MARSHALL & ILSLEY CORP
Form 11-K
June 23, 2009

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

Form 11-K

(Mark One)

[X] ANNUAL REPORT PURSUANT TO SECTION OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the fiscal year ended December 31, 2008

OR

[ ] TRANSITION REPORT PURSUANT TO SECTION 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from __________ to __________

Commission file number 1-33488

A. Full title of the plan and the address of the plan, if different from that of the Issuer named below:

M&I Retirement Program

B. Name of the issuer of the securities held pursuant to the plan and the address of its principal office:

MARSHALL & ILSLEY CORPORATION
770 North Water Street
Milwaukee, Wisconsin 53202

Financial Statement and Exhibits		
(a)	Financial Statements:	
	M&I Retirement Program	
	Report of Independent Registered Public Accounting Firm.	
	Statements of Net Assets Available for Benefits as of December 31, 2008 and 2007.	
	Statements of Changes in Net Assets Available for Benefits for the Years Ended December 31, 2008 and 2007.	
	Notes to Financial Statements as of December 31, 2008 and 2007 and for the Year Ended December 31, 2008.	
	Supplemental Schedule, Form 5500, Schedule H, Part IV, Line 4(i) - Schedule of Assets (Held at End of Year) as of December 31, 2008.	
	Supplemental Schedule, Form 5500, Schedule H, Part IV, Line 4a – Delinquent Participant Contributions for the Year Ended December 31, 2008.	
(b)	Exhibits:	
	23	Consent of Independent Registered Public Accounting Firm - Deloitte & Touche LLP

M&I Retirement Program
Financial Statements as of and
for the Years Ended
December 31, 2008 and 2007,
Supplemental Schedules as of
and for the year ended
December 31, 2008, and Report
of Independent Registered
Public Accounting Firm

M&I RETIREMENT PROGRAM

TABLE OF CONTENTS

NOTE: All other schedules required by Section 2520.103-10 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974 have been omitted because they are not applicable.

Table of Contents

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Trustee and Participants of the
M&I Retirement Program:

We have audited the accompanying statements of net assets available for benefits of the M&I Retirement Program (the "Plan") as of December 31, 2008 and 2007, and the related statements of changes in net assets available for benefits for the years then ended. These financial statements are the responsibility of the Plan's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. The Plan is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. Our audits included consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Plan's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, such financial statements present fairly, in all material respects, the net assets available for benefits of the Plan as of December 31, 2008 and 2007, and the changes in net assets available for benefits for the years then ended in conformity with accounting principles generally accepted in the United States of America.

Our audits were conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplemental schedules listed in the table of contents are presented for the purpose of additional analysis and are not a required part of the basic financial statements, but are supplementary information required by the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974. The supplemental schedules are the responsibility of the Plan's management. Such supplemental schedules have been subjected to the auditing procedures applied in our audit of the basic 2008 financial statements and, in our opinion, are fairly stated in all material respects when considered in relation to the basic 2008 financial statements taken as a whole.

/s/ Deloitte & Touche, LLP

Milwaukee, Wisconsin
May 29, 2009

Table of Contents

M&I RETIREMENT PROGRAM

STATEMENTS OF NET ASSETS AVAILABLE FOR BENEFITS
AS OF DECEMBER 31, 2008 AND 2007

	2008	2007
ASSETS:		
Investments — at fair value:		
Interest in Master Trusts	$ 286,233,611	$ 467,569,572
Investments	366,364,636	508,181,161
Loans to participants	11,023	97,649
Total investments	652,609,270	975,848,382
Receivables:		
Employee contributions	1,032,118	1,149,419
Employer contributions — net of forfeitures of $1,002,667 and $1,096,339, respectively	36,247,600	40,979,538
Accrued income	618,406	513,324
Total receivables	37,898,124	42,642,281
Total assets	690,507,394	1,018,490,663
LIABILITIES — Payables for pending trades	906,552	1,080,886
NET ASSETS REFLECTING ALL INVESTMENTS AT FAIR VALUE	689,600,842	1,017,409,777
ADJUSTMENTS FROM FAIR VALUE TO CONTRACT VALUE FOR FULLY BENEFIT-RESPONSIVE INVESTMENT CONTRACTS	4,735,264	1,045,281
NET ASSETS AVAILABLE FOR BENEFITS	$ 694,336,106	$ 1,018,455,058

See notes to financial statements.

