

KLOEPPEL DAVID C
Form 4
May 13, 2009

FORM 4

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

OMB APPROVAL

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STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF SECURITIES

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934, Section 17(a) of the Public Utility Holding Company Act of 1935 or Section 30(h) of the Investment Company Act of 1940

(Print or Type Responses)

1. Name and Address of Reporting Person *
KLOEPPEL DAVID C

2. Issuer Name and Ticker or Trading Symbol
GAYLORD ENTERTAINMENT CO /DE [GET]

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

(Last) (First) (Middle)
ONE GAYLORD DRIVE

(Street)

3. Date of Earliest Transaction (Month/Day/Year)
05/11/2009

____ Director _____ 10% Owner
 Officer (give title below) _____ Other (specify below)
President & CFO

NASHVILLE, TN 37214

(City) (State) (Zip)

4. If Amendment, Date Original Filed(Month/Day/Year)

6. Individual or Joint/Group Filing(Check Applicable Line)
 Form filed by One Reporting Person
____ Form filed by More than One Reporting Person

Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned

1. Title of Security (Instr. 3)	2. Transaction Date (Month/Day/Year)	2A. Deemed Execution Date, if any (Month/Day/Year)	3. Transaction Code (Instr. 8)	4. Securities Acquired (A) or Disposed of (D) (Instr. 3, 4 and 5)	5. Amount of Securities Beneficially Owned Following Reported Transaction(s) (Instr. 3 and 4)	6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)	7. Nature of Ownership (Instr. 4)
			Code	V	Amount	(A) or (D)	Price
Common Stock	05/11/2009		S		27,000	D	\$ 16.461
					133,115 ⁽²⁾	D	<u>(1)</u>

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

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SEC 1474 (9-02)

Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned (e.g., puts, calls, warrants, options, convertible securities)

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1. Title of Derivative Security (Instr. 3)	2. Conversion or Exercise Price of Derivative Security	3. Transaction Date (Month/Day/Year)	3A. Deemed Execution Date, if any (Month/Day/Year)	4. Transaction Code (Instr. 8)	5. Number of Derivative Securities Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5)	6. Date Exercisable and Expiration Date (Month/Day/Year)	7. Title and Amount of Underlying Securities (Instr. 3 and 4)	8. Price of Derivative Security (Instr. 5)	9. Number of Derivative Securities Owned Following Transaction (Instr. 5)
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Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
KLOEPEL DAVID C ONE GAYLORD DRIVE NASHVILLE, TN 37214			President & CFO	

Signatures

Carter R. Todd, Attorney-in-Fact for David C. Kloepfel
 05/13/2009
 **Signature of Reporting Person Date

Explanation of Responses:

- * If the form is filed by more than one reporting person, see Instruction 4(b)(v).
- ** Intentional misstatements or omissions of facts constitute Federal Criminal Violations. See 18 U.S.C. 1001 and 15 U.S.C. 78ff(a).
- (1) The common stock was sold at a price range from \$16.08 to \$16.725 with the weighted average sales price indicated.
- (2) Includes 4,000 shares of restricted common stock subject to vesting requirements, which lapse on August, 1, 2009. Also includes 75,000 shares of common stock issuable upon the vesting of restricted stock units, subject to performance based vesting on February 4, 2012.

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, see Instruction 6 for procedure. Potential persons who are to respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB number. mily:times;">

102,432
 39,203
 (6)
 1,852
 1,215,505

President(8)

Wayne C. Pensky;

2009
 368,550

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294,846
294,825
366,930
358,169
(12)
74,283
(7)
1,757,603

SVP and CFO(9)

2008 351,000 397,796 198,902 219,366 57,460(12) 79,829 1,304,353

2007 289,320 \$100,000(10) 316,549 73,547 195,016(11) 100,670(12) 254,878 1,329,980

Ira J. Krakower;

2009
341,219
238,846
238,839
339,719
858,643
(13)
69,257
(7)
2,086,523

SVP; General Counsel;

2008 329,680 561,062 153,867 206,042 0(13) 71,774 1,322,425

Secretary

2007 317,029 221,928 221,897 190,234 600,234(13) 58,749 1,610,071

Robert G. Hennemuth;

2009
320,436
208,278
208,272
269,947
183,208
(14)
52,104
(7)
1,242,245

SVP Human Resources

2008 310,500 269,110 134,535 164,200 64,409(14) 68,397 1,011,151

2007 300,000 210,008 209,981 163,646 48,500(14) 356,905 1,289,040

Doron D. Grosman;

2009
265,958
534,995
(16)

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535,000
 (16)
 614,595
 (17)
 568,831
 (18)
 539,495
 (7)
 3,058,874

President(15)

(1)

Reflects the aggregate grant date fair value of RSUs and PSAs granted to the NEO during such year, computed in accordance with FASB ASC Topic 718. These amounts do not correspond to the actual value that will be realized by the NEO. The amount included for each PSA reflect the estimate of aggregate compensation cost to be recognized over the life of the PSA determined as of the grant date under FASB ASC Topic 718, excluding the effect of estimated forfeitures. This assumes that the PSA will pay out at target. The amount reflected in the table above for each PSA, as well as the value for each PSA at the grant date assuming that the highest level of performance will be achieved, is as follows:

	2009		2008		2007	
	Amount reflected in table above (target)	Maximum amount	Amount reflected in table above (target)	Maximum amount	Amount reflected in table above (target)	Maximum amount
David E. Berges	576,946	1,153,891	743,748	1,487,496	523,132	784,698
Nick L. Stanage						
Wayne C. Pinsky	147,423	294,846	198,898	397,796	36,776	55,164
Ira J. Krakower	119,423	238,846	153,871	307,742	110,964	166,446
Robert G. Hennemuth	104,139	208,278	134,555	269,110	105,004	157,506
Doron D. Grosman	267,498	534,995				

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- (2) For additional information regarding the assumptions made in calculating these amounts, see Note 11, "Stock-Based Compensation," to the consolidated financial statements, and the discussion under the heading "Critical Accounting Policies Share-Based Compensation" in Management's Discussion and Analysis of Financial Condition and Results of Operations, each included in our Annual Report on Form 10-K for the year ended December 31, 2009, and Note 12, "Stock-Based Compensation," to the consolidated financial statements, and the discussion under the heading "Critical Accounting Policies Share-Based Compensation" in Management's Discussion and Analysis of Financial Condition and Results of Operations, each included in our Annual Report on Form 10-K for the year ended December 31, 2008.
- (3) Reflects the aggregate grant date fair value of all NQOs granted to the NEO during such year, computed in accordance with FASB ASC Topic 718. These amounts do not necessarily correspond to the actual value that will be realized by the NEO.
- (4) Reflects amounts earned under the MICP with respect to 2009, 2008 and 2007. Such amounts were paid in 2010, 2009 and 2008, respectively.
- (5) Represents the change in pension value for the year indicated for each NEO. The amounts in this column were calculated assuming retirement at age 65 for all NEOs except Mr. Krakower, which is the normal retirement age under the relevant pension plans and arrangements. Since Mr. Krakower is over age 65, current age was used as the assumed retirement age. The interest rate and mortality assumptions used are consistent with those used in the preparation of Hexcel's financial statements. See Note 8, "Retirement and Other Postretirement Benefit Plans" to the consolidated financial statements, and the discussion under the heading "Retirement and Other Postretirement Benefit Plans" in Management's Discussion and Analysis of Financial Condition and Results of Operations, each included in our Annual Report on Form 10-K for the year ended December 31, 2009, for a description of these interest rate and mortality assumptions.
- The increase in pension value during 2008 for Messrs. Berges and Pensky was much less than the increase during 2007, and in the case of Mr. Krakower the value decreased. This is primarily because the interest rate used to compute the pension value as of December 31, 2008 was much higher than the December 31, 2007 interest rate. The plan documents specify that the lump sum interest rate to be used is 120% of the PBGC interest rate for the month in which benefits commence.
- The increase in pension value during 2009 for Messrs. Berges, Pensky, Krakower and Hennemuth was much larger than the increase during 2008. This result is due to a substantial decrease in the PBGC interest rate used to calculate a lump sum payment, as well as a decrease in the FAS 87 interest rate. In addition, since SERP benefits are based on a final average pay formula that is based on the highest paid 36 of the last 60 months, a higher than average 2009 cash bonus replaced a different year's lower bonus contributing to the increase in SERP benefits for Messrs. Berges and Krakower.
- (6) For each year, represents the difference between the actuarial present value of the executive's accumulated benefit under his SERP as of December 31 of the current year and December 31 of the prior year. See footnote (5) for an explanation of the changes in value from year to year.
- (7) The amounts in the "All Other Compensation Column" for 2009 include the following:

Name	Hexcel						
	Hexcel Contributions to 401(K) Retirement Savings Plan	Contributions to Nonqualified Deferred Compensation Plan	Cash in Lieu of 401(K) Contributions on Earnings Exceeding ERISA Limits	Premiums for Life Insurance in excess of \$50,000	Premiums for Long-Term Disability Insurance	Perquisites Allowance(a)	Other(b)
David E. Berges	\$ 18,690		\$ 74,276	\$ 3,741	\$ 564		
Nick L. Stanage	\$ 1,443			\$ 262	\$ 82		\$ 65
Wayne C. Pensky	\$ 23,590	\$ 25,723		\$ 1,806	\$ 564	\$ 22,600	
Ira J. Krakower	\$ 23,590		\$ 20,697	\$ 1,806	\$ 564	\$ 22,600	
Robert G. Hennemuth	\$ 18,690	\$ 8,390	\$ 5,029	\$ 1,806	\$ 564	\$ 17,600	\$ 25
Doron D. Grosman				\$ 1,544	\$ 2,951		\$ 535,000

- (a) The perquisites allowance consists of a car allowance of \$12,000 and an additional amount of \$10,600 (in the case of Messrs. Pensky and Krakower) and \$5,600 (in the case of Mr. Hennemuth). The additional amount may be used for reimbursement of club membership dues, expenses incurred for financial counseling and tax planning and preparation, premiums for supplemental life and health insurance beyond the standard life and health insurance available to our executives and, to the extent of any remaining balance, to reimburse the NEO for taxes due on the reimbursements ("tax gross-up"). The additional amount was used by the NEOs for the following benefits: Mr. Pensky supplemental life insurance; Mr. Krakower tax planning, tax preparation and financial planning; and Mr. Hennemuth supplemental life insurance. While the compensation committee always has the discretion to authorize additional perquisites for an NEO, our perquisites allowance has remained unchanged since 2000, except that all perquisites were eliminated for Mr. Berges in 2006 and were not offered to Mr. Stanage or Mr. Grosman when they were hired.

