
- Delivered on our 2018 capital deployment plan, returning significant value to investors through share repurchases and dividends (including a 20% increase in the quarterly cash dividend amount)
- Received multiple innovation and supplier awards from our customers
- Pursued commercial, defense, and fabrication growth opportunities
- Increased research and development efforts and our use of digital technologies
- Signed a new long-term contract with Boeing covering pricing on a range of programs into the next decade
- Engaged with our stockholders and other constituents on various items including strategy, capital deployment, corporate governance, and operational performance

In 2019, we will be challenged to continue to meet rate increases and deliver on time and with high quality on all our programs, all while being relentless in safety and cost control. Yet, we remain confident in our ability to have a successful year.

We thank you for your continued support of Spirit and look forward to seeing you at the Annual Meeting.

Notice of
2019 Annual Meeting of Stockholders

3801 S. Oliver St.
Wichita, KS 67210-2112

March 11, 2019

IMPORTANT NOTICE REGARDING THE AVAILABILITY OF PROXY MATERIALS

FOR THE STOCKHOLDER MEETING TO BE HELD ON APRIL 24, 2019

The Proxy Statement and Annual Report are available at http://www.proxyvote.com

The 2019 Annual Meeting of Stockholders (the "Annual Meeting") of Spirit AeroSystems Holdings, Inc. ("Spirit" or the "Company") will be held:

WEDNESDAY, APRIL 24, 2019

11:00 a.m. Eastern Time

Fairmont Hotel, Dumbarton Room

2401 M St. NW

Washington, DC 20037

Items of business include:

1.
Election of nine nominees as directors;

2.
Advisory vote to approve the compensation of the Company's named executive officers;

3.

Ratification of the selection of Ernst & Young LLP as the Company's independent registered public accounting firm for 2019;

4.
The stockholder proposal regarding enhancing proxy access described in this Proxy Statement, if properly presented at the meeting; and

5.
The transaction of any other business that properly comes before the meeting.

Stockholders of record of our Class A Common Stock (the "Common Stock") as of February 25, 2019, are entitled to receive notice of, and may vote at, the Annual Meeting. We are furnishing proxy materials to our stockholders primarily over the internet rather than mailing paper copies. On March 11, 2019, we commenced distributing to our stockholders a Notice Regarding the Availability of Proxy Materials (the "Notice") or a paper copy of the proxy materials and our Annual Report, along with a proxy card or voting information form. The Notice contains instructions on how to access and review the proxy materials, including this Proxy Statement and our Annual Report, on the internet and instructions on how to vote. Stockholders may vote in person at the Annual Meeting or by internet pursuant to the instructions set forth in the Proxy Statement. In addition, if you received a paper copy of the proxy materials, you may vote by completing and returning a proxy card or voting information form, as applicable, pursuant to the instructions set forth in the Proxy Statement.

Whether or not you plan to attend the Annual Meeting, we hope you will vote as soon as possible.

By order of the Board of Directors.

Sincerely,

Stacy Cozad

Senior Vice President, General Counsel, Chief Compliance Officer, and Corporate Secretary

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PROXY STATEMENT SUMMARY

This summary highlights certain information contained elsewhere in the accompanying Proxy Statement. This summary does not contain all the information you should consider before voting your shares. For more complete information regarding the proposals to be voted upon at the Annual Meeting and our 2018 performance, please review the entire Proxy Statement and our Annual Report on Form 10-K for the fiscal year ended December 31, 2018.

We use the terms "Spirit," the "Company," "we," "us," and "our" in this Proxy Statement to refer to Spirit AeroSyste Holdings, Inc. and its consolidated subsidiaries.

Matters to Be Voted On at the Annual Meeting

Casting Your Vote

Stockholders of record of our Common Stock as of February 25, 2019, may vote their shares using any of the following methods:

BY INTERNET VIA COMPUTER	BY INTERNET VIA TABLET OR SMARTPHONE	BY MAIL	IN PERSON
Visit www.proxyvote.com		If you received a paper copy of the materials, complete and return the enclosed proxy card or voting instruction form	Vote in person at the Annual Meeting; see "General Information — How Do I Attend the Annual Meeting"

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About Spirit

Quick Spirit Facts

HEADQUARTERS	Wichita, Kansas
PRODUCTS	Fuselages, wing structures, and propulsion systems for commercial and defense aircraft
WORLDWIDE EMPLOYEES	Approximately 17,500
LOCATIONS	Kansas, Oklahoma, North Carolina, Scotland, France, Malaysia
MAJOR CUSTOMERS	Airbus, Boeing, Bell Helicopter, Lockheed Martin (Sikorsky), Mitsubishi Aircraft Corporation, Northrop Grumman, Rolls-Royce

Business Overview

Spirit is a leading tier-one global aerostructures provider. We manufacture large aerostructures, including fuselages, wing structures, engine nacelles, pylons, fan cowls, thrust reversers, and systems integration for the world's premier aircraft. Spirit's capabilities include metal manufacturing and assembly, precision assembly, and composites manufacturing.

Our engineering capabilities, combined with our capacity for high-volume production, have positioned Spirit as a leading aerostructures supplier to both Airbus and Boeing. For Boeing, we manufacture the 737 fuselage, the front section of the 787 fuselage, and otherwise manufacture parts for every Boeing commercial aircraft currently in production. Further, for Airbus, we supply fuselage and wing aerostructures content on the A350 XWB and wing aerostructures content on the A320, A330, and A380. Spirit also supplies aerostructures for various regional and business jet programs, including pylons on the A220 and in-development Mitsubishi Regional Jet, as well as nacelles for Rolls-Royce engines used on Gulfstream aircraft.

In addition to producing aerostructures for commercial aircraft, Spirit designs, engineers, and manufactures structural components for military programs. We have been awarded a significant amount of work for Boeing's P-8, C-40, and KC-46 tanker, all of which are commercial aircraft modified for military use. We are also involved in the development and production of various parts for the Sikorsky CH-53K heavy-lift helicopter and Bell V-280 tiltrotor aircraft. In addition, Spirit is proud to be a member of the Northrop Grumman B-21 Raider industry team. Spirit has invested heavily in research and development labs that enable us to deliver innovation and value on defense programs.

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Spirit Values and Fundamental Behaviors

Values

At Spirit, we believe that culture and values play a determining role in the success of corporate strategy. Values are demonstrated in the way we think, act, and ultimately achieve results.

Transparency

I am open, honest, and respectful with my communication. I speak up to share my ideas and build trust by making my intentions clear.

Collaboration

I align my actions with others, so we work together to achieve the best outcome in everything we do.

Inspiration

I encourage the best from others, and I lead by example to ensure innovation is a component of our success.

Fundamental Behaviors

Safety	Our employees are our greatest asset. We are committed to conducting our operations in a manner that prioritizes the safety and continued health of our employees and other workers. We are committed to continual assessment, training, and investment to execute our safety goals and reduce injuries and incidents.
Quality	We are committed to continually improving our quality and delivering on or exceeding our customers' quality expectations.
On-Time Delivery	Aside from safety and quality, successful on-time delivery is our goal. The success of our customers depends on our ability to meet their delivery expectations consistently.
Customer Focused	Being a trusted partner to our customers is essential to our ability to win profitable new business. We focus on our customers by meeting our operational commitments and working alongside our customers to develop innovative solutions to their challenges. We are committed to continually investing in new technologies to improve quality, lower costs, and increase production capabilities, in a mutually beneficial way.

