

Spirit AeroSystems Holdings, Inc.

Form DEF 14A

March 20, 2009

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**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549
SCHEDULE 14A**

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

Filed by the Registrant

Filed by a Party other than the Registrant

Check the appropriate box:

Preliminary Proxy Statement

Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))

Definitive Proxy Statement

Definitive Additional Materials

Soliciting Material under Rule 14a-12

SPIRIT AEROSYSTEMS HOLDINGS, INC.

(Name of Registrant as Specified In Its Charter)

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

Payment of Filing Fee (Check the appropriate box):

No fee required.

Fee computed on table below per Exchange Act Rules 14a-6(i)(4) and 0-11.

(1) Title of each class of securities to which transaction applies:

(2) Aggregate number of securities to which transaction applies:

(3) Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (set forth the amount on which the filing fee is calculated and state how it was determined):

(4) Proposed maximum aggregate value of transaction:

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- o Fee paid previously with preliminary materials.
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 - (1) Amount Previously Paid:

(2) Form, Schedule or Registration Statement No.:

(3) Filing Party:

(4) Date Filed:

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March 20, 2009

Dear Stockholders:

You are cordially invited to attend the 2009 Annual Meeting of Stockholders of SPIRIT AEROSYSTEMS HOLDINGS, INC., which will be held on Tuesday, April 21, 2009, at the Hyatt Regency Reston, Lake Thoreau Room, located at 1800 Presidents Street, Reston, VA 20190, at 11:00 A.M. Eastern Time.

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

Your Board of Directors recommends a vote for the election of the nominees for directors and ratification of the selection of the Company's independent registered public accounting firm. You will have an opportunity to submit questions or comments on matters of interest to stockholders generally.

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

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

Sincerely,

Jeffrey L. Turner
President and Chief Executive Officer

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

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SPIRIT AEROSYSTEMS HOLDINGS, INC.
3801 South Oliver
Wichita, Kansas 67210

NOTICE OF 2009 ANNUAL MEETING OF STOCKHOLDERS

TIME	Tuesday, April 21, 2009, 11:00 A.M. Eastern Time. Registration will begin at 9:00 A.M. The Annual Meeting will begin at 11:00 A.M.
PLACE	Hyatt Regency Reston, Lake Thoreau Room, located at 1800 Presidents Street, Reston, VA 20190.
AGENDA	<ol style="list-style-type: none">1. Elect the ten members of the Board of Directors of the Company to serve until the 2010 Annual Meeting of Stockholders and until their successors have been duly elected and qualified.2. Ratify the selection of PricewaterhouseCoopers LLP as the Company's independent registered public accounting firm for fiscal year 2009.3. Transact any other business properly brought before the meeting.
RECORD DATE	You can vote if you were a stockholder at the close of business on March 13, 2009.
MEETING ADMISSION	<p><i>Registered Stockholders.</i> An admission ticket is attached to your proxy card. Please bring the admission ticket with you to the meeting.</p> <p><i>Beneficial Stockholders.</i> Stockholders whose stock is held by a broker or bank (often referred to as "holding in street name") should come to the beneficial stockholders table. <i>In order to be admitted, beneficial stockholders must bring account statements or letters from their brokers or banks showing that they owned the Company's stock as of March 13, 2009. In order to vote at the meeting, beneficial stockholders must bring legal proxies, which they can obtain only from their brokers or banks. In all cases, stockholders must bring photo identification to the meeting for admission.</i></p>
VOTING BY PROXY	<p><i>Registered Stockholders.</i> Please vote by mail by completing, signing, dating and promptly mailing the proxy card in the enclosed addressed envelope for which no postage is required if mailed in the United States. Any proxy may be revoked at any time prior to its exercise at the meeting.</p>

Beneficial Stockholders. If your shares are held in the name of a broker, bank or other holder of record, follow the voting instructions you receive from the holder of record to vote your shares.

The enclosed Proxy Statement is issued in connection with the solicitation of a proxy on the enclosed form by the Board of Directors of Spirit AeroSystems Holdings, Inc., for use at the Company's 2009 Annual Meeting of Stockholders. The Proxy Statement not only describes the items that stockholders are being asked to consider and vote on at the Company's 2009 Annual Meeting, but also provides you with important information about our company. Financial and other important information concerning our company is also contained in our 2008 Annual Report for the fiscal year ended December 31, 2008.

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Pursuant to rules promulgated by the Securities and Exchange Commission (the SEC), we have elected to provide access to our proxy materials both by sending you this full set of proxy materials, including a proxy card, and by notifying you of the availability of our proxy materials on the Internet. This Proxy Statement and our 2008 Annual Report are available at <http://bnymellon.mobular.net/bnymellon/spr>. We began distributing this Proxy Statement, a form of proxy and the 2008 Annual Report on or about March 20, 2009.

By order of the Board of Directors.

Sincerely,

Jonathan A. Greenberg
Senior Vice President, General Counsel and Secretary
Spirit AeroSystems Holdings, Inc.
3801 South Oliver
Wichita, Kansas 67210
March 20, 2009

IMPORTANT

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

**Important Notice Regarding the Availability of Proxy Materials for Spirit AeroSystems Holdings, Inc. s
2009 Annual Meeting of Stockholders to be Held on April 21, 2009**

This Proxy Statement and our 2008 Annual Report are available at <http://bnymellon.mobular.net/bnymellon/spr>. In accordance with SEC rules, this website does not use cookies, track the identity of anyone accessing the website to view the proxy materials or gather any personal information.

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**SPIRIT AEROSYSTEMS HOLDINGS, INC.
3801 South Oliver
Wichita, Kansas 67210**

PROXY STATEMENT FOR 2009 ANNUAL MEETING OF STOCKHOLDERS

General Information Regarding the Annual Meeting

This Proxy Statement, which was first mailed to stockholders on or about March 20, 2009 (the Mailing Date), is furnished in connection with the solicitation of proxies by the Board of Directors (the Board) of SPIRIT AEROSYSTEMS HOLDINGS, INC. (the Company), to be voted at the Company s 2009 Annual Meeting of Stockholders, which will be held at 11:00 A.M. Eastern Time on Tuesday, April 21, 2009, at the Hyatt Regency Reston, Lake Thoreau Room, located at 1800 Presidents Street, Reston, VA 20190, for the purposes set forth in the accompanying Notice of Annual Meeting of Stockholders.

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

The Board has fixed the close of business on March 13, 2009 as the record date for determining the holders of common stock entitled to notice of and to vote at the Annual Meeting. On March 13, 2009, there were 102,899,582 shares of Class A Common stock outstanding, held of record by 149 stockholders. Each outstanding share of Class A Common stock is entitled to one vote. On March 13, 2009, there were 34,257,219 shares of Class B Common stock outstanding, held of record by 212 stockholders, excluding shares issued to certain employees and directors of the Company which are subject to certain vesting requirements, and during the pendency of such requirements, may not be voted. Each outstanding share of Class B Common stock is entitled to ten votes. Each outstanding share of Class B Common stock is convertible, at any time after vesting, at the option of the holder, into one share of Class A Common stock.

Vote Required for Approval

The presence, in person or by proxy, of stockholders entitled to cast a majority of the votes which all stockholders are entitled to cast at the Annual Meeting is necessary to constitute a quorum for the transaction of business. The Company will count abstentions and broker non-votes only for the purpose of determining the presence or absence of a quorum. Broker non-votes occur when a person holding shares through a bank or brokerage account does not provide instructions as to how his or her shares should be voted and the broker does not exercise discretion to vote those shares on a particular matter. Under the rules of the New York Stock Exchange (NYSE), brokers may exercise discretion to vote shares as to which instructions are not given with respect to the election of directors and the ratification of the selection of our independent registered public accounting firm.

With respect to Proposal 1 the election of the ten members of the Board, a plurality of the votes cast in person or by proxy at the Annual Meeting is necessary for election of each member. Stockholders are not entitled to cumulate votes in electing directors. Any shares not voted (whether by abstention, broker non-vote or otherwise) will have no impact

on the election of the members of the Board.

Proposal 2 will be approved if stockholders entitled to cast a majority of the votes which all stockholders present, in person or by proxy, are entitled to vote on the matter, vote FOR such Proposal. Abstentions and broker non-votes will not be counted as votes FOR or AGAINST Proposal 2. However, because

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abstentions and broker non-votes will be counted as present at the Annual Meeting, they will have the effect of votes AGAINST Proposal 2.

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

Householding of Annual Meeting Materials

Some brokers and other nominee record holders may be participating in the practice of householding proxy statements. This means that only one copy of the Proxy Statement may have been sent to multiple stockholders in a stockholder's household. The Company will promptly deliver a separate copy of the Proxy Statement to any stockholder who contacts the Company's Investor Relations Department by writing to Spirit AeroSystems, Investor Relations, P.O. Box 780008, Wichita, KS, 67278-0008, or by calling (316) 523-1797 or by sending an email request to investorrelations@spiritaero.com. If a stockholder is receiving multiple copies of the Proxy Statement at the stockholder's household and would like to receive a single copy of the Proxy Statement for a stockholder's household in the future, the stockholder should contact his or her broker, other nominee record holder, or the Company's Investor Relations Department to request mailing of a single copy of the Proxy Statement.

PROPOSAL 1: ELECTION OF DIRECTORS

The Board currently consists of ten directors and will consist of ten directors following the Annual Meeting. The Corporate Governance and Nominating Committee has nominated each of the ten persons listed below for election as directors. If elected at the Annual Meeting, each of the ten nominees will hold office until the next Annual Meeting of Stockholders, and until their successors are elected and qualified. All of the nominees have served as directors of the Company since the last Annual Meeting of Stockholders.

