KAMAN Corp
Form DEF 14A
February 28, 2014

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

SCHEDULE 14A INFORMATION

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

Filed by the Registrant	x
Filed by a Party other than the Registrant	o

Check the appropriate box:

o	Preliminary Proxy Statement
o	Confidential, For Use of the Commission Only (as Permitted by Rule 14a-6(e)(2))
x	Definitive Proxy Statement
o	Definitive Additional Materials
o	Soliciting Material Pursuant to §240.14a-11(c) or §240.14a-12

KAMAN CORPORATION
(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):

x No fee required.
o Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.
(1) Title of each class of securities to which transaction applies:
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o Fee paid previously with preliminary materials.
o Check box if any part of the fee is offset as provided by Exchange Act Rule 0-11(a)(2) and identify the filing for which the offsetting fee was paid previously. Identify the previous filing by registration statement number, or the form or schedule and the date of its filing.
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(4) Date Filed:

BLOOMFIELD, CONNECTICUT

NEAL J. KEATING
CHAIRMAN OF THE BOARD, PRESIDENT AND
CHIEF EXECUTIVE OFFICER

February 28, 2014

To Our Shareholders:

I would like to extend a personal invitation for you to join us at our Annual Meeting of Shareholders, which will be held on Wednesday, April 16, 2014, at 9:00 a.m., local time, at the corporate headquarters of the Company located at 1332 Blue Hills Avenue, Bloomfield, Connecticut. The meeting will be held in the cafeteria located in Building 19 on our Bloomfield campus. Appropriate signage will be in place directing you to the cafeteria the day of the meeting.

At this year’s meeting, you will be asked to (i) elect three Class 3 Directors, (ii) approve, on an advisory basis, the compensation of our named executive officers, and (iii) ratify the appointment of PricewaterhouseCoopers LLP as the Company’s independent auditors.

Your voice is important to us, and we encourage you to attend the meeting in person. If you are unable to attend, we urge you to vote your shares.

On behalf of our Board of Directors, we look forward to seeing you at the meeting.

Sincerely,

Neal J. Keating
Chairman of the Board, President and
Chief Executive Officer

NOTICE OF ANNUAL MEETING OF SHAREHOLDERS
TO BE HELD
April 16, 2014

The Annual Meeting of Shareholders of Kaman Corporation will be held at the corporate headquarters of the Company located at 1332 Blue Hills Avenue, Bloomfield, Connecticut, on Wednesday, April 16, 2014, at 9:00 a.m., local time, for the following purposes:

1. To elect three (3) Class 3 Directors to serve for terms of three (3) years each and until their successors are duly elected and qualify.
2. To approve, on an advisory basis, the compensation of the Company's named executive officers.
3. To ratify the appointment of PricewaterhouseCoopers LLP as the Company's independent registered public accounting firm.
4. To transact such other business as may properly come before the meeting.

The close of business on February 14, 2014, has been fixed as the record date for determining the holders of Common Stock entitled to notice of, and to vote at, the Annual Meeting.

In connection with the Annual Meeting, we have prepared a meeting notice, a proxy statement, and our annual report to shareholders, all of which provide important information that our shareholders will want to review before the Annual Meeting. On February 28, 2014, we mailed a Notice of Internet Availability of Proxy Materials instructing our shareholders how to access these materials online and how to submit proxies by telephone or the Internet. We use this online access format because it expedites the delivery of materials, reduces printing and postage costs and eliminates bulky paper documents from your files, creating a more efficient process for both shareholders and the Company.

If you receive the Notice of Internet Availability of Proxy Materials by mail, you will not receive a printed copy of these materials unless you specifically request one. The Notice of Internet Availability of Proxy Materials contains instructions on how to obtain a paper copy of the materials. If you receive paper copies of the materials, a proxy card will also be enclosed.

You may vote using the Internet, telephone or mail, or by attending the meeting and voting in person. If you plan to attend in person, you will need to provide proof of share ownership, such as an account or brokerage statement, and a form of personal identification in order to vote your shares.

All shareholders are cordially invited to attend the meeting.

Date: February 28, 2014

BY ORDER OF THE BOARD OF DIRECTORS

Richard S. Smith, Jr.
Vice President, Deputy General Counsel, and Secretary

IMPORTANT NOTICE REGARDING THE AVAILABILITY OF PROXY MATERIALS FOR THE ANNUAL MEETING OF SHAREHOLDERS TO BE HELD ON APRIL 16, 2014: This Notice of Annual Meeting and Proxy Statement and the Company's Annual Report for the year ended December 31, 2013, are available free of charge on our website at www.kaman.com/investor-relations/financial-information.

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This summary highlights some of the important information contained in this Proxy Statement and does not include all of the information you should consider regarding the proposals being presented at the Annual Meeting. You should read the entire Proxy Statement before casting your vote.

Date, Time and Place of Annual Meeting

The Annual Meeting is being held at 9:00 a.m., local time, on Wednesday, April 16, 2014, at the corporate headquarters of the Company located at 1332 Blue Hills Avenue, Bloomfield, Connecticut. The meeting will be held in the cafeteria located in Building 19 on our Bloomfield campus. Appropriate signage will be in place directing you to the cafeteria the day of the meeting.

Availability of Proxy Materials

Your proxy is being solicited for use at the Annual Meeting on behalf of the Board of Directors of the Company. On February 28, 2014, we mailed a Notice of Internet Availability of Proxy Materials to all shareholders of record as of February 14, 2014, the record date for the Meeting, advising that they could view all of the proxy materials online at www.envisionreports.com/KAMN, or request a paper copy of the proxy materials free of charge. You may request a paper or email copy of the materials using any of the following methods:

- By Internet: Go to www.envisionreports.com/KAMN. Click "Cast Your Vote or Request Materials" and follow the instructions to log in and order a paper copy of the Meeting materials.
- By Phone: Call 1-866-641-4276 toll-free and follow the instructions to log in and order a paper copy of the Meeting materials.
- By Email: Send an email to investorvote@computershare.com with "Proxy Materials Kaman Corporation" in the subject line. Include in the message your full name and address, and state that you want a paper copy of the Meeting materials.

All requests must include the control number set forth in the shaded area of the Notice of Internet Availability of Proxy Materials, and to facilitate timely delivery, all requests must be received by April 7, 2014.

Eligibility to Vote

You can vote if you held shares of the Company’s Common Stock as of the close of business on February 14, 2014. Each share of Common Stock is entitled to one vote. As of February 14, 2014, there were 26,875,683 shares of Common Stock outstanding and eligible to vote.

How to Vote

You may vote by using any of the following methods:

- By Internet: Go to www.envisionreports.com/KAMN. Have your Notice of Internet Availability of Proxy Materials or proxy card in hand when you go to the website.
- By Mail: If you requested a paper copy of the proxy materials, complete, sign, and return your proxy card in the prepaid envelope.
- By Phone: 1-800-652-VOTE (8683). Have your proxy card in hand when you call and then follow the instructions.

Revocation of Proxy

You may revoke your proxy at any time prior to its being counted at the Annual Meeting by:

- casting a new vote using the Internet or by telephone;
- giving written notice to the Company’s Corporate Secretary or submitting a written proxy bearing a later date prior to the beginning of the Annual Meeting; or
- attending the Annual Meeting and voting in person.

Meeting Agenda and Voting Recommendations

Proposal	Matter	Board Recommendation	Page Reference
1.	Election of Three Class 3 Directors For Three-Year Terms	"FOR" EACH NOMINEE	4
2.	Advisory Vote to Approve Named Executive Officer Compensation	"FOR"	49
3.	Ratification of Appointment of PricewaterhouseCoopers LLP as Independent Registered Public Accounting Firm for the Company for 2014	"FOR"	50

ALL SHAREHOLDERS ARE CORDIALLY INVITED TO ATTEND THE ANNUAL MEETING. IF YOU CANNOT ATTEND THE ANNUAL MEETING, PLEASE VOTE YOUR SHARES. YOUR VOTE IS IMPORTANT!

PROXY STATEMENT
ANNUAL MEETING OF SHAREHOLDERS
KAMAN CORPORATION

APRIL 16, 2014

GENERAL INFORMATION

The Board of Directors (the “Board” or “board”) of Kaman Corporation (the “Company” or “company”) is soliciting proxies for use in connection with our annual meeting of shareholders (the “Meeting” or “Annual Meeting”) to be held on Wednesday, April 16, 2014 (or at any adjournments or postponements thereof), at the time, place and for the purposes described in the accompanying Notice of Annual Meeting of Shareholders, dated February 28, 2014. We will only conduct business at the Meeting if shares representing a majority of all outstanding shares of Common Stock entitled to vote are either present in person or represented by proxy at the Meeting. We believe that the only matters to be brought before the Meeting are those referenced in this Proxy Statement. If any other matters are presented, the persons named as proxies may vote your shares in their discretion.

On February 28, 2014, we mailed a Notice of Internet Availability of Proxy Materials instructing our shareholders how to access this Proxy Statement and our Annual Report to Shareholders, and these materials were mailed to all shareholders who had previously requested paper copies. As of this date, all shareholders of record and all beneficial owners of shares of Common Stock had the ability to access the proxy materials relating to the Annual Meeting at a web-site referenced in the Notice of Internet Availability of Proxy Materials (www.envisionreports.com/KAMN). A shareholder will not receive a printed copy of these proxy materials unless the shareholder requests it by following the instructions set forth in the Notice of Internet Availability of Proxy Materials. The Notice of Internet Availability of Proxy Materials explains how a shareholder may access and review the important information contained in the proxy materials. The Notice of Internet Availability of Proxy Materials also explains how a shareholder may submit a proxy via telephone or the Internet. Our proxy materials, whether in paper or electronic form, are available to all shareholders free of charge.