Table of Contents

M&I RETIREMENT PROGRAM

STATEMENTS OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS
FOR THE YEARS ENDED DECEMBER 31, 2008
AND 2007

	2008	2007
CONTRIBUTIONS:		

Stock Appreciation Rights. Stock appreciation rights will not result in taxable income to the recipient or a tax deduction for us at the time of grant. The exercise of stock appreciation

15

Table of Contents

rights will result in compensation taxable as ordinary income to the employee and a tax deduction to us in the amount of any cash paid or the fair market value of any shares issued or transferred.

Restricted Stock and Other Stock Awards. Stock awards made without restrictions are treated as compensation to the recipient in the amount of the fair market value of the shares and are deductible by us. Stock awards with restrictions will not be subject to federal tax upon grant and we will not be entitled to a tax deduction upon grant, unless the recipient makes an election under Section 83(b) of the Code to have the award taxed at the time of the grant. Assuming no such election is made, upon lapse of restrictions, the fair market value of shares free of restrictions will be considered compensation taxable as ordinary income to the recipient and we may claim a tax deduction at the same time in the same amount, Dividends paid on shares subject to restrictions will be deemed compensation to the recipient and deductible by us.

Restricted Stock Unit Awards. Restricted stock unit awards will not result in taxable income to the recipient or a tax deduction for us at the time of grant. At the time the restriction lapses, and shares are issued to the recipient, such shares will be treated as compensation to the recipient in the amount of the fair market value of the shares at such time and will be deductible by us.

Plan Benefits

It is not presently possible to determine the dollar value of awards that may be made, or the individuals that may be selected for such awards, in the future under the Plan.

Awards under the 2001 Plan in 2010 to the Chief Executive Officer and each of the named executive officers are shown in the Summary Compensation Table and in the Grants of Plan-Based Awards table.

Awards under the 2001 Plan in 2010 for all executive officers as a group were as follows: 231,100 stock options, 91,500 restricted stock units and 69,900 performance units. Awards under the 2001 Plan in 2010 for all non-executive officer employees as a group totaled 491,100 stock options, 404,550 restricted stock units and 72,800 performance units. Non-executive directors are not eligible to participate in the Plan.

Vote Required

Approval of the Plan will be decided by a majority of the votes cast for or against the proposal at the meeting.

The Board of Directors recommends that you vote FOR approval of the Goodrich Corporation 2011 Equity Compensation Plan.

4. ADVISORY VOTE ON COMPENSATION OF NAMED EXECUTIVE OFFICERS

The Company seeks your advisory vote on the following resolution to approve the compensation of our named executive officers, as disclosed pursuant to Item 402 of Regulation S-K:

Resolved, that the shareholders hereby approve, on an advisory basis, the compensation paid to the Company s named executive officers, as disclosed, pursuant to Item 402 of Regulation S-K, in this Proxy Statement, including the Compensation Discussion and Analysis, compensation tables and narrative discussion.

Because your vote is advisory, it will not be binding on the Board or the Company. However, the Board will review the voting results and take them into consideration when making future decisions regarding executive compensation.

16

Table of Contents

The Company regularly seeks shareholder approval of its executive incentive plans. Our shareholders approved the Goodrich Corporation Senior Executive Management Incentive Plan at last year s annual meeting and the Company is seeking approval of the Goodrich Corporation 2011 Equity Compensation Plan at this year s annual meeting. Those incentive plans make up a majority of the pay that the Company provides to our executives.

The Company has a strong record of delivering performance results for our shareholders, customers, and the community. We are one of the largest worldwide suppliers of aerospace components, systems and services to the commercial and general aviation airplane markets. We are also a leading supplier of systems and products to the global defense and space markets. Our executive compensation programs have played a significant role in our ability to drive strong financial results and attract and retain a highly experienced and successful management team.