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Corporate Citizenship

Spirit's corporate values are demonstrated through commitments to key community initiatives, from volunteer activities to corporate- and employee-funded grants. Our values are demonstrated through the way we conduct our business and our commitments, which include the following:

Charitable Giving

We believe the opportunity to do business in a community comes with a responsibility to give back. In 2018, more than $2.9 million was donated by Spirit and $2.7 million by Spirit employees to nonprofit organizations supporting education, arts and culture, civic engagement, and health and human services.

Community Involvement

Whether it is serving on the board of a nonprofit or serving meals to the hungry, Spirit leaders and employees give generously of their time and talents. Recent Company-sponsored activities include:

- Mentoring students interested in science, technology, engineering, or mathematics careers
- Providing school supplies for thousands of U.S. children
- Building homes for low-income families
- Supporting an orphanage in Malaysia
- Refurbishing a children's respite facility in the U.K.
- Creating memorial and recreational areas in local veterans' centers

Global Diversity

We are committed to promoting diversity — not only because it is the right thing to do, but because it drives innovation and growth.

Environment, Health, and Safety

We conduct our business in a manner that protects the environment and promotes the health, safety, and well-being of our employees and our surrounding communities.

Ethics and Compliance

We uphold the highest ethical standards, and we are committed to complying with all laws and regulations applicable to our business and our Code of Business Conduct.

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About Spirit’s Director Nominees and Governance Practices

Director Nominees

Name	Age	Director Since	Principal Occupation	Independent	Committee Memberships
Charles L. Chadwell	78	2008	Retired VP/GM of Commercial Engine Operations, GE Aircraft Engines	Yes	Governance (Chair) Compensation
Irene M. Esteves	60	2015	Retired CFO, Time Warner Cable Inc.	Yes	Audit (Chair) Risk
Paul E. Fulchino	72	2006	Retired Chairman, President and CEO, Aviall, Inc.	Yes	Compensation (Chair) Governance
Thomas C. Gentile III	54	2016	President and CEO, Spirit AeroSystems Holdings, Inc.	No	
Richard A. Gephardt	78	2006	President and CEO, Gephardt Consulting Group	No	
Robert D. Johnson, Chairman	71	2006	Retired CEO, Dubai Aerospace Enterprise Ltd.	Yes	Compensation Governance
Ronald T. Kadish	70	2006	Retired EVP, Booz Allen Hamilton	Yes	Risk (Chair) Governance
John L. Plueger	64	2014	President and CEO, Air Lease Corporation	Yes	Audit Risk
Laura H. Wright	59	2018	Retired SVP and CFO, Southwest Airlines	Yes	Audit Risk

Nominee Qualifications

	Independent	**Public Company CEO Experience**	**Public Company CFO Experience**	**Commercial Aviation Operations Management Experience**	**Defense Aviation Operations Management Experience**	**Public Company Board Experience**	**Executive Compensation Experience**	**Risk Managemen Experience**
Chadwell	•			•	•	•	•	
Esteves	•		•			•		•
Fulchino	•	•		•	•	•	•	
Gentile		•		•		•	•	•
Gephardt						•		
Johnson	•			•	•	•	•	
Kadish	•			•	•	•		•
Plueger	•	•		•		•	•	

Wright	•	•	•	•	•	•

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Board Composition

Corporate Governance Highlights

Board Practices	Stockholder Protections
Independent Chairman of the Board	Proxy access right
7 out of 9 director nominees are independent	Right to call special meetings
Overboarding policy	Right to act by written consent
Ongoing director education program	Active stockholder engagement program
Regular executive sessions of non-management directors	Annual say-on-pay vote
Annual board and committee evaluations	Annual election of all directors
Robust stock ownership requirements for directors	Majority voting standard in uncontested director elections
Anti-hedging and pledging policy	No poison pill or similar plan
Robust risk oversight process with Board and committee roles	

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About Spirit's Executive Compensation Program and Practices

Overview of Spirit's Executive Compensation Program

We provide highlights of our executive compensation program below. For a full understanding of the compensation paid to our named executive officers, please review our Compensation Discussion and Analysis and the related compensation tables in this Proxy Statement.

Our compensation objectives are to (i) attract, retain, and motivate highly qualified executive officers, (ii) pay for performance using short-term and long-term incentives, (iii) align interests of the Company's executive officers with the Company's stockholders by using compensation performance measures that are meaningful to our stockholders, and (iv) ensure compensation does not encourage inappropriate risk-taking by diversifying performance measures, using payment caps, and maintaining a clawback policy, among other things. The 2018 compensation structure (excluding perquisite or "other" compensation) for our CEO and the other named executive officers ("NEOs") is below. As the charts below demonstrate, 87% of our CEO's direct compensation was variable based on performance, while 77% of the other NEOs' direct compensation was variable based on performance.

Compensation Practices Checklist

Best Practices	What the Company Doesn't Do
Align pay and performance — substantial portion of pay is delivered through variable, at-risk compensation	No ongoing new defined-benefit Supplemental Executive Retirement Plan accruals
Clawback policy	No share recycling (other than in the context of forfeited shares)
Robust stock ownership requirements	No tax gross-ups related to a change-in-control
Performance goals are relevant and tied to creation of stockholder value	No enhanced health and welfare benefit plans for executives
Double-trigger change-in-control provisions	No guaranteed payouts on performance-based compensation (except for upon death, disability, or retirement after the age of 62, beginning with equity awards granted in 2018)
Offer market-competitive benefits	No dividend payments on time-based restricted stock awards until they vest
Pay long-term incentives entirely in stock	No accumulation of dividends on unvested performance-based restricted stock awards

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PROPOSAL 1
ELECTION OF DIRECTORS

Overview

The Board of Directors is elected each year at the Company's annual meeting of stockholders. Spirit currently has nine directors. Each director elected at the Annual Meeting will serve until the 2020 annual meeting of stockholders and until the election and qualification of his or her respective successor, subject to such director's earlier death or disability.

Based on the recommendations of the Company's Corporate Governance and Nominating Committee (the "Governance Committee"), the Board has nominated each of the persons listed below for election as directors. All nominees have served as directors of the Company since the 2018 annual meeting of stockholders.

Each of the nominees has agreed to serve if elected and, as of the date of this Proxy Statement, the Company has 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, the proxy holders' intention is to vote the proxies for such other person as may be designated by the present Board to fill such vacancy.

The following information with respect to the nine nominees is 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 Board to conclude that each should continue to serve on the Board.

Director Nominees

Charles L. Chadwell
Age 78

Director Since 2008

Independent Director

Professional Experience:

- Vice President and General Manager of Commercial Engine Operations, General Electric Aircraft Engines ("GE Aviation")(1994-2002)
- Vice President, Operations, GE Aviation (1990-1994)

Former Public Company Directorships Held in the Past 7 Years:

- B/E Aerospace (2007-2012)

Committee Assignments:

- Governance (Chair)
- Compensation

Qualifications, Experience, Key Attributes, and Skills: Mr. Chadwell brings to the Board critical supply chain and manufacturing operations expertise, and executive leadership expertise, within the commercial and defense aviation industry. Mr. Chadwell provides the Board with compensation, governance, and human resources expertise, and valuable insight and perspective into aviation industry trends, developments, and challenges. Mr. Chadwell also brings to the Board experience as a public company director.