INFORMATION ABOUT VOTING AT THE ANNUAL MEETING

Voting Rights and Outstanding Shares

Only holders of record of the Company’s Common Stock at the close of business on February 14, 2014 (the “record date”), are entitled to notice of and to vote at the Annual Meeting. As of February 14, 2014, the Company had 26,875,683 shares of Common Stock outstanding, each of which is entitled to one vote on each matter properly brought before the Meeting. All votes will be counted by the Company’s transfer agent, Computershare Shareowner Services, LLC, who will be appointed as inspector of election for the Annual Meeting and who will separately tabulate “for”, “against” and “withhold” votes, as well as abstentions and broker non-votes.

Submitting Your Proxy

Before the Annual Meeting, you can appoint a proxy to vote your shares of Common Stock by following the instructions contained in the Notice of Internet Availability of Proxy Materials. You can do this by (i) using the Internet (www.envisionreports.com/KAMN), (ii) calling the toll-free telephone number (1-800-652-VOTE (8683)) or

(iii) if you have a printed copy of our proxy materials, by completing, signing and dating the proxy card where indicated and mailing or otherwise returning the card to us prior to the beginning of the Annual Meeting. Voting using the Internet or telephone will be available until 1:00 a.m., Eastern Time, on Wednesday, April 16, 2014.

How to Submit Your Proxy if you are a “Beneficial Owner”

If your shares of Common Stock are held in the name of a bank or broker, you should follow the instructions on the form you receive from that firm. The availability of Internet or telephone voting will depend on that firm’s voting processes. If you choose not to vote by Internet or telephone, please return your proxy card, properly signed, and the shares represented will be voted in accordance with your directions. If you do not provide instructions to the broker, that firm will only be able to vote your shares with respect to “routine” matters. Under current broker voting regulations, the only routine matter to be voted upon at the Annual Meeting and the only matter for which brokers will have the discretion to vote, is Proposal 3 (Ratification of Independent Public Accounting Firm). The broker must have proper instructions from you in order to vote with respect to Proposal 1 (Election of Directors) and Proposal 2 (Advisory Vote to Approve Executive Compensation). Without proper instructions from you, the broker will not have the power to vote on those two proposals and this will be considered a “broker non-vote” for each such proposal. We recommend that you contact your broker to assure your shares are properly voted.

How Your Proxy will be Voted

All properly submitted proxies received prior to the Annual Meeting will be voted in accordance with their terms. If a proxy is returned signed, but without instructions for voting, the shares of Common Stock it represents will be voted as recommended by the Board of Directors. If a proxy is returned improperly marked, the Common Stock it represents will be counted as present for purposes of determining a quorum but will be treated as an abstention for voting purposes. Unsigned proxies will not be counted for any purpose.

How to Revoke Your Proxy

Whichever voting method you choose, a properly submitted proxy may be revoked at any time before it is counted at the Annual Meeting. You may revoke your previously submitted proxy by (i) timely casting a new vote using the Internet or by telephone; (ii) giving written notice to the Company’s Corporate Secretary or submitting a written proxy bearing a later date prior to the beginning of the Annual Meeting, or (iii) attending the Annual Meeting and voting in person. If you submit a later dated proxy, it will have the effect of revoking any proxy that you submitted previously and will constitute a revocation of all previously granted authority to vote for every proposal included on any previously submitted proxy. If you plan to revoke a proxy for shares of Common Stock that are held in the name of a bank or broker, please be sure to contact your bank or broker to ensure that your revocation has been properly processed, or if you plan to revoke a proxy for such shares by voting in person at the Annual Meeting, be sure to bring personal identification and a statement from your bank or broker that shows your ownership of such shares.

Attendance at the Annual Meeting will not by itself revoke a proxy. Written revocations or later-dated proxies should be hand-delivered to the Corporate Secretary at the Annual Meeting or sent to Kaman Corporation, Corporate Headquarters, 1332 Blue Hills Avenue, Bloomfield, CT 06002, Attention: Corporate Secretary. In order to be effective, all written revocations or later-dated proxies must be received before the voting is conducted at the Annual Meeting.

Quorum and Voting Requirements

Under Connecticut law, our shareholders may take action on a matter at the Annual Meeting only if a quorum exists with respect to that matter. With respect to each of Proposals 1, 2 and 3, a majority of the votes entitled to be cast on the matter will constitute a quorum for action on that matter. For this purpose, only shares of Common Stock held as of the record date by those present at the Annual Meeting or for which proxies are properly provided by telephone, Internet or in writing and returned to the Company as provided herein will be considered to be represented at the Annual Meeting.

Directors (Proposal 1) are elected by a plurality of the votes cast, but our Board has supplemented the state law voting requirement with a majority voting policy which is described in more detail below. Approval of the Advisory Vote on Executive Compensation (Proposal 2) and ratification of PricewaterhouseCoopers LLP as the Company's independent registered public accounting firm (Proposal 3) each requires that there be more votes cast for the Proposal than against the Proposal.

Broker Non-Votes and Abstentions

All shares of Common Stock represented at the Annual Meeting will be counted for quorum purposes without regard to broker non-votes and abstentions. Broker non-votes and proxies marked to abstain or withhold from voting with respect to any item to be voted upon at the Annual Meeting generally are not considered for purposes of determining the tally of votes cast for or against the item and, therefore, will not affect the outcome of the voting with regard to any proposal, except that proxies marked to withhold authority for the election of any Director are included in the tally of votes cast for purposes of our majority voting policy, which is described below. Accordingly, with respect to the election of Directors (Proposal 1), a vote to withhold authority for the election of any Director has the same effect as a negative vote under our majority voting policy.

Board Voting Recommendations

The Board of Directors recommends that shareholders vote “FOR” the election of all Director nominees and “FOR” Proposals 2 and 3. The Board does not know of any matters to be presented for consideration at the Meeting other than the matters described in those Proposals and the Notice of Annual Meeting of Shareholders. However, if other matters are presented, the persons named in the proxy intend to vote on such matters in accordance with their judgment.

Voting Results

We will announce preliminary voting results at the Annual Meeting. We will file a Current Report on Form 8-K containing the final voting results with the SEC within four business days of the Annual Meeting or, if final results are not available at that time, within four business days of the date on which final voting results become available.

Majority Voting Policy

Since 2006, the Board has maintained a policy (set forth in the Company's Corporate Governance Principles which are available at http://www.kaman.com by clicking on the “Governance” link) that addresses certain circumstances when a Director nominee has not received a majority of the votes cast with respect to that Director’s election or re-election. Briefly, in an uncontested election for Directors (one in which the number of nominees does not exceed the number of Directors to be elected) at a properly called and held meeting of shareholders, any Director nominee who is elected by a plurality vote, but who does not receive a majority of the votes cast, shall promptly tender his or her resignation once the shareholder vote has been certified by the Company’s tabulation agent. A “majority of the votes cast” means that the number of shares voted “FOR” a Director’s election exceeds fifty percent (50%) of the number of votes cast with respect to that Director’s election. For this purpose, “votes cast” include votes to withhold authority and exclude abstentions and broker non-votes with respect to that Director’s election. The Corporate Governance Committee will thereafter recommend to the Board whether to accept or reject that resignation and, depending on the recommendation, whether or not a resulting vacancy should be filled. The Board will then act, taking into account the Committee’s recommendation. The Board will publicly disclose its decision and the rationale therefor in a press release to be disseminated in the customary manner, together with the filing of a Current Report on Form 8 K with the SEC. This process shall be completed within ninety (90) days after the shareholder vote certification. A Director who has tendered his or her resignation shall not participate in the Corporate Governance Committee’s determination process and/or the Board’s action regarding the matter.

In determining whether or not to accept a Director’s resignation for failure to secure a majority of the votes cast, the Corporate Governance Committee and the Board will consider the matter in light of the best interests of the Company and its shareholders and may consider any information they believe is relevant and appropriate, including the following:

- the Director’s qualifications in light of the overall composition of the Board;
- the Director’s past and anticipated future contributions to the Board;
- the stated reasons, if any, for the “withheld” votes and the underlying cause for the "withheld" votes if it otherwise can be discerned; and
- the potential adverse consequences of accepting the resignation, including the failure to comply with any applicable rule or regulation (including applicable stock exchange rules or federal securities laws) or triggering of defaults or other adverse consequences under material contracts or the acceleration of change in control provisions and other rights in employment agreements, if applicable.

If the Board accepts the resignation, it may, in its sole discretion, (a) fill the resulting vacancy with any other qualified person, or (b) reduce the number of Directors constituting the full Board to equal the number of remaining Directors.

If the Board elects to fill the resulting vacancy on the Board, the term of the Director so elected shall expire at the next annual meeting of shareholders at which Directors are to be elected.

If the Board does not accept the resignation, the Director will continue to serve until the annual meeting for the year in which such Director’s term expires and until such Director’s successor shall be duly elected and shall qualify, subject, however, to prior death, resignation, retirement, disqualification or removal from office.