Our executive team has successfully managed our Company through the growth markets of 2005-2008 and the recent economic downturn in 2009-2010. For the fiscal year ending December 31, 2010, the Company had one of its highest years ever in terms of revenue and earnings per share and net income from continuing operations. Our strong financial performance over the past five fiscal years has been recognized by the market, resulting in a total shareholder return over that period that easily beat the S&P 500 Index and the S&P 500 Aerospace & Defense Index. Our company is poised to deliver strong financial performance in 2011.

As is discussed in the Compensation Discussion and Analysis, we believe that our executive compensation programs are designed to support our Company s business objectives and to attract and retain executive talent.

Our compensation programs are linked to our key business objectives and the drivers of shareholder value.

We monitor the executive compensation programs of companies of similar size and complexity to ensure that our programs are within the competitive range of median compensation opportunities.

The Board of Directors recommends a vote FOR the resolution to approve the Company s compensation of our named executive officers as disclosed pursuant to Item 402 of Regulation S-K in this Proxy Statement.

5. ADVISORY VOTE ON THE FREQUENCY OF THE ADVISORY VOTE ON COMPENSATION OF OUR NAMED EXECUTIVE OFFICERS

The following proposal gives our shareholders the opportunity to vote, on an advisory basis, on the frequency with which we include in our proxy statement an advisory vote, similar to Proposal 4 above, to approve or not approve the compensation of our named executive officers. By voting on this proposal, shareholders may indicate whether they prefer that we seek such an advisory vote every one, two, or three years. Pursuant to Section 14A of the Securities Exchange Act of 1934, as amended, we are required to hold at least once every six years an advisory shareholder vote regarding the frequency of the advisory stockholder vote on executive compensation.

For the reasons described below, we recommend that our shareholders select a frequency of every three years, or a triennial vote. A triennial vote will allow shareholders to evaluate our executive compensation program in relation to our long-term performance. One of the core principles of our executive compensation program is to align senior management with our shareholders by encouraging long-term value creation. For example, our named executive officers receive performance unit awards which are tied to stock price performance and the attainment of financial metrics over a three-year period. Similarly, our named executive officers receive restricted stock awards and stock options, both of which vest over a number of years. Therefore, our Board of Directors recommends a triennial vote which would allow our executive compensation programs to be evaluated over a multi-year period.

In addition, a triennial vote will provide the time to thoughtfully respond to shareholder views on executive compensation issues. We carefully monitor our executive compensation program as it is critical to motivating and retaining our employees. We believe that a triennial vote will provide our Compensation Committee with sufficient time to carefully consider any suggested changes to our executive compensation program and to implement any appropriate changes.

Finally, we have a long history of shareholder engagement. We are open to input from our shareholders regarding Board and governance matters, as well as our executive compensation program. We believe our willingness to discuss these issues with our shareholders reduces the need for and value of more frequent advisory votes on executive compensation.

You may cast your vote on your preferred voting frequency by selecting the option of holding an advisory vote on executive compensation every three years, as recommended by the Board of Directors, every two years or every one year, or you may abstain. Your vote is not intended to approve or disapprove the recommendation of the Board of Directors. Rather, we will consider the shareholders to have expressed a preference for the option that receives the most votes.

While we intend to carefully consider the voting results for this proposal, the final vote is advisory in nature and therefore not binding on us, our Board of Directors or the Compensation Committee. Our Board and Compensation Committee value the opinions of all of our shareholders and will consider the outcome of this vote when making future decisions on the frequency with which we will hold an advisory vote on executive compensation.

The Board of Directors recommends a vote for a frequency of EVERY THREE YEARS for future non-binding shareholder votes on compensation of our named executive officers.

6. OTHER MATTERS

Our Board of Directors knows of no other matters that may properly be presented to the Annual Meeting. If any other matters do properly come before the Annual Meeting, however, the persons appointed in the accompanying proxy intend to vote the shares represented by such proxy in accordance with their best judgment.