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Irene M. Esteves

Age 60

Director Since 2015

Independent Director

Professional Experience:

- Chief Financial Officer, Time Warner Cable Inc. (2011-2013)
- Executive Vice President and Chief Financial Officer, XL Group plc (2010-2011)
- Senior Vice President and Chief Financial Officer, Regions Financial Corporation (2008-2010)

Current Public Company Directorships:

- RR Donnelley (2017-present), Aramark (2014-present), KKR Real Estate Finance Trust Inc. (2018-present)

Former Public Company Directorships Held in Past 5 Years:

- Level 3 Communications (2014-2017), TW Telecom Inc. (2014)

Committee Assignments:

- Audit (Chair)
- Risk

Qualifications, Experience, Key Attributes, and Skills: Ms. Esteves has experience in global finance, corporate strategy, human resources, treasury, accounting, tax, risk management, mergers and acquisitions, and investor relations across multiple industries. Ms. Esteves also brings to the Board experience as a public company director. In addition, Ms. Esteves qualifies as an audit committee financial expert under the rules of the Securities and Exchange Commission (the “SEC”).

Paul E. Fulchino

Age 72

Director Since 2006

Independent Director

Professional Experience:

- Operating Partner, AE Industrial Partners (2015-present)
- Senior Advisor, The Boeing Company (“Boeing”) (2010-2014)

Current Public Company Directorships:

- Wesco Aircraft Holdings, Inc. (2008-present)

Committee Assignments:

- Compensation (Chair)

- Chairman, President and Chief Executive Officer, Aviall, Inc. (2000-2010) (Aviall became a wholly owned subsidiary of Boeing in September 2006.)
- Governance

- President and Chief Operating Officer, B/E Aerospace, Inc. (1996-1999)

- President and Vice Chairman, Mercer Management Consulting (1990-1996)

Qualifications, Experience, Key Attributes, and Skills: Mr. Fulchino provides the Board with executive leadership experience, and extensive knowledge and expertise regarding the commercial aviation industry, the Company's customers and supply base, compensation and human resource matters, and mergers and acquisitions. Mr. Fulchino also brings to the Board experience as a public company director.

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Thomas C. Gentile III

Age 54

Director Since 2016

Professional Experience:

- President and Chief Executive Officer, Spirit AeroSystems Holdings, Inc. (2016-present)
- Executive Vice President and Chief Operating Officer, Spirit AeroSystems Holdings, Inc. (April 2016-August 2016)
- President and Chief Operating Officer, General Electric Capital Corporation (2014-2016)
- President and Chief Executive Officer, General Electric Healthcare Systems (2011-2014)
- President and Chief Executive Officer, General Electric Aviation Services (2008-2011)

Former Public Company Directorships Held in Past 5 Years:

- Synchrony Financial Bank (2015)

Qualifications, Experience, Key Attributes, and Skills: Mr. Gentile has demonstrated success in managing large, complex global technology businesses across multiple industries. He brings to the Board a deep understanding of aviation program management, product development, strategy, and business development. Mr. Gentile also brings to the Board experience as a public company director.

Richard A. Gephardt

Age 78

Director Since 2006

Professional Experience:

- President and Chief Executive Officer, Gephardt Consulting Group (2007-present)
- President and Chief Executive Officer, Gephardt Governmental Affairs (2005-present)
-

Current Public Company Directorships:

- Centene Corporation (2006-present)

Former Public Company Directorships Held in Past 5 Years:

- Century Link, Inc. (2007-2016), Ford Motor Company (2009-2015), U.S. Steel Corporation (2005-2015)

Member, U.S. House of Representatives
(1977-2005). During this time, he served as the House
Minority Leader (1995-2003) and House Majority Leader
(1989-1995)

Qualifications, Experience, Key Attributes, and Skills: Mr. Gephardt brings governmental affairs and public relations expertise to the Board, along with labor management and union expertise. He provides the Board with a diverse perspective on public policy, political affairs, and the regulatory environment. Mr. Gephardt also brings to the Board experience as a public company director.

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Robert D. Johnson, Chairman

Age 71

Director Since 2006

Independent Director

Professional Experience:

- Chief Executive Officer, Dubai Aerospace Enterprise Ltd. (2006-2008)
- Chairman, Honeywell Aerospace (2005-2006)
- President and Chief Executive Officer, Honeywell Aerospace (2000-2005)

Current Public Company Directorships:

- Roper Technologies, Inc. (2005-present), Spirit Airlines, Inc. (2010-present)

Former Public Company Directorships Held in Past 7 Years:

- Ariba, Inc. (2003-2012)

Committee Assignments:

- Compensation
- Governance

Qualifications, Experience, Key Attributes, and Skills: Mr. Johnson, Chairman of the Board, has aviation industry executive leadership experience, experience in executive compensation and human resource matters, and provides the Board with valuable insight and perspective resulting from his expertise in marketing, sales, supply chain, and production operations. Mr. Johnson also brings to the Board experience as a public company director.

Ronald T. Kadish

Age 70

Director Since 2006

Independent Director

Professional Experience:

- Consultant, Raytheon (2018-Present)
- Senior Executive Advisor, Booz Allen Hamilton (“Booz”) (2015-2018)

Former Public Company Directorships Held in Past 5 Years:

- Orbital ATK (2015-2018), Orbital Sciences Corp. (2005-2015)

Committee Assignments:

- Risk (Chair)

- Executive Vice President, Booz (2005-2015)
- Director, U.S. Missile Defense Agency (2002-2004)
- Director, Ballistic Missile Defense Organization, Department of Defense (1999-2001)
- Commander, Electronic Systems Center, Hanscom Air Force Base (1996-1999)

- Governance

Qualifications, Experience, Key Attributes, and Skills: Mr. Kadish provides the Board with unique expertise in military, program management, security, international, and governmental matters, including having served three decades in the U.S. Air Force, rising to the rank of Lieutenant General. He delivers critical insight to the Board with respect to enterprise risk management, cybersecurity, global security, and our defense customers' needs and expectations. Mr. Kadish also brings to the Board experience as a public company director.

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John L. Plueger

Age 64

Director Since 2014

Independent Director

Professional Experience:

- Chief Executive Officer and President, Air Lease Corporation ("ALC") (2016-present)
- President and Chief Operating Officer, ALC (2010-2016)
- Chief Executive Officer, International Lease Finance Corporation ("ILFC") (2010)
- President and Chief Operating Officer, ILFC (2002-2010)

Current Public Company Directorships:

- ALC (2010-present)

Committee Assignments:

- Audit
- Risk

Qualifications, Experience, Key Attributes, and Skills: Mr. Plueger provides the Board with valuable insight into the aviation industry and aviation operations management stemming from his executive leadership roles at ILFC and ALC. In addition, Mr. Plueger has significant experience in finance and accounting matters as a certified public accountant, having received his training as an auditor from PricewaterhouseCoopers. Mr. Plueger qualifies as an audit committee financial expert under the rules of the SEC. Mr. Plueger also brings to the Board experience as a public company director.

Laura H. Wright

Age 59

Director Since 2018

Independent Director

Professional Experience:

- Sole Member and Founder, GSB Advisory, LLC (2013-present)
-

Current Public Company Directorships:

- TE Connectivity (2014-present), CMS Energy Corp. (and its wholly owned subsidiary, Consumers Energy Company) (2013-present)

Senior Vice President and Chief Financial Officer, Southwest Airlines Co. ("SWA") (2004-2012)

- Vice President, Finance, and Treasurer, SWA (2001-2004)
- Treasurer, SWA (1998-2001)

Former Public Company Directorships Held in Past 5 Years:

- Pebblebrook Hotel Trust (2009-2019)

Committee Assignments:

- Audit
- Risk

Qualifications, Experience, Key Attributes, and Skills: Ms. Wright has corporate finance and accounting experience, commercial aviation operations experience, risk management experience, and mergers and acquisitions experience, as a result of her position as Senior Vice President and Chief Financial Officer of SWA, and various other financial positions held during her 25-year career at SWA. Ms. Wright worked for Arthur Young & Co. in Dallas from 1982-1988 prior to joining SWA. Ms. Wright is a certified public accountant and qualifies as an audit committee financial expert under the rules of the SEC. Ms. Wright also brings to the Board experience as a public company director.