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(b)

With respect to Mr. Grosman, consists of a payment made in connection with his termination of employment paid pursuant to an executive severance agreement between us and Mr. Grosman.

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- (8) Mr. Stange began employment with us on November 9, 2009. His annual salary rate in 2009 was \$535,000.
- (9) Mr. Pensky was promoted to Senior Vice President and Chief Financial Officer effective April 27, 2007. Effective on such date, Mr. Pensky's salary annual was \$325,000.
- (10) It was a condition to Mr. Pensky's promotion to Senior Vice President and Chief Financial Officer that he relocate from the San Francisco area to the Stamford, Connecticut area. Upon his promotion, Mr. Pensky received a promotional bonus of \$100,000, which was payable upon the closing of the purchase of his home in the Stamford, Connecticut area.
- (11) Mr. Pensky elected to defer \$68,256 of this amount to purchase RSUs under the Management Stock Purchase Plan (MSPP). For more information about the MSPP, see page 54. Mr. Pensky purchased 4,259 RSUs at a price of \$16.0256 per RSU on January 22, 2008. The difference between the price paid by Mr. Pensky for the RSUs and the fair market value of the RSUs on the date of grant was \$12,029, and is reflected in the "All Other Compensation Column." For this purpose, the fair market value of an RSU on the grant date is deemed to be equal to the closing price of a share of Hexcel common stock on the grant date, which was \$18.85.
- (12) For 2009 and 2008, represents the difference between the actuarial present value of Mr. Pensky's accumulated benefit under his EDCA as of December 31, 2009 and 2008, and December 31, 2008 and 2007. For 2007, represents the sum of (a) the difference between the actuarial present value of Mr. Pensky's accumulated benefit under his EDCA as of December 31, 2007 and December 31, 2006 (\$96,431), and (b) the difference between the actuarial present value of Mr. Pensky's accumulated benefit under our former pension plan as of December 31, 2007 and December 31, 2006 (\$4,239). Our pension plan was terminated, and all amounts under the pension plan were paid out, in 2007. See footnote (5) for an explanation of the changes in value from year to year.
- (13) For 2009, represents the difference between the actuarial present value of Mr. Krakower's accumulated benefit under his SERP as of December 31, 2008 and December 31, 2009. The actuarial present value of Mr. Krakower's accumulated benefit under his SERP decreased by \$239,541 from December 31, 2007 to December 31, 2008, and is reported as zero as required by SEC rules. For 2007, represents the sum of (a) the difference between the actuarial present value of Mr. Krakower's accumulated benefit under his SERP as of December 31, 2007 and December 31, 2006 (\$577,686), and (b) the difference between the actuarial present value Mr. Krakower's accumulated benefit under our former pension plan as of December 31, 2007 and December 31, 2006 (\$22,548). See footnote (5) for an explanation of the changes in value from year to year.
- (14) Represents the difference between the actuarial present value of Mr. Hennemuth's accumulated benefit under his EDCA as of December 31 of the current year and December 31 of the prior year. See footnote (5) for an explanation of the changes in value from year to year.
- (15) Mr. Grosman began employment with us on February 23, 2009, and his employment with us terminated on August 7, 2009. His annual salary rate in 2009 was \$535,000.
- (16) Upon Mr. Grosman's termination, all of his NQOs and RSUs immediately terminated. With respect to the PSAs granted to Mr. Grosman, he is entitled to receive a portion of the award, based on the level of performance obtained for the first year of the 2009-2011 three-year performance period.
- (17) Mr. Grosman's payment under the MICP was not pro-rated for less than 12 month's service, in accordance with the terms of Mr. Grosman's executive severance agreement.
- (18) Represents the amount that was paid to Mr. Grosman under his SERP in connection with his termination of employment. Of the total amount, \$262,637 was paid in September 2009, and \$306,194 was paid in 2010. The portion paid in 2010 was delayed because it could not be calculated until Mr. Grosman's cash bonus for 2009 under the MICP was determined.

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The following table provides the following information about equity and non-equity awards granted to the NEOs in 2009: (1) the grant date (for equity awards); (2) the date the compensation committee authorized the grant (for equity awards); (3) the estimated future payouts under non-equity incentive plan awards, which consists of potential payouts under the MICP for 2009; (4) estimated future payouts under equity incentive plan awards, which consist of the potential shares to be awarded to each NEO resulting from the PSAs granted in 2009; (5) the number of shares underlying all other stock awards, which consist of RSUs awarded to each NEO; (6) all other option awards, which consist of the number of shares underlying NQOs awarded to each NEO; (7) the exercise price of the stock option awards, which reflects the closing price of our common stock on the date of grant; and (8) the grant date fair value of each equity award computed in accordance with the provisions of FASB ASC Topic 718.

Name	Grant Date	Date Board or Compensation Committee took Action to Grant Such Award(3)	Possible Payouts Under Non-Equity Incentive Plan Awards(1)			Estimated Future Payouts Under Equity Incentive Plan Awards(2)			All Other Stock Awards: Number of Shares or Units (#)(4)	All Other Option Awards: Number of Securities Underlying Options (#)(5)	Exercise Price of Option Awards (\$/Sh)	Grant Date Fair Value of Stock and Option Awards (\$)(6)
			Threshold (\$)	Target (\$)	Maximum (\$)	Threshold (#)	Target (#)	Maximum (#)				
David E. Berges			452,507	905,013	1,810,026							
	01/26/2009	01/19/2009				36,842	73,684	147,368				576,946
	01/26/2009	01/19/2009							73,684			576,946
	01/26/2009	01/19/2009								282,802	7.83	1,153,832
Nick L. Stanage			33,438	66,875	133,750							
	11/09/09	10/22/2009							83,963			999,999
Wayne C. Pinsky			119,779	239,558	479,115							
	01/26/2009	01/19/2009				9,414	18,828	37,656				147,423
	01/26/2009	01/19/2009							18,828			147,423
	01/26/2009	01/19/2009								72,261	7.83	294,825
Ira J. Krakower			110,896	221,792	443,585							
	01/26/2009	01/19/2009				7,626	15,252	30,504				119,423
	01/26/2009	01/19/2009							15,252			119,423
	01/26/2009	01/19/2009								58,539	7.83	238,839
Robert G. Hennemuth			88,120	176,240	352,480							
	01/26/2009	01/19/2009				6,650	13,300	26,600				104,139
	01/26/2009	01/19/2009							13,300			104,139
	01/26/2009	01/19/2009								51,047	7.83	208,272
Doron D. Grosman			200,625	401,250	802,500							
	02/23/09	02/12/09				21,469	42,937	85,874				267,498
	02/23/09	02/12/09							42,937			267,498
	02/23/09	02/12/09								152,857	6.23	535,000

(1) The amounts shown reflect the range of potential awards for 2009 under the MICP, which is Hexcel's annual cash bonus plan. The actual awards paid for 2009 are shown in the "Non-Equity Incentive Plan Compensation" column in the Summary Compensation Table above. If the threshold performance measure related to payment of an MICP award is not attained, no MICP award is paid.

(2) Reflects PSAs granted under the ISP, which will convert into shares of Hexcel common stock after a three-year performance period, if Hexcel achieves the required performance. The terms of the PSAs are described in more detail on page 31.

Explanation of Responses:

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- (3) For our regular annual equity awards, the committee approved a dollar value (as a percentage of salary) and the algorithm under which the awards would be converted into shares at its meeting on January 19, 2009. In accordance with our equity grant policy, the grant date for the 2009 annual equity awards was January 26, 2009, the third trading day following the release of 2008 fourth-quarter and year-end earnings. With respect to the awards for Mr. Stanage and Mr. Grosman, the dollar value of the awards, and the algorithm under which the awards would be determined, was approved by the Board a few weeks prior to the date on which the executive began employment with us, and the awards were granted as of the executive's starting date.
- (4) Reflects RSUs granted under the ISP, which will vest and convert into shares at the rate of one-third on each of the first three anniversaries of the grant date. The terms of the RSUs are described in more detail on page 30.
- (5) Reflects NQOs granted under the ISP, which will vest and become exercisable at the rate of one-third on each of the first three anniversaries of the grant date. The terms of the NQOs are described in more detail on page 30.
- (6) Reflects the full grant date fair value of PSAs, RSUs and NQOs as computed in accordance with the provisions of FASB ASC Topic 718 granted to the NEOs in 2009. Generally, the full grant date fair value is the amount that we will expense in our financial statements over the award's vesting schedule. For RSUs, fair value is calculated using the closing price of our common stock on the grant date. For stock options, fair value is calculated using the applicable Black-Scholes value on the grant date. For additional information on the valuation assumptions, see Note 11, "Stock-Based Compensation," to the consolidated financial statements, and the discussion under the heading "Critical Accounting Estimates Share-Based Compensation" in Management's Discussion and Analysis of Financial Condition and Results of Operations, each included in our Annual Report on Form 10-K for the year ended December 31, 2009. These amounts reflect the company's accounting expense, and do not necessarily correspond to the actual value that will be realized by the NEOs.

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Employment Agreement with Mr. Berges

We entered into an employment agreement with Mr. Berges when he began his employment with us on July 30, 2001 for an initial term of four years. The agreement was amended and restated on December 31, 2008, primarily to comply with new tax regulations regarding deferred compensation. It provides for Mr. Berges to be our Chairman and Chief Executive Officer for the initial term. The agreement will automatically be extended for successive one-year terms unless either Mr. Berges or the company gives at least one year's prior notice to the other that the agreement shall not be extended. As no notice has been given, the agreement is currently in force to July 30, 2011. Mr. Berges may terminate the agreement for good reason or upon 30 days' notice to us. The agreement provides that Mr. Berges is entitled to:

an annual base salary of not less than his current salary, subject to annual review by the compensation committee;

a target annual bonus opportunity of not less than 100% of annual base salary, and a maximum annual bonus opportunity of not less than 200% of annual base salary; and

participation in all other employee benefit plans generally available to senior executives (except that Mr. Berges agreed to forgo his perquisite allowance in 2006)

Under the employment agreement, on July 30, 2001 we granted Mr. Berges separate options to purchase 550,000 and 275,000 shares of Hexcel common stock. Each of the options has a term of ten years and an exercise price of \$10.50 per share. The option to purchase 550,000 shares vested over four years at a rate of one-sixteenth of the shares at the end of each three-month period beginning with the three-month period ending October 31, 2001. The option to purchase 275,000 shares becomes exercisable in full on July 29, 2011, but is subject to earlier vesting in equal one-third parts if the price of a share of Hexcel common stock reaches \$15.75, \$21.00 and \$26.25 over consecutive thirty-day trading periods. The option vested as to one-third of the underlying shares in 2005 as Hexcel stock closed at \$15.75 or higher for thirty consecutive days, and vested as to an additional third of the underlying shares in 2006 as Hexcel stock closed at \$21.00 or higher for thirty consecutive days.