Solicitation Costs

The Company pays the cost of preparing, printing and mailing proxy material, as well as the cost of any required solicitation of proxies. The solicitation will be made by mail and Internet and may also include participation of the Company's officers and employees personally or by telephone, facsimile, or Internet, without additional compensation. The Company has engaged Georgeson Inc. to assist with the solicitation of proxies and expects to pay approximately $8,000 for these services, plus expenses. The Company may also be required to reimburse brokers, dealers, banks, voting trustees or their nominees for reasonable expenses in sending proxies, proxy material and annual reports to beneficial owners.

Copies

Upon a shareholder's written request, the Company will provide, free of charge, a copy of its Annual Report to Shareholders, which includes the Company's Annual Report on Form 10-K with financial statements and financial statement schedules for the year ended December 31, 2013.

PROPOSAL 1
ELECTION OF THREE CLASS 3 DIRECTORS FOR THREE-YEAR TERMS

In accordance with the Company's Amended and Restated Certificate of Incorporation and Amended and Restated Bylaws (the "Bylaws"), each Director holds office until the annual meeting for the year in which such Director's term expires and until his or her successor shall be elected and shall qualify, unless he or she dies, resigns, retires, or is removed from office. Each Director also holds office subject to the Company's majority voting policy, which is described on page 3. The following three individuals are nominated for election at the Annual Meeting for three-year terms that will expire at the annual meeting to be held in 2017, each of whom is currently a Director: Brian E. Barents, George E. Minnich and Thomas W. Rabaut.

THE BOARD OF DIRECTORS RECOMMENDS A VOTE "FOR" ALL NOMINEES

Set forth below is information about each of the three Director nominees, as well as the seven Directors whose terms continue after the Annual Meeting, including the name, age, and professional experience during the last five years of each individual and the qualifications, attributes and skills the Board believes qualify each individual for service on the Board. None of the organizations listed as business affiliates of the Directors is an affiliate of the Company.

Class 3 Director Nominees for Election at the 2014 Annual Meeting

Brian E. Barents
Mr. Barents, 70, has been a Director since 1996. He is the retired President and Chief Executive Officer of Galaxy Aerospace Company LP, having served in those positions, as well as its Managing Partner, from 1997 to 2001. He previously served as the Chairman, President and Chief Executive Officer of Learjet, Inc. from 1989 to 1996. He also served as a senior executive with Toyota Motor Corporation from January 1987 to April 1989 and as a Senior Vice President with Cessna Aircraft Company from 1976 to 1987. He enjoyed a distinguished military career, having retired from the U.S. Air Force as Brigadier General

after 34 years of service. He is also a Director of CAE, Inc., a global leader in modelling, simulation and training for civil aviation and defense; Nordam Corp., one of the world's largest independently owned aerospace companies; and Aerion Corp, a leading aerodynamics technology company. In addition, he previously served as a Director of Hawker Beechcraft Corporation, a leading manufacturer of business, special-mission, trainer and light attack aircraft. The Board believes these positions demonstrate an extensive history of senior executive leadership and Board participation in the aerospace industry. His professional background provides the Board with additional perspectives about the aerospace industry from both commercial and defense-related standpoints, as well as about marketing and sales trends, acquisitions and international markets.

George E. Minnich

Mr. Minnich, 64, has been a Director since 2009. He served as Senior Vice President and Chief Financial Officer of ITT Corporation, then a $9 billion commercial and defense business, from 2005 until his retirement in 2007. Prior to that, he served for twelve years in several senior finance positions at United Technologies Corporation, including Vice President and Chief Financial Officer of Otis Elevator Company and of Carrier Corporation. As a Certified Public Accountant, he also held various increasingly senior positions with PricewaterhouseCoopers (then Price Waterhouse) from 1971 to 1993, culminating in Audit Partner from 1984 to 1993. He is also a Director of AGCO Corporation, a manufacturer and distributor of agricultural equipment, and Belden Inc., a manufacturer of high-speed electronic cables, connectivity and networking products. Mr. Minnich possesses a Bachelor of Science degree in Accounting from Albright College. He provides the Board with extensive financial and accounting experience gained over a more than thirty-five year career. This experience was important to the Board in connection with his initial election as a means to provide additional depth of capability to the Board’s Finance and/or Audit Committees. Mr. Minnich’s senior-level operational background also provides the Board with additional perspectives regarding the aerospace industry, defense contracting, international sales and acquisitions. As the current Chair of the Audit Committee, he is designated an “audit committee financial expert,” as defined by applicable SEC regulations.

Thomas W. Rabaut

Mr. Rabaut, 65, has been a Director since 2008. He currently serves as an Operating Executive with The Carlyle Group, a global private equity firm, with which he has been affiliated since January 2007. From June 2005 to January 2007, he was President of the Land & Armaments Operating Group of BAE Systems, a global leader in the design, development and production of military systems. From January 1994 to June 2005, he served as the President and Chief Executive Officer of United Defense Industries, Inc., which was acquired by BAE Systems in 2005. Mr. Rabaut is a graduate of the U.S. Military Academy and he served five years in the United States Army. He is currently Vice Chairman of the Association of the United States Army (AUSA). He is also a Director of Cytec Industries, Inc., a supplier of advanced composite products, and Allison Transmission, Inc., a manufacturer of fully-automatic transmissions for medium-and heavy-duty commercial vehicles, medium- and heavy-tactical U.S. military vehicles and hybrid-propulsion systems for transit buses. He also served as Chairman of Radio Holdings, the owner of ARINC, a Carlyle portfolio company that provides communication and information technology products and services to government and industry. The Board believes that these positions demonstrate an extensive history of senior executive leadership positions in the defense and aerospace industries. His professional and Board experience provide the Board with additional perspectives about the aerospace industry, defense markets, international markets, and acquisitions from both commercial and defense-related standpoints, as well as market and sales trends.

Continuing Directors

Class 1 Directors Whose Terms Expire in 2015

E. Reeves Callaway III

Mr. Callaway, 66, has been a Director since 1995. He is the founder, President and Chief Executive Officer of The Callaway Companies, an engineering services firm which is involved in the high technology composites industry and has presence in Europe and the U.S. Mr. Callaway provides the Board with senior executive insight into the conduct of global operations, the composites business, and marketing and sales trends. As a sitting CEO, Mr. Callaway provides the Board with important insights and perspectives as an executive leading another company.

Karen M. Garrison

Ms. Garrison, 65, has been a Director since 2006. She retired as President of Pitney Bowes Business Services, a manufacturer of postal equipment/software and service provider, having served in that position from 1999 until her retirement in 2004. She is also a Director of Standard Parking Corporation, a national provider of parking facility management services, and Tenet Healthcare Corporation, one of the largest investor-owned health care delivery systems in the nation, and during the past five years was a Director of North Fork Bank, a regional bank holding company that was acquired by Capital One Financial Corporation in 2006. The Board believes that these positions demonstrate an extensive history of senior executive roles which provide operational insight, particularly with regard to acquisitions, human resources, information technologies, government contracting and distribution. The Board also values her extensive experience in finance and accounting, from her Bachelor of Science degree in Accounting from Rollins College and Master of Business Administration from Florida Institute of Technology to progressively senior roles as Controller, Worldwide Controller, Vice President - Finance and Chief Financial Officer over a ten-year period during her tenure at Pitney Bowes and its subsidiary, Dictaphone Corporation. During her prior tenure on the Board’s Audit Committee, Ms. Garrison was designated an “audit committee financial expert,” as defined by applicable SEC regulations.

A. William Higgins

Mr. Higgins, 55, has been a Director since 2009. He is the former Chairman, CEO and President of CIRCOR International, Inc., having served in those positions from March 2008 until his retirement in December 2012. CIRCOR is a global diversified manufacturing company that designs, manufactures, and supplies valves, related products and services to OEMs, processors, manufacturers, the military, and utilities that rely on fluid-control to accomplish their missions. Prior to March 2008, he held the offices of President and Chief Operating Officer and Executive Vice President and Chief Operating Officer of CIRCOR. Prior to joining CIRCOR in 2005, he spent thirteen years in a variety of senior management positions with Honeywell International and Allied Signal. Leslie Controls, Inc., a wholly owned subsidiary of CIRCOR and an entity for which Mr. Higgins served as a Director and Vice President, filed for bankruptcy protection in July 2010 in order to eliminate certain asbestos litigation liabilities. The subsidiary successfully emerged from bankruptcy the following year. Mr. Higgins’ professional background provides the Board with additional perspective on talent development, international operations and global strategic development, lean manufacturing and continuous improvement processes, the defense industry, acquisitions, and both distribution and aerospace markets. In addition, his experience at Honeywell International and Allied Signal provide him with a strong background in the aerospace industry.

Class 2 Directors Whose Terms Expire in 2016

Neal J. Keating

Mr. Keating, 58, was appointed the President and Chief Operating Officer and a Director of the Company in September 2007. In January 2008, he became the President and Chief Executive Officer and, in March 2008, he was appointed to the additional position of Chairman. Prior to joining the Company, Mr. Keating served as Chief Operating Officer at Hughes Supply, a $5.4 billion wholesale distributor that was acquired by Home Depot in 2006. Prior to that, he held senior positions at GKN Aerospace, an aerospace subsidiary of GKN, plc, and Rockwell Collins, Commercial Systems, and was a board member for GKN, plc and AugustaWestland. He is also a Director of Hubbell Incorporated, an international manufacturer of electrical and electronic products for a broad range of non-residential and residential construction, industrial and utility applications. The Board believes that these positions demonstrate an extensive history of senior executive leadership and Board participation in both of the Company’s business segments (Aerospace and Distribution), with an emphasis on international operations and acquisitions. The Board also believes that Mr. Keating’s combined role of CEO and Chairman provides the Company’s shareholders with the benefits of Board leadership by an executive with an extensive professional background, as well as day-to-day knowledge of the Company’s businesses and markets, strategic plan execution, and future needs.