Voting Standard

The Company's bylaws provide for simple majority voting in an uncontested election of directors. In order for a director nominee to be elected, the votes that stockholders cast "FOR" the director nominee must exceed the votes that stockholders cast "AGAINST" the director nominee. In the event that an incumbent nominee does not receive the requisite majority of votes cast in this election, the Company will follow the procedure described under "General Information Regarding the Meeting — What Happens if an Incumbent Director Nominee is Not Elected at the Annual Meeting?" Any shares not voted (whether by abstention, broker non-vote, or otherwise) will have no impact on the election of directors. Your broker may not vote your shares on this proposal unless you give voting instructions.

The Board recommends that you vote FOR each of the director nominees.

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BOARD AND GOVERNANCE MATTERS

The Board's Role

The Company is governed by its Board of Directors. Other than with respect to matters reserved to stockholders, the Board is the ultimate decision-making body of the Company. The Board is responsible for overseeing the Company's strategy and performance, and protecting stockholder interests and value. Further, the Board is responsible for selecting and overseeing the Company's executive officers, who set and execute the Company's business strategy and handle the Company's day-to-day operations.

In carrying out its responsibilities, the Board has created and delegated certain responsibilities to four standing committees: the Audit Committee, the Compensation Committee, the Governance Committee, and the Risk Committee. Additional information about these committees and their responsibilities is described under "Committees."

Corporate Governance Guidelines

The Board is committed to maintaining corporate governance practices that maximize stockholder value. To further its commitment, the Board has adopted the Company's Corporate Governance Guidelines (the "Governance Guidelines") to ensure that the Board has the necessary authority and practices in place to effectively review and evaluate the Company's strategy and operations, to make decisions that are independent of the Company's management, to oversee management, and to monitor adherence to the Company's standards and policies. The Governance Guidelines are available at http://investor.spiritaero.com/govdocs.

Size

Pursuant to our bylaws, the Board of Directors is required to consist of three or more directors and may be increased or decreased at any time by the Board of Directors. Currently, the Board of Directors consists of nine directors. Pursuant to its charter, the Governance Committee is responsible for reviewing the size of the Board and recommending to the Board any changes it deems appropriate with respect to Board size.

Board Leadership

The Company separates the roles of Chief Executive Officer ("CEO") and Chairman of the Board in recognition of the differences between the two roles and the value of independent leadership oversight. The Board believes that separation of the roles maximizes the ability of the CEO to focus on Company strategy and operations without distraction, while benefiting from the Chairman's perspective and insight. Because Mr. Johnson, the Chairman of the Board, is an independent director, the Board has not deemed it necessary to appoint a lead independent director.

While the CEO is responsible for setting the strategic direction of the Company and managing the day-to-day operations and performance of the Company, the Chairman of the Board performs the following duties:

- Sets the agenda for Board meetings;

-

Presides over meetings of the full Board and executive sessions of independent directors;

- Presides over stockholder meetings;

- Serves as a liaison between the CEO and the independent directors;

- Provides feedback to the CEO on behalf of the independent directors regarding business issues and Board management; and

- Regularly speaks with the CEO between Board meetings to discuss Company performance and matters of significance.

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Board Composition

Selecting qualified individuals to serve as directors is key to the Board's performance. The Governance Committee is responsible for evaluating qualified potential candidates to serve on the Board, and recommending to the Board for its selection nominees to stand for election as directors at the Company's annual meeting of stockholders. This responsibility is further described in the Governance Committee's charter, which is available at: http://investor.spiritaero.com/govdocs. In evaluating candidates, the Governance Committee and Board consider the qualifications and expertise of director candidates individually and in the broader context of the Board's overall composition, taking into account any particular needs that the Company may have based on its strategic initiatives, risks, and opportunities. The Company has engaged a third-party international executive search firm to assist the Governance Committee in identifying and evaluating potential director candidates.

In evaluating individual candidates, the Governance Committee considers the personal ethics and values, experience, judgment, and diversity of the candidates, among other things. It is the policy of the Board that the Board reflect diversity of viewpoint, professional experience, education, skill, expertise, industry knowledge, and such other factors as the Governance Committee and Board believe would enhance the effectiveness of the Board. Nominees must have high standards of integrity and ethics, and convey a commitment to act in the best interest of the Company and its stockholders.

In addition, the Governance Committee considers the candidates' employment and other commitments, and evaluates whether the candidates have sufficient time available to efficiently and effectively carry out the duties of directors. For example, the Governance Guidelines limit the number of boards that any director may serve on to five (including the Company's Board), or three boards (including the Company's Board) in the case of a director who is an active chief executive officer at another public company.

Director Selection Process

Stockholder Candidates

It is the Governance Committee's policy to consider candidates nominated by stockholders in compliance with applicable laws, regulations, and the procedures described in the Company's bylaws and Proxy Statement. If a stockholder desires to recommend a director candidate for nomination by the Governance Committee, the stockholder should follow the procedures described under "Stockholder Proposals and Director Nominations for the 2020 Annual Meeting." Director candidates recommended by stockholders will be considered and evaluated in the same manner as candidates discovered through other sources.

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Director Tenure and Refreshment

While the Company has added four new directors to its Board in the past five years, five of the nominees have served on the Board for more than ten years. Through its annual evaluation process, the Board has determined that each of these five nominees provides diversity of experience and perspective, and plays an integral and necessary role in the boardroom. The Board has periodically evaluated age and term limits along with retirement policies, and has determined that such limits and policies may arbitrarily restrict valuable Board members from service and, thus, reduce stockholder value. Instead, the Board has determined to continue evaluating its members on their merits based on the contributions they make in the boardroom and their ability to enhance overall Board effectiveness. The Board is committed to routine Board and director refreshment as needed to enhance Board effectiveness, and primarily uses rigorous board and committee evaluations and composition discussions as its refreshment mechanisms.

Board and Committee Evaluations

Each year, the Governance Committee oversees an evaluation of the Board and each committee. The 2018 evaluation covered the following topics, among other things:

- Composition of the Board and committees and whether the composition is appropriate in light of the Company's strategic priorities;
- Effectiveness of Board and committee leadership;
- Strengths of the Board and committees and opportunities for improvement;
- Quality of information provided to the Board;
- Effectiveness of structures and practices;
- Quality of the directors' relationships with each other; and
- Quality of the Board's relationship with management.

A summary of the evaluation process is below:

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Director Education

Our director education program is multifaceted and includes site visits and tours, in-depth education seminars on topics of interest by senior management and external advisors, background material on the Company's operations and strategy, and the regular provision of resources from various educational institutions to directors. Each new Board member receives onboarding programming that involves meetings with senior management, business overviews, and presentations on the Code of Business Conduct, insider trading, and various other policies and procedures. We encourage our directors to attend reputable director education programs sponsored by external advisors and educational institutions.

Director Independence

The Company's Common Stock is listed on the New York Stock Exchange (the "NYSE"), and the Company uses the NYSE's listing standards to determine director independence. Under the NYSE's listing standards and the Governance Guidelines, the Board must consist of a majority of independent directors. For a director to qualify as independent, the Board must determine that the director has no material relationship with the Company (either directly, or as a partner, stockholder, or officer of an organization that has a relationship with the Company). The Board performs an independence assessment of each director annually and as circumstances may otherwise require.