Mr. Berges' employment agreement also provides that we will make payments to Mr. Berges upon his termination of employment with us under various circumstances, and imposes certain obligations on Mr. Berges following termination. These terms and provisions are described on page 55.

Employment and Severance Agreement with Mr. Stanage

We entered into an employment and severance agreement with Mr. Stanage when he began his employment with us on November 9, 2009. The initial term of the agreement is three years. The agreement is automatically extended for additional one-year periods unless, prior to the date that is one year prior to the end of the then current period, we give Mr. Stanage notice that we are not extending the term of the agreement. The agreement provides for

an initial base salary of \$535,000

an annual cash target bonus award of 75% of salary (any award for 2009 will be pro-rated from the date of hire)

a sign-on award of restricted stock units valued at \$1,000,000, an annual equity award in 2010 valued at 150% of base salary, and an annual equity award in subsequent years valued within a range of 140% to 210% of base salary, as determined by the compensation committee; all annual equity awards will be valued and granted in such form as determined by the compensation committee for all executives

Mr. Stanage to participate in all of our employee benefit plans and arrangements applicable to senior level executives, except that Mr. Stanage will not participate in our executive perquisites program

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Certain relocation benefits designed to assist Mr. Stanage in the purchase of a home in the Stamford, CT area, including:

A lump sum payment of \$325,000, payable at the time of closing on the purchase of a home in the Stamford, CT area; such amount will not be grossed up for taxes, and will be required to be repaid by Mr. Stanage to us if, before the third anniversary of Mr. Stanage's hire date, Mr. Stanage voluntarily terminates his employment or is terminated by us for cause

Reimbursement for flights between Mr. Stanage's home town and Stamford, CT for Mr. Stanage (up to twenty round-trip flights) and his immediate family (up to six round-trip flights), plus tax gross-up

Up to twelve months temporary housing expenses, plus tax gross-up, but capped at \$60,000 (inclusive of the tax gross-up)

Mr. Stanage's employment and severance agreement also provides that we will make payments to Mr. Stanage upon his termination of employment with us under various circumstances, and imposes certain obligations on Mr. Stanage following termination. These terms and provisions are described on page 56.

Executive Severance Agreement with Mr. Grosman

We entered into an executive severance agreement with Mr. Grosman when he began his employment with us on February 23, 2009. The initial term of the agreement was three years. The agreement would be automatically extended for additional one-year periods unless, prior to the date that is one year prior to the end of the then current period, we gave Mr. Grosman notice that we were not extending the term of the agreement. The agreement provided for

an initial base salary of \$535,000

an annual cash target bonus award of 75% of salary, although Mr. Grosman's cash bonus award for 2009 would be paid as if Mr. Grosman was employed from January 1, 2009 through December 31, 2009, rather than being pro-rated for less than a full year's service

sign-on equity awards valued at 200% of base salary, an annual equity award in 2010 valued at 150% of base salary, and an annual equity award in subsequent years valued within a range of 140% to 210% of base salary, as determined by the compensation committee; all equity awards would be valued and granted in such form as determined by the compensation committee for all executives

Mr. Grosman to participate in all of our employee benefit plans and arrangements applicable to senior level executives, except that Mr. Grosman would not participate in our executive perquisites program

Mr. Grosman's executive severance agreement also provided that we will make payments to Mr. Grosman upon his termination of employment with us under various circumstances, and imposes certain obligations on Mr. Grosman following termination. These terms and provisions are described on page 56.

Termination Agreement with Mr. Grosman

On August 7, 2009, we entered into an agreement with Mr. Grosman setting forth the compensation and benefits Mr. Grosman would be entitled to upon his termination. This agreement clarified what Mr. Grosman would be entitled to receive under his executive severance agreement, SERP, PSA, and under our benefit plans and programs in which he participated at the time of his termination. The agreement did not

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provide Mr. Grosman with any additional compensation or benefits beyond what Mr. Grosman was entitled to receive under his compensation agreements and arrangements and under our benefit plans in which he participated.

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Outstanding Equity Awards at 2009 Fiscal Year-End

The following table provides information on the holdings of outstanding stock options and unvested stock awards held by the NEOs as of December 31, 2009:

Name	Option Awards					Stock Awards			
	Number of Securities Underlying Unexercised Options (#)	Number of Securities Underlying Unexercised Options (#)	Equity Incentive Plan Awards: Number of Securities Underlying Unexercised Options (#)	Option Exercise Price (\$/Sh)	Option Expiration Date	Number of Shares or Units of Stock That Have Not Vested (#)(2)	Market Value of Shares or Units of Stock That Have Not Vested (\$)(3)	Equity Incentive Plan Awards: Number of Unearned Shares, Units or Other Rights That Have Not Vested (#)(4)	Equity Incentive Plan Awards: Market or Payout Value of Unearned Shares, Units or Other Rights That Have Not Vested (\$)(3)
David E. Berges		282,802		7.83	01/26/2019	142,758	1,852,999	36,842	478,209
	24,867	49,732		21.11	01/28/2018				
	81,004	40,501		18.17	01/29/2017				
	85,058			22.00	02/07/2016				
	121,082			14.51	01/06/2015				
	145,257			7.38	01/06/2014				
	280,713			3.13	01/06/2013				
	403,047			10.50	07/30/2011				
	183,334(6)			10.50	07/30/2011				
			91,666(5)	10.50	07/30/2011				
Nick L. Stanage						83,963	1,089,840		
Wayne C. Pensky		72,261		7.83	01/26/2019	34,884(6)	452,794	9,414	122,194
	6,650	13,300		21.11	01/28/2018				
	5,695	2,847		18.17	01/29/2017				
	5,432			22.00	02/07/2016				
	8,252			14.51	01/06/2015				
	15,937			7.38	01/06/2014				
	37,466			3.13	01/06/2013				
Ira J. Krakower		58,539		7.83	01/26/2019	37,780	490,384	7,626	98,985
	5,145	10,288		21.11	01/28/2018				
	17,182	8,590		18.17	01/29/2017				
	16,585			22.00	02/07/2016				
	20,888			14.51	01/06/2015				
	47,129			7.38	01/06/2014				
	107,885			3.13	01/06/2013				
	44,000			2.74	01/10/2012				
	50,613			11.00	12/20/2010				
	31,800			9.9375	12/20/2010				
Robert G. Hennemuth		51,047		7.83	01/26/2019	26,669	346,553	6,650	86,317
	4,499	8,996		21.11	01/28/2018				

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16,259	8,129	18.17	01/29/2017
13,363		20.82	03/20/2016

Doron D.
Grosman

12,788(7) 165,988

(1)

See footnote (5) below for an explanation as to the vesting of the option held by Mr. Berges to purchase 275,000 shares, which is separated into a vested option to purchase 183,334 shares and an unvested option to purchase 91,666 shares. All other options listed in this table vest at a rate of one-third per year on each of the first three anniversaries of the grant date. The grant date for each option is the date ten years prior to the option expiration date, as all options have a ten year term.

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(2) This column reflects the following:

	RSUs under the ISP(a)	PSAs that have converted to RSUs(b)	MSPP RSUs(c)
David E. Berges	106,769	35,989	
Nick L. Stange	83,963		
Wayne C. Pensky	29,515	2,530	2,839
Ira J. Krakower	30,146	7,634	
Robert G. Hennemuth	19,475	7,224	
Doron D. Grosman			

(a) RSUs granted under the ISP, which generally vest and convert into shares at the rate of one-third per year on each of the first three anniversaries of the grant date.

(b) PSAs for which the performance period has ended, the level of performance attained has been determined, and which have been converted into a certain number of RSUs that then converted into shares on January 1, 2010

(c) RSUs that were issued under the MSPP. These were issued on January 22, 2008 at a purchase price of \$16.0256 per RSU at the election of Mr. Pensky in lieu of a portion of his bonus for 2007. These RSUs vest at the rate of one-third per year on each of the first three anniversaries of the grant date, and convert into shares at the end of the three year vesting period. See page 54 for further information regarding the MSPP.

(3) Values were computed using a price of \$12.98 per share, the closing price of Hexcel common stock on December 31, 2009.

(4) This column reflects the shares that each NEO would receive under the PSA granted on January 26, 2009 at the threshold level, which is 50% of target. The January 26, 2009 grants, including the number of shares that will be awarded to each NEO if the threshold, target or maximum levels of the performance measure were obtained, are included in the "Grants of Plan-Based Awards in 2009" table above under the column "Estimated Possible Payouts Under Equity Incentive Plan Awards." In early 2012 each NEO will receive a number of shares of common stock based on the extent to which the performance criteria for the PSAs is attained. This column does not reflect any shares to be received under the PSAs granted on January 28, 2008, because the company did not meet the threshold level of the performance criteria for these PSAs.

(5) On July 30, 2001, Mr. Berges' hire date with Hexcel, he was granted an option to purchase 275,000 shares of common stock. The option provided that it would become exercisable in full on July 29, 2011, subject to earlier vesting, in whole or in part, if the price of a share of Hexcel common stock reached \$15.75, \$21.00 and \$26.25 over a consecutive thirty-day trading period. The option vested as to one-third of the underlying shares in 2005 as Hexcel stock closed at \$15.75 or higher for thirty consecutive trading days, and vested as to an additional one-third of the underlying shares in 2006 as Hexcel stock closed at \$21.00 or higher for thirty consecutive trading days. The option will vest immediately as to the remaining one-third of the underlying shares if Hexcel stock closes at above \$26.25 for thirty consecutive trading days.

(6) In addition to the unvested RSUs reflected in this table, as of December 31, 2009, Mr. Pensky held 1,420 RSUs under the MSPP that have vested but have not yet converted into shares of stock. The value of these RSUs, based on the closing price of Hexcel common stock on December 31, 2009, \$12.98, is \$18,432.

(7) This represents that actual number of shares Mr. Grosman is entitled to receive from his 2009 PSA. Our 2009 PSA Agreements provide that, if an employee is terminated without cause during the first year of the three-year performance cycle, then the employee receives a payout, based on the level of achievement of the applicable performance measure, which is pro-rated for the number of months worked during the year.