Eileen S. Kraus
Ms. Kraus, 75, has been a Director since 1995, and she currently serves as the Board's Lead Independent Director. She is the retired Chairman of Fleet Bank Connecticut; a former Director of Stanley Black & Decker, Inc., a global provider of hand tools, power tools, related accessories and electronic security solutions, and Rogers Corporation, a global technology leader in specialty materials and components for consumer electronics, power electronics, mass transit, clean technology, and telecommunications infrastructure. She also Chairs the Audit Committees of Ironwood Mezzanine Funds II and III and serves as a member of the Advisory Committee of Ironwood Mezzanine Funds I, and she serves as a Director of Connecticare, Inc., a privately held health plan serving individuals in Connecticut and Western Massachusetts. Ms. Kraus provides the Board with broad financial and operational management experience in the banking industry, having served in several positions at Fleet Bank, N.A. and its predecessors over approximately a twenty-year period. Her industry experience provides the Board with additional perspective on the banking and financial industries, marketing and acquisitions. She also has significant Board organizational leadership experience with manufacturing companies, including membership on the Corporate Governance Committees of the Boards of Stanley Black & Decker and Rogers Corporation (where she chaired that Committee) and the Audit Committee of Stanley Black & Decker (where she chaired that Committee).

Scott E. Kuechle
Mr. Kuechle, 54, has been a Director since February 19, 2013. He is the former Chief Financial Officer of Goodrich Corporation, one of the largest worldwide suppliers of aerospace components, systems and services to the commercial and general aviation airplane market, having served in that position from August 2005 until his retirement in July 2012. Prior to that, he served as Vice President and Controller from 2004-2005 and Vice President and Treasurer from 1998-2004 and in various other financial leadership roles during his 29-year tenure with Goodrich. He also serves as a Director of Esterline Corporation, a specialty manufacturer serving the global aerospace and defense markets, and Wesco Aircraft Holdings, Inc., a provider of comprehensive supply chain management services to the global aerospace industry, and he currently serves as a member of the Audit Committee of each such company. Mr. Kuechle's extensive background and experience within the aerospace and defense industry, coupled with his financial expertise and past experience as a Chief Financial Officer, provide the Board with a powerful skill-set upon which to draw as the Company continues to execute on its strategic plan. This type of expertise and experience was particularly important to the Board as a means of providing additional depth of capability to the Audit Committee, to which he was appointed upon his election to the Board. Mr. Kuechle's background also provides the Board with additional perspective on international operations, financial management, acquisitions, and other finance-related matters.

Richard J. Swift
Mr. Swift, 69, has been a Director since 2002. He is the former Chairman of the Financial Accounting Standards Advisory Council and the retired Chairman, President and Chief Executive Officer of Foster Wheeler Ltd., a provider of design, engineering, construction, and other services. Mr. Swift is a graduate of the U.S. Military Academy, and he served four years as an infantry officer in the United States Army. He is also a Director of Ingersoll-Rand Company, Ltd., Public Service Enterprise Group Incorporated, Hubbell Incorporated and CVS Caremark Corporation. Mr. Swift brings to the Board a broad range of operations management experience acquired in a career with Foster Wheeler, Ltd. that

spanned almost thirty years and involved increasingly senior executive leadership positions culminating in his role as Chairman and CEO for seven years. Mr. Swift also has finance experience, with a Masters of Business Administration from Fairleigh Dickinson University, and service in the role of Chairman of the Financial Accounting Standards Advisory Council from January 2002 to December 2006. He also was a Licensed Professional Engineer for approximately 35 years. In addition, he has Audit Committee and/or Compensation Committee membership experience on the Boards of Ingersoll-Rand Company, Ltd., Public Service Enterprise Group Incorporated, Hubbell Incorporated, and CVS Caremark Corporation, and he currently serves as a member of the National Advisory Council on Risk Oversight of the National Association of Corporate Directors. This type of experience is important to the Board as a means to provide additional depth of capability to the Audit and Personnel & Compensation Committees. Mr. Swift's background also provides the Board with additional perspective on international operations, financial management, investments, acquisitions, and other finance-related matters.

INFORMATION ABOUT THE BOARD OF DIRECTORS AND CORPORATE GOVERNANCE

The Board is elected by our shareholders to oversee their interests as owners of the Company. The Board is the ultimate decision-making authority for the Company, except for those matters that are reserved for, or shared with, our shareholders. The Board appoints and oversees the Company's senior management, which is responsible for conducting the Company's day-to-day business operations.

Board Leadership Structure

Our Bylaws and Corporate Governance Principles provide the Board with the flexibility to select and revise its leadership structure on the basis of the best interests of the Company and its shareholders at any given point in time. The Board evaluates this structure in connection with the annual appointments to the positions of Chairman of the Board ("Chairman") and Chief Executive Officer ("CEO"). The Board believes that it is currently in the best interests of the Company and its shareholders to combine the Chairman and CEO roles and to appoint a Lead Independent Director annually. In this way, the Company's shareholders have the benefit of Board leadership by Mr. Keating, an executive with extensive day-to-day knowledge of the Company's operations, strategic plan execution and future needs, as well as a Lead Independent Director who provides Board member leadership. In arriving at its determination, the Board has also considered the fact that the Board consists entirely of independent Directors (other than Mr. Keating) having diverse professional and other Board experience.

The current Lead Independent Director is Eileen S. Kraus. The Lead Independent Director position has existed since 2002 and its responsibilities currently include membership on the Corporate Governance Committee; Chair of the Board's Executive Sessions and of Board meetings at which the Chairman is not in attendance; review and approval of all Board and committee meeting agendas; liaison between the Chairman and the independent Directors, which includes facilitating communications and assisting in the resolution of conflicts, if any, between the independent Directors and the Company's management; providing counsel to the Chairman and CEO, including provision of appropriate feedback regarding effectiveness of Board meetings, and otherwise as needed or requested; and such other responsibilities as the Board delegates. In performing these responsibilities, the Lead Independent Director is expected to consult with the chairpersons of other Board committees as appropriate and solicit their participation in order to avoid the appearance of diluting the authority or responsibility of the Board committees and their chairpersons.

Board Meetings and Committees

The Board met five times in 2013 and its committees met a total of 22 times. Each Director attended 75% or more of the aggregate of all meetings of the Board and committees on which he or she served during 2013. All of the Directors then in office attended the 2013 Annual Meeting and all Directors are expected to attend the 2014 Annual Meeting.

The Board maintains the following standing committees: Corporate Governance, Audit, Personnel & Compensation, and Finance. Each committee has a charter that has been approved by the Board. The complete text of each committee charter is available on the Company's website located at www.kaman.com by first clicking on the "Governance" link followed by the "Board Committee Charters" link. Each committee and the Board periodically, but not less than annually, review and revise committee charters, as appropriate.

The following table describes the current members of each committee and the number of meetings held during 2013:

Board Member	Audit Committee	Corporate Governance Committee	Finance Committee	Personnel & Compensation Committee
Brian E. Barents(1)			X	X
E. Reeves Callaway III			X	X
Karen M. Garrison		X	Chair	
A. William Higgins			X	X
Neal J. Keating(2)				
Eileen S. Kraus(3)	X	Chair		
Scott E. Kuechle(4)	X		X	
George E. Minnich	Chair	X		
Thomas W. Rabaut	X		X	
Richard J. Swift		X		Chair
Number of Meetings	8	4	4	6

(1) Served as a member of the Audit Committee until February 19, 2013, on which date he was appointed to the Finance Committee.
(2) Not an independent Director.
(3) Lead Independent Director.
(4) First elected to the Board on February 19, 2013.

Following is a summary of the various committees’ responsibilities:

Corporate Governance Committee

Under its charter, the Corporate Governance Committee consists of the chairpersons of the standing committees and the Lead Independent Director, if the Lead Independent Director is not already a committee chairperson. The committee assists the Board in fulfilling its corporate governance responsibilities and serves as the Board’s nominating committee. These corporate governance responsibilities include board and committee organization and function, membership, compensation, and annual performance evaluation; annual goals development and evaluation for the CEO with participation by the Personnel & Compensation Committee and the Board in executive session; succession planning; development and periodic review of governance policies and principles; monitoring director compliance with stock ownership guidelines; consideration and recommendation of shareholder proposals; establishment of selection criteria for, and review and recommendation of, new Board members; and administration of the Company’s majority voting policy for Director elections.

Audit Committee

The Audit Committee is responsible for assisting the Board in fulfilling its responsibility to oversee the Company’s financial reporting and accounting policies and procedures, its system of internal accounting and financial controls, the internal audit function and the annual independent audit of the Company’s financial statements. The committee is also responsible for overseeing the performance, qualifications and independence of the Company’s independent registered public accounting firm (which reports directly to the committee) as well as the performance of the internal audit department. The committee reviews the Company’s business risk assessment framework and identifies principal business risks with management, the independent auditor and the internal audit director (however, this committee is not the only Board committee that reviews such business risks), and pre-approves all auditing services and permitted non-audit services to be performed by its independent auditor (which approval authority has been delegated to the committee’s chairperson for certain immaterial items that may arise between meetings, subject to ratification at the committee’s next meeting).