In assessing the existence of a material relationship with the Company, the Board considers all relevant transactions, relationships, and arrangements required by the NYSE's independence standards. The Board examined each director's involvement through directorships, employment, consulting relationships, or otherwise, with entities the Company does business with. In particular, the Board evaluated the following:

Topic	Transaction Evaluated	Outcome
Paul E. Fulchino	When considering the independence of Mr. Fulchino, the Board considered his role as an operating partner of AE Industrial Partners ("AEI"), a private equity firm that has ownership interests in four of the Company's suppliers. For three of such suppliers, all work with the Company was won as a result of the suppliers submitting the most competitive proposal in competitive bidding situations. With respect to the fourth supplier, AEI is a minority owner and the percentage of the supplier's revenue that is attributable to the Company is insignificant. In his role at AEI, Mr. Fulchino assists with the acquisition, development, and value creation of portfolio companies. Mr. Fulchino receives a retainer from AEI and does not own any equity in AEI. Mr. Fulchino has no agreements with AEI, is not covered under AEI's benefit plans or programs, receives a Form 1099 from AEI, and is free to be employed by other companies.	The Board affirmatively determined, based on available facts and circumstances, that Mr. Fulchino was not an employee of AEI (for purposes of the independence determination). Further, with respect to the Company's transactions with three of the suppliers, each transaction arose as a result of the respective entity submitting the most competitive bid out of all bidding suppliers, and, thus, the transactions were not reportable under Item 404 of Regulation S-K. Finally, with respect to the fourth supplier, the Board determined that Mr. Fulchino's relationship with AEI did not give rise to a material interest. For these and other reasons, the Board determined that Mr. Fulchino's relationship with AEI does not give rise to a material relationship that impacts his independence or creates a related person transaction.

Richard A. Gephardt	When considering Mr. Gephardt's independence, the Board considered his role as President and Chief Executive Officer of the Gephardt Consulting Group, a consulting firm that provides services to the Company in connection with labor matters (the "Gephardt Group"). Mr. Gephardt holds a 40% equity interest in the Gephardt Group, and Mr. Gephardt's son, Chief Operating Officer of the Gephardt Group, holds a 10% equity interest. The Company's transactions with the Gephardt Group in 2018 amounted to $275,604.	The Board affirmatively determined that, in light of Mr. Gephardt's significant ownership and involvement in the Gephardt Group, Mr. Gephardt has a material relationship with the Company and is, therefore, not independent.

Based on this analysis, the Board has determined that all the director nominees are independent under the NYSE's criteria, with the exclusion of Messrs. Gentile and Gephardt. All the committees of the Board are comprised solely of independent directors.

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Committees

The Board has four committees: the Audit Committee, Compensation Committee, Governance Committee, and Risk Committee. The Board has adopted written charters for each committee, which are available at http://investor.spiritaero.com/govdocs. Information on each committee is set forth in the table below.

Committee	Members	Primary Responsibilities	No. of Meetings in 2018
Audit Committee*	Irene M. Esteves (Chair) John L. Plueger Laura H. Wright	(1) Oversee the quality and integrity of the Company's financial reporting. (2) Oversee the Company's compliance with legal and regulatory requirements. (3) Engage, compensate, and oversee the independent auditor's performance. (4) Oversee performance of the Company's internal audit function. (5) Review and discuss with management and the independent auditors the Company's earnings releases and quarterly and annual reports on Forms 10-Q and 10-K. (6) Consider the effectiveness of the Company's internal controls over financial reporting. (7) Collaborate with the Risk Committee and oversee financial-related risk exposures, and related policies and processes attempting to mitigate such risks. (8) Oversee the Company's Code of Business Conduct and the Company's ethics and compliance program.	9
Compensation Committee	Paul E. Fulchino (Chair) Robert D. Johnson	(1) Review and approve the compensation of the Company's executive officers. (2)	5

	Charles L. Chadwell	Oversee the administration of the Company's compensation plans, policies, and programs. (3) Prepare the Compensation Committee Report in this Proxy Statement. (4) Collaborate with the Risk Committee and oversee compensation-related risk exposures, and related policies and processes attempting to mitigate such risks. (5) Review and make recommendations to the Board with respect to non-employee director compensation.	
Governance Committee	Charles L. Chadwell (Chair) Robert D. Johnson Paul E. Fulchino Ronald T. Kadish	(1) Assist the Board in identifying qualified individuals to become Board members. (2) Determine the composition of the Board and its committees. (3) Lead the Board in its annual review of the Board's performance. (4) Develop and implement the Governance Guidelines and recommend to the Board any changes thereto. (5) Review and approve, deny, or ratify transactions under the Company's Related Person Transaction Policy. (6) Collaborate with the Risk Committee and oversee risks related to the Company's governance structure.	5
Risk Committee	Ronald T. Kadish (Chair) John L. Plueger Irene M. Esteves Laura H. Wright	(1) Provide oversight of management's guidelines, policies, and processes for assessing, monitoring, and mitigating the Company's critical enterprise risks, including the major strategic, operational, financial, and compliance risks inherent in the Company's business and core strategies, and collaborate with other committees regarding the same. (2) Oversee the effectiveness of the Company's cybersecurity programs and its practices for identifying, assessing, and mitigating cybersecurity risks. (3) Oversee management's review and assessment of key risks that have the potential to significantly affect the Company's ability to execute its strategy, and determine which risks should be included on the Board's	4

agenda for discussion.

*
The Board has determined that Ms. Esteves, Mr. Plueger, and Ms. Wright are “audit committee financial experts,” as such term is defined in Item 407(d)(5) of Regulation S-K.

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The Board's Role in Risk Oversight

Management's Role in Risk Management

The Company's management is responsible for the identification, assessment, mitigation, and management of risks relating to the Company's strategy and operations. Apart from reporting to the Board, management engages in a robust enterprise risk management process that involves: (i) semi-annual risk-assessment surveys and interviews; (ii) reviewing, repositioning, and prioritizing identified risks by a risk council composed of executive leadership (the "Risk Council"); (iii) assigning risks to risk owners based on responsibilities with respect to the Company's strategic objectives; (iv) developing and reporting mitigation plans by the risk owners and risk management team to the Risk Council; and (v) oversight by the Company's internal audit function. On a quarterly basis, the status of the top risks identified in management's enterprise risk management process, along with their associated mitigation plans, are presented to the Risk Committee.

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Cybersecurity

The Risk Committee of the Board is charged with oversight of the Company’s cybersecurity matters. The Company hired a Chief Information Security Officer (“CISO”) in early 2018 to oversee the Company’s cybersecurity practices and procedures. The CISO reports to the Risk Committee quarterly regarding such practices and procedures. The Company took several steps in 2018 to mitigate cybersecurity risks, such as upgrading operating and monitoring systems, hiring specialized personnel, and reviewing and improving applicable policies and procedures. The Company requires cybersecurity education at all levels of the organization.

Communications with the Board

Stockholders and other interested persons may communicate with the Board, the Chairman of the Board, individual members of the Board, members of any committee of the Board, or one or more non-employee directors through the following:

BY EMAIL	**BY MAIL**	**IN PERSON**
to CorporateSecretary@spiritaero.com	to Corporate Secretary Spirit AeroSystems Holdings, Inc. 3801 S. Oliver St. Wichita, KS 67210-2112	at the Annual Meeting (we expect all of our directors to attend)

The Corporate Secretary will forward communications received to the appropriate party. Receipt of communications clearly not appropriate for consideration by members of the Board, such as unsolicited advertisements, inquiries concerning the Company’s products and services, and harassing communications, are not forwarded to members of the Board.