Table of Contents**Option Exercises and Stock Vested in 2009**

Name	Option Awards		Stock Awards(1)	
	Number of Shares Acquired on Exercise (#)	Value Realized on Exercise (\$)	Number of Shares Acquired on Vesting (#)	Value Realized on Vesting (\$)
David E. Berges			43,134	351,114
Nick L. Stanage				
Wayne C. Pensky	17,500	59,719	8,940(2)	76,200(2)
Ira J. Krakower	71,000	316,614	12,716	105,693
Robert G. Hennemuth			10,676	76,073
Doron D. Grosman				

(1) Reflects RSUs that vested during 2008. This includes regular RSUs that were granted in 2006, 2007 and 2008 with a vesting schedule of 1/3 of the shares subject to the grant on each of the three anniversaries of the grant date, and RSUs that resulted from the 2006 PSA, as follows:

	RSUs	2006 PSA
David E. Berges	28,474	14,660
Wayne C. Pensky	8,004	936
Ira J. Krakower	9,857	2,859
Robert G. Hennemuth	8,373	2,303

(2) In addition to the shares listed, 1,420 RSUs underlying an award granted to Mr. Pensky under the MSPP on January 22, 2008 vested, but did not convert into shares, in 2009. The value of these 1,420 shares, based on the closing share price on the date of vesting, was \$10,792.

Pension Benefits in Fiscal 2009

Our NEOs participate in the following pension plans and arrangements:

Supplemental Executive Retirement Agreements with Messrs. Berges, Stanage, Krakower and Grosman. In May 2000 we entered into a supplemental executive retirement agreement (SERP) with Mr. Krakower. In July 2001, upon Mr. Berges commencing employment with us, we entered into a SERP with Mr. Berges. In November 2009, upon Mr. Stanage commencing employment with us, we entered into a SERP with Mr. Stanage. We were also party to a SERP with Mr. Grosman during his employment with us. Each SERP provides for a retirement benefit intended to supplement the executive's retirement income from our 401(k) plan and Nonqualified Deferred Compensation Plan (described on page 53). On December 31, 2008, we amended and restated the SERPs with Mr. Berges and Mr. Krakower, primarily to comply with new tax regulations regarding deferred compensation. The material features of the SERPs are as follows:

The monthly normal retirement benefit is equal to the product of the executive's final average pay, benefit percentage and vesting percentage, offset by any vested contributions made by us under our 401(k) plan and supplemental 401(k) plan.

Mr. Krakower's benefit is also offset by his accrued benefit under our former qualified pension plan.

Final average pay equals the executive's average monthly compensation for the highest paid 36 months out of his final 60 months of employment, and includes salary and bonus, but not equity compensation. Bonus is deemed to be earned ratably over the period in which it was earned.

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The current vesting percentage for each of Messrs. Berges and Krakower is 100%, and the current vesting percentage for Mr. Stanage is zero. The SERP is unvested for the first five

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years of service (subject to acceleration in certain circumstances as described below), and becomes fully vested on the fifth year of service.

The benefits percentages are as follows:

Mr. Berges: $\frac{1}{2}$ of 1% for each of the first 96 months of service, and $\frac{1}{6}$ of 1% for each of the next 60 months of service.

Mr. Krakower: $\frac{5}{12}$ of 1% for each of the first 60 months of service, $\frac{1}{4}$ of 1% for each of the next 60 months of service, and $\frac{1}{6}$ of 1% for each additional month of service.

Mr. Stanage: $\frac{7}{30}$ of 1% for each month of service, but shall not increase further once Mr. Stanage reaches age 65. Mr. Grosman's agreement contained the same benefits percentage.

Upon retirement after reaching age 65, the executive will receive a lump sum that is actuarially equivalent to a lifetime payment stream of the monthly normal retirement benefit starting the month after employment terminates and ending on death, but is guaranteed to be at least 120 monthly payments.

If the executive's employment terminates prior to age 65 (early retirement), he will receive a lump sum that is actuarially equivalent to a lifetime payment stream of the monthly normal retirement benefit, reduced by 3% for each year by which the date of the first payment precedes age 65. The lump sum is based on an assumed payment stream starting the month after his employment terminates (but no earlier than the month he reaches age 55), and ends on death, but is guaranteed to be at least 120 monthly payments. This does not apply to Mr. Krakower, as he has already attained the age of 65.

Should the executive die before receiving any benefits under the SERP, the executive's designated beneficiary will receive a lump sum that is actuarially equivalent to the 50% survivor annuity the beneficiary would have received had the executive retired immediately prior to his death and elected to receive his benefit in the form of a 50% joint and survivor annuity. The executive also may elect to have the lump sum survivor benefit calculated on the basis of a 75% or 100% survivor annuity, or for it to equal the full lump sum he would have received had he retired immediately prior to his death. If the executive elects any of these alternative forms of benefit, the additional actuarial cost (above the cost of providing the benefit based on a 50% survivor annuity) reduces the amount of the executive's retirement benefit (and hence the survivor's benefit as well).

Upon certain other types of termination, the amount of benefit is different:

Termination for cause no benefits are payable

Termination without cause, or by the executive for good reason

For Mr. Berges and Mr. Krakower, 12 months of service are added for purposes of computing the benefits percentage

For Mr. Stanage, upon such a termination after May 9, 2011, the vesting percentage is 100% regardless of whether Mr. Stanage has been employed by us for five years, and 12 months of service are added for purposes of computing the benefits percentage; upon such a termination prior to May 9, 2011, no benefits are payable

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Mr. Grosman's agreement provided that 12 months of service would be added for purposes of computing the benefits percentage, and that the vesting percentage would be 100%, regardless of how long Mr. Grosman had been employed by us

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Upon termination without cause, or by the executive for good reason, within two years after a change in control or during a period which qualifies as a potential change in control

For Mr. Berges and Mr. Krakower, 36 months of service are added for purposes of computing the benefits percentage

For Mr. Stanage, 36 months of service are added (if the termination is on or before November 9, 2014), or 24 months are added (if the termination is after November 9, 2014) for purposes of computing the benefits percentage, and the vesting percentage is 100% regardless of how long Mr. Stanage has been employed by us

Mr. Grosman's agreement provided for 36 months of service to be added for purposes of computing the benefits percentage, and that the vesting percentage would be 100% regardless of how long Mr. Grosman was employed by us

Upon termination due to disability, the lump sum is calculated without reduction if the assumed payment stream would start prior to age 65.
These enhanced benefits payable upon termination are quantified in the table on page 60.

The executive may choose to receive an actuarially equivalent payment stream in lieu of a lump sum, in accordance with the requirements of Section 409A of the Internal Revenue Code.

Upon Mr. Grosman's termination on August 9, 2009, Mr. Grosman became vested in his SERP, and we added 12 months of service in computing his benefit. An aggregate total of \$568,831 was paid to Mr. Grosman in connection with his SERP, which amount is reflected in the Summary Compensation Table on page 41 and in the Pension Benefits Table below.

Retirement Agreements with Messrs. Pensky and Hennemuth. We entered into an Executive Deferred Compensation and Consulting Agreement (EDCA) with Mr. Pensky in June 1995 and with Mr. Hennemuth in March 2006. On December 31, 2007, we amended the EDCAs with Messrs. Pensky and Hennemuth, primarily to comply with new tax regulations regarding deferred compensation. The material terms of the EDCAs, as amended, are as follows:

The executive is entitled to receive a monthly benefit upon retirement equal to $1/12^{\text{th}}$ of his accrued benefit. The accrued benefit is equal to 1.5% of the executive's aggregate salary and cash bonuses earned while employed by us multiplied by a fraction of $X/67$, with X =the number of months the executive has been employed by us since entering into his EDCA, subject to a maximum of 67 months.

The normal monthly retirement benefit is payable starting the month after employment terminates on or after age 65 and ending on death, but is guaranteed to be at least 120 monthly payments; any payments after death are made to a surviving beneficiary or the executive's estate.

If the executive's employment terminates prior to age 65, then

the payments will be actuarially reduced to reflect commencement prior to age 65

the executive's monthly retirement benefit will start the calendar month after he terminates employment and will end on death, but is guaranteed to be at least 120 monthly payments; any payments after death are made to a

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surviving beneficiary or the executive's estate.

If the executive dies prior to commencement of payments to him, a benefit is payable to his beneficiary for the duration of the beneficiary's life, and is based on the actuarial equivalent of the early retirement benefit described above, as if the executive had retired immediately prior to his death.

Upon a change in control, the executive's benefits become payable.

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Upon termination for cause, no benefits are payable.

Each executive has agreed to consult with us at our request for up to ten days a year for a period of ten years following his termination of employment with Hexcel.

Each executive has agreed not to solicit our employees and not to engage in any activity competitive with our business for ten years after termination of his employment with us, unless he can show that such actions were taken without the use of confidential information regarding Hexcel.

The executive is entitled to an additional amount based on the value of Hexcel providing medical, dental and life insurance from termination of employment to age 75. No benefit is provided if the executive has less than five years of service at termination.

the value of the medical and dental insurance is based on the group insurance provided by Hexcel to its employees at the time of termination of the executive's employment

the amount gets added to the value of the lump sum or increases the annuity, depending on the form of payment chosen by the executive.

The executive may elect to receive his benefit in the form of a lump sum upon termination of employment that is actuarially equivalent to the annuity to which the executive is entitled.

Provided we consent in our sole discretion, the executive may elect to receive his benefit in the form of any type of life annuity that is actuarially equivalent to the monthly benefit provided for in the EDCA.

The elections described above, as well as all other elections as to forms of payment, and the timing of payments, must be made in compliance with Section 409A of the Internal Revenue Code

Messrs. Pensky and Hennemuth have elected to receive their EDCA benefit in the form of an actuarially equivalent lump sum.

Pension Benefits Table. The table below shows the present value of accumulated benefits payable to each NEO as of December 31, 2009, including the number of years of service credited to each NEO, under each pension and retirement plan listed below, determined using interest rate and mortality rate assumptions consistent with those used in our financial statements. The table also shows payments made to the NEOS under the plans indicated during 2009.