The Audit Committee has also established a policy for the Company’s hiring of current or former employees of the independent auditor to ensure that the auditor’s independence under applicable SEC rules and accounting standards is not impaired. The committee has also established, and monitors management’s operation of, procedures for the receipt, retention, and treatment of complaints received by the Company regarding accounting, internal accounting controls, auditing, or other matters; as well as the confidential, anonymous submission by the Company’s employees of concerns regarding questionable accounting, auditing, or other matters. The committee meets regularly in executive session with the Company's Chief Audit Executive and the independent auditor without management present.

The Audit Committee Charter provides that a committee member may not simultaneously serve on the audit committees of more than three companies whose stock is publicly traded (including this committee) unless the Board has provided its consent. No such determination is currently required.

George E. Minnich, Eileen S. Kraus, Scott E. Kuechle and Thomas W. Rabaut each has been determined to be an "audit committee financial expert," within the meaning of Item 407(d)(5) of Regulation S-K.

Personnel & Compensation Committee

The Personnel & Compensation Committee reviews and approves the terms of, as well as oversees, the Company's executive compensation strategies (including the plans and policies to execute those strategies), administers its equity plans (including the review and approval of equity grants to executive officers) and annually reviews and approves compensation decisions relating to executive officers, including those for the CEO and the other executive officers named in the Summary Compensation Table (collectively, the "Named Executive Officers") on page 36. The committee considers the CEO's recommendations when determining the compensation of the other executive officers, but the CEO has no role in determining his own compensation (although as part of the annual CEO evaluation process, he prepares a self-assessment for review by the Corporate Governance Committee, which shares that evaluation with this committee). The committee then submits its determinations regarding proposed CEO compensation at an executive session of the Board for consideration and approval.

The Personnel & Compensation Committee also monitors management's compliance with stock ownership guidelines adopted from time to time by the Board; reviews and approves employment, severance, change in control, and termination arrangements for all executive officers and periodically reviews the Company's policies and procedures for management development.

During each of the last ten years, the committee has directly engaged Geoffrey A. Wiegman, founder and president of Wiegman Associates LLC, an independent compensation consulting firm, to assist the committee in fulfilling its responsibilities (Mr. Wiegman is sometimes referred to in this proxy statement as the "independent compensation consultant"). The independent compensation consultant attends each committee meeting, including executive sessions. He advises the committee on marketplace trends in executive compensation and evaluates proposals for compensation programs and executive officer compensation decisions. He has also provided services to the Corporate Governance Committee in connection with its evaluation of Director compensation. Although he interacts with Company management in his capacity as an advisor to the committee, he is directly accountable to the committee. The committee has assessed the independence of Mr. Wiegman as required under applicable SEC and NYSE rules and has determined that the work of the independent compensation consultant does not raise any conflict of interest. The Committee also has the authority to obtain advice and assistance from external legal, accounting or other advisers.

As noted above, each member of the Personnel & Compensation Committee is "independent," as defined by the NYSE listing standards. In addition, no member of the Personnel & Compensation Committee has served as one of our officers or employees at any time. None of our executive officers serves as a member of the Board of Directors or Compensation Committee of any other company that has one or more executive officers serving as a member of our Board or the Personnel & Compensation Committee. All members of the Personnel & Compensation Committee are "non-employee directors" as defined in SEC Rule 16b-3(b)(3).

Finance Committee

The Finance Committee assists the Board in fulfilling its responsibilities concerning matters of a material financial nature, including the Company's strategies, policies and financial condition, insurance-related risk management programs, financing agreements, dividend policy, significant derivative instrument or foreign currency positions, and administration of tax-qualified defined contribution and defined benefit plans. The committee's responsibilities also include review of the Company's annual business plan and long range planning strategies; all forms of major debt issuances; the financial aspects of proposed acquisitions or divestitures that exceed transaction levels for which the Board has delegated authority to management; material capital expenditures; methods of financing; and the Company's relationship with its lenders. Finally, the committee reviews and approves the Company's policies and procedures on hedging, swaps, security-based swaps, derivatives, foreign currency exchange risk and debt and interest rate risk and, not less than annually, reviews and approves, on a general or a case-by-case basis, the Company's decision to enter into swaps and other derivative transactions that are exempt from exchange-execution and clearance under the "end-user exception" set forth in the Dodd-Frank Act and any applicable regulations established by the Commodity Futures Trading Commission.

Director Nominees

The Board is responsible for selecting its own members and recommending them for election by the shareholders. The Board delegates the screening process involved to the Corporate Governance Committee, which consults with the Chairman and CEO, after which it provides recommendations to the Board. While the Corporate Governance Committee does not have specific minimum qualifications for potential directors, its policy is that all candidates, including those recommended by shareholders, will be evaluated on the same basis. The committee utilizes a nationally recognized third-party consultant to assist in identifying potential candidates. The consultant is provided with the Committee’s assessment of the skill-sets and experience required in the context of current Board composition and identifies potential candidates for introduction to the Committee. Thereafter, consideration of any such individuals is the responsibility of the Committee in consultation with the CEO.

Under our Bylaws, only individuals nominated in accordance with certain procedures are eligible for election as Directors of the Company (except for the rights of preferred shareholders, of which there currently are none). Generally, nominations are made by the Board of Directors or any shareholder (i) who is a shareholder of record on the date of the giving of written notice in respect of the nomination for Director and on the record date for the determination of shareholders entitled to notice of and to vote at a meeting where Directors are to be elected, and (ii) who provides advance written notice, all of the foregoing in accordance with the Bylaws. A shareholder’s written notice of a proposed nomination must describe (i) the name, age, business address and residence address of the nominee, (ii) the principal occupation or employment of the nominee, (iii) the class or series and number of shares of capital stock of the Company which are owned beneficially or of record by the person, if any, and (iv) any other information relating to the person that would be required to be disclosed in a proxy statement or other filings required to be made in connection with solicitations of proxies for election of directors pursuant to Section 14 of the Securities Exchange Act of 1934 (the “Exchange Act”), and its rules and regulations. The shareholder making the proposal must also provide (i) the shareholder's name and record address, (ii) the class or series and number of shares of capital stock of the Company which are owned beneficially or of record by the shareholder, (iii) a description of all arrangements or understandings between the shareholder and each proposed nominee and any other person or persons (including their names) pursuant to which the nomination(s) are to be made by such shareholder, (iv) a representation that the shareholder intends to appear in person or by proxy at the meeting to nominate the persons identified in its notice, and (v) any other information relating to such shareholder that would be required to be disclosed in a proxy statement or other filings required to be made in connection with solicitations of proxies for election of Directors pursuant to Section 14 of the Exchange Act and its rules and regulations. The written notice must be accompanied by a written consent of each proposed nominee to being named or referred to as a nominee and to serving as a Director if elected. The Board may require any proposed nominee to furnish such other information (which may include meetings to discuss the furnished information) as it may reasonably require to determine the eligibility of such proposed nominee to serve as a Director.

The Board’s Role in Oversight of the Company’s Risk Management Process

The Board oversees the Company’s processes to identify, report and address risks across the full spectrum of the Company’s operations. To that end, each of the Board’s committees has been delegated responsibility for evaluating specific risk management processes and issues resulting therefrom. The Board receives regular reports from these committees and, where appropriate, directs that action be taken. The Board also conducts direct oversight of certain risk management processes.

The following description of specific Board committee risk management oversight activities is not intended to be exhaustive in nature. The Company’s Internal Audit Department reports directly to the Audit Committee and that committee regularly reviews with management the Company’s financial reporting and accounting policies, internal controls over financial reporting, internal accounting controls, business risk assessment framework and principal business risks, and Code of Business Conduct compliance. The Finance Committee reviews the Company’s short- and long-term business plans, certain proposed acquisitions or divestitures (including consideration of any substantial diversification from current business operations), any significant debt/equity issuances, and risk management programs from an insurance coverage perspective. The Company's Assistant Vice President - Corporate Risk, Safety and Environmental Management also reports directly to the committee on a periodic basis. The Personnel & Compensation Committee reviews and approves the Company's executive compensation strategies and programs related to annual, longer term and equity incentives and the business unit and corporate performance goals associated therewith, monitors management progress in compliance with stock ownership guidelines, considers and approves all employment-related agreements or termination arrangements with the Company's executive officers and periodically reviews policies related to management development. The Corporate Governance Committee reviews the Company's succession plan for the CEO and other top senior management, assures annual evaluation of Board performance, establishes selection criteria for new Directors, and manages the annual CEO evaluation process. The duties and responsibilities of each of the Board's committees are more fully described above.