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

Recommendation of the Board of Directors

THE BOARD RECOMMENDS A VOTE FOR THE ELECTION OF EACH OF THE NOMINEES.

Information Regarding Nominees for Election as Directors

The following sets forth certain information with respect to the ten nominees for election as directors of the Company at the Annual Meeting, based on information furnished to the Company by each director.

Charles L. Chadwell, 68. Mr. Chadwell became a director of the Company on April 22, 2008. Until his retirement in 2002, Mr. Chadwell served as Vice President and General Manager of Commercial Engine Operations for General Electric Aircraft Engines. Prior to that, he held a variety of general management and senior management positions at General Electric Aircraft Engines. Mr. Chadwell serves on the Board of Directors of B/E Aerospace, Inc.

Ivor (Ike) Evans, 66. Mr. Evans became a director of the Company on November 15, 2006. Mr. Evans has been an Operating Partner at Thayer Capital Partners since April 2005. Mr. Evans served as Vice Chairman of Union Pacific

Corporation and Union Pacific Railroad from January 2004 through February 2005. From 1998 to February 2005 he was President and Chief Operating Officer of Union Pacific Railroad. Prior to joining Union Pacific in 1998, Mr. Evans held senior management positions at Emerson Electric and Armttek Corporation. Mr. Evans serves on the Board of Directors of Textron Inc., Cooper Industries, Ltd. and Arvin Meritor, Inc.

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Paul Fulchino, 62. Mr. Fulchino became a director of the Company on November 15, 2006. Mr. Fulchino has served as Chairman, President, and Chief Executive Officer of Aviall, Inc. since January 2000. Aviall, Inc. became a wholly-owned subsidiary of The Boeing Company (Boeing) on September 20, 2006. From 1996 through 1999, Mr. Fulchino was President and Chief Operating Officer of B/E Aerospace, Inc., a leading supplier of aircraft cabin products and services. From 1990 to 1996, Mr. Fulchino served in the capacities of President and Vice Chairman of Mercer Management Consulting, Inc., an international general management consulting firm. Earlier in his career, Mr. Fulchino held various engineering positions at Raytheon Company.

Richard Gephardt, 68. Mr. Gephardt became a director of the Company on November 15, 2006. Mr. Gephardt was a member of the U.S. House of Representatives from 1977 to 2005 during which time he served as the Majority and Minority Leader. Since 2005, Mr. Gephardt has served as President and CEO of Gephardt Group, a multi-disciplined consulting firm. Mr. Gephardt is also an advisor to Goldman Sachs and Senior Counsel at DLA Piper. Mr. Gephardt serves on the Board of Directors of U.S. Steel, Centene Corporation, Embarq Corporation and Dana Corporation.

Robert Johnson, 61. Mr. Johnson became a director of the Company on November 15, 2006 and serves as Chairman of the Board. From August 2006 until his retirement in June 2008, Mr. Johnson served as the Chief Executive Officer of Dubai Aerospace Enterprise Ltd. Mr. Johnson was Chairman of Honeywell Aerospace from January 2005 through January 2006, and from 2000 to 2004 he was its President and Chief Executive Officer. From 1994 to 1999 he served as AlliedSignal's President of Marketing, Sales, and Service, and as President of Electronic and Avionics, and earlier as Vice President of Aerospace Services. Prior to joining Honeywell in 1994, he held management positions at AAR Corporation for two years and General Electric Aircraft Engines for 24 years. Mr. Johnson serves on the Board of Directors of Ariba, Inc. and Roper Industries, Inc.

Ronald Kadish, 60. Mr. Kadish became a director of the Company on November 15, 2006. Mr. Kadish served over 34 years with the U.S. Air Force until he retired on September 1, 2004, at the rank of Lieutenant General. During that time, Mr. Kadish served as Director, Missile Defense Agency and Director, Ballistic Missile Defense Organization, both of the Department of Defense. In addition, Mr. Kadish served in senior program management capacities, including the F-16, C-17, and F-15 programs. Since February 15, 2005, he has served as a Vice President at Booz Allen Hamilton. Mr. Kadish serves on the Board of Directors of Orbital Sciences Corp.

Francis Raborn, 65. Mr. Raborn became a director of the Company on November 15, 2006. Until his retirement in 2005, Mr. Raborn served as Vice President and Chief Financial Officer of United Defense, L.P. since its formation in 1994 and as a director since 1997. Mr. Raborn joined FMC Corporation (FMC), the predecessor of United Defense, L.P., in 1977 and held a variety of financial and accounting positions, including Controller of FMC's Defense Systems Group from 1985 to 1993 and Controller of FMC's Special Products Group from 1979 to 1985.

Jeffrey L. Turner, 57. Mr. Turner became a director of the Company on November 15, 2006, and has served as its President and Chief Executive Officer since June 2006. Since June 16, 2005, he has also served in such capacities for Spirit AeroSystems, Inc. Mr. Turner joined Boeing in 1973, and was appointed as Vice President-General Manager of Boeing Wichita Division in November 1995. Prior to his appointment as Vice President-General Manager of Boeing Wichita Division, Mr. Turner held various management positions in systems development, quality, production, services and finance in Boeing Computer Services, Boeing Military Airplane Company and Boeing Commercial Airplane Company. Mr. Turner serves on the Board of Directors of INTRUST Financial Corp.

James L. Welch, 54. Mr. Welch became a director of the Company on April 22, 2008. Mr. Welch currently serves as the President and Chief Executive Officer of Dynamex Inc., based in Dallas, TX. Dynamex provides same day transportation services in Canada and the United States. From September 2007 until October 2008, Mr. Welch served as a consultant and Interim Chief Executive Officer of JHT Holdings, Inc., a provider of truck transportation services. From June 2000 until January 2007, Mr. Welch served as President and Chief Executive Officer of Yellow

Transportation, a leading provider of transportation services for industrial, commercial and retail goods. Mr. Welch joined Yellow Transportation in 1978, and prior to his appointment as

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President and Chief Executive Officer, he held various senior management positions at Yellow Transportation. Mr. Welch received his Bachelor of Science in Psychology from West Texas A&M. Mr. Welch serves on the Board of Directors of SkyWest, Inc., and Dynamex Inc.

Nigel Wright, 45. Mr. Wright became a director of the Company on February 7, 2005. Mr. Wright was Vice President and Secretary of the Company from February 2005 until November 15, 2006, and was Treasurer of the Company from February 2005 through June 2006. Mr. Wright is a Managing Director of Onex Corporation, which he joined in 1997. Prior to joining Onex, Mr. Wright was a Partner at the law firm of Davies, Ward & Beck for seven years, practicing mergers and acquisitions and securities law. Previously he worked for almost three years in the policy unit of the Canadian Prime Minister's office. Mr. Wright serves on the Board of Directors of Res-Care, Inc.

CORPORATE GOVERNANCE AND THE BOARD OF DIRECTORS

Corporate Governance Information

The Company's Corporate Governance Guidelines and the charters of the four standing committees of the Board describe the governance practices the Company follows. The Corporate Governance Guidelines and committee charters are intended to ensure that the Board has the necessary authority and practices in place to review and evaluate the Company's business operations and to make decisions that are independent of the Company's management. The Corporate Governance Guidelines also are intended to align the interests of the Company's directors and management with those of the Company's stockholders. The Corporate Governance Guidelines establish the practices the Board follows with respect to the obligations of the Board and each director; Board composition and selection; Board meetings and involvement of senior management; chief executive officer performance evaluation and succession planning; Board committee composition and meetings; director compensation; director orientation and education; and director access to members of management and to independent advisors. The Board annually conducts a self-evaluation to assess compliance with the Corporate Governance Guidelines and identify opportunities to improve Board performance.

The Corporate Governance Guidelines and committee charters are reviewed periodically and updated as necessary to reflect changes in regulatory requirements and evolving oversight practices. The Corporate Governance Guidelines comply with corporate governance requirements contained in the listing standards of the NYSE and make enhancements to the Company's corporate governance policies. Current copies of the Company's Corporate Governance Guidelines and Code of Ethics and Business Conduct are available under the Investor Relations portion of the Company's website, www.spiritaero.com, and are available in print free of charge to the Company's stockholders by written request to the Company at Spirit AeroSystems Holdings, Inc., 3801 South Oliver, Wichita, KS 67210, Attn: Corporate Secretary.

Director Independence

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

Company's Audit Committee be comprised of independent directors exclusively.

The Board has analyzed the independence of each director and nominee and has determined that the following directors and nominees meet the standards of independence under the Company's Corporate Governance Guidelines and applicable NYSE listing standards, including that each such director or nominee is free of any

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relationship that would interfere with his individual exercise of independent judgment: Mr. Raborn, Mr. Evans, Mr. Kadish, Mr. Johnson, Mr. Chadwell and Mr. Welch.

Although the Company is a controlled company within the meaning of NYSE rules and qualifies for an exception to certain board of directors and committee composition requirements under such rules, independent directors currently comprise a majority of the Board, and will continue to comprise a majority following the Annual Meeting if all of the nominees for directors are elected. On the other hand, the Company's Compensation Committee and Corporate Governance and Nominating Committee are not comprised solely of independent directors.