Name	Plan Name	Number of Years Credited Service (#)	Present Value of Accumulated Benefit \$(1)	Payments During Last Fiscal Year (\$)
David E. Berges	Supplemental Executive Retirement Agreement	8.42	10,483,426	0
Nick L. Stanage	Supplemental Executive Retirement Agreement	0.17	39,203	0
Wayne C. Pensky	Executive Deferred Compensation Agreement	16.42	901,442	0
Ira J. Krakower	Supplemental Executive Retirement Agreement	13.33	3,108,900	0
Robert G. Hennemuth	Executive Deferred Compensation Agreement	3.75	426,281	0
Doron D. Grosman	Executive Deferred Compensation Agreement	N/A	N/A	568,831(2)

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(1)

The amounts in this column were calculated assuming retirement at age 65 (except with respect to Mr. Krakower, who was over age 65 at December 31, 2009), the normal retirement age under the relevant pension plans and arrangements, and using the interest rate and mortality assumptions consistent with those used in the preparation of Hexcel's financial statements. See Note 8, "Retirement and Other Postretirement Benefit Plans" to the consolidated financial statements, and

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the discussion under the heading "Retirement and Other Postretirement Benefit Plans" in Management's Discussion and Analysis of Financial Condition and Results of Operations, each included in our Annual Report on Form 10-K for the year ended December 31, 2009, for a description of these interest rate and mortality assumptions.

These amounts represent the amounts required to be disclosed by SEC rules, and assume that each currently active executive will retire at the normal retirement age under the plan, which is age 65 (except with respect to Mr. Krakower, who was over age 65 at December 31, 2009), and reflect a discount rate of 4.55% to determine the present value of the lump sum payable at age 65, which rate is used for purposes of pension calculations in our financial statements. The actual amount that would have been paid to Mr. Berges under his SERP had he terminated his employment as of December 31, 2009 is \$13,101,218. The actual amount that would have been paid to Mr. Stange under his SERP had he terminated his employment as of December 31, 2009 is \$0 since he did not have five years of service. The actual amount that would have been paid to Mr. Pensky under his EDCA had he terminated his employment as of December 31, 2009 is \$1,320,960. The reasons that the amounts for Messrs. Berges and Pensky are higher than the amounts reflected above in the table is because the SERP and EDCA documents specify a different interest rate to be used to calculate lump sums, and also provide for subsidized early retirement benefits. The actual amount that would have been paid to Mr. Hennemuth under his EDCA had he terminated his employment as of December 31, 2009 is \$196,250. This amount is lower than the amounts specified in the table above because, until Mr. Hennemuth has been employed by us for five years, he is not entitled to the value of certain continuing medical and life insurance benefits, as described above.

(2)

Represents the amount paid to Mr. Grosman under his SERP. Mr. Grosman's benefit was calculated using a vesting percentage of 100% and a benefits percentage based on actual months of service plus 12 months. Of the total amount, \$262,637 was paid in September 2009, and \$306,194 was paid in 2010. The portion paid in 2010 was delayed because it could not be calculated until Mr. Grosman's cash bonus for 2009 under the MICP was determined.

Nonqualified Deferred Compensation in Fiscal Year 2009

All information in the table below is with respect to our Nonqualified Deferred Compensation Plan ("NDCP") or Management Stock Purchase Plan ("MSPP"). The NDCP is an unfunded plan that permits a select number of highly compensated employees to defer a percentage of their pay and receive Hexcel matching and profit sharing contributions above the IRS limits permitted under our qualified 401(k) plan. Terms of the plan are as follows:

participants can defer any amount of their cash compensation (salary and bonus) on a pre-tax basis

all of our matching contributions are made on the same 50% basis as described on page with respect to the qualified 401(k) plan, but only with respect to the participant's deferrals under the NDCP up to 6% of their compensation in excess of the compensation taken into account for purposes of determining contributions to the qualified 401(k) plan

all of our other contributions discretionary profit-sharing, and fixed weekly contributions are made on the same basis as described on page 34 with respect to the qualified 401(k) plan, but only with respect to the amount of the participant's compensation in excess of the amount used for purposes of determining contributions to the qualified 401(k) plan

employee and company contributions are 100% vested at all times.

the investment options generally mirror those available in our qualified 401(k) plan, except that the Hexcel stock fund is not an option

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distributions are in a lump sum or in a series of monthly, quarterly or annual installments after termination of service, as elected by the employee

in-service distributions are generally prohibited except in the case of an unforeseeable emergency

loans from the NDCP are prohibited

Mr. Pensky participated in the NDCP in 2009. Messrs. Berges, Stanage, Krakower, Hennemuth and Grosman did not participate in the NDCP in 2009, and instead received a taxable cash payment equal to the contributions they would have received if they participated. Hexcel's contributions to this plan for the NEOs or related payments to the NEOs in 2009 are included in "All Other Compensation" in the Summary Compensation Table on page 41.

Under the MSPP, up until 2007 certain senior executives were given the opportunity to apply a portion of their annual cash bonus to purchase RSUs at a price of 80% of the average of the closing price of Hexcel common stock for the five trading days preceding the date of grant. The RSUs vest at the rate of one-third per year for three years, and convert to shares of Hexcel common stock on a one-to-one basis on the third anniversary of the grant date. Mr. Pensky deferred \$68,256 of his 2007 cash bonus to purchase 4,259 RSUs under the MSPP at a price of \$16.0256 per RSU on January 22, 2008. This deferred amount is reflected in the "Non-Equity Incentive Plan Compensation" column for 2007 in the Summary Compensation Table on page 41. The difference between the price paid by Mr. Pensky for the RSUs and the fair market value of the RSUs on the date of grant was \$12,029, and is reflected in the "All Other Compensation" column for 2007 in the Summary Compensation Table on page 41. This plan was discontinued with respect to annual cash bonuses for years after 2007.

	Name of Plan	Executive Contributions in Last FY\$(1)	Registrant Contributions in Last FY\$(2)	Aggregate Earnings in Last FY\$(3)	Aggregate Balance at Last FYE\$(4)
David E. Berges	NDCP			9,982	332,052
Nick L. Stanage	NDCP				
Wayne C. Pensky	NDCP	21,830	25,723	3,811	191,977
	MSPP	10,792(5)		7,640(6)	18,432(7)
Ira J. Krakower	NDCP				
Robert G. Hennemuth	NDCP		8,390(8)	1,833	53,242
Doron D. Grosman	NDCP				

- (1) The NEO's contributions to the NDCP are included in the "Salary" column in the Summary Compensation Table on page 41.
- (2) Hexcel's contributions to the NDCP are included in the "All Other Compensation" column in the Summary Compensation Table on page 41.
- (3) The aggregate annual earnings in 2009 are not reported in the Summary Compensation Table, as SEC rules provide that only above-market or preferential earnings be reported in that table.
- (4) The NEO's contributions to the NDCP in prior years, and Hexcel's contributions to the NDCP in prior years, were included in the Summary Compensation Table for the year in which the amount was contributed. Under the MSPP, the amount of bonus deferred to purchase the RSUs, as well as the difference between the price paid by the NEO for the RSUs and the fair market value of the RSUs on the date of grant, were included in the Summary Compensation Table for the year with respect to which the applicable bonus was earned.

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- (5) Represents the value of RSUs granted to Mr. Pensky under the MSPP that vested, but did not convert into shares, on January 22, 2009. The value is based on the closing price of Hexcel stock on the date of vesting, which was \$7.60.
- (6) Represents the difference between the value of the RSUs as of December 31, 2009 (based on a stock closing price of \$12.98 per share) and the value of the RSUs on the date of vesting (see footnote (5) above).
- (7) Represents the value of the RSUs as of December 31, 2009, based on a closing price of Hexcel stock of \$12.98 per share.
- (8) Mr. Hennemuth did not participate in the NDCP in 2009. This amount represents (i) the portion of the profit-sharing payment made by Hexcel under the qualified 401(k) plan for 2008 that was in excess of the applicable IRS limit, which was paid in 2009, and (ii) a true-up adjustment made with respect to 2008, that was paid in 2009.

Potential Payments upon Termination or Change in Control

Severance Agreements and Arrangements

Under Mr. Berges' employment agreement, we have agreed to make certain payments to Mr. Berges upon termination of his employment under certain circumstances. In particular:

in the event that we terminate Mr. Berges for any reason other than for disability or cause, or if Mr. Berges terminates his employment for good reason, then Mr. Berges will receive

an annual bonus prorated for the portion of the year he was employed

a lump sum payment equal to two times the sum of his then current base salary and his average bonus over the prior three years

participation for two years after termination in all medical, dental, life insurance and other welfare and perquisite plans and programs in which Mr. Berges was participating on the date of termination

in the event that we terminate Mr. Berges for any reason other than for disability or cause, or if Mr. Berges terminates his employment for good reason, in each case during a period which qualifies as a potential change in control period or within two years after a change in control, Mr. Berges will receive the same payments and benefits as described above except that

the lump sum payment will be equal to three times the sum described above

participation in health, welfare and perquisite plans and programs will be for three years instead of two

Mr. Berges will be entitled to receive a modified gross-up payment for any excise tax incurred under Section 280G of the Internal Revenue Code, but only if the total "parachute payments" exceed Mr. Berges' untaxed safe harbor amount by 10% or more. We have agreed to reimburse Mr. Berges for the excise tax as well as any income tax and excise tax payable by Mr. Berges as a result of any reimbursements for the excise tax.

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in the event of termination due to death or disability, Mr. Berges will receive an annual bonus prorated for the portion of the year he was employed

Mr. Berges has agreed that, in consideration for these payments, he will not compete with us in any capacity for a period of two years following the termination of his employment. This includes, for example, any situation in which Mr. Berges is an employee of, consultant to, or owner of a business. If Mr. Berges' termination is in connection with change in control, the period is extended to three years.

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However, this restriction would not apply if Mr. Berges' duties and responsibilities with a company that competes with us do not relate to the business segment of that company that competes with us. Mr. Berges also agreed to customary terms regarding our ownership of, and the protection and confidentiality of, our trade secrets, proprietary information, and processes, technologies, designs and inventions.