In addition to its consideration of matters brought to its attention by the Board's committees, the Board conducts direct oversight of various business risk management functions. At each regular meeting, the Board receives senior management reports about current operations as well as the identification of, and progress in addressing, principal business risks. The Board also receives direct reports from management regarding its Enterprise Risk Management program for identification and development of mitigation activities relative to longer-term business risks. In addition to the regular reports provided regarding current principal business risks, the Audit Committee periodically receives summary reports regarding the Enterprise Risk Management program. Annually, the Board reviews and approves the Company’s strategic plan objectives with periodic reviews thereafter regarding progress against that plan and any changes that are being considered. The Board’s oversight role in this area has not affected its approach to the Board’s leadership structure at least in part due to the level of direct communication that the Board and its committees experience with a variety of management employees involved in operations, finance, human resources, risk management and legal roles.

Board and Committee Independence Requirements

Our Corporate Governance Principles provide that, as a matter of policy, a significant majority of the Board should consist of independent Directors. In order to be deemed independent, our Corporate Governance Principles specify that a Director must be free from any relationship which, in the opinion of the Board, would interfere with the exercise of his or her independent judgment in carrying out his or her responsibilities as a director. In addition to establishing its own criteria for independence, the Company complies with the rules promulgated by the NYSE for determining the independence of directors, as well as the Sarbanes-Oxley Act for independence of directors on the Audit Committee and the Internal Revenue Code of 1986 and Dodd-Frank Wall Street Reform and Consumer Protection Act requirements for independence of Directors on the Personnel & Compensation Committee (or any other committee performing an equivalent function).

Based on the review and recommendation of the Corporate Governance Committee, the Board has affirmatively determined that all of the current Directors meet the applicable independence standards referenced in the preceding paragraph, except for Mr. Keating, the Company’s Chairman, President and CEO. In evaluating and determining the independence of the Company's Directors, the Corporate Governance Committee and the Board considered that, in the ordinary course of business, transactions may occur between the Company and its subsidiaries and certain entities with which some of the Directors are or have been affiliated.

In affirmatively determining the independence of each Director who serves as a member of the Personnel & Compensation Committee, the Corporate Governance Committee and the Board considered all factors specifically relevant to determining whether such Director has a relationship with the Company or any of its subsidiaries which is material to such Director's ability to be independent from management in connection with the Director's duties as a member of the Personnel & Compensation Committee, including, but not limited to (i) the source of compensation of such Director, including any consulting, advisory or other compensatory fee paid by the Company to such Director; and whether such Director is affiliated with the Company, a subsidiary of the Company or an affiliate of a subsidiary of the Company.

Specific Experience, Qualifications, Attributes and Skills of Current Board Members and Director Nominees

The Corporate Governance Committee is responsible for reviewing with the Board, on a periodic basis, the appropriate characteristics required of Board members in the context of the Board’s current composition. This includes review of the suitability for continued service of each Board member when his or her term expires and when he or she has a significant change in status. Overall, the assessment includes areas such as senior leadership positions; professional experience in areas relevant to the Company’s businesses, including aerospace, industrial distribution, international, government, regulatory, mergers and acquisitions, financial, accounting, human resources or information technology systems experience; other public company board service; diversity, age and evidence of the intangible characteristics that are vital to the successful operation of any board. Diversity in this context has traditionally referred to encouragement of the identification of minority candidates, including women and individuals of varied national origins. Consideration of diversity has been an element communicated to the third-party search firms in each of the director searches conducted during the past several years.

The Board believes that intangible characteristics include a demonstrated understanding of a Director’s policy making role while constructively challenging management to seek and attain competitive targets and increase shareholder value; a demonstrated understanding of the Company’s values and strategic plan; capacity for critical thought; maintenance of objectivity in not being unreasonably influenced by personal experience or other Board members in situation analysis; and the independence required for participation on the Board and its committees. In addition, Board members are evaluated with respect to their active contributions, including regular attendance and preparation for/participation at meetings while maintaining an ongoing understanding of the issues and trends affecting the Company.

In addition to these intangible characteristics, we have described specific experience, qualifications, attributes and skills that the Board believes qualify each current director for his or her position on the Board in the summary of biographical information described above, beginning at page 4. Those descriptions are not intended to be comprehensive descriptions of the types of expertise or contributions provided by each Director. At this time, the Board believes that each of these Directors possesses the experience, qualifications, attributes and skills, as well as the intangible characteristics described above, which, taken together, qualify them for their positions on the Board.

Transactions With Related Persons

The Company's Code of Business Conduct requires that all business transactions be at arms' length, negotiated in good faith and based on merit alone. All of the Company's employees have a responsibility and duty of loyalty to the Company and all business decisions are to be made in the best interests of the Company, which means putting the Company's interests first. Should a situation arise that would constitute a related-party transaction under applicable SEC rules, the independent and disinterested Board members will review the propriety of, and approve or disapprove, such transaction.

There were no transactions, relationships or arrangements proposed between executive officers of the Company and the Company or any of its subsidiaries during 2013.

Other Information about the Board's Structure

Board Size. The Company's Board size currently has been fixed at ten, with three Directors to be elected at the Annual Meeting. The Company's Amended and Restated Certificate of Incorporation provides that the Board will consist of at least three and not more than fifteen Directors and, while the Board is permitted to increase its size during the year and elect a Director to fill the vacancy created by the increase, any Director so elected may only serve until the annual meeting immediately following his or her election. Under our Corporate Governance Principles, a Board size of nine to eleven individuals continues to be considered appropriate.

Mandatory Retirement. The Company's Bylaws provide for mandatory Director retirement at age 72 (age 75 for directors serving as of November 14, 2000). The Board's policy in implementing this requirement is that if a Director attains mandatory retirement age during his or her then-current term, the Director may continue to serve the remaining portion of that term. Although the Board is permitted to make exceptions to this requirement, it intends to exercise this right only under extraordinary circumstances. Ms. Kraus, our Lead Director, was re-elected at the 2013 Annual Meeting, and she is expected to continue to serve as a Director until her current three-year term expires at the 2016 Annual Meeting.

Change of Principal Occupation. Our Corporate Governance Principles require Directors who change their principal occupation, position, or responsibility held at the time of election to submit a conditional letter of resignation to the Board, after which a judgment will be made in each case as to the appropriateness of continued membership under the circumstances.

2013 Director Compensation

The following table provides information about the compensation that our Directors earned during 2013. The table does not include Mr. Keating, our Chairman, President and Chief Executive Officer, who received no additional compensation for his service as a Director.

DIRECTOR COMPENSATION TABLE

Name	Fees Earned or Paid in Cash	Stock Awards[1]	Total
Brian E. Barents	$74,667	$80,017	$154,684
E. Reeves Callaway III	$73,500	$80,017	$153,517
Karen M. Garrison	$86,000	$80,017	$166,017

A. William Higgins	$73,500	$80,017	$153,517
Eileen S. Kraus	$120,500	$80,017	$200,517
Scott E. Kuechle	$68,001	$80,017	$148,018
George E. Minnich	$96,000	$80,017	$176,017
Thomas W. Rabaut	$76,500	$80,017	$156,517
Richard J. Swift	$91,000	$80,017	$171,017

(1) Please refer to Footnote 19, Share-Based Arrangements, contained in the Company's audited consolidated financial statements for the year ended December 31, 2013, in its Annual Report on Form 10-K. Each stock award consisted of 2,390 shares of our Common Stock in the form of fully vested restricted stock issued under our 2003 Stock Incentive Plan at a price of $33.48 per share on April 17, 2013.

The Corporate Governance Committee reviews our non-employee Director compensation on a biennial basis with the assistance of the independent compensation consultant to the Personnel & Compensation Committee. The most recent review was conducted in 2012, after which the Corporate Governance Committee increased the annual Board retainer, eliminated the Board meeting fees (except for "special" meetings, as set forth in the footnote below) and changed the current practice of paying per meeting fees to paying annual retainers for committee chairs and committee members. The following table summarizes the current fee schedule approved by the Board effective as of January 1, 2013:

BOARD RETAINER AND MEETING FEES TABLE

	Effective 1/1/13
Cash:	
Retainer Fees (payable quarterly in arrears)*:	
Board	$60,000
Lead Director	$30,000
Committee Chairs:	
Audit Committee	$30,000
Corporate Governance Committee	$20,000
Personnel & Compensation Committee	$25,000
Finance Committee	$20,000
Committee Members:	
Audit Committee	$10,500
Corporate Governance Committee	$6,000
Personnel & Compensation Committee	$7,500
Finance Committee	$6,000
Equity:	
Stock Award**	Shares having fair market value equal to $80,000

* In addition to these annual retainers, Board members may receive additional meeting fees ($1,500 for an in person meeting and $750 for a telephonic meeting) for "special" board meetings. Special board meetings are defined as meetings that are in addition to the meetings regularly scheduled in advance. Committee members may also receive additional meeting fees ($1,500 for an in person meeting and $750 for a telephonic meeting) for any committee meeting that exceeds the number of regularly scheduled committee meetings by more than two.

** This award is currently made under the 2013 Management Incentive Plan at the annual Board meeting held in conjunction with the annual meeting of shareholders. The number of shares for this award is determined based upon the fair market value of the Company's common stock on the date of grant, in accordance with the Plan.

From time to time, special activities may be undertaken by one or more Directors at the direction of the Board and, in such cases, additional fees will ordinarily be paid. There were no such special activities during 2013.

Directors may defer all, or a portion, of their cash compensation. Interest accrues on such deferrals at the Applicable Interest Rate, which is the same rate that applies to our Deferred Compensation Plan for Company executives. When a Director ends his or her service on the Board, distributions are made either in quarterly installments over a maximum period of 10 years or in a lump sum, based on prior elections made in connection with each deferral. Distributions are made beginning either in the next calendar quarter after the date service ends or on the following January 1 at the prior election of the Director.