Nomination of Directors

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

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

The Corporate Governance and Nominating Committee will consider stockholder recommendations for candidates to the Board on the same basis that it considers all other candidates recommended to it. To recommend a director candidate to the Corporate Governance and Nominating Committee, the stockholder must provide the Company with a written notice that contains (1) the name and address of the nominating stockholder and person to be nominated; (2) the number and class of all shares of each class of common stock of the Company beneficially owned by the person to be nominated, if any; (3) a representation that the nominating stockholder is a stockholder of record of the Company's stock entitled to vote at a meeting to elect directors of the Company, a statement of the number and class of all shares of each class of common stock of the Company beneficially owned by the nominating stockholder, and an assertion that the stockholder intends to appear in person or by proxy at the meeting to nominate the person specified in the notice; (4) a description of all arrangements or understandings between the nominating stockholder, the person to be nominated, and any other person or persons (naming such person or persons) to which the nomination is to be made by the stockholder; (5) such other information regarding the person to be nominated by such stockholder as would be required to be included in a proxy statement filed pursuant to the proxy rules of the SEC, had the nominee

been nominated, or was intended to be nominated, by the Board; and (6) the signed consent of the person to be nominated to serve as a director of the Company, if so elected, to be named in the Company's proxy statement (whether or not nominated), and the signed consent of the nominating stockholder to be named in

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the Company's proxy statement (whether or not the Board chooses to nominate the recommended nominee). If a stockholder wishes to formally nominate a candidate, he or she must follow the procedures described in the Company's bylaws.

All director candidate recommendations and formal nominations for membership to the Board for the 2010 Annual Meeting of Stockholders must be sent to the Company at the address set forth below and received by the date specified for stockholder proposals. See "Stockholders Proposals to Be Presented at the Next Annual Meeting" below. The presiding officer of the Annual Meeting of Stockholders may refuse to acknowledge the nomination of any person not made in compliance with the foregoing procedure.

Communications with the Board

Stockholders and other interested persons may send communications to the Board, the chairman of the Board, individual members of the Board, members of any committee of the Board, or one or more non-management directors by letter addressed to Investor Relations at Spirit AeroSystems Holdings, Inc., 3801 South Oliver, Wichita, KS 67210, or by contacting Investor Relations at (316) 523-1797. These communications will be received and reviewed by the Company's Investor Relations office. The receipt of concerns about the Company's accounting, internal controls, auditing matters, or business practices will be reported to the Company's Audit Committee. The receipt of other concerns will be reported to the appropriate committee(s) of the Board. The Company's employees also can raise questions or concerns confidentially or anonymously using the Company's Ethics Hotline. The hotline provides the Company's employees, suppliers and other stakeholders with a mechanism for reporting unethical activities and/or financial irregularities to the Board anonymously. Such persons are able to file reports via a web based process or a toll free telephone number. Data reported to the hotline is reviewed quarterly with the Audit Committee and with the Company's independent registered public accounting firm to help ensure that the Company's ethics and compliance programs remain effective. The hotline is operated by a third-party service provider and is available 24 hours a day, 7 days a week and 365 days a year. Receipt of communications clearly not appropriate for consideration by members of the Board, such as unsolicited advertisements, inquiries concerning the products and services of the Company, or harassing communications, are not forwarded to members of the Board.

Committees of the Board

The Board has four standing committees: the Audit Committee, the Compensation Committee, the Corporate Governance and Nominating Committee and the Government Security Committee. At the April 22, 2008 Board meeting, membership of certain Board committees was adjusted by the Board. At that time Messrs. Evans and Raborn were reappointed and Messrs. Chadwell and Welch were appointed to the Audit Committee, Messrs. Fulchino and Johnson were reappointed and Mr. Wright was appointed to the Compensation Committee and Messrs. Wright, Fulchino, Gephardt and Kadish were reappointed to the Governance and Nominating Committee. Mr. Gephardt was subsequently appointed to the Compensation Committee on September 9, 2008. The Government Security Committee became a standing committee of the Company on February 5, 2008, before which it was a committee of the board of directors of Spirit AeroSystems, Inc. ("Spirit"), the Company's wholly-owned subsidiary and operating company. At the April 22, 2008 Board meeting, Messrs. Evans, Johnson, Kadish, Raborn and Turner were reappointed and Messrs. Chadwell and Welch were appointed to the Government Security Committee. Seven meetings of the Audit Committee, seven meetings of the Compensation Committee, four meetings of the Corporate Governance and Nominating Committee, and four meetings of the Government Security Committee were held in fiscal year 2008.

Below is a description of the duties and composition of each standing committee of the Board. Each committee has authority to engage legal counsel or other advisors or consultants as it deems appropriate to carry out its responsibilities. Directors hold committee memberships for a term of one year.

Audit Committee. In accordance with the Company's Audit Committee Charter, the Audit Committee is responsible for (1) selecting the independent registered public accounting firm; (2) approving the overall scope of the audit; (3) assisting the Board in monitoring the integrity of the Company's financial statements, the

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independent registered public accounting firm's qualifications and independence, the performance of the independent registered public accounting firm, the Company's internal audit function, and the Company's compliance with legal and regulatory requirements; (4) annually reviewing the independent registered public accounting firm's report describing the auditing firm's internal quality-control procedures and any material issues raised by the most recent internal quality-control review or peer review of the auditing firm; (5) reviewing and discussing with management and the independent registered public accounting firm the adequacy of the Company's internal controls over financial reporting and disclosure controls and procedures; (6) overseeing the Company's internal audit function; (7) discussing the annual audited financial and quarterly statements with management and the independent registered public accounting firm; (8) discussing earnings press releases, as well as financial information and earnings guidance provided to analysts; (9) discussing policies with respect to risk assessment and risk management; (10) meeting periodically and separately with management, internal auditors, and the independent registered public accounting firm; (11) reviewing with the independent registered public accounting firm any audit problems or difficulties and management's response thereto; (12) setting clear hiring policies for employees or former employees of the independent registered public accounting firm; (13) reviewing procedures for the receipt, retention, and treatment of complaints, including anonymous complaints from employees, concerning accounting, accounting controls, and audit matters; (14) reviewing, with the Company's counsel and management, management's assessment of compliance with laws, regulations and the Company's policies relative to payments to foreign consultants; (15) handling such other matters that are specifically delegated to the Audit Committee by the Board from time to time; and (16) reporting regularly to the full Board.

As required by the Company's Audit Committee Charter, in 2008 the Audit Committee conducted an annual self-evaluation of the performance of the Audit Committee, including its effectiveness and compliance with the Audit Committee Charter, and reviewed and reassessed the adequacy of the Audit Committee Charter. As a result, the Audit Committee recommended to the Board certain improvements to the committee's charter and the Board amended the Audit Committee Charter on April 21, 2008.

The Company's Audit Committee consists of Messrs. Chadwell, Evans, Raborn and Welch, with Mr. Raborn serving as chairman. All of the committee members have been determined to be independent within the meaning of the NYSE listing standards, and Mr. Raborn has been determined to be an audit committee financial expert, as such term is defined in Item 407(d)(5) of SEC Regulation S-K. The Audit Committee has a written Audit Committee Charter, the current copy of which can be found under the Investor Relations portion of the Company's website, www.spiritaero.com, and is available in print, without charge, to any stockholder who requests it, upon receipt of a phone call or written request from such person. Such request may be made to the Company's Investor Relations Department by writing to Spirit AeroSystems, Investor Relations, P.O. Box 780008, Wichita, KS, 67278-0008, or by calling (316) 523-1797 or by sending an email request to investorrelations@spiritaero.com.

Compensation Committee. In accordance with the Company's Compensation Committee Charter, the Compensation Committee is responsible for (1) developing and modifying, as appropriate, a competitive compensation philosophy and strategy for the Company's executive officers; (2) reviewing and approving goals and objectives with respect to compensation for the Company's chief executive officer; (3) reviewing and approving the evaluation process and compensation structure for the Company's officers; (4) reviewing and approving employment contracts and other similar arrangements between the Company and its executive officers; (5) recommending to the Board any incentive plan, including equity-based plans, and amendments to such plans; (6) administration of incentive compensation plans, including the granting of awards under equity-based plans; (7) reviewing and approving any benefit plans or perquisites offered to the Company's executive officers; (8) reviewing and recommending to the Board compensation paid to non-employee Directors; (9) preparing the Compensation Committee's report for inclusion in the Company's proxy statement; (10) such other matters that are specifically delegated to the Compensation Committee by the Board; and (11) reporting regularly to the full Board.

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The Company's Compensation Committee consists of Messrs. Fulchino, Gephardt, Johnson and Wright, with Mr. Fulchino serving as chairman. One of the members of the Compensation Committee, Mr. Johnson, is independent within the meaning of the NYSE listing standards. Messrs. Fulchino, Gephardt and Wright are not independent within the meaning of the NYSE listing standards. The Compensation Committee has a written charter, the current copy of which is available under the Investor Relations portion of the Company's website, www.spiritaero.com, and is available in print, without charge, to any stockholder who requests it, upon receipt of a phone call or written request from such person. Such request may be made to the Company's Investor Relations Department by writing to Spirit AeroSystems, Investor Relations, P.O. Box 780008, Wichita, KS, 67278-0008, or by calling (316) 523-1797 or by sending an email request to investorrelations@spiritaero.com.

Corporate Governance and Nominating Committee. In accordance with the Company's Corporate Governance and Nominating Committee Charter, the Company's Corporate Governance and Nominating Committee's purpose is to assist the Board by identifying individuals qualified to become members of the Board consistent with the criteria established by the Board and to develop the Company's corporate governance principles. The Corporate Governance and Nominating Committee is responsible for (1) evaluating the composition, size, and governance of the Board and its committees; (2) identifying, evaluating, and recommending candidates for election to the Board; (3) making recommendations regarding future planning and the appointment of Directors to the Board's committees; (4) establishing a policy for considering stockholder recommendations for nominees for election to the Board; (5) recommending ways to enhance communications and relations with the Company's stockholders; (6) overseeing the Board performance and self-evaluation process and developing orientation and continuing education programs for Directors; (7) reviewing the Company's Corporate Governance Guidelines and providing recommendations to the Board regarding possible changes; (8) reviewing and monitoring compliance with the Company's Code of Ethics and Business Conduct and Insider Trading Policy; and (9) reporting regularly to the full Board.