We have entered into executive severance agreements with each of Messrs. Stanage, Pensky, Krakower and Hennemuth that contain, and we had an executive severance agreement with Mr. Grosman that contained, terms substantially similar to the severance terms described above for Mr. Berges, except that

if we terminate the executive for any reason other than for disability or cause, or if the executive terminates his employment for good reason, then

the lump sum payment will be equal to the sum of his then current base salary and his average bonus over the prior three years (rather than two times the sum)

the applicable non-compete term, and the term for continuation of benefits, will be one year instead of two

in the case of Mr. Grosman, if termination was after February 12, 2012, the lump sum payment would have been one and a half times the sum of his then current base salary and his average bonus over the prior three years

in the case of Messrs. Pensky, Krakower and Hennemuth, there is no term providing for an annual bonus pro-rated for the portion of the year the executive was terminated, and so whether such bonus is paid would be determined in accordance with the terms of the MICP

in the case of Mr. Stanage, upon termination for any reason other than for disability or cause, or if Mr. Stanage terminates his employment for good reason, in each case during a period which qualifies as a potential change in control period or within two years after a change in control, if the termination is after November 9, 2014, then

the lump sum payment will be equal to two times the sum of his then current base salary and his average bonus over the prior three years (rather than three times the sum)

the applicable non-compete term, and the term for continuation of benefits, will be two years instead of three

in the case of Mr. Stanage, the modified gross-up payment for excises tax incurred under Section 280G of the Internal Revenue Code will not apply only if the applicable change in control occurs after November 9, 2014

upon the executive's death, if the amount received by the executive's estate as payment under the insurance policy that we provide to the executive is less than two times the sum of the executive's then current base salary and his average bonus over the prior three years, then we will pay the difference to the executive's estate (in Mr. Stanage's case the benefit is capped at \$1,500,000)

Retirement Agreements

As described on page 59, our NEOs are party to various arrangements that provide for benefits payable upon retirement. As described on page 50, the SERP agreements that we entered into with Messrs. Berges, Stanage, Krakower and Grosman provide for enhanced benefits upon our termination of the executive without cause, the executive's termination for good reason or the executive's termination during a potential change of control or within two years after a change in control. None of

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our other retirement programs provide for any form of enhanced or accelerated benefit upon termination of the executive for any reason.

Equity Awards

Each of our NEOs have various NQOs, RSUs, PSAs and, in some cases, MSPP RSUs outstanding. Upon termination of employment of an NEO, the treatment of the equity award depends on the nature of the termination. Below is a description of what happens to the NEO's outstanding equity awards upon each different type of termination and upon a change in control.

NQOs

Voluntary departure or termination without cause upon any termination other than retirement, disability, death, or cause, the NEO has 90 days to exercise the option to the extent vested; to the extent not vested, the option terminates.

Disability/Death all options vest and remain exercisable for one year.

Retirement any unvested NQOs continue to vest on the schedule set forth in the option agreement, and the NEO has five years from the date of retirement to exercise the NQOs (but in no event can the NEO exercise an NQO after the expiration of the ten-year term of the option)

Cause all options are forfeited.

Change in control all options vest, and if the NEO is terminated without cause or terminates his employment for good reason within two years after the change in control, the option remains exercisable for three years.

RSUs

Voluntary departure or termination without cause all RSUs are forfeited.

Disability/Death all RSUs vest and convert to stock.

Retirement all RSUs continue to vest on the schedule set forth in the RSU agreement.

Cause all RSUs are forfeited.

Change in control all RSUs vest and convert to common stock.

MSPP RSUs

Voluntary departure or termination for cause vested MSPP RSUs convert to shares of common stock; unvested MSPP RSUs are forfeited and the NEO receives back the cash deferred to purchase the unvested MSPP RSUs

Termination without cause, or due to death or disability, or as a result of retirement all MSPP RSUs vest and convert to shares of common stock.

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PSAs

Change in control all MSPP RSUs vest and convert to common stock.

Voluntary departure or termination for cause the entire award is forfeited.

Termination without cause, or due to disability, death or retirement, or for good reason the NEO is entitled to a pro rata award based on the portion of the performance period for which he was employed, and also based on the extent to which the performance target is attained.

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Change in Control the PSA is paid out at target immediately, unless an acquiring company exchanges the PSA for the right to receive a comparable publicly traded security, in which case the PSA is paid out at target at the end of the performance period.

An employee generally qualifies for retirement if, upon termination of employment for any reason other than for cause, he is age 65 or age 55 with five or more years of service with Hexcel.

Our agreements relating to NQOs, RSUs and PSAs require that the employee comply with any obligation of confidentiality to us contained in any written agreement signed by the employee, and refrain from competing with Hexcel. The non-compete provision is substantially similar to that contained in the severance arrangements of our NEOs described above. If the employee fails to comply with this requirement, then any outstanding equity grants are canceled.

Change in Control; Good Reason; Cause

A "Change in Control" is generally defined in our plans and agreements to mean any of the following:

the acquisition by any third party of 50% or more of our common stock

the acquisition by any third party of 40% or more of our common stock within a 12 month period

a majority of the directors as of the date of the plan or agreement are replaced with persons who are not either (i) approved by the existing directors or (ii) approved by persons who were approved replacements of the existing directors

a merger of Hexcel or a sale of all or substantially all the assets of Hexcel, except if (i) the stockholders of Hexcel prior to the transaction own the company resulting from the transaction in substantially the same proportion as they owned Hexcel prior to the transaction and (ii) the directors of Hexcel before the transaction

"Good reason" is generally defined in our plans and agreements to mean:

A material diminution in the executive's position, duties, responsibilities or authority

A material reduction in the executive's base salary

Failure by us to continue any compensation plan in which the executive participates which is material to the executive's total compensation, unless replaced with a plan of substantially equivalent value

Failure by us to continue to provide the executive with the benefits enjoyed by the executive under our pension, savings, life insurance, medical, health, accident, and disability plans in which the executive was participating, except for across-the-board changes similarly affecting all executives, or failure by us to continue to provide the executive with at least twenty paid vacation days per year (or more if the executive is entitled to more under our vacation policy)

Failure to provide facilities or services which are reasonably necessary for the executive's position

Failure of any successor to Hexcel to assume our obligations under the relevant plan or agreement hereunder or failure by us to remain liable to the executive after such assumption

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In the case of the severance or SERP agreements, any termination by us of the executive's employment which is not effected pursuant to a notice that complies with the relevant agreement

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The relocation of the executive's principal place of employment to a location more than fifty (50) miles from the executive's place of employment as at the date of the relevant agreement

Failure to pay the executive any portion of compensation within seven (7) days of the date such compensation is due

"Cause" is generally defined in our plans and agreements applicable to NEOs to mean (1) the willful and continued failure by the NEO to substantially perform his duties after we have notified the executive in writing with specificity of the nonperformance or (ii) the willful engagement by the NEO in misconduct that materially harms us. Before we can terminate an NEO for cause, our Board must give the NEO notice describing the reasons we intend to terminate the NEO for cause and must pass a resolution approved by at least two-thirds of the Board determining that the NEO is guilty of the improper conduct, and must provide the NEO with the opportunity to be heard before the Board with counsel present.

Benefits Payable upon Termination of Employment on December 31, 2009

As described above, the following agreements and arrangements with our NEOs provide for severance or enhanced benefits upon termination of employment or a change in control:

severance benefits payable to Mr. Berges under his employment agreement and to Messes. Stanage, Pensky, Krakower and Hennemuth under their executive severance agreements;

enhanced benefits payable under the SERP agreements we entered into with Messrs. Berges, Stanage and Krakower upon certain terminations; and

the treatment of our various equity awards upon certain types of termination, as described on page 57.

In addition, as described on page 34 we provide an additional death benefit for each of our NEOs. Other than these benefits and enhancements, there are no agreements, arrangements or plans that entitle executive officers to severance, perquisites, or other enhanced benefits upon termination of their employment that are not available to salaried employees generally.

The table below describes the potential benefits and enhancements under the company's compensation and benefit plans and arrangements to which the NEOs, other than Mr. Grosman, would be entitled upon termination of employment or a change in control as of December 31, 2009. The table also reflects the actual payments made to Mr. Grosman as a result of his involuntary termination on August 7, 2009. However, the following items are excluded from the table:

The amounts reflected in the middle column of the "Pension Benefits" table on page 52, all of which are vested; however, see note 1 to the "Pension Benefits" table for the actual amount that each of Messrs. Berges, Stanage, Pensky and Hennemuth would have been paid had the executive voluntarily terminated his employment with us on December 31, 2009

The balances under the NDCP listed in the "Nonqualified Deferred Compensation" table on page 54, all of which are vested

Benefits provided on a non-discriminatory basis to salaried employees generally upon termination of employment, such as accrued salary, vacation pay and distributions under an employee's 401(k) plan

None of the payments or benefits reflected in the chart below would be payable solely in the event of a change of control without a subsequent termination, except for payment to Mr. Pensky or Mr. Hennemuth of his EDCA benefit and vesting and conversion of the equity awards (and the related values) reflected below.

Table of Contents**Benefits Payable Upon Termination of Employment on December 31, 2009**

	Cash Severance \$(1)	Incremental Benefit under SERP or EDCA \$(2)	Benefits Continuation \$(3)	Accelerated Vesting of Equity Awards (value based on 12/31/2009 share price) \$(4)	Excise Tax Gross-Up \$(5)	Payment under MICP \$(6)	Total Termination Benefits (\$)
David E. Berges							
Voluntary retirement							
Involuntary or good reason termination	3,446,346	553,265	15,288				4,014,899
Involuntary or good reason termination after change in control	5,169,519	1,660,197	22,932	925,414			7,778,062
Death	1,500,000						1,500,000
Disability		2,132,756					2,132,756
Nick L. Stange							
Voluntary retirement							
Involuntary or good reason termination	535,000		9,883				544,883
Involuntary or good reason termination after change in control	1,605,000	1,201,402	29,649	1,089,840	1,258,605		4,087,975
Death	1,070,000			1,089,840			2,159,840
Disability		104,881		1,089,840			2,291,242
Wayne C. Pensky							
Voluntary retirement							
Involuntary termination	529,372		9,883	124,776			664,031
Involuntary or good reason termination after change in control	1,588,116		29,649	1,121,934			2,739,699
Death	1,000,200			880,025			1,880,225
Disability				880,025			880,025
Ira J. Krakower							
Voluntary retirement							
Involuntary or good reason termination	515,500	152,965	5,709				674,174
Involuntary or good reason termination after change in control	1,546,500	458,894	17,127	191,505			2,214,026
Death	999,239						999,239
Disability							
Robert G. Hennemuth							
Voluntary retirement							
Involuntary or good reason termination	478,452		12,955	88,141			579,548
Involuntary or good reason termination after change in control	1,435,357		38,865	771,046	607,860		2,853,128
Death	950,721			603,819			1,554,540
Disability				603,819			603,819

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Doron D. Grosman
Involuntary termination on
August 7, 2009

535,000 568,831 12,955 165,988 614,595(6) 1,897,369

(1)

Involuntary or good reason termination, with or without a change in control. For all NEOs except Mr. Grosman, Represents the lump sum cash payment that would have been paid to the executive under his employment agreement, employment and severance agreement or executive severance agreement, as applicable. For Mr. Grosman, represents the actual payment made to Mr. Grosman under his executive severance agreement.

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Death. Represents the death benefit we agreed to provide to the executive which, as described on page 34, is in the form of an insurance policy maintained by us; to the extent the death benefit exceeds the maximum insured amount, we have agreed to make a payment directly to the executive's estate for the excess amount.

