

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, DC 20549  
FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

Date of report (Date of earliest event reported): June 9, 2021

**KAMAN CORPORATION**

(Exact name of registrant as specified in its charter)

**Connecticut**

(State or Other Jurisdiction of Incorporation)

**001-35419**

(Commission File Number)

**06-0613548**

(IRS Employer Identification No.)

**1332 Blue Hills Avenue, Bloomfield, Connecticut**

(Address of principal executive offices)

**06002**

(Zip Code)

(860) 243-7100

(Registrant's telephone number, including area code)

Not Applicable

(Former Name or Former Address, if Changed Since Last Report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

- ☐ Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- ☐ Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- ☐ Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- ☐ Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol	Name of each exchange on which registered
Common Stock (\$1 par value per share)	KAMN	New York Stock Exchange LLC

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company ☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

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## **Item 5.02 Departure of Directors or Certain Officers; Election of Directors; Appointment of Certain Officers; Compensatory Arrangements of Certain Officers**

### **LTIP Payouts**

As reported in the definitive proxy statement on Schedule 14A (the "Proxy Statement") relating to the 2021 Annual Meeting of Shareholders of the Company filed with the Securities and Exchange Commission on February 26, 2021, the Compensation Committee of the Company's Board of Directors (the "Committee") previously granted cash-based long-term incentive plan awards with performance periods ending as of December 31, 2020 (each, an "LTIP Award" and, collectively, the "LTIP Awards") under the Kaman Corporation Amended and Restated 2013 Management Incentive Plan (the "Plan") to each of the Company's then-current executive officers, including several of the Company's current "named executive officers" (as defined in Instruction 4 to Item 5.02 of Form 8-K). All such LTIP Awards were scheduled to be settled during 2021 after a sufficient number of Russell 2000 companies reported their earnings for the year ended December 31, 2020. On June 9, 2021, the Committee approved the settlement of the LTIP Awards and authorized the resulting payouts (each, an "LTIP Payout" and, collectively, the "LTIP Payouts") in respect thereof. The LTIP Payouts are reported here in accordance with Instruction 1 to Item 402(c) (2)(iii) and (iv) of Regulation S-K. Reference is hereby made to the Proxy Statement, including the Compensation Discussion and Analysis set forth therein, for additional information about the compensation paid to the Company's named executive officers.

The LTIP Awards related to the three-year performance period ended December 31, 2020 (the "Performance Period") and provided for payouts based on the Company's adjusted financial performance during the Performance Period as compared to the financial performance of the companies comprising the Russell 2000 index for the Performance Period. For each performance factor, Company financial performance below the 1st quartile resulted in no award payment; financial performance at the 1st quartile resulted in an award payment at 25% of target; financial performance at the median resulted in an award payment at 100% of target; and financial performance at the top of, or above, the 3rd quartile resulted in a maximum payment of 200% of target. Interpolation was used to determine payments for financial performance between the quartiles.

The LTIP Awards utilized the following performance factors and weightings: (i) 50% of each LTIP Award was based on three-year average return on total capital, and (ii) 50% of each LTIP Award was based on three-year average total return to shareholders.

The achievement or satisfaction of the performance measures comprising the LTIP Awards was based on the adjusted financial performance of the Company after giving effect to the inclusion or exclusion of the following modifications approved by the Committee at the time of grant, whichever produced the higher award: (i) the effect of changes in tax law or accounting principles; (ii) the dilutive effect on earnings per share that results from any increase in the number of shares used in the calculation of diluted earnings per share attributable to any outstanding convertible debt securities and any related bond hedge and warrant transactions; (iii) the effects of changes in applicable foreign currency exchange rates relating to non-U.S. denominated financial performance; (iv) costs and losses associated with restructuring, business consolidations, severance, management realignments or closures of the Company or any of its subsidiaries, affiliates and product lines; (v) acquisition and divestiture due diligence and integration costs and the adverse effects of acquisitions and divestitures, including spin-offs; (vi) effects of losses generated by divested operations and losses associated with discontinued business operations or product lines; (vii) the impact of any transaction costs and accounting charges incurred in connection with the issuance of equity or issuance of or refinancing of new or existing debt securities and facilities, including but not limited to the settlement or unwinding of existing convertible bond hedge instruments and outstanding warrants; (viii) the impact of any costs and accounting charges in respect of pension curtailment adjustments attributable to pension expense charged to company contracts with the U.S. Government, as determined under U.S. Cost Accounting Standard 418, following the freeze of future benefit accruals under the Company's Pension Plan; (ix) charges associated with environmental matters; (x) asset write-downs or impairments, including, but not limited to, goodwill and other intangible assets; (xi) new capital investments and related depreciation; (xii) litigation or claim judgments or settlements including contract claim settlements with customers and suppliers; (xiii) the impact of charges in connection with contract terminations, including but not limited to, write-off of inventory, tooling, equipment and non-recurring costs; (xiv) any impact resulting from the delay in cash receipts relating to domestic and foreign JPF orders where there is no underlying dispute as to payment; and (xv) any item of an unusual nature or of a type that indicates infrequency of occurrence, or both.