Commitment to Stockholder Engagement and Responsiveness

Engagement

The Company’s management and subject-matter experts frequently meet with investors to discuss Company performance, governance practices, strategy, operations, and other matters of importance to our stockholders. In 2018, members of the Company’s management held more than 560 in-person and telephonic meetings with investors and analysts, and traveled through the continental U.S. and to the U.K. to attend the meetings. The Company is committed to maintaining a robust stockholder outreach program in addition to regular participation at investor and community events and meeting with analysts. The Company welcomes feedback from all stockholders. Stockholders can contact the Company’s Investor Relations team by calling 316-523-7040 or emailing investorrelations@spiritaero.com.

Responsiveness

At the 2018 annual meeting, two proposals were put forth regarding the stockholders' right to call special meetings. Proposal 4 was a proposal from the Company's Board to reduce the threshold required to call a special meeting from a majority of stockholders to 25%. Proposal 5 was a stockholder proposal to reduce the threshold required to call a special meeting from a majority of stockholders to 10%. At the 2018 annual meeting, stockholders voted overwhelmingly in favor of Proposal 5. After the 2018 annual meeting, the Company's management engaged with several stockholders on the matter and reported the conclusions from the engagement efforts to the Board. On July 23, 2018, after careful consideration of the matter, the Board amended the Company's bylaws to lower the threshold required to call a special meeting from a majority of stockholders to 10%, consistent with Proposal 5. The Board also adopted a number of customary protections around the right to protect against misuse. The bylaws, as amended, are available on the Company's website at http://investor.spiritaero.com/govdocs.

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2018 Board and Committee Meetings and Attendance

During 2018, there were four in-person meetings and seven telephonic meetings of the Board. All the Company's directors attended 75% or more of the aggregate of all meetings of the Board and of committees on which they served in 2018. The Company's Governance Guidelines provide that director attendance is expected at annual meetings of stockholders, and all the Company's directors attended the 2018 annual meeting of stockholders.

In addition to scheduled Board meetings, the Board receives monthly reports from Mr. Gentile detailing financial results, operational highlights and challenges, and updates on strategic initiatives.

Executive Sessions

As part of each quarterly in-person Board meeting in 2018, the Company's non-employee directors met without management present in an executive session. During executive sessions, the non-employee directors reviewed management's performance, compensation, talent development and succession planning, strategic considerations, corporate governance matters, and other matters of importance.

Code of Business Conduct

The Company is committed to the highest ethical standards and to complying with all laws and regulations applicable to the Company's business. To support and articulate its commitment and personal responsibility in this regard, the Company has adopted the Code of Business Conduct (the "Code"). The Code addresses a number of topics, including the Foreign Corrupt Practices Act, conflicts of interest, safeguarding assets, insider trading, and general adherence to laws and regulations. All directors and employees, including executive officers, must comply with the Code. The Code is available on the Company's website at http://investor.spiritaero.com/govdocs.

Succession Planning

The Board is responsible for overseeing management succession planning. At least annually, the Board reviews candidates for succession with respect to the CEO role and other senior management roles. Succession plans have been developed for both ordinary course succession and contingency planning due to an unforeseen event. The Board receives updates on the development of the succession candidates regularly. Directors engage with potential succession candidates during formal presentations at Board and committee meetings, and informal events with directors and candidates present.

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Compensation of Non-Employee Directors

Overview

Non-employee directors receive annual cash and equity compensation as described below. Equity compensation is granted under the Director Stock Program adopted under the 2014 Omnibus Incentive Plan, as amended (the “OIP”). The Compensation Committee reviews and approves non-employee director compensation amounts and practices annually. As part of their review, the Compensation Committee evaluates non-employee director compensation data from the companies in Spirit’s proxy peer group, including data regarding the size of equity awards. In addition, the Compensation Committee confers with its independent compensation consultant on the magnitude and type of non-employee director compensation, and reviews market data and benchmarking surveys provided by the consultant. Based upon that information, the Compensation Committee makes a recommendation to the Board. The Board approves the form and amount of compensation after considering the Compensation Committee’s recommendation.

In developing its recommendations, the Compensation Committee is guided by the following goals with respect to non-employee director compensation:

- Compensation should be market-competitive in relation to comparably-situated companies, including the Company’s proxy peer group;
- Compensation should align directors’ interests with the long-term interests of the Company’s stockholders; and
- The compensation structure should be simple, transparent, and easy for stockholders to understand.

Compensation Elements

The following table describes the elements of the 2018 non-employee director compensation program:

Element	Amount
Annual Board Cash Retainer	$105,000
Annual Board Equity Retainer	$125,000
Additional Retainer for Chairman of the Board	$100,000
Additional Retainer for Chairman of the Audit Committee	$25,000
Additional Retainer for Chairman of the Compensation Committee	$18,000
Additional Retainer for Chairmen of Other Committees	$12,000

Cash Retainers

Each Board member receives an annual cash retainer, which is paid quarterly. Further, the Chairman of the Board and each committee chairman receives an additional cash retainer. Directors may elect to have their retainers received in shares of restricted stock or restricted stock units (“RSUs”) in lieu of cash.

Equity Retainer

Each Board member receives an annual equity retainer, which may be paid annually in the form of restricted stock or RSUs. Both types of awards vest if the non-employee director remains continuously in service for the entire term to which the grant relates. If the non-employee director incurs a termination for any reason before the end of the term (before the annual meeting of stockholders following the grant), the awards are forfeited without any payment. The Board may, in its discretion, waive this one-year service condition (in whole or in part) if it deems it to be appropriate and in the best interests of the Company to do so. Upon vesting, shares of restricted stock are delivered to the directors; however, vested RSUs are not paid to the director until the date that the director leaves the Board. Restricted stock confers voting and dividend rights; dividends accrue during the restricted period and are paid out upon vesting. RSUs confer dividend equivalent rights; dividend equivalents accrue during the restricted period and thereafter, and are paid out upon settlement. If the awards are forfeited, dividends or dividend equivalents, as applicable, are also forfeited.

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Board and Committee Meeting Fees

Until April 25, 2018, Board and committee meeting fees of $1,000 per meeting were paid for attendance at formal meetings where notice was duly given, a quorum was present, a matter was presented for consideration, the Board or committee took action on the matter, and minutes were taken. Meeting fees were paid in cash in arrears at the end of the quarter for which the fees were earned. Directors could choose to receive fees in the form of cash, restricted stock, or RSUs. A director was required to attend a majority of his or her required Board and committee meetings to receive any meeting fees. On April 25, 2018, the Board of Directors terminated the practice of paying meeting fees and changed the annual board equity retainer from $105,000 to $125,000.

Other Compensation

Directors are reimbursed for out-of-pocket expenses incurred in connection with their Board services. The Company does not provide perquisite allowances to non-employee directors.

Non-Employee Director Stock Ownership Requirements

Non-employee directors are required to own stock equal to five times the annual Board cash retainer, which currently amounts to $525,000. Non-employee directors have four years of Board service to meet the minimum stockholder requirements. RSUs held by directors are counted in determining whether the minimum stockholding requirements are satisfied. Information regarding the current stock ownership of the Company's non-employee directors can be found below under "Stock Ownership — Beneficial Ownership of Directors and Executive Officers."