- (2) For all NEOs except Mr. Grosman, represents the difference between (a) the actual lump sum the NEO would have received upon the indicated type of termination on December 31, 2009, and (b) the lump sum the NEO would have received had he voluntarily terminated his employment on December 31, 2009. For Mr. Grosman, represents the actual amounts paid to Mr. Grosman under his SERP. For Messrs. Berges, Pensky and Hennemuth, the actual lump sum the executive would have received had he voluntarily terminated his employment on December 31, 2009 is set forth in footnote (1) to the Pension Benefits Table on page 52. Mr. Stange would not have received any payment under his SERP had he voluntarily terminated his employment on December 31, 2009 since his SERP is not vested. The actual lump sum Mr. Krakower would have received had he voluntarily terminated his employment on December 31, 2009 is equal to the amount set forth under the column titled "Present Value of Accumulated Benefit" in the Pension Benefits Table on page 52. Neither Mr. Pensky nor Hennemuth would receive any enhancement to his EDCA benefits as a result of any type of termination of employment or a change of control.
- (3) Represents the value of welfare/medical benefits for (a) two years (in the case of Mr. Berges) or one year (in the case of Messrs. Stange, Pensky, Krakower, Hennemuth and Grosman), upon involuntary or good reason termination without a change in control, and (b) three years in the event of involuntary or good reason termination following a change in control.
- (4) Reflects the value of equity awards that were unvested on December 31, 2009, and that would have vested as a result of the indicated type of termination of employment of the NEO. RSUs are valued at \$12.98 per RSU, the closing price of Hexcel common stock on December 31, 2009. Unvested NQOs are valued at the difference between \$12.98 and the exercise price of the option; no value is attributed to NQOs if the exercise price is greater than \$12.98. Vested NQOs are not reflected in the table regardless of the exercise price. PSAs are valued at \$12.98 as well. For PSAs, reflects the value of the additional shares, if any, the NEO would have received as a result of the specified type of termination on December 31, 2009 as compared to a voluntary departure on the part of the NEO on such date. For all PSAs, in the event of a termination in connection with a change of control, it is assumed the acquiring company does not exchange the PSAs for the right to receive a comparable publicly traded security, and therefore assumes payout at target. No value is attributed to unvested MSPP RSUs held by Mr. Pensky, as the value of the unvested MSPP RSUs, assuming a price of \$12.98 per MSPP RSU, is less than the cash bonus amount under the MICP originally deferred by Mr. Pensky to acquire the unvested MSPP RSUs. Vested MSPP RSUs are not reflected in the table regardless of the cash bonus amount deferred to acquire the unvested MSPP RSUs.

The value of an equity award is not included in this chart if the NEO could have retired on December 31, 2009 and either received the equity award immediately or on the schedule set forth in the applicable equity award agreement after retirement. Messrs. Berges and Krakower qualified for retirement under the terms of their NQO, RSU and PSA agreements, and therefore (i) no value is reflected for their NQOs and RSUs, and (ii) for their PSAs, no value is reflected in any termination scenario except for a change in control, in which case the value represents the additional shares, if any, the executive would have received upon termination in connection with a change in control on December 31, 2009 (based on a payout at target) and the value of the shares the NEO would have received if he retired on December 31, 2009 (which would have resulted in a pro-rata payout based on the portion of the performance period the executive was employed, and the extent to which the company achieved the applicable performance measure).

With respect to Mr. Grosman, reflects the value, at December 31, 2009, of the number of shares Mr. Grosman is entitled to receive from his 2009 PSA. Our 2009 PSA Agreements provide that, if an employee is terminated without cause during the first year of the three-year performance cycle, then the employee receives a payout, based on the level of achievement of the applicable performance measure, which is pro-rated for the number of months worked during the year. All of Mr. Grosman's NQOs and RSUs were forfeited and cancelled upon his termination.

- (5) Our severance arrangements with the NEOs provide for a modified gross-up for excise taxes incurred on "excess parachute payments" under section 280G of the Internal Revenue Code. The amounts in the table are based on a 280G excise tax rate of 20%, a statutory 35% federal income tax rate, a 1.45% Medicare tax rate, a 4.35% Michigan state income tax rate and a 5.0% Connecticut state tax rate.
- (6) Under the MICP, if an executive leaves voluntarily prior to the end of the year, it is within our discretion whether to provide an award to the executive for such year. If an MICP participant is involuntarily terminated, he receives an award pro-rated based on the portion of the year the participant was employed. However, Mr. Grosman's executive severance agreement provided that any award paid to him under the MICP for 2009 would not be pro-rated for less than 12 months' service. This amount reflects the MICP award that was paid to Mr. Grosman for 2009.

Director Compensation in 2009

Our director compensation program is comprised of a mix of cash and stock-based incentive compensation designed to attract and retain qualified candidates to serve on our Board. The program provides for:

Explanation of Responses:

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an annual retainer of \$30,000 payable quarterly

an additional annual retainer amount of \$10,000 paid to the audit committee chairman

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an additional annual retainer amount of \$5,000 paid to committee chairmen other than the audit committee chairman

attendance fees of \$1,500 for each in-person Board meeting and \$750 for each telephonic Board meeting and each in-person or telephonic committee meeting

a grant of RSUs upon initial election to the Board and on each re-election thereafter

equal to such value as determined by the compensation committee on the advice of its independent compensation consultant and other relevant factors; the value used in 2009 was \$50,000, which resulted in a grant of 5,247 RSUs to each director on the date of our 2009 annual meeting

the RSUs vest daily over the twelve months following the date of grant, and convert into an equal number of shares of Hexcel common stock on the first anniversary of grant unless the director elects to defer conversion until termination of service as a director

This program is for our outside directors only. Mr. Berges, our Chairman and Chief Executive Officer, receives no additional compensation for serving on our Board.

Our stock ownership guidelines, which are described on page 35, apply to outside directors in a similar manner as they apply to executive officers. Directors are expected to own shares of our common stock that have a value equal to at least three times their annual cash retainer.

The table below summarizes the compensation paid by the company to non-employee Directors for the fiscal year ended December 31, 2009.

Name(1)	Fees Earned or Paid in Cash (\$)	Stock Awards \$(2)(3)	Total (\$)
Joel S. Beckman	47,750	50,004	97,754
Lynn Brubaker	45,750	50,004	95,754
Jeffrey C. Campbell	52,750	50,004	102,754
Sandra L. Derickson	50,750	50,004	100,754
W. Kim Foster	42,750	50,004	92,754
Jeffrey A. Graves	43,500	50,004	93,504
David C. Hill	45,750	50,004	95,754
David C. Hurley	43,500	50,004	93,504
David. L. Pugh	47,750	50,004	97,754

(1) Mr. Berges, our Chairman and Chief Executive Officer, is not listed in this table as he receives no additional compensation for his service as a director. Mr. Berges' compensation is shown in the Summary Compensation Table on page 41.

(2) Reflects the aggregate grant date fair value of RSUs granted to the director during such year, computed in accordance with FASB ASC Topic 718. These amounts do not correspond to the actual value that will be realized by the NEO. For additional information regarding the assumptions made in calculating these amounts, see Note 11, "Stock-Based Compensation," to the consolidated financial statements, and the discussion under the heading "Critical Accounting Policies Share-Based Compensation" in Management's Discussion and Analysis of Financial Condition and Results of Operations, each included in our Annual Report on Form 10-K for the year ended December 31, 2009.

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- (3) Prior to 2004, we granted NQOs to our outside directors as part of our director compensation program. As of December 31, 2009, our outside directors had RSUs and NQOs outstanding as follows:

	RSUs(a)	Shares Underlying Unexercised NQOs(b)
Joel S. Beckman	13,457(c)	
Lynn Brubaker	5,247	
Jeffrey C. Campbell	14,960	10,000
Sandra L. Derickson	18,920	13,833
W. Kim Foster	9,816	
Jeffrey A. Graves	9,696	
David C. Hill	7,618	
David C. Hurley	14,628	
David L. Pugh	13,208	

- (a) For each director, 5,247 RSUs were granted on May 7, 2009, and vest daily over the twelve month period from the grant date. All other RSUs are vested, but conversion into shares was deferred until such time as the director ceases to be a member of the board.
- (b) All of these NQOs are vested.
- (c) Includes 1,590 RSUs held for the benefit of Greenbriar Equity Group LLC. Mr. Beckman disclaims beneficial ownership of these RSUs.

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AUDIT COMMITTEE REPORT

The audit committee is responsible for assisting the Board's oversight of the integrity of Hexcel's financial statements, Hexcel's exposure to risk and mitigation of those risks, Hexcel's independent registered public accounting firm's qualifications, independence and performance, and Hexcel's internal audit function. We also recommend to the Board of Directors, subject to stockholder ratification, the selection of Hexcel's independent registered public accounting firm. We operate under a written charter adopted and approved by the Board of Directors, which was last amended on December 14, 2006.

Management is responsible for the financial reporting process, including the system of internal controls, and for the preparation of consolidated financial statements in accordance with generally accepted accounting principles in the United States. Hexcel's independent registered public accounting firm is responsible for auditing the financial statements and expressing an opinion as to their conformity with generally accepted accounting principles in the United States. Our responsibility is to monitor and review these processes.

We held seven meetings in 2009, held numerous discussions with management and met in executive session, without management, with PricewaterhouseCoopers LLP, Hexcel's independent registered public accounting firm. We also met in executive session, without management present, with Hexcel's Director of Internal Audit. We have reviewed and discussed the consolidated financial statements with management and the independent registered public accounting firm. We discussed with the independent registered public accounting firm matters required to be discussed by Statement on Auditing Standards No. 61, *Communications with Audit Committees*.

Hexcel's independent registered public accounting firm also provided the written disclosures required by PCAOB Rule No. 3526, *Communications with Audit Committees Concerning Independence*, and we discussed with the independent registered public accounting firm their independence.

Based on our review and the discussions referred to above, we recommended that the board include Hexcel's audited consolidated financial statements in the Annual Report on Form 10-K for the year ended December 31, 2009 filed with the SEC. We have also selected PricewaterhouseCoopers LLP as Hexcel's independent registered public accounting firm for 2010, subject to stockholder ratification.

Jeffrey C. Campbell, Chair
W. Kim Foster
David C. Hill
David C. Hurley
The Members of the Audit Committee

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**RATIFICATION OF SELECTION OF INDEPENDENT
REGISTERED PUBLIC ACCOUNTING FIRM**

General

We are asking the stockholders to ratify the audit committee's appointment of PricewaterhouseCoopers LLP as our independent registered public accounting firm for 2010. The audit committee is not bound by the outcome of this vote but will consider these voting results when selecting the company's independent auditor for 2010.