As required by the Corporate Governance and Nominating Committee Charter, in 2008 the Corporate Governance and Nominating Committee prepared and reviewed with the Board an annual performance evaluation of the committee, which compared the performance of the committee with the requirements of the Corporate Governance and Nominating Committee Charter. As a result, the Corporate Governance and Nominating Committee recommended to the Board certain improvements to the committee's charter and the Board amended the Company's Corporate Governance and Nominating Committee Charter on October 20, 2008.

The Company's Corporate Governance and Nominating Committee consists of Messrs. Fulchino, Gephardt, Kadish and Wright, with Mr. Wright serving as chairman. One of the members of the Corporate Governance and Nominating Committee, Mr. Kadish, is independent within the meaning of NYSE listing standards. Messrs. Fulchino, Gephardt and Wright are not independent within the meaning of the NYSE listing standards. The Corporate Governance and Nominating Committee has a written charter, the current copy of which is available under the Investor Relations portion of the Company's website, www.spiritaero.com, and is available in print, without charge, to any stockholder who requests it, upon receipt of a phone call or written request from such person. Such request may be made to the Company's Investor Relations Department by writing to Spirit AeroSystems, Investor Relations, P.O. Box 780008, Wichita, KS, 67278-0008, or by calling (316) 523-1797 or by sending an email request to investorrelations@spiritaero.com.

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

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

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

Board Meetings and Attendance; Annual Meeting Attendance

During the fiscal year 2008, there were five formal meetings of the Board and several actions by unanimous written consent. None of the incumbent directors attended fewer than 75 percent of the aggregate of (i) the total number of meetings (whether regular or special meetings) of the Board (held during the period for which such person was a director), and (ii) the total number of meetings held by all committees of the Board on which the director served (during the period that such director served). The Company held its Annual Meeting of Stockholders for the fiscal year 2007 on April 22, 2008, and with the exception of Cornelius (Connie Mack) McGillicuddy, III, a director who did not stand for re-election at the Company's 2008 Annual Meeting, it was attended by all of the then members of the Board and the two new nominees for election as directors of the Company. The Company encourages the members of the Board to attend its annual meetings of the stockholders.

Executive Sessions of Non-Management Directors

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

Arrangements and Understandings

Pursuant to an understanding between Onex, the controlling stockholder of the Company, and the Company, Mr. Wright was appointed to the Board, will continue to serve as a member of the Board until each subsequent Annual Meeting of Stockholders of the Company and until his successor is elected and qualified, and will be nominated to stand for re-election as a director of the Company at each such Annual Meeting, unless Mr. Wright resigns prior thereto or an alternative nomination is made by Onex.

COMPENSATION OF NON-MANAGEMENT DIRECTORS

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

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

In 2005, the Board adopted a Director Stock Plan to provide certain non-employee directors of Spirit with the opportunity to acquire equity in the Company through grants of restricted shares of the Company's Class B Common stock. Similar to the Company's Executive Incentive Plan for executive officers, unless otherwise provided in the agreement covering the grant of shares under the Director Stock Plan, director recipients of restricted stock grants under the plan, as originally adopted, generally acquired an interest in these shares only upon certain liquidity events specified under the plan in which Onex liquidates a portion of their investment in the Company. If, upon such a liquidity event, the Onex entities have received a positive return on the portion

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of their investment in the Company that they have liquidated, recipients will receive an interest in a portion of restricted stock granted to them equal to the portion of Onex's investment liquidated in the liquidity event. In addition, the remainder of the non-vested stock vests on the first date on which (1) the directors are no longer subject to restrictions on transfer pursuant to a written agreement with the Company or the underwriter(s) of a public offering and (2) Onex has received a positive return on its investment, taking into account both amounts received by Onex on account of shares and the value of shares which Onex continues to hold. As a result of the Company's initial public offering, the directors acquired an interest in 100% of the Class B restricted shares granted to them under the Director Stock Plan, as originally adopted. On April 21, 2008, the Board amended the Director Stock Plan to allow for grants of restricted stock units, provide for the grants of restricted shares of the Company's Class A Common stock or restricted stock units to comprise one-half of each non-employee director's annual director fee and eliminate performance conditions in favor of a one-year service condition. Upon ceasing to serve as a director, a recipient will forfeit any restricted stock which was granted to him within the one year period prior to his ceasing to serve as a director and in which he has not before then acquired an interest. Former directors will also forfeit any restricted stock granted prior to the April 2008 amendment to the Director Stock Plan in which they have not acquired an interest within five years of ceasing to serve as a director. Under the plan since inception, the Company's and Spirit's non-employee directors have received grants of an aggregate of 390,000 shares of Class B restricted Common stock, 2,602 restricted stock units and 18,214 shares of Class A restricted Common stock. Because of his affiliation with Onex and the Company's management arrangements with Onex (see Certain Relationships and Related Transactions below), Mr. Wright received no restricted stock grants from the Company.

Following a 2007 compensation review of non-management directors, the Compensation Committee determined that for 2008 and beyond, the Company should replace the initial private equity compensation arrangement and meeting attendance fees with arrangements appropriate for recruiting and retaining public company directors. The Compensation Committee reviewed benchmark Board compensation data from Towers Perrin (using a peer group established by revenue level), Heidrick & Struggles (S&P500), and Spirit's peer group of listed aerospace & defense companies at the 75th percentile level to account for growth projections, the international nature of Spirit's business, and the desire to maintain the high quality of board appointments.

Commencing with the election of directors on April 22, 2008, non-management directors receive an annual board retainer fee of \$150,000 for their service as members, with the exception of Mr. Wright, in respect of whom the annual board retainer fee is paid in cash to Onex Partners Advisor LP. Other than with respect to Mr. Wright, annual board retainer fees are paid 50% in cash and 50% in shares of restricted common stock or restricted stock units, which are subject to time-vesting requirements. Directors also have the option to receive all of their compensation in the form of restricted stock or restricted stock units. Non-management directors who serve on the committees of the Board or as chairs of one of its committees receive additional individual retainer fees. Commencing with the election of directors on April 22, 2008, the chairman of the Board receives an additional annual retainer fee of \$30,000, the chairman of the Audit Committee receives an additional annual retainer fee of \$15,000, the chairman of each of the Board's other committees receives an additional annual retainer fee of \$7,500 and non-management directors who serve on the Audit Committee receive an additional annual retainer fee of \$10,000. Mr. Wright's fee for serving as the chairman of the Corporate Governance and Nominating Committee is paid to Onex Partners Advisor LP. In 2008, the Company eliminated additional fees for attending Board or committee meetings. The annual board retainer fees and additional individual retainer fees are payable quarterly, beginning with the first quarter that commences after the election of directors. All directors are reimbursed for their out-of-pocket expenses incurred in connection with their director services. Occasionally, certain perquisites or personal benefits are provided to non-management directors under the same general standards as perquisites or personal benefits are provided to the Company's executive officers.

No additional or other compensation is paid to the Company's management who are also members of the Board. All compensation paid to management directors is described in the executive compensation tables and narrative below. Fees earned or paid to non-management directors in 2008 are listed in the Director Compensation for Fiscal Year

2008 table below.

Table of Contents**Director Compensation for Fiscal Year 2008**

The following table presents information concerning compensation attributable to the Company's non-management directors for the fiscal year ended December 31, 2008.

Name	Fees Earned or Paid in		All Other	Total (\$)
	Cash (\$)	Stock Awards (\$)(3)(4)	Compensation (\$)(6)	
Charles L. Chadwell	47,500	50,010(5)		97,510
Ivor Evans	56,500	50,010		106,510
Paul Fulchino	51,250	50,010		101,260
Richard Gephardt	47,500	50,010	157,125(7)	254,635
Robert Johnson	66,500	50,010		116,510
Ronald Kadish	51,250	50,010		101,260
Francis Raborn	64,000	50,010		114,010
James L. Welch	47,500	50,010		97,510
Nigel Wright(1)	88,750			88,750
Seth Mersky(1)(2)	5,000			5,000
Cornelius McGillicuddy, III(2)	5,000			5,000

- (1) The fees for Messrs. Wright and Mersky are paid to Onex Partners Advisor LP.
- (2) Messrs. Mersky and McGillicuddy did not stand for re-election at the Company's 2008 Annual Meeting and as a result, their terms as directors expired effective as of the Company's 2008 Annual Meeting.
- (3) Represents the dollar amount recognized for financial statement reporting purposes with respect to fiscal year 2008 in accordance with SFAS 123(R), and includes amounts from awards granted in 2008. Additional information concerning the Company's accounting for stock awards may be found in Note 14 to the Company's consolidated financial statements in our Annual Report on Form 10-K for 2008.
- (4) The grant date fair value computed in accordance with SFAS 123(R) for the stock awards granted to each of the Company's directors in 2008 is \$75,016.
- (5) Represents 2,602 restricted stock units awarded to Mr. Chadwell.
- (6) The amount of perquisites and other personal benefits has been excluded for each director for whom the total value of all perquisites and other personal benefits was less than \$10,000.
- (7) Represents Company payment in 2008 of Mr. Gephardt's tax penalties and interest incurred as a result of the Company's erroneous issuance to Mr. Gephardt of an Internal Revenue Service Form 1099 in connection with the vesting of Mr. Gephardt's shares of the Company's Common stock received in 2006.

CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS

Related-party transactions have the potential to create actual or perceived conflicts of interest between the Company and its directors and executive officers or their immediate family members. The Board reviews such matters as they pertain to related-party transactions as defined by Item 404(b) of the SEC's Regulation S-K. Certain of the related-party transactions disclosed in this Proxy Statement were in existence either prior to the acquisition of the assets of Spirit from Boeing (the Boeing Acquisition) in June 2005 or the initial public offering of the Company's Class A Common stock in November 2006. In deciding whether to continue to allow these related-party transactions involving a director, executive officer, or their immediate family members, the Board considered, among other factors:

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

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

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

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

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

The Board determined that the related party transactions disclosed herein are on terms that are fair and reasonable to the Company, and which are as favorable to the Company as would be available from non-related entities in comparable transactions. The Board believes that there is a Company business interest supporting the transactions and the transactions meet the same Company standards that apply to comparable transactions with unaffiliated entities. Although the aforementioned controls are not written, each determination was made by the Board and reflected in its minutes. The Board is in the process of preparing a written related party transaction policy that will be communicated to the appropriate level of management and will be posted on the Company's internal policy website.

Below are the transactions that occurred since the beginning of the fiscal year 2008, or any currently proposed transactions, in which, to the Company's knowledge, the Company was or is a party and the amount involved exceeded \$120,000, and in which any director, director nominee, executive officer, holder of more than 5% of any class of the Company's Common stock, or any member of the immediate family of any of the foregoing persons had or will have a direct or indirect material interest.

On September 18, 2006, Spirit entered into a distribution agreement with Aviall Services, Inc., a wholly-owned subsidiary of Aviall, Inc. (Aviall). Aviall is a provider of global parts distribution and supply chain services for the aerospace industry. Spirit appointed Aviall as its exclusive distributor to sell, market, and otherwise distribute certain aftermarket products worldwide, excluding the United States and Canada. The contract extends until September 18, 2011 and automatically renews on an annual basis thereafter unless terminated by either party. Mr. Fulchino, the president and chief executive officer of Aviall, is a member of the Board. In 2008, the revenues to the Company under the agreement were approximately \$5.6 million.

Onex Partners II LP (an affiliate of Onex) owns approximately a 49% interest in Hawker Beechcraft, Inc. (Hawker). Spirit's Prestwick facility provides wing components for the Hawker 800 Series manufactured by Hawker. For the twelve months ended December 31, 2008, sales to Hawker were \$27.7 million. In addition, Mr. Wright who is a member of the Company's Board is also a member of the board of directors of Hawker.

Since February 2007, Mr. Schmidt, the Company's executive vice president and chief financial officer, has been a member of the board of directors of one of the Company's suppliers, Precision Cast Parts Corp., a manufacturer of complex metal components and products. For the twelve months ended December 31, 2008, the Company purchased \$58 million of products from this supplier.

Mr. Turner, the Company's president and chief executive officer, is a member of the Board of Directors of INTRUST Bank, a Wichita, Kansas bank that provides banking services to Spirit. In connection with the banking services provided to Spirit, the Company pays fees consistent with commercial terms that would be available to unrelated third parties.

Boeing owns and operates significant information technology systems utilized by Spirit and, as required under the acquisition agreement for the Boeing Acquisition, is providing those systems and support services to Spirit under a certain Transition Services Agreement. A number of services covered by the Transition Services Agreement have now been established by Spirit, and Spirit is scheduled to continue to use the remaining systems and support services it has not yet established. Spirit incurred a fee of \$20.3 million for services performed for the period ended December 31, 2008.

Andrew John (Jack) Focht is the spouse of Gloria Farha Flentje, the Company's Senior Vice President - Corporate Administration and Human Resources. Since 1998, Mr. Focht has served as special counsel to Foulston Siefkin LLP, a

law firm utilized by the Company and at which Ms. Flentje was previously a partner. Although Mr. Focht is not a partner, has no right to participate in management, and holds no other positions in the firm, he has phantom units that entitle him to an undivided share in the net profits of the firm, including the net profits attributable to fees received from the Company. In 2008, the firm received approximately \$2.1 million in fees from the Company for legal services, and Mr. Focht's phantom unit interest in those fees was \$20,485, before taking into account firm expenses.

In addition, the Company paid approximately \$300,000, including reimbursement of expenses, to Onex during the fiscal year 2008 for various consulting services rendered by it to the Company.

Table of Contents**STOCK OWNERSHIP****Information Regarding Beneficial Ownership of Principal Stockholders, Directors and Management**

The following table sets forth, as of March 13, 2009 (unless otherwise stated below), information regarding the beneficial ownership of the Company's Class A Common stock and Class B Common stock by all directors, the Company's chief executive officer, chief financial officer, and the three most highly compensated executive officers other than the chief executive officer and chief financial officer, who were serving as executive officers at the end of the last fiscal year (collectively, the named executive officers), and the Company's directors and all executive officers as a group. It also sets forth the ownership of any person or group who is known by the Company to be the beneficial owner of more than five percent of either class of the Company's Common stock, together with such beneficial owner's address.

Name	Title of Class of Shares Owned	Amount and Nature of Beneficial Ownership	Percentage of Class A Common Stock(+)(27)	Percentage of Class B Common Stock(+)(27)	Percentage of Total Voting Power(+)(27)
Five Percent Stockholders					
Onex Corporation 161 Bay Street, P.O. Box 700 Toronto, Ontario M5J 2S1 Canada	Class B	32,411,638(1)		94.6%	72.8%
Onex Partners LP c/o Onex Investment Corporation 712 Fifth Avenue New York, New York 10019	Class B	18,197,952(2)		53.1%	40.9%
OAH Wind LLC 421 Leader Street Marion, Ohio 43302	Class B	8,604,867(3)		25.1%	19.3%
Onex Spirit Co-Invest LP c/o Onex Investment Corporation 712 Fifth Avenue New York, New York 10019	Class B	4,892,892(4)		14.3%	11.0%
Fairholme Capital Management, L.L.C. 4400 Biscayne Boulevard, 9th Floor Miami, Florida 33137	Class A	15,530,725(5)	15.1%		3.5%
Janus Capital Management LLC	Class A	11,076,160(6)	10.8%		2.5%

151 Detroit Street
Denver, Colorado 80206

Lazard Asset Management LLC 30 Rockefeller Plaza New York, New York 10112	Class A	6,518,728(7)	6.3%	1.5%
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FMR LLC 82 Devonshire Street New York, New York 10112	Class A	5,411,052(8)	5.3%	1.2%
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Name	Title of Class of Shares Owned	Amount and Nature of Beneficial Ownership	Percentage of Class A Common Stock(+)(27)	Percentage of Class B Common Stock(+)(27)	Percentage of Total Voting Power(+)(27)
Directors and Executive Officers					
Charles L. Chadwell	Class A	2,602(9)	*		*
Ivor Evans	Class A	2,602(10)	*		*
	Class B	12,965		*	*
Paul Fulchino	Class A	2,602(11)	*		*
	Class B	12,965		*	*
Richard Gephardt	Class A	2,602(12)	*		*
	Class B	10,059		*	*
Robert Johnson	Class A	15,567(13)	*		*
Ronald Kadish	Class A	15,567(14)	*		*
Francis Raborn	Class A	2,602(15)	*		*
	Class B	22,500		*	*
Jeffrey L. Turner	Class A	(16)			
	Class B	304,801(17)		*	*
James L. Welch	Class A	3,602(18)	*		*
Nigel Wright	Class B	66,888(19)		*	*
Ulrich (Rick) Schmidt	Class A	(20)			
	Class B	402,248(21)		1.2%	*
Jonathan A. Greenberg	Class A	(22)			
John Lewelling	Class A	(23)			
	Class B	78,882(24)		*	*
Ronald C. Brunton	Class A	(25)			
	Class B	100,714(26)		*	*
All directors and executive officers as a group (22 persons)	Class A	72,746(27)	*		*
	Class B	1,242,359(27)		3.6%	2.8%

* Represents beneficial ownership of less than 1%.

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

(1) Includes the following: (i) shares of Class B Common stock held by Onex Partners LP; (ii) shares of Class B Common stock held by OAH Wind LLC; (iii) shares of Class B Common stock held by Wind EI II LLC; (iv) shares of Class B Common stock held by Onex U.S. Principals LP; and (v) shares of Class B Common stock held by Onex Spirit Co-Invest LP. Onex Corporation may be deemed to own beneficially the shares of Class B Common stock held by (a) Onex Partners LP, through Onex Corporation's ownership of all of the common stock of Onex Partners GP, Inc., the general partner of Onex Partners GP LP, the general partner of Onex Partners LP; (b) OAH Wind LLC, through Onex Corporation's ownership of all of the equity of Onex American Holdings II LLC, which owns all of the equity of Onex American Holdings Subco LLC, which owns all of the equity of OAH Wind LLC; (c) Wind EI II LLC, through Onex Corporation's ownership of Onex American Holdings II LLC, which owns all of the voting power of Wind Executive Investco LLC, which owns all of the equity of

Wind EI II LLC; (d) Onex U.S. Principals LP through Onex Corporation's ownership of all of the equity of Onex American Holdings GP LLC, the general partner of Onex U.S. Principals LP; and (e) Onex Spirit Co-Invest LP, through Onex Corporation's ownership of all of the common stock of Onex Partners GP, Inc., the general partner of Onex Partners GP LP, the general partner of Onex Spirit Co-Invest LP. Onex Corporation disclaims such beneficial ownership.