As of February 25, 2019, all non-employee directors other than Ms. Wright were in compliance with the stock ownership requirements. Ms. Wright, who joined our Board on February 20, 2018, has until February 20, 2022, to meet the requirements.

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2018 Director Compensation Table

The following table sets forth non-employee director compensation for the fiscal year ended December 31, 2018.

Name	Fees Earned or Paid in Cash[(1)] ($)	Stock Awards[(2)] ($)	All Other Compensation[(3)] ($)	Total ($)
Charles L. Chadwell	125,000	125,039		250,039
Irene M. Esteves		271,099[(4)]		271,099
Paul E. Fulchino		262,054[(5)]		262,054
Richard A. Gephardt	108,000	125,039	275,604	508,643
Robert D. Johnson	205,000	125,039		330,039
Ronald T. Kadish	124,000	125,039		249,039
John L. Plueger		245,053[(6)]		245,053
Francis Raborn[(7)]	61,500			61,500
Laura H. Wright	72,148	168,205[(8)]		240,353

(1)
Includes cash retainer, additional Committee chairmen retainers, and meeting fees paid until April 25, 2018. Please refer to "Compensation of Non-Employee Directors — Compensation Elements — Board and Committee Meeting Fees."

(2)
Except for Ms. Wright (see footnote (8) below): Represents the aggregate grant date fair value of the stock awards computed in accordance with authoritative guidance on stock-based compensation accounting issued by the Financial Accounting Standards Board (the "FASB"). On May 7, 2018, each non-employee director received an annual grant of 1,493 shares of restricted stock or RSUs with an aggregate value of $125,000 based on $83.75 per share, the average of the opening and closing prices of Common Stock on the grant date. As a result of rounding up fractional share amounts, the grants were valued at $125,039. In addition, certain directors elected to defer a portion or all of their annual cash retainer. Please see footnotes (4), (5), and (6), for more information. As of February 25, 2019, the balance of each non-employee director's unvested restricted stock or unvested RSUs was as follows: Mr. Chadwell: 1,493 shares of restricted stock; Ms. Esteves: 3,237 RSUs (includes 1,744 RSUs for deferred retainer, committee chair, and meeting fees); Mr. Fulchino: 3,129 shares of restricted stock (includes 1,636 shares of restricted stock for deferred retainer, committee chair, and meeting fees); Mr. Gephardt: 1,493 shares of restricted stock; Mr. Johnson: 1,493 shares of restricted stock; Mr. Kadish: 1,493 shares of restricted stock; and Mr. Plueger: 2,926 shares of restricted stock (includes 1,493 shares of restricted stock for deferred retainer and meeting fees).

(3)
The amount of perquisites and other personal benefits has been excluded for all non-employee directors other than Mr. Gephardt, as the total value of each director's perquisites and other personal benefits was less than $10,000. For Mr. Gephardt, this amount reflects consulting fees paid to the Gephardt Group for labor consulting services rendered in 2018, as further described under "Director Independence."

(4)
Includes $105,000 in deferred cash retainer, $25,000 in deferred Committee chair cash retainer, and $16,000 in deferred meeting fees per Ms. Esteves' election to receive her cash retainers and meeting fees in RSUs.

(5)

Includes $105,000 in deferred cash retainer, $18,000 in deferred Committee chair cash retainer, and $14,000 in deferred meeting fees per Mr. Fulchino's election to receive his cash retainers and meeting fees in restricted stock.

(6)
Includes $105,000 in deferred cash retainer and $15,000 in deferred meeting fees per Mr. Plueger's election to receive his cash retainer and meeting fees in restricted stock.

(7)
Mr. Raborn was a non-employee director of the Company until April 25, 2018, when he retired. Mr. Raborn's fees were prorated to reflect his service in 2018.

(8)
Represents the aggregate grant date fair value of two stock awards computed in accordance with authoritative guidance on stock-based compensation accounting issued by the FASB: (a) The first stock award was issued on February 20, 2018, the date Ms. Wright joined the Board. On this date, Ms. Wright received a pro rata grant of 243 shares of restricted stock with an aggregate value of $22,094 based on $91.13, the average of the opening and closing prices of Common Stock on February 20, 2018. As a result of rounding up fractional share amounts, the grant was valued at $22,145. The amount of Ms. Wright's stock award included $3,683 in deferred cash retainer. (b) The second stock award was issued on May 7, 2018, when the annual Board equity awards were granted. On this date, Ms. Wright received a grant of 1,493 shares of restricted stock with an aggregate value of $125,000 based on $83.75 per share, the average of the opening and closing prices of Common Stock on the grant date. As a result of rounding up fractional share amounts, the grant was valued at $125,039. Ms. Wright also elected to defer $21,000 representing an additional 251 shares of restricted stock per Ms. Wright's election to receive a portion of her cash retainer in restricted stock. As of February 25, 2019, the balance of Ms. Wright's unvested restricted stock is 1,744 shares of restricted stock (including 251 shares of restricted stock for deferred cash retainer).

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Related Person Transactions

Related Person Transaction Policy and Process

The Board has adopted a written Related Person Transaction Policy (the "RPT Policy") that can be found on the Company's website at http://www.investor.spiritaero.com/govdocs. The purpose of the RPT Policy is to ensure the proper evaluation, approval or ratification, and reporting of related person transactions. Such transactions are only appropriate if they are fair to, and in the best interests of, the Company.

Under the RPT Policy, a related person transaction is any transaction in which the Company was, is, or will be a participant, where the amount involved exceeds $120,000, and in which a Related Person has, had, or will have a direct or indirect material interest. A Related Person is a director, director nominee, officer, or 5% stockholder, or any of their immediate family members. The existence of a direct or indirect material interest depends upon individual facts and circumstances and is determined by our General Counsel or Governance Committee.

The Governance Committee is responsible for reviewing these transactions and determining whether they are fair to, and in the best interests of, the Company. After review of the relevant facts and circumstances, if the Governance Committee concludes the related person transaction is fair to, and in the best interests of, the Company, it may approve or ratify the transaction.

If the Governance Committee declines to approve or ratify any related person transaction, the Company's General Counsel will review the transaction, determine whether it should be terminated or amended in a manner that is acceptable to the Governance Committee, and advise the Governance Committee of their recommendation. The Governance Committee will then consider the recommendation at its next meeting. If the General Counsel does not ultimately recommend the transaction to the Governance Committee or if the Governance Committee does not approve the transaction, the proposed transaction will not be pursued; or, if the transaction has already been entered into, the Governance Committee will determine an appropriate course of action with respect to the transaction.

Certain Related Person Transactions

Below are the transactions that occurred between January 1, 2018, and February 25, 2019, and fall within the definition of related person transaction in the RPT Policy or under Item 404 of Regulation S-K. With respect to each transaction, the Governance Committee reviewed the transaction in accordance with the RPT Policy and approved it on the basis that it was fair to, and in the best interests of, the Company.

Related Person	Facts
Richard A. Gephardt	As described under "Board and Governance Matters — Director Independence," above, the Company entered into an agreement with the Gephardt Group for labor consulting services in 2018 and paid $275,604 pursuant to this agreement during 2018.
John A. Pilla	John Pilla, Senior Vice President and Chief Technology and Quality Officer, has two sons employed by the Company, Anthony Pilla, Cyber Protection Specialist (employed with the Company since June 3, 2016), and Nicolas Pilla, Systems Engineer (employed with the Company since May 31, 2013). Combined, Mr. Pilla's sons received $204,171 in compensation from the Company in 2018 (this number includes a stock award with a grant date fair value of $45,553); such compensation was established in accordance with the Company's compensation practices applicable to employees with equivalent responsibilities, experience, and qualifications. Mr. Pilla's sons are also eligible to participate in employee benefit programs in

the same manner as other eligible employees.