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The following table sets forth the calculation of the percentage of the target award earned for each LTIP Award:

**THREE-YEAR (2018 - 2020) LTIP AWARD CALCULATION**

	Modified Company Results <sup>(1)</sup>	Modified Company Results vs. Russell 2000	Percentage of Factor Earned	Factor Weighting	Percentage of Target Award Earned
Annual Return on Total Capital	11.6%	75th Percentile	200%	50%	100.0%
Total Return to Shareholders	1.4%	51st Percentile	102%	50%	51.1%
Total Percentage of Target Award Earned					<b>151.1%</b>

<sup>(1)</sup> The modified results shown in the table reflect the following adjustments to the Company's reported financial results: Net earnings and return on total capital for 2020, 2019 and 2018 was adjusted by disregarding \$128.275 million, \$14.598 million and 16.436 million, respectively, of GAAP expense to reflect the elimination of restructuring related costs, acquisition and divestiture related costs, losses on sales of businesses, environmental related costs, asset write-downs and impairments, litigation related costs and settlements, and other unusual or infrequent expenses.

The following table shows the resulting individual LTIP Payouts earned by each of the Company's named executive officers, as well as an updated total compensation amount for the fiscal year ended December 31, 2020:

**2020 LTIP AWARD PAYOUTS**

	Base Salary at Time of Grant	Target Award Percentage	Final Award Performance Factor	LTIP Payout	Updated 2020 Total Compensation
Neal J. Keating <sup>†</sup>	\$1,000,000	300%	151.1%	\$4,533,000	\$11,324,841
Ian K. Walsh <sup>‡</sup>	N/A	N/A	N/A	N/A	\$1,808,271
Robert D. Starr	\$471,000	150%	151.1%	\$1,067,522	\$1,894,246
Richard R. Barnhart <sup>†</sup>	\$450,000	150%	151.1%	\$934,311	\$1,765,875
Shawn G. Lisle	\$390,000	105%	151.1%	\$618,755	\$1,216,324
Gregory T. Troy <sup>†</sup>	\$355,500	90%	151.1%	\$483,444	\$1,057,839
James G. Coogan <sup>‡</sup>	N/A	N/A	N/A	N/A	\$478,526

<sup>†</sup> Messrs. Keating and Troy retired from the Company after the completion of the Performance Period relating to the LTIP Awards, so they received 100% of their applicable LTIP Payouts. Mr. Barnhart retired on September 30, 2020, so he received a pro-rated LTIP Payout the amount of which is shown in the table.

<sup>‡</sup> Messrs. Walsh and Coogan were not executive officers of the Company in 2018 when the LTIP Awards were granted. As a result, neither Mr. Walsh nor Mr. Coogan received an LTIP Award. The total compensation shown in the table is the same as the total compensation shown in the Summary Compensation Table set forth on pages 44-45 of the Proxy Statement.

As disclosed in the Proxy Statement, the foregoing LTIP Payouts were not set forth in the Summary Compensation Table included in the Proxy Statement because it was not possible to compare the Company's financial performance to that of the companies comprising the Russell 2000 index when the Proxy Statement was filed, as information for only an insufficient number of index companies was available at that time. Sufficient data became available to enable the Committee to make its determination at its June 9, 2021 meeting.

Each of the foregoing LTIP Payouts was paid in cash, as each officer was in compliance with the stock ownership guideline applicable to such officer at the time of payment.

## Updated 2020 Pay Ratio Disclosure

The Proxy Statement included certain information about the relationship between the annual total compensation of our former CEO, Mr. Keating, and the median of the annual total compensation of our employees for 2020 (our “2020 CEO Pay Ratio”). The information included in the Proxy Statement was based, in part, on Mr. Keating’s total annual compensation for 2020 as reflected in the Summary Compensation Table included in the Proxy Statement, which did not include any amount in respect of the LTIP Payout for Mr. Keating discussed above, although the Proxy Statement included a separate estimate of our final 2020 CEO Pay Ratio based on the amount that had been accrued by the Company in respect of Mr. Keating’s projected LTIP Payout utilizing preliminary data that was available as of February 9, 2021. As reported in the Proxy Statement, our 2020 CEO Pay Ratio excluding any amount in respect of the LTIP Payout was 80 to 1 and the estimate of our final 2020 CEO Pay Ratio including Mr. Keating’s projected LTIP Payout was 134 to 1.

As discussed above, on June 9, 2021, the Committee approved the settlement of the LTIP Awards and the resulting LTIP Payouts in respect thereof, including Mr. Keating’s LTIP Payout of \$4,533,000. This results in a final 2020 CEO Pay Ratio of 134 to 1, based on the following:

- the annual total compensation of Mr. Keating for 2020, using Mr. Keating’s updated 2020 total compensation of \$11,324,841, including the LTIP Payout for the 2018-2020 performance period, each as set forth above; and
- the median of the annual total compensation of all of our employees (other than Mr. Keating), determined in accordance with Item 402(u) of Regulation S-K, which was \$84,483.

Reference is hereby made to the “Pay Ratio Disclosure” section of the Proxy Statement for additional information about the 2020 CEO Pay Ratio and how it was calculated.

### Item 9.01 Financial Statements and Exhibits.

#### (d) Exhibits

The following exhibits are filed as part of this report:

<u>Exhibit</u>	<u>Description</u>
101.INS	XBRL Instance Document - the instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document
101.SCH	Inline XBRL Taxonomy Extension Schema Document
101.CAL	Inline XBRL Taxonomy Extension Calculation Linkbase Document
101.DEF	Inline XBRL Taxonomy Extension Definition Linkbase Document
101.LAB	Inline XBRL Taxonomy Extension Label Linkbase Document
101.PRE	Inline XBRL Taxonomy Extension Presentation Linkbase Document
104	Cover Page Interactive Data File, formatted in iXBRL and contained in Exhibit 101

## 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 hereunto duly authorized.

KAMAN CORPORATION

By: /s/ Shawn G. Lisle  
Shawn G. Lisle  
Senior Vice President and General Counsel

Date: June 10, 2021