PricewaterhouseCoopers LLP has audited our financial statements annually since 1997. A representative of PricewaterhouseCoopers LLP is expected to be present at the Annual Meeting. The representative will have an opportunity to make a statement if she desires to do so and will be available to answer appropriate questions from stockholders.

Fees

Audit Fees

The aggregate fees billed by PricewaterhouseCoopers LLP for 2009 for professional services rendered for the audit of our annual financial statements and review of the financial statements included in our Forms 10-Q and services provided in connection with foreign statutory and regulatory filings and engagements were approximately \$2,373,000. With respect to 2008, the aggregate amount of such fees was approximately \$2,565,000.

Audit-Related Fees

There were approximately \$47,000 in fees billed by PricewaterhouseCoopers LLP in 2009 for assurance and related services that are reasonably related to the performance of the audit or review of our financial statements and which are not included in the amount for 2009 under "Audit Fees" above. These fees were related primarily to review of filings for the Employee Stock Purchase Plans in Europe and the United States. With respect to 2008, the amount of such fees was approximately \$20,000, substantially all of which related to an interim review of one of our foreign holding company's financial statements.

Tax Fees

The aggregate fees billed by PricewaterhouseCoopers LLP in 2009 and 2008 for professional services rendered for tax compliance, tax advice and tax planning were approximately \$481,000 and \$315,000, respectively. For 2009 these fees related primarily to European tax compliance, advice and audit assistance and tax advice related to application for a U.S. Alternative Energy Tax Credit. For 2008 these fees related primarily to European tax compliance, expatriate tax planning and compliance, and tax advice relating to net operating losses and foreign tax credits.

All Other Fees

There were no other fees billed by PricewaterhouseCoopers LLP in 2009 or 2008 for professional services rendered to us.

Audit Committee Pre-Approval Policies and Procedures

Our audit committee's policy is to pre-approve all audit and permissible non-audit services provided by our independent registered public accounting firm. These services may include audit services, audit-related services, tax services and other services. Any pre-approval is detailed as to the particular service. The committee, as permitted by its pre-approval policy, from time to time delegates

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the approval of certain permitted services or classes of services to a member of the committee. The independent registered public accounting firm and management are required to periodically report to the audit committee regarding the amount of audit and non-audit service fees incurred to date, and to specifically note any fees for services undertaken pursuant to the delegation described above.

Vote Required

The ratification of the appointment of PricewaterhouseCoopers LLP requires the vote of a majority of the shares present in person or by proxy and entitled to vote on the matter at the Annual Meeting once a quorum is present. Broker non-votes, if any, will have no effect on the outcome of the vote on this proposal. Abstentions will be counted and will have the same effect as a vote against the proposal. The audit committee is directly responsible for appointing the Company's independent registered public accounting firm, regardless of the outcome of this vote. The audit committee is not bound by the outcome of this vote but will, however, consider these voting results when selecting the Company's independent auditor for 2010.

**THE BOARD OF DIRECTORS RECOMMENDS A VOTE FOR THE
RATIFICATION OF THE APPOINTMENT OF PRICEWATERHOUSECOOPERS LLP**

CERTAIN RELATIONSHIPS AND RELATED PERSON TRANSACTIONS

Review and Approval of Related Person Transactions

We have adopted a written policy that requires the review and pre-approval of all potential transactions valued at greater than \$10,000 in which Hexcel and any of our directors and executive officers or their immediate family members participates or otherwise has an interest. The audit committee is responsible for evaluating and authorizing any transaction with a value greater than \$120,000, although any member of the audit committee who is a related person with respect to a transaction under review may not participate in the deliberations or vote respecting approval or ratification of the transaction in question. The Chief Financial Officer is responsible for evaluating and authorizing any transaction with a value between \$10,000 and \$120,000, unless the Chief Financial Officer is a related person with respect to the transaction under review, in which case the General Counsel shall be responsible for such evaluation and possible authorization.

The factors to be considered in determining whether or not to authorize a transaction brought to the attention of the audit committee or the Chief Financial Officer under this policy include the following:

the terms of the transaction, and whether the terms are no less favorable to Hexcel than would be obtained in the transaction were entered into with a party other than a related person

the benefits to Hexcel

the availability of other sources for the product or service that is the subject of the transaction

the timing of the transaction

the potential impact of the transaction on a director's independence

any other factors deemed relevant

Related Person Transactions

Explanation of Responses:

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The company had no related person transactions during 2009, and is not currently aware of any proposed related party transactions.

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SECTION 16(a) BENEFICIAL OWNERSHIP REPORTING COMPLIANCE

Section 16(a) of the Exchange Act requires our directors and executive officers, and persons who own more than ten percent of a registered class of our equity securities, to file with the SEC initial reports of ownership and reports of changes in ownership of Hexcel common stock. Executive officers, directors, and greater than ten percent stockholders are required by SEC regulations to furnish us with copies of all Section 16(a) forms they file. To our knowledge, based solely on a review of the copies of such reports furnished to us and representations that no other reports were required, for the year ended December 31, 2009, all Section 16(a) filing requirements applicable to our executive officers, directors and greater than ten percent stockholders were complied with, except (i) a Form 4 filed by Mr. Wayne Pensky on January 20, 2009 inadvertently reported that Mr. Pensky acquired 225 more RSUs in connection with a performance-based award than he actually acquired (this was corrected by an amended Form 4 filed on January 5, 2010); and (ii) Mr. Robert G. Hennemuth filed an amended Form 4 on January 26, 2010 to include 1,200 shares of common stock held by Mr. Hennemuth that were inadvertently omitted from his Form 4 filed on January 30, 2009.

OTHER MATTERS

As of the date of this proxy statement, the board does not know of any other matters to be presented for action by the stockholders at the Annual Meeting. However, if any other matters not known are properly brought before the Annual Meeting, proxies will be voted at the discretion of the proxy holders and in accordance with their judgment on such matters.

STOCKHOLDER PROPOSALS

Stockholder proposals intended for inclusion in our proxy materials for the 2011 Annual Meeting of Stockholders pursuant to Rule 14a-8 under the Exchange Act must be submitted in writing not later than November 24, 2010 to the Corporate Secretary at Hexcel Corporation, Two Stamford Plaza, 281 Tresser Boulevard, Stamford, CT 06901-3238. If a stockholder wishes to submit a proposal outside of the process of Rule 14a-8, in order for such proposal to be considered "timely" for the purposes of Rule 14a-4(c) under the Exchange Act, the proposal must be received at the above address not later than January 6, 2011. In addition, our Bylaws require that proposals of stockholders made outside of Rule 14a-8 under the Exchange Act and nominations for the election of directors at the 2011 Annual Meeting of Stockholders must be submitted, in accordance with the requirements of our Bylaws, not later than January 6, 2011. Stockholders are also advised to review our Bylaws, which contain additional requirements about advance notice of stockholder proposals and director nominations.

**IMPORTANT NOTICE REGARDING THE AVAILABILITY OF PROXY MATERIALS FOR THE
STOCKHOLDER MEETING TO BE HELD ON MAY 6, 2010**

The proxy statement, annual report to security holders and related materials are available at
<http://phx.corporate-ir.net/phoenix.zhtml?c=75598&p=proxy>.

ANNUAL REPORT

Our Annual Report to Stockholders containing audited consolidated financial statements for the year ended December 31, 2009, is being mailed herewith to all stockholders of record. Additional copies are available without charge on request. Requests should be addressed to the Corporate Secretary, Hexcel Corporation, Two Stamford Plaza, 281 Tresser Boulevard, Stamford Connecticut, 06901-3238.

Stamford, Connecticut
March 24, 2010

0 14475 HEXCEL CORPORATION
Two Stamford Plaza
281 Tresser Boulevard
Stamford, Connecticut 06901
PROXY FOR ANNUAL MEETING OF STOCKHOLDERS
To be held on May 6, 2010 This Proxy is Solicited by the Board of Directors of Hexcel Corporation The undersigned stockholder of Hexcel Corporation (Hexcel) hereby appoints David E. Berges, Wayne C. Pensky and Ira J. Krakower and each of them, the lawful attorneys and proxies of the undersigned, each with powers of substitution, to vote all shares of Common Stock of Hexcel held of record by the undersigned on March 15, 2010 at the Annual Meeting of Stockholders (the Annual Meeting) to be held at the Community Room, Two Stamford Plaza, 281 Tresser Boulevard, Stamford, Connecticut, on May 6, 2010 at 10:30 a.m., local time, and at any and all adjournments or postponements thereof, with all the powers the undersigned would possess if personally present, upon all matters set forth in the Notice of Annual Meeting of Stockholders and Proxy Statement dated March 24, 2010, receipt of which is hereby acknowledged. (Continued and to be signed on the reverse side)

ANNUAL MEETING OF STOCKHOLDERS OF PHOENIX CORPORATION May 6, 2010 NOTICE OF AVAILABILITY OF PROXY MATERIALS
Meeting, proxy statement and proxy card. <http://phx.corporate-ir.net/phoenix.zhtml?c=10898&i=000001>
Please sign, date and mail your proxy card as provided as soon as possible. Signature of Stockholder Date: Note: Please indicate your name or names appear on this Proxy. If shares are held jointly, each holder should sign. When signed by an executor, administrator, attorney, trustee or other fiduciary, give full title as such. If the signer is a corporation, sign full corporate name by duly authorized officer and give full title as such. If signer is a partnership, sign partnership name by authorized person. To change your address on your account, please check the box and indicate your new address in the address space. Please note that changes to the registered name(s) may not be submitted via this method. 1. Elected Director (check one box only): Joel S. Beckman O Lynn Brubaker Jeffrey C. Campbell Derickson W. Kim Foster Jeffrey A. Hill David C. Hurley David L. Pugh 2. PricewaterhouseCoopers LLP as Independent Public Accounting Firm. 3. To transact such business as may properly come before the Annual Meeting, adjournments or postponements thereof. Such votes cast by all properly executed proxies will be voted in accordance with the instructions appearing on the proxy. If no instructions are given, the proxy holders as to any other matters that may properly come before the Annual Meeting will be voted as directed or, if no direction is indicated or in the absence of instructions, will be voted for the nominees set forth in Item 1 and in the discretion of the proxy holders as to any other matters that may properly come before the Annual Meeting. PLEASE SIGN, DATE AND RETURN PROXY CARD IN THE ENCLOSED ENVELOPE. PLEASE VOTE IN BLUE OR BLACK INK AS SHOWN. Please detach along perforated line and mail in envelope provided. 210300000000000000 0 0506