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

- (2) All of the shares of Class B Common stock owned by Onex Partners LP may be deemed owned beneficially by each of Onex Partners GP LP, Onex Partners GP, Inc., and Onex Corporation.
- (3) All of the shares of Class B Common stock owned by OAH Wind LLC may be deemed owned beneficially by each of Onex American Holdings Subco LLC, Onex American Holdings II LLC, and Onex Corporation.
- (4) All of the shares of Class B Common stock owned by Onex Spirit Co-Invest LP may be deemed owned beneficially by each of Onex Partners GP LP, Onex Partners GP, Inc., and Onex Corporation.
- (5) Information is based on a Schedule 13G, Amendment No. 1 filed by Fairholme Capital Management, L.L.C. (FCM) on February 17, 2009. It reported 15,530,725 shares of the Company's Class A Common stock owned, in the aggregate, by various investment vehicles managed by FCM of which 13,678,700 shares are owned by Fairholme Funds, Inc. (FF). Bruce R. Berkowitz has the sole voting and dispositive power over 163,264 shares of the Company's Class A Common stock and therefore, Mr. Berkowitz beneficially owns 15,693,989 shares of the Company's Class A Common stock. Because Mr. Berkowitz, in his capacity as the Managing Member of FCM or as the President of FF has voting or dispositive power over all shares beneficially owned by FCM, he is deemed to have beneficial ownership of all such shares so reported in the Schedule 13G. Mr. Berkowitz, FF and FCM disclaimed ownership of these shares for purposes of interpretations under the Internal Revenue Code of 1986, as amended, or for any other purpose, except to the extent of their pecuniary interest.
- (6) Information is based on a Questionnaire completed by Janus Capital Management LLC (Janus) in February 2009 at the request of the Company. The amount of Janus' beneficial ownership of the Company's Class A Common stock is set forth as of February 20, 2009.
- (7) Information is based on a Schedule 13G filed by Lazard Asset Management LLC on February 10, 2009.
- (8) Information is based on a Schedule 13G filed by FMR LLC (FMR) on February 17, 2009. It reported 5,411,052 shares of Class A Common stock beneficially owned by Fidelity Management & Research Company, a wholly-owned subsidiary of FMR LLC (Fidelity and together with FMR, the Funds). Edward C. Johnson 3d, Chairman of FMR, and FMR, through its control of Fidelity, and the Funds each has sole power to dispose of the 5,411,052 shares of the Company's Class A Common stock owned by the Funds. According to the Schedule 13G, neither FMR nor Mr. Johnson has the sole power to vote or direct the voting of the shares owned directly by the Funds, which power resides with the Funds' Boards of Trustees.
- (9) Represents 2,602 restricted stock units which will vest on May 5, 2009, if Mr. Chadwell remains a member of the Board at that time and for which benefits will be paid, at the Board's option, in cash or shares of the Company's Class A Common stock at market value of the Company's Class A Common stock upon Mr. Chadwell's termination of service with the Company and its affiliates.
- (10) Shares will vest on May 5, 2009, if Mr. Evans remains a member of the Board at that time.
- (11) Shares will vest on May 5, 2009, if Mr. Fulchino remains a member of the Board at that time.

- (12) Shares will vest on May 5, 2009, if Mr. Gephardt remains a member of the Board at that time.
- (13) Includes 12,965 shares of Class A Common stock owned by the RDJ Trust of which Mr. Johnson is a beneficial owner as a trustee of the RDJ Trust and 2,602 shares of Class A Common stock which will vest on May 5, 2009, if Mr. Johnson remains a member of the Board at that time.
- (14) Includes 2,602 shares of Class A Common stock which will vest on May 5, 2009, if Mr. Kadish remains a member of the Board at that time.
- (15) Shares will vest on May 5, 2009, if Mr. Raborn remains a member of the Board at that time.
- (16) 32,862 shares of Class A Common stock will vest on February 20, 2010, if Mr. Turner continues to be employed by the Company or any of its subsidiaries at that time. In addition, Mr. Turner has 31,978 shares of Class A Common stock which will vest annually at the rate of 33.3% beginning May 5,

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2011, if Mr. Turner continues to be employed by the Company or any of its subsidiaries on each such vesting date, provided that in certain circumstances, annual vesting may begin on May 5, 2010.

- (17) On June 17, 2005 and August 1, 2005, Mr. Turner was granted an aggregate of 1,440,000 shares of restricted Class B Common stock. Of those shares 414,871 are still subject to vesting upon certain liquidity events if certain performance criteria are met.
- (18) Includes 2,602 shares of Class A Common stock which will vest on May 5, 2009, if Mr. Welch remains a member of the Board at that time.
- (19) These shares include (i) a portion of the shares beneficially owned by Onex Partners LP, which may be deemed beneficially owned by Mr. Wright by reason of his pecuniary interest in Onex Partners LP, (ii) a portion of the shares beneficially owned by Onex Spirit Co-Invest LP, which may be deemed beneficially owned by Mr. Wright by reason of his pecuniary interest in Onex Spirit Co-Invest LP, and (iii) a portion of the shares beneficially owned by Wind EI II LLC, in which Mr. Wright has acquired a pecuniary interest pursuant to Onex Corporation's management incentive plans. Mr. Wright disclaims beneficial ownership of the shares beneficially owned by Onex Partners LP, Onex Spirit Co-Invest LP, and Wind EI II LLC.
- (20) 21,584 shares of Class A Common stock will vest on February 20, 2010, if Mr. Schmidt continues to be employed by the Company or any of its subsidiaries at that time. In addition, Mr. Schmidt has 15,002 shares of Class A Common stock which will vest annually at the rate of 33.3% beginning May 5, 2011, if Mr. Schmidt continues to be employed by the Company or any of its subsidiaries on each such vesting date, provided that in certain circumstances, annual vesting may begin on May 5, 2010.
- (21) On August 3, 2005, Mr. Schmidt was granted an aggregate of 1,200,000 shares of restricted Class B Common stock. Of those shares, 345,726 are still subject to vesting upon certain liquidity events if certain performance criteria are met.
- (22) 14,036 shares of Class A Common stock will vest on February 20, 2010, and 14,569 shares of Class A Common stock will vest annually at the rate of 33.3% beginning May 5, 2010, in each case, if Mr. Greenberg continues to be employed by the Company or any of its subsidiaries on each such vesting date.
- (23) 14,036 shares of Class A Common stock will vest on February 20, 2010, if Mr. Lewelling continues to be employed by the Company or any of its subsidiaries at that time. In addition, Mr. Lewelling has 13,008 shares of Class A Common stock which will vest annually at the rate of 33.3% beginning May 5, 2011, if Mr. Lewelling continues to be employed by the Company or any of its subsidiaries on each such vesting date, provided that in certain circumstances, annual vesting may begin on May 5, 2010.
- (24) On February 20, 2006, Mr. Lewelling was granted an aggregate of 360,000 shares of restricted Class B Common stock. Of those shares, 103,718 shares are still subject to vesting upon certain liquidity events if certain performance criteria are met.
- (25) 20,943 Shares of Class A Common stock will vest on February 20, 2010, if Mr. Brunton continues to be employed by the Company or any of its subsidiaries at that time. In addition, Mr. Brunton has 17,344 shares of Class A Common stock which will vest annually at the rate of 33.3% beginning May 5, 2011, if Mr. Brunton continues to be employed by the Company or any of its subsidiaries on each such vesting date, provided that in certain circumstances, annual vesting may begin on May 5, 2010.
- (26)

On July 18, 2005 Mr. Brunton was granted an aggregate of 360,000 shares of restricted Class B Common stock. Of those shares, 103,718 are still subject to vesting upon certain liquidity events if certain performance criteria are met.

- (27) Excludes shares issued to employees and directors of the Company which are subject to certain vesting requirements.

Compensation Committee Interlocks and Insider Participation

None of the Company's executive officers served during fiscal year 2008 or currently serves and the Company anticipates that none will serve, as a member of the board of directors or compensation committee of any entity (other than the Company) that has one or more executive officers that serves on the Company's Board or Compensation Committee. Mr. Fulchino serves on the Company's Compensation Committee and has a

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relationship that qualified as a related-party transaction. See Certain Relationships and Related Transactions concerning this relationship.

Section 16(a) Beneficial Ownership Reporting Compliance

Section 16(a) of the Exchange Act of 1934, as amended (the Exchange Act), or Section 16(a), requires that directors, executive officers, and persons who own more than ten percent of any registered class of a company s equity securities, or reporting persons, file with the SEC initial reports of beneficial ownership and report changes in beneficial ownership of common stock and other equity securities. Such reports are filed on Form 3, Form 4 and Form 5 under the Exchange Act, as appropriate. Reporting persons holding the Company s stock are required by the Exchange Act to furnish the Company with copies of all Section 16(a) reports they file.

To the Company s knowledge, based solely on the Company s review of copies of these reports, and written representations from such reporting persons, the Company believes that, except as stated in the paragraph below, all filings required to be made by reporting persons holding the Company s stock were timely filed for the year ended December 31, 2008, in accordance with Section 16(a).

Each of Messrs. Johnson and Kadish, members of the Board, filed a Form 4 in February 2009 to report the conversion in April and July 2008, respectively, of his 12,965 shares of Class B Common stock, granted to him in August 2007, into Class A Common stock. The grants and the vesting of these shares were reported on Form 4 s filed on behalf of each of Messrs. Johnson and Kadish in March 2008, while the grants pursuant to which Messrs. Johnson and Kadish initially acquired these shares and the vesting conditions attached to the shares were previously disclosed in the Company s filings with the SEC.

EXECUTIVE COMPENSATION

COMPENSATION DISCUSSION & ANALYSIS

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

Overview

The Compensation Committee of the Board has responsibility for establishing, implementing and monitoring compliance with our compensation philosophy. The Compensation Committee seeks to ensure that the compensation paid to named executive officers is reasonable and competitive. Generally, the Compensation Committee strives for internal equity among our named executive officers and, accordingly, the types of compensation and benefits offered to our named executive officers are consistent among the group.