The Board has adopted stock ownership guidelines for non-employee Directors, which are discussed in more detail on page 34 under the caption, "Stock Ownership Guidelines for Directors and Executive Officers." The Corporate Governance Committee periodically reviews the progress of each non-employee Director toward the achievement of these guidelines. As of December 31, 2013, all non-employee Directors other than Mr. Kuechle were in compliance with these guidelines. Mr. Kuechle was first elected to the Board during 2013 and he is progressing satisfactorily toward the requisite ownership level.

Code of Business Conduct and Other Governance Documents Available on the Company's Website

The Company has for many years maintained a Code of Business Conduct applicable to all of its employees, consultants and the Board of Directors. This Code of Business Conduct is also specifically applicable to the Company's principal executive officer, principal financial officer, principal accounting officer, controller, and persons performing similar functions. The current Code of Business Conduct, which was amended and restated in its entirety effective January 1, 2013, may be accessed on the Company's web site at www.kaman.com by first clicking on the "Governance" link and then "Kaman Code of Conduct."

In addition to the Code of Business Conduct and the committee charters and Governance Principles already referenced, our other governance documents including Bylaws and Amended and Restated Certificate of Incorporation can be accessed on the Company's web site at www.kaman.com by first clicking on the "Governance" link and then the link to each document.

Communications with the Board

Shareholders or others wishing to communicate with any member of the Board, a Board committee, or the Lead Independent Director may do so by mail, addressed to Kaman Corporation Corporate Headquarters, c/o Corporate Secretary, 1332 Blue Hills Ave., Bloomfield, Connecticut 06002 or by e-mail through the Kaman Corporation web site at www.kaman.com using the tab "About Kaman", then selecting "Contact Kaman - General Inquiries" and then choosing the "Contact Kaman - Corporate Secretary" link. The Corporate Secretary will compile all such communications and forward each item to the individual to whom it is directed or, if the communication is not directed to any particular Board member, to the entire Board. Items that the Corporate Secretary determines are frivolous, unlawful or that constitute commercial advertisements will not be forwarded to the Board or any particular Board member.

Director Education

The Board maintains a policy that Directors should be regularly exposed to discussion of current developments in their roles and responsibilities as Directors and their attendance at such sessions is reimbursed by the Company. The Board's policy also encompasses receipt of information regarding developments in the law and conditions in the market segments in which the Company operates. During the past few years, several Board members have participated in seminars sponsored by various national organizations, which have included developments in the law, board/management relationship development, and audit-related topics. The Board has also received presentations from outside industry experts regarding developments and trends in certain of the Company's market segments and other subjects of importance to the Company. In addition, the Board and the Company have an orientation process for new Directors that includes background material, meetings with senior management and visits to Company facilities.

Section 16(a) Beneficial Ownership Reporting Compliance

Section 16(a) of the Securities Exchange Act of 1934, as amended, requires our Directors and executive officers, as well as persons who own more than 10% of our outstanding shares of common stock, to file reports of ownership and changes in ownership of our securities with the SEC. We have procedures in place to assist our Directors and executive officers in preparing and filing these reports on a timely basis. Based solely on a review of the forms furnished to us, or written representations from certain persons that no Forms 5 were required, we believe that all required forms were timely filed for fiscal 2013.

SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

Stock Ownership of Directors and Executive Officers

The following table sets forth information about the beneficial ownership of the Company's Common Stock by each Director and Director nominee, each executive officer named in the Summary Compensation Table, and all Directors and executive officers as a group, as of February 14, 2014. The beneficial ownership percentages have been calculated based on 26,875,683 shares of Common Stock outstanding on February 14, 2014. Unless otherwise indicated, each person listed has the sole voting and investment power with respect to the shares listed, and the business address of each person is c/o Kaman Corporation, 1332 Blue Hills Avenue, Bloomfield, Connecticut 06002.

Name	Number of Shares Beneficially Owned as of February 1, 2014		Percentage
Brian E. Barents	22,437		*
E. Reeves Callaway III	7,349		*
William C. Denninger	33,440	(1)	*
Ronald M. Galla	44,559		*
Karen M. Garrison	16,937		*
A. William Higgins	10,937		*
Neal J. Keating	180,828	(2)	*
Eileen S. Kraus	26,572		*
Scott E. Kuechle	2,390		*
Shawn G. Lisle	5,773	(3)	*
George E. Minnich	11,322		*
Thomas W. Rabaut	17,337		*
Steven J. Smidler	33,711	(4)	*
Robert D. Starr	21,118	(5)	*
Gregory L. Steiner	77,974	(6)	*
Richard J. Swift	12,937		*
All Directors and Executive Officers as a group	598,520	(7)	2.23%

* Less than one percent.

(1) Includes 29,440 shares issuable upon the exercise of stock options exercisable or which will become exercisable within 60 days.

(2) Includes 14,000 shares held in a trust, of which Mr. Keating and his spouse are trustees.

(3) Includes 1,824 shares issuable upon the exercise of stock options exercisable or which will become exercisable within 60 days.

(4) Includes 9,492 shares issuable upon the exercise of stock options exercisable or which will become exercisable within 60 days.

(5) Includes 11,319 shares issuable upon the exercise of stock options exercisable or which will become exercisable within 60 days.

(6) Includes 50,812 shares issuable upon the exercise of stock options exercisable or which will become exercisable within 60 days.

(7) Includes 127,273 shares issuable upon the exercise of stock options exercisable or which will become exercisable within 60 days.

Beneficial Owners of More Than 5% of Common Stock

Following is information about persons known to the Company to be beneficial owners of more than five percent (5%) of the Company's outstanding voting securities. Except as otherwise indicated, all information is given as of February 14, 2014.

Name and Address of Beneficial Owner	Number of Shares Beneficially Owned	Percentage of Common Stock
GAMCO Asset Management, Inc.(1) One Corporate Center Rye, NY 10580	4,644,021	17.3%
BlackRock, Inc.(2) 40 East 52nd Street New York, NY 10022	2,574,399	9.6%
The Vanguard Group(3) 100 Vanguard Boulevard Malvern, PA 19355	1,608,855	6.0%
The London Company(4) 1801 Bayberry Court, Suite 301 Richmond, VA 23226	1,555,811	5.8%
T. Rowe Price Associates, Inc.(5) 100 East Pratt Street Baltimore, MD 21202	1,513,971	5.6%

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(1) As reported in Amendment No. 18 to Schedule 13D, dated October 14, 2013 ("Amendment 18"), filed by Mario J. Gabelli and various entities which he directly or indirectly controls or for which he acts as chief investment officer (collectively, the "Reporting Persons"), According to the filing, GAMCO Asset Management, Inc. ("GAMCO") is the beneficial owner of 3,349,843 shares, Gabelli Funds, LLC ("Gabelli Funds") is the beneficial owner of 1,098,777 shares, MJG Associates, Inc. ("MJG Associates") is the beneficial owner of 11,000 shares, Teton Advisors, Inc. ("Teton Advisors") is the beneficial owner of 176,701 shares, GGCP, Inc. ("GGCP") is the beneficial owner of 200 shares, and Gabelli Securities, Inc. ("GSI") is the beneficial owner of 7,500 shares. Mr. Gabelli is deemed to have beneficial ownership of the shares owned beneficially by each of the foregoing entities, and GAMCO Investors, Inc. and GGCP are deemed to have beneficial ownership of the shares owned beneficially by each of the foregoing entities other than Mr. Gabelli. Each of the Reporting Persons, together with their executive officers and directors, has the sole power to vote or direct the vote and the sole power to dispose or to direct the disposition of the shares reported for it, either for its own benefit or for the benefit of its investment clients or its partners, as the case may be, except that (i) GAMCO does not have authority to vote 141,000 of the reported shares, (ii) Gabelli Funds has sole dispositive and voting power with respect to the shares held by a number of investment funds for which Gabelli Funds serves as an investment adviser (the "Funds") so long as the aggregate voting interest of all joint filers does not exceed 25% of their total voting interest in the Company and, in that event, the Proxy Voting Committee of each Fund shall respectively vote that Fund's shares, (iii) at any time, the Proxy Voting Committee of each Fund may take and exercise in its sole discretion the entire voting power with respect to the shares held by such Fund under special circumstances such as regulatory considerations, and (iv) the power of Mr. Gabelli, GBL, and GGCP is indirect with respect to the shares beneficially owned directly by other Reporting Persons.

(2) As reported in Amendment No. 5 to Schedule 13G, dated February 6, 2014, BlackRock, Inc. is the beneficial owner of 2,574,399 shares held by specified subsidiaries as of December 31, 2013. According to the filing, BlackRock, Inc. has the sole power to vote or direct the vote of 2,505,057 shares and the sole power to dispose or to direct the disposition of 2,574,399 shares.

(3)

As reported in Schedule 13G, dated February 6, 2014, The Vanguard Group is the beneficial owner of 1,608, 855 shares held by various investment advisory clients as of December 31, 2013. According to the filing, The Vanguard Group has the sole power to vote or direct the vote of 42,247 shares, the sole power to dispose or to direct the disposition of 1,569,208 shares, and the shared power to dispose or to direct the disposition of 39,647 shares.