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STOCK OWNERSHIP

Beneficial Ownership of Directors and Executive Officers

The following table sets forth, as of February 25, 2019, the shares of Common Stock beneficially owned by each director and named executive officer, individually, and by all the Company's directors and executive officers as a group. Individually and together, they own less than 1% of our Common Stock. The table also includes information about RSUs credited to the accounts of certain non-employee directors. For purposes of the table, shares are considered to be beneficially owned if the person, directly or indirectly, has sole or shared voting or investment power with respect to the shares. In addition, a person is deemed to beneficially own shares if that person has the right to acquire such shares within 60 days after February 25, 2019.

Name	Common Stock Beneficially Owned	Shares Vesting in 60 Days of Record Date	Time-Based and Performance-Based Restricted Stock [1]	Total Common Stock Beneficially Owned	RSUs[2]	Total Common Stock Beneficially Owned Including RSUs
DIRECTORS						
Charles L. Chadwell	12,328		1,493	**13,821**	4,884	**18,705**
Irene M. Esteves					15,465	**15,465**
Paul E. Fulchino	9,105		3,129	**12,234**		**12,234**
Richard A. Gephardt	1,251		1,493	**2,744**	5,790	**8,534**
Robert D. Johnson	12,742		1,493	**14,235**		**14,235**
Ronald T. Kadish	17,180		1,493	**18,673**		**18,673**
John L. Plueger	6,358		2,926	**9,284**	13,026	**22,310**
Laura H. Wright	1,443		1,744	**3,187**		**3,187**
EXECUTIVE OFFICERS						
Thomas C. Gentile III	65,645		182,921	**248,566**		**248,566**
Sanjay Kapoor[3]	87,488		36,240	**123,728**		**123,728**
Samantha J. Marnick	43,739		31,122	**74,861**		**74,861**
Duane F. Hawkins	30,125		35,536	**65,661**		**65,661**
John A. Pilla[4]	80,950		31,126	**112,076**		**112,076**
All directors and executive officers as a group (18 persons)	430,551		421,417	**851,968**	39,165	**891,133**

(1)

With respect to executive officers, includes unvested time-based and performance-based restricted stock awards that are forfeitable until the vesting date or performance certification date, as applicable. Performance-based restricted stock awards are included in the table at target amounts. With respect to directors, includes unvested restricted stock awards that are forfeitable until the vesting date. Such awards are included herein as they confer voting rights and, therefore, are deemed to be beneficially owned under Rule 13d-3(a)(1) promulgated under the Securities Exchange Act of 1934, as amended (the “Exchange Act”).

(2)
RSUs vest after one year of service as a director. However, RSUs are not payable until the director’s termination of service. At such time, the RSUs will be paid, at the Board’s option, in cash or shares of Common Stock based on the market value of Common Stock upon termination of service. All RSUs reflected are currently vested except for 3,237 RSUs held by Ms. Esteves.

(3)
Mr. Kapoor retired from the position of Executive Vice President and Chief Financial Officer on February 9, 2019. The values shown in the table assume no transactions have taken place since February 9, 2019, when Mr. Kapoor ceased to be an executive officer of the Company.

(4)
Excludes 16,023 phantom stock units Mr. Pilla is entitled to receive upon his retirement from the Company under the frozen Supplement Executive Retirement Plan.

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Beneficial Ownership of Major Stockholders

The following table sets forth information with respect to beneficial owners of more than 5% of our outstanding securities as of February 25, 2019. The information set forth below is based on ownership statements filed with the SEC pursuant to Section 15(d) or 13(g) of the Exchange Act.

Name	Amount of Shares Beneficially Owned	Percentage of Common Stock	Sole Voting Shares	Shared Voting Shares	Sole Investment Shares	Shared Investment Shares
5% STOCKHOLDERS						
The Vanguard Group(1) 100 Vanguard Blvd. Malvern, PA 19355	10,560,087	9.91%	82,406	21,149	10,462,132	97,955
Blackrock, Inc.(2) 55 E. 52nd St. New York, NY 10005	7,376,265	7.0%	6,606,277		7,376,265	
Darsana Capital Partners LP(3) Darsana Capital Partners GP LLC Darsana Master Fund LP Darsana Capital GP LLC Anand Desai 40 West 57th Street, 15th Floor New York, NY 10019	6,750,104	6.4%		6,750,104		6,750,104

(1)
Information is based on an amended Schedule 13G filed with the SEC on February 11, 2019.

(2)
Information is based on an amended Schedule 13G filed with the SEC on February 6, 2019.

(3)
Information is based on an amended Schedule 13G filed with the SEC on February 14, 2019.

Section 16(a) Beneficial Ownership Reporting Compliance

Section 16(a) of the Exchange Act requires directors, executive officers, and persons who own more than 10% of any registered class of a company’s equity securities to file beneficial ownership reports with the SEC. Such reports are filed on Form 3, Form 4, and Form 5 under the Exchange Act, as appropriate. To the Company’s knowledge, based solely on a review of these reports and the reporting persons’ written representations, the Company believes that all filings required to be made by reporting persons holding the Company’s stock were timely filed in accordance with Section 16(a) in 2018, except for one Form 4 for Mr. Johnson (the “Late Form”). The Late Form regarded a sale of 500 shares on March 1, 2018, and was filed on May 9, 2018. The Late Form was not filed on a timely basis because the appropriate staff of the Company did not receive information about the sale until several weeks after it occurred.

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PROPOSAL 2
ADVISORY VOTE ON COMPENSATION OF NAMED EXECUTIVE OFFICERS

Overview

Stockholders are being asked to approve, on an advisory basis, the compensation of the named executive officers, or NEOs, as set forth under the heading "Compensation Discussion and Analysis." This vote, which is referred to as the "say-on-pay" vote, is not intended to address any specific item of compensation, but rather the overall compensation of the Company's NEOs and the objectives, policies, and practices described in this Proxy Statement. We conduct a say-on-pay vote annually. The Board believes that executive compensation, as disclosed in this Proxy Statement, aligns with the Company's peer group pay practices and furthers the Company's compensation objectives.

Accordingly, the Board asks the Company's stockholders to vote "FOR" the following resolution at the Annual Meeting:

"RESOLVED, that the Company's stockholders approve, on an advisory basis, the compensation of the named executive officers, as disclosed by the Company pursuant to the compensation disclosure rules of the SEC, including the Compensation Discussion and Analysis, the Summary Compensation Table, and other related tables and disclosures."

The Board will review the voting results of Proposal 2 and take them into consideration when making future decisions regarding executive compensation.

Voting Standard

The affirmative vote of a majority of stockholders present, in person or by proxy, will constitute the stockholders' non-binding approval with respect to Proposal 2.

With respect to Proposal 2, a stockholder may vote "FOR," "AGAINST," or "ABSTAIN." Abstentions and broker non-votes will not be counted as votes "FOR" or "AGAINST" Proposal 2. 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 2.

Under the rules of the NYSE, brokers are prohibited from giving proxies to vote on executive compensation matters unless the beneficial owner of such shares has given voting instructions on the matter. This means that, if your broker is the record holder of your shares, you must give voting instructions to your broker with respect to Proposal 2 if you want your broker to vote your shares on the matter.

The Board recommends you vote FOR the resolution approving the compensation of our named executive officers.

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COMPENSATION DISCUSSION AND ANALYSIS

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