General Philosophy and Objectives

The Compensation Committee carries out the Board s overall responsibility relating to compensation of our executive officers. The Compensation Committee s philosophy and primary objectives in establishing compensation policies for our executive officers are to:

Attract, retain, and motivate highly qualified executive officers by offering total compensation that is competitive with that offered by similarly situated companies and that maintains a substantial portion of total

compensation at-risk;

Provide differentiated compensation levels to reflect differing performance levels and responsibilities among our executive officers;

Promote and reward the achievement of our short and long-term objectives that the Board and management believe will lead to sustained profitability and long-term growth in stockholder value

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through the incorporation of measurable performance objectives into the compensation arrangement; and

Align the interests of our executive officers with those of our stockholders by tying executive compensation to stockholder return and value.

As discussed later in this Compensation Discussion and Analysis, on an aggregate basis, the Compensation Committee sets total compensation of our executive officers, after taking into consideration prior grants under the EIP, at market median levels, with base salaries below the market median and the variable portion of our executive officers compensation above the market median. In addition, the Compensation Committee offers long-term incentives for retention purposes.

Role of Executive Officers and the Compensation Committee in Compensation Decisions

With respect to the compensation of our executive officers, the Compensation Committee is responsible for developing and modifying, as appropriate, a competitive compensation philosophy and strategy, which includes:

Making recommendations to the full Board on the performance goals and objectives for compensation of our chief executive officer. In setting the chief executive officer's compensation, the Compensation Committee annually evaluates his performance under the goals and objectives established by the Board, reviews the chief executive officer's self-evaluation, and makes a recommendation to the full Board. The Compensation Committee also recommends to the full Board whether to award the chief executive officer an annual discretionary bonus.

Making recommendations to the full Board concerning equity incentive compensation plans (including the granting of awards under such plans) and administering incentive compensation plans.

Reviewing and approving with our chief executive officer the performance evaluation process, compensation structure and compensation recommendations with respect to our other officers. This includes approving the annual salary, bonus, incentive, equity compensation, benefit plans and perquisites and other similar arrangements for such executive officers.

Reviewing and approving with our chief executive officer annual discretionary cash bonuses. The Compensation Committee has annually approved a pool to award as discretionary cash bonuses to employees of our company and those of our subsidiaries, including executive officers, based upon a recommendation by our chief executive officer. The Compensation Committee approves all individual discretionary bonuses granted from this pool.

Our executive officers do not play a role in their own compensation determinations, other than preparing self-evaluations and discussing individual performance objectives and results with the chief executive officer. Our chief executive officer participates in determining the compensation of the other executive officers.

In establishing the overall philosophy and strategy of our executive officer compensation, the Compensation Committee takes into consideration the counsel and recommendations of our chief executive officer, chief financial officer, and senior vice president—corporate administration and human resources, in addition to recommendations of other members of the Board.

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

Role of Compensation Consultants

We utilized the services of Towers Perrin to benchmark our executive compensation, evaluate our existing pay philosophy, and assess our long-term incentive plan design alternatives during 2008. This information was also used by the Compensation Committee in establishing our executive officers' base salaries and target goals for compensation plan awards.

Our human resources department also had a compensation co-sourcing arrangement with Mercer Human Resources Consulting during 2008, through which we obtained industry intelligence on compensation from a wide variety of sources for day-to-day executive recruitment requirements.

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Towers Perrin and Mercer Human Resources Consulting are engaged by our management, with the prior and on-going approval of the Compensation Committee. We do not currently use the services of any other compensation consultants in matters affecting executive officer compensation.

Market Benchmarking and Positioning

In benchmarking executive compensation to determine competitive levels of incentives and compensation to attract executive talent and retain our executive officers, the Compensation Committee considered portions of national, proprietary compensation surveys. Specifically, data was prepared principally using a Towers Perrin Executive Compensation custom survey on aerospace, transportation, industrial manufacturing and general industry companies. The following companies were included in the Towers Perrin custom survey:

3M	Eaton	L-3 Communications	Textron
Alliant Techsystems	Flowserve	Lockheed Martin	Thomas & Betts
American Axle & Manufacturing	General Dynamics	Louisiana-Pacific	Timken
ArvinMeritor	Goodrich	Manitowoc	Toro
Boeing	Harsco	Northrop Grumman	Trinity Industries
Brady	Hexcel	Parker Hannifin	TRW Automotive
Cameron International	Honeywell International	Raytheon	United Technologies
Caterpillar Logistics Services	Idex	Rockwell Automation	USG
Curtiss-Wright	Ingersoll-Rand	Rockwell Collins	Valmont Industries
Donaldson	ITT	Terex	Visteon

Compensation amounts from the survey were size-adjusted to Spirit's revenues so that the compensation would correlate appropriately to Spirit's size relative to the various companies in the survey.

Where data from the custom survey was insufficient, we considered data from a Towers Perrin survey on general industry companies with sales between \$1 billion and \$5 billion. We also considered Mercer Human Resources Consulting surveys on Executive, Human Resources and Finance positions of comparably sized general industry companies and other broader, general industry market data for select industries, as appropriate.

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

The Compensation Committee sets the total compensation of our executive officers, which includes base salary and annual incentive awards, at an aggregate level, after taking into consideration prior grants under the EIP, comparable to that of the median for executive positions at the companies included in the compensation surveys used. In determining the compensation of individual executives, experience, skills, responsibilities, competencies, performance and organizational structure are considered.

Company's At-Risk Philosophy

Under our pay-at-risk philosophy, executive officers have the opportunity to earn in excess of market median levels for similar positions when exceeding the achievement of both shorter-term performance objectives and longer-term stockholder value. In general, the base salary, as the fixed component of the compensation package of our executive officers, is maintained at levels slightly below the market median, although in most cases, higher than base salary in

prior years.

To this end, a significant portion of our executive officers' target annual compensation (base salary plus annual cash and stock incentive awards, excluding discretionary bonus awards) is at-risk as it is based on Company and/or individual performance. The actual value realized from annual incentive awards could be zero if minimum performance levels for payouts are not met. The portion of target annual compensation at-risk generally increases with the executive officer's position level and impact on our performance. This provides

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significantly more upside potential and downside risk for more senior positions because these executives have a greater influence on our performance as a whole. However, our executive officers' target annual compensation is reviewed against industry benchmarks and the portion of the target annual compensation placed at-risk is determined to be reasonable to encourage the executive officers' prudent approach to risk taking. The table below shows the percentage of 2008 target annual compensation of our chief executive officer and our other named executive officers that was at-risk (variable compensation as a percentage of target annual compensation). The percentages listed are as follows: We also cannot assure that our current or potential competitors do not have, and will not obtain, patents that will prevent, limit or interfere with our ability to make, use or sell our technology.

Assertions by third parties that we infringe their intellectual property, whether successful or not, could subject us to costly and time-consuming litigation or expensive licenses.

The medical device and pharmaceutical industries are characterized by the existence of a large number of patents, copyrights, trademarks, and trade secrets and by frequent litigation based on allegations of infringement or other violations of intellectual property rights. We cannot assure you that our technologies do not infringe upon the intellectual property rights of others. If we succeed in our business plan, the economic reward, and therefore the possibility that someone would bring an intellectual property rights claim against us will grow. The costs of defending intellectual property infringement claims can be very large. Any intellectual property rights claim against us, with or without merit, could be time-consuming, expensive to litigate or settle, and could divert management attention and financial resources.

For any intellectual property rights claim against us we may have substantial direct and indirect costs. Direct costs can include a requirement to pay damages or stop using technology found to be in violation of a third party's rights. We may have to purchase a license for the technology, which may not be available on reasonable terms, if at all, may significantly increase our operating expenses, or may require us to restrict our business activities in one or more respects. As a result, we may also be required to develop alternative non-infringing technology, which could require significant effort and expense. Substantial indirect costs also may be expected in the form of diversion of development and management resources in strategic planning for legal, technology, and business defenses to such claims.

We are substantially dependent on third party distributors for the sale of our products.

Since 2008, substantially all of our product recent product sales have come through two distributors. On March 11, 2008 we entered into a five year distribution agreement with Perrigo Florida, Inc. which sells our products through a number of retail and pharmaceutical channels. On September 11, 2008, we entered into a distribution agreement with T. Lynn Mitchell Companies LLC to distribute certain products containing our bi-layered strip technology. During the third quarter of 2009, we entered into a strategic alliance with Destiny Productions LLC and Content Marketing Solutions, Inc. to provide additional strategic marketing, and distribution services for our products.

We expect to continue to rely on the sales efforts of third party distributors for our products. Our distributors are not exclusive to us and distribute other products from other manufacturers. We do not have the ability to exercise control over the actions of our distributors in the same manner that we would an internal sales team. If those distributors decide to terminate their arrangements with us, or fail to exert substantial efforts on our behalf, our revenues and results of operations will be significantly impacted.

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If we fail to maintain proper and effective internal controls over financial reporting or are unable to remediate the material weakness in our internal controls, then our ability to produce accurate and timely financial statements could be impaired and investors' views of us could be harmed.

Our internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements in accordance with generally accepted accounting principles. Implementing and maintaining a system of internal controls over accounting and financial reporting is a costly and time-consuming effort that needs to be re-evaluated frequently.

Implementing any appropriate changes to our internal controls may entail substantial management time, costs to modify our existing processes, and take significant time to complete. These changes may not, however, be effective in maintaining the adequacy of our internal controls, and any failure to maintain that adequacy, or consequent inability to produce accurate financial statements on a timely basis, could increase our operating costs and harm our business. In addition, investors' perceptions that our internal controls are inadequate or that we are unable to produce accurate financial statements on a timely basis may harm our stock price and make it more difficult for us to effectively market and distribute our products and services to new and existing customers.