(4) As reported in Amendment No. 4 to Schedule 13G, dated February 12, 2014, The London Company is the beneficial owner of 1,555,811 shares held by various investment advisory clients as of December 31, 2013. According to the filing, The London Company has the sole power to vote or direct the vote and the sole power to dispose or to direct the disposition of 1,453,361 shares and the shared power to dispose or to direct the disposition of 102,450 shares.

(5) As reported in Amendment No. 3 to Schedule 13G, dated February 14, 2014 as filed with the SEC on February 12, 2014, T. Rowe Price Associates, Inc. ("Price Associates") is the beneficial owner of 1,513,971 shares held by various individual and institutional investors as of December 31, 2013, which Price Associates serves as an investment adviser with power to direct investments and/or power to vote the securities. According to the filing, Price Associates has the sole power to vote or direct the vote of 485,310 shares and the sole power to dispose or to direct the disposition of 1,513,971 shares. For purposes of the reporting requirements of the Securities Exchange Act of 1934, as amended, Price Associates is deemed to be the beneficial owner of such shares; however, Price Associates expressly disclaims that it is, in fact, the beneficial owner of such shares.

COMPENSATION DISCUSSION AND ANALYSIS

Introduction

This section explains our executive compensation program as it applies to our “named executive officers” (those persons whose compensation is summarized in the tables immediately following this discussion), as well as the role, responsibilities and philosophy of the Personnel & Compensation Committee (the “Committee” or the “committee”) of our Board of Directors, which oversees the design and operation of the program.
For 2013, our named executive officers were as follows:

Neal J. Keating	Chairman, President and Chief Executive Officer
Robert D. Starr	Senior Vice President and Chief Financial Officer
William C. Denninger	Former Executive Vice President and Chief Financial Officer
Gregory L. Steiner	Executive Vice President, Kaman Corporation and President, Kaman Aerospace Group, Inc.
Ronald M. Galla	Senior Vice President and Chief Information Officer
Shawn G. Lisle	Senior Vice President and General Counsel

Mr. Denninger served as Executive Vice President and Chief Financial Officer of the Company until he retired effective as of June 30, 2013. Mr. Starr was appointed Senior Vice President and Chief Financial Officer effective as of July 1, 2013. Under applicable rules and regulations of the United States Securities and Exchange Commission (the “SEC”), both of these persons are required to be included as named executive officers. In addition, we have decided to discuss the compensation of Steven J. Smidler, the President of our Distribution Segment, even though he is not a named executive officer under applicable SEC disclosure rules. We have done so because he is responsible for the management of our largest operating segment and his compensation has been discussed in our proxy statements for the past several years.
In the discussion that follows, we begin with a brief description of some of the most significant actions that were taken with respect to the 2013 compensation of our named executive officers. We then discuss our compensation philosophy and describe the various elements of our executive compensation program, and the 2013 compensation of our named executive officers, including the annual cash incentive awards that were approved in February 2014 for 2013 performance. Next, we discuss a number of other compensation-related matters, including our use of employment and change in control agreements, our stock ownership guidelines for Directors and executive officers, and the material tax and accounting implications of our compensation program. We conclude by presenting the formal report of the Committee, which is required by applicable SEC rules and regulations.
As used in this section, all references to the "Committee" mean the Personnel & Compensation Committee of our Board of Directors, which oversees the design and operation of our executive compensation program. For more information about the Committee and its role and responsibilities, please see the discussion under the heading "Personnel & Compensation Committee" appearing on page 10 above.

2013 Compensation Highlights

Set forth below is a brief description of some of the most significant actions that were taken with respect to the determination of the 2013 compensation of our named executive officers and other members of our senior leadership team:

- Adoption of New Metrics for our Annual Cash Incentive Plans. The Committee adopted new financial metrics for our annual cash incentive plans, as described in more detail below, in order to more closely align our annual cash incentives with operational goals and objectives.
- Elimination of Subjective Performance Factors for Annual Incentive Awards. The Committee eliminated the ability of executive officers to enhance the payouts on their annual incentive awards through the achievement of personalized goals and objectives, limiting the determination of all such annual incentive awards to the achievement of objective metrics of Company financial performance, as described in more detail below.

- Deferral of Base Salary Adjustments. Because of uncertain economic conditions and the difficult business environment existing at the end of 2012, the Committee, at the request of our Chief Executive Officer, elected to defer any 2013 salary increases for all named executive officers, including the Chief Executive Officer, and the other executive officers who report directly to the Chief Executive Officer until July 1, 2013. The 2013 salary increases for other officers were deferred until April 1, 2013. Similar deferrals are planned for 2014.

- Elimination of all Excise Tax Gross-Ups in Change in Control Agreements. The Committee took action to eliminate the last remaining excise tax gross-up provisions that were set forth in Change in Control Agreements with our executive officers. The Company no longer has any such excise tax gross-up provisions.

Say on Pay Voting Results

For each of the past three years, we have asked our shareholders to cast a non-binding, advisory vote to approve the compensation paid to our named executive officers, and our shareholders have increasingly voted in favor of our compensation program. The results of the voting have been as follows:

(*) Represents the percentage of votes cast "FOR" and "AGAINST" the proposals, excluding broker non-votes and abstentions. If abstentions were to be counted, the percentage of votes cast "FOR" the proposals would have been 78.0%, 80.3% and 83.8% for 2011, 2012 and 2013, respectively.

The Committee has interpreted these results to mean that our shareholders generally support our executive compensation program. As such, the Committee has taken no specific actions to modify our executive compensation program as a direct result of these non-binding, advisory votes.

We encourage shareholders to review this Compensation Discussion and Analysis and the accompanying compensation tables for an explanation of our approach to executive compensation and a discussion of the correlation between the compensation paid to our named executive officers and the Company’s financial performance. As discussed herein, we believe that the compensation paid, and to be paid, to our named executive officers for 2013 bears, and will bear, a direct and corresponding relationship to the Company’s 2013 financial performance.

Our Compensation Philosophy and the Fundamental Objectives of our Compensation Program

The philosophy underlying our executive compensation program is to provide an attractive, flexible, and market-based total compensation program that is tied to the financial performance of the Company and is aligned with the interests of our shareholders. We strive to recruit and retain executive officers and other key employees who have the skills and talents that are necessary to deliver sustained financial performance that exceeds the median financial performance of the companies comprising the Russell 2000 index.

Our fundamental compensation objectives include the following:

- Increase shareholder value by motivating talented individuals to achieve the Company’s annual and longer-term financial and strategic operational goals with compensation related to objective benchmarks and Company performance. To accomplish this objective, we use an appropriate mix of pay elements, including salary, annual and long-term incentive opportunities and benefits. Overall, salary and benefits are determined based upon a comparison to the competitive market for our executives and a group of the Russell 2000 index companies that approximate our revenue size, while the annual and long-term incentive opportunities are directly related to the Company's financial performance compared to the Russell 2000 index companies.

- Tie a significant percentage of our senior executives' incentive compensation to the successful execution of strategic operational goals. To accomplish this, we establish objective and measurable goals on an annual and longer-term (3 years) basis and compare actual performance to objective, measurable benchmarks. As a result, executives, especially our named executive officers, earn above average compensation when the Company achieves above average financial performance compared to the Russell 2000 index of companies.
- Encourage our named executive officers to maintain a significant equity stake in the Company to further align their interests with those of our shareholders. We maintain meaningful stock ownership guidelines, described in more detail below, that are designed to align the financial interests of our officers, including our named executive officers, with those of our shareholders. To facilitate the accumulation of equity and the satisfaction of these guidelines, we allow up to 1/3 of a cash long-term incentive award payment to be paid in shares of Company stock if the Company's stock ownership guidelines have not been attained by a particular executive officer.
- Protect against inappropriate risk taking. We use caps on potential awards for both annual and long-term incentives. The Committee also introduced a claw-back policy in 2010 that is reflected in the employment agreement of our Chief Executive Officer. The Committee intends to establish a broader claw-back policy covering all executive officers once the SEC issues final rules and the New York Stock Exchange issues listing conditions for the recovery of incentive compensation as required under the Dodd-Frank Act. In addition, the Company's Insider Trading Policy expressly prohibits Directors, executive officers and other designated employees from engaging in short-term or speculative transactions in Company securities, including, among others, (i) short sales of Company securities; (ii) publicly traded options, puts, calls or other similar derivative securities; (iii) hedging or similar monetization transactions, such as zero-cost collars and forward sale contracts; and (iv) holding Company securities in a margin account or pledging Company securities as collateral for a loan.
- Provide compensation and benefits to our named executive officers consistent with practices of similar companies and also aligned with shareholder interests. To accomplish this objective, we have made the following changes in recent years:

Due to uncertain business conditions, potential adjustments in the base salaries of our CEO and his direct reports have been deferred for a period of six months, from January 1 to July 1. Potential adjustments in the annualized base salaries of other officers have been deferred from January 1 to April 1.

The Company closed its supplemental retirement plan to new executive officers in early 2010. Grandfathered participants may continue to earn credited service under this plan, but only compensation earned through calendar year 2010 counts toward the final average compensation that is used to calculate supplemental retirement benefits. This treatment is the same as that which applies to participants under our tax-qualified defined benefit pension plan.

Certain perquisites that were available to named executive officers and other executive officers were eliminated in early 2010, including medical expense reimbursement and tax and estate planning reimbursement. Further, leased Company vehicles were replaced with vehicle allowan