We are responsible for the indemnification of our officers and directors.

Our articles of incorporation and bylaws provide for the indemnification of our directors, officers, employees, and agents, and, under certain circumstances, against costs and expenses incurred by them in any litigation to which they become a party arising from their association with or activities on our behalf. Consequently, if a claim is brought against any of our officers or directors, we may be required to expend substantial funds to satisfy these indemnity obligations.

We have never paid dividends on our capital stock and we do not anticipate paying any cash dividends in the foreseeable future.

We have paid no cash dividends on any of our classes of capital stock to date and we currently intend to retain our future earnings, if any, to fund the development and growth of our business.

A material part of our growth strategy is the application of our technology to the drug delivery market, but we do not have prior experience in this market and will not be successful if pharmaceutical companies or consumers do not adopt our new products.

We plan to increase revenues and secure strategic distribution relationships by partnering with pharmaceutical companies to use our thin film technology as a drug delivery method. To succeed, we must secure the pharmaceutical community's acceptance of our products. Even if we successfully secure a relationship with a pharmaceutical company, we cannot provide assurance that the end consumer will accept our products. Potential consumers of our products must:

believe that our products offer benefits compared to the products that they are currently using;

use our products and obtain acceptable results;

believe that our products are worth the price that they will be asked to pay; and

be willing to commit the time and resources required to change their current purchasing.

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Because we have a limited history of sales and are selling a relatively novel product, we have limited ability to predict the level of growth or timing in sales of these efforts.

We may have to compete against new technologies developed by competitors. New technologies we develop may not gain market acceptance by customers, or may not perform to expectations and result in liability to us.

The medical device and pharmaceutical industries are subject to technological change as competitors seek to identify more effective or cheaper treatments. Our future success will depend on our ability to appropriately respond to changing technologies and changes in function of products and quality. If we adopt products and technologies that are not attractive to consumers, we may not be successful in capturing or retaining a significant share of our market. In addition, some new technologies are relatively untested and unperfected and may not perform as expected or as desired, in which event our adoption of such products or technologies may cause us to lose money in extended development costs or product liability claims.

We may face product liability claims that could result in costly litigation and significant liabilities.

The manufacture and sale of dietary supplement, medical and pharmaceutical products entail significant risk of product liability claims. Any product liability claims, with or without merit, could result in costly litigation, reduced sales, cause us to incur significant liabilities and divert our management's time, attention and resources. Because of our limited operating history and lack of experience with these claims, we cannot be sure that our product liability insurance coverage is adequate or that it will continue to be available to us on acceptable terms, if at all.

Our products and our manufacturing activities are subject to extensive governmental regulation that could prevent us from selling our products in the United States or introducing new and improved products.

Our products and our manufacturing activities are subject to extensive regulation by a number of governmental agencies, including the FDA and comparable international agencies. We are required to:

obtain the clearance of the FDA and international agencies before we can market and sell our products;

satisfy these agencies' content requirements for all of our labeling, sales and promotional materials; and

undergo rigorous inspections by these agencies.

Compliance with the regulations of these agencies may delay or prevent us from introducing any new model of our existing products or other new products. Furthermore, we may be subject to sanctions, including temporary or permanent suspension of operations, product recalls and marketing restrictions if we fail to comply with the laws and regulations pertaining to our business. We are also required to demonstrate compliance with the FDA's quality system regulations. The FDA enforces its quality system regulations through pre-approval and periodic post-approval inspections. These regulations relate to product testing, vendor qualification, design control and quality assurance, as well as the maintenance of records and documentation. If we are unable to conform to these regulations, the FDA may take actions which could seriously harm our business. In addition, government regulation may be established that could prevent, delay, modify or rescind regulatory clearance or approval of our products.

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Our securities trade on the Over-the-Counter Bulletin Board, which may not provide liquidity for our investors and may increase volatility in our stock price.

Our common stock is quoted on the Over-the-Counter Bulletin Board. The Over-the-Counter Bulletin Board is an inter-dealer, over-the-counter market that provides significantly less liquidity than the NASDAQ Stock Market or other national exchanges. Securities traded on the Over-the-Counter Bulletin Board are usually thinly traded, and as a consequence exhibit a broader spread between the bid and ask price than stock traded on national exchanges. Securities traded on the Over-the-Counter Bulletin Board can be highly volatile, have fewer market makers, and may not be followed by analysts.

Our stock price may be volatile and you may not be able to sell your shares for more than what you paid.

Our stock price is likely to be subject to significant volatility and you may not be able to sell shares of common stock at or above the price you paid for them. The market price of our common stock could continue to fluctuate in the future in response to various factors including:

quarterly variations in operating results;

our ability to control costs and improve cash flow;

the occurrence of unanticipated costs or liabilities;

announcements of technological innovations or new products by us or our competitors; and

changes in investor perceptions.

The stock market in general has continued to experience volatility, which may further affect our stock price. As such, you may not be able to resell your shares of common stock at or above the price you paid for them.

Our common stock is subject to penny stock rules.

Our common stock is subject to Rule 15g-1 through 15g-9 under the Exchange Act, which imposes certain sales practice requirements on broker-dealers which sell our common stock to persons other than established customers and accredited investors (generally, individuals with a net worth in excess of \$1 million or annual incomes exceeding \$200,000 or \$300,000 thousand together with their spouses). For transactions covered by this rule, a broker-dealer must make a special suitability determination for the purchaser and have received the purchaser's written consent to the transaction prior to the sale. This rule adversely affects the ability of broker-dealers to sell our common stock and purchasers of our common stock to sell their shares of such common stock.

Additionally, our common stock is subject to the SEC regulations for penny stock. Penny stock includes any equity security that is not listed on a national exchange and has a market price of less than \$5.00 per share, subject to certain exceptions. The regulations require that prior to any non-exempt buy/sell transaction in a penny stock, a disclosure schedule set forth by the SEC relating to the penny stock market must be delivered to the purchaser of such penny stock. This disclosure must include the amount of commissions payable to both the broker-dealer and the registered representative and current price quotations for the common stock. The regulations also require that monthly statements be sent to holders of penny stock which disclose recent price information for the penny stock and information of the limited market for penny stocks. These requirements adversely affect the market liquidity of our common stock.

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Item 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS.

The Company sold 400,000 shares of its common stock for \$80,000 in cash to an accredited investor in a private placement transaction during the three months ended September 30, 2009.

The Company issued 100,000 shares of its common stock in exchange for cancellation of a note payable of \$15,000 during the three months ended September 30, 2009.

The Company sold 1,276,596 shares of common stock for \$300,000 in cash to SMI under the terms of the Manufacturing Agreement.

All of the shares issued in the foregoing transactions were sold pursuant to an exemption from registration under Section 4(2) promulgated under the Securities Act of 1933, as amended.

Item 3. DEFAULTS UPON SENIOR SECURITIES.

We have secured convertible promissory notes outstanding at September 30, 2009 in the aggregate principal amount of \$1,075,000. We have not made the scheduled interest payments on the promissory notes. During the third quarter we amended promissory notes in the principal amount of \$625,000 to (i) extend the maturity date to March 31, 2010, and (ii) waive the payment defaults. We did not amend \$450,000 of aggregate principal amount of promissory notes, and continue to be in default on their payment terms. The amount of accrued and unpaid interest under all of these promissory notes at September 30, 2009 was \$97,443. However, as a result of the default, the holders of the promissory notes have the right to demand payment in full of all amounts outstanding under those promissory notes.

Item 4. SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS.

None.

Item 5. OTHER INFORMATION.

None.

Item 6. EXHIBITS.

See the exhibit index immediately following the signature page of this report.

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SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

HEALTHSPORT, INC.

Date: November 16, 2009

/s/ M.E. Hank Durschlag
M.E. Hank Durschlag, Chief Executive
Officer
(Duly Authorized Officer and
Principal Executive Officer)

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EXHIBIT INDEX

Exhibit No.	Description
4.1(1)	Form of Promissory Note in the principal amount of \$8 million issued by Supplemental Manufacturing Ingredients, LLC
10.1(1)	Stock Purchase Agreement dated November 6, 2009 between the registrant and Supplemental Manufacturing Ingredients, LLC
10.2(1)	Form of Pledge Agreement between the registrant and Supplemental Manufacturing Ingredients, LLC.
10.3(1)	Separation Agreement by and between the Company and M.E. Hank Durschlag dated November 4, 2009
10.4(1)	Separation Agreement by and between the Company and Jeffrey Wattenberg dated November 6, 2009
10.5(1)	Separation Agreement by and between the Company and Daniel Kelly dated November 4, 2009
10.6(1)	Separation Agreement by and between the Company and Anthony Seaber dated November 4, 2009
10.7(1)	Separation Agreement by and between the Company and Matthew Burns dated November 4, 2009
10.8(1)	Employment Agreement by and between the Company and Robert Davidson dated November 4, 2009
10.9(1)	Employment Agreement by and between the Company and Thomas Beckett dated November 4, 2009
31.1*	Certification of Principal Executive Officer pursuant to Rule 13a-14(a) or 15d-14(a) of the Securities Exchange Act of 1934, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
31.2*	Certification of Principal Financial Officer pursuant to Rule 13a-14(a) or 15d-14(a) of the Securities Exchange Act of 1934, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
32.1**	Certification of Principal Executive Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
32.2**	Certification of Principal Financial Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.

* Filed with this report

** Furnished with this report

(1) Incorporated by reference to the exhibits to the registrant's current report on form 8-K filed with the Securities and Exchange Commission on November 10, 2009