GOVERNANCE OF THE COMPANY

Pursuant to the New York Business Corporation Law and our By-Laws, our business is managed under the direction of our Board of Directors. Members of the Board are kept informed of our business through discussions with the Chairman, President and Chief Executive Officer and other officers, through visits to our significant facilities, by reviewing materials provided to them and by participating in meetings of the Board and its committees. In addition, to promote open discussion among our non-management directors, those directors meet in regularly scheduled executive sessions without management participation. These sessions are presided over by the Chair of our Committee on Governance.

Corporate Governance

Our Board of Directors has a long-standing commitment to sound and effective corporate governance practices. Our Guidelines on Governance address a number of important governance issues including director independence, qualifications for Board membership, mandatory retirement, majority voting in the uncontested election of directors, Board self-assessment and succession planning. In addition, the Board has for many years had in place formal charters setting forth the powers and responsibilities of each of its standing committees.

Governance Documents

We maintain a corporate governance page (www.goodrich.com/governance) on our Internet site that includes key information about our corporate governance initiatives, including our Guidelines on Governance, the charters for our standing committees and our Business Code of Conduct.

Business Code of Conduct

In 2003 our Board of Directors adopted our revised Business Code of Conduct, which sets forth the fundamental legal and ethical principles for conducting all aspects of our business. The code applies to all directors, officers and employees of our company and its subsidiaries, as well as to agents and representatives doing business on our behalf. Our Business Code of Conduct, together with specific policies and procedures, outlines the behavior expected of such individuals in carrying out their daily activities within appropriate ethical and legal standards. Each year, all of our employees are required to complete certain computer-based training modules on specific subject matters contained in our Business Code of Conduct and to certify that they have reviewed and understand the Business Code of Conduct.

Board of Directors

Our Board of Directors held ten meetings in 2010. All directors attended 75% or more of the aggregate of the number of Board of Director meetings and meetings of the committees of the Board on which they served.

We typically schedule a Board of Directors meeting in conjunction with our annual meeting of shareholders and expect that our directors will attend absent a valid reason, such as a schedule conflict. All nine of the individuals standing for election as directors in 2011 attended our 2010 annual meeting of shareholders.

Table of Contents

Leadership Structure

As is stated in the Board of Directors Guidelines on Governance, the Board has no policy with respect to the separation of the offices of Chairman and Chief Executive Officer. As is described in its Guidelines on Governance, the Board believes that this issue is part of the succession planning process and recognizes that there may be circumstances that would lead to the separation of these offices. The Board believes it is in the best interests of the Company for the Board to make such a determination when it considers the selection of a new Chief Executive Officer or at such other times as it deems appropriate.

Marshall Larsen has served as Chief Executive Officer of the Company since April 2003 and as Chairman since October 2003. During 2010, the Board consisted of ten independent directors, as defined by New York Stock Exchange standards, in addition to Mr. Larsen. Further, to promote open discussion among our non-management directors, those directors meet in regularly scheduled executive sessions without management participation. These sessions are led by the Presiding Director who is currently the Chair of our Committee on Governance. The Presiding Director sets the agenda of the executive sessions and takes any follow-up action deemed necessary. The Board believes that the current leadership structure has served the Company well over recent years and that it is the best leadership structure for the Company under the present circumstances.

Director Independence; Audit Committee Financial Expert

Our Board of Directors has determined that each of our directors other than Mr. Larsen, and each of the members of our Audit Review Committee, Committee on Governance and Compensation Committee, has no material relationship with Goodrich (other than in the individual s position as a director) and is an independent director under the New York Stock Exchange director independence standards and the director independence standards set forth in our Guidelines on Governance (which reflect exactly the New York Stock Exchange standards).

The Board has also determined that each of the members of our Audit Review Committee is independent for purposes of Section 10A(m)(3) of the Securities Exchange Act of 1934, and that Directors DeLoach, Jumper, Olesen and Rankin are audit committee financial experts as that term is defined in Item 407 of Regulation S-K of the SEC.

The Board based these determinations primarily on a review of the responses of our directors to questions regarding education, employment and compensation history, affiliations and family and other relationships and on discussions with the directors. In making its independence determinations, the Board considered the transactions described below under Policy on Related Party Transactions and for the reasons stated below determined that none of those relationships was material.

Policy on Related Party Transactions

In 2006, our Board of Directors adopted a written policy with respect to related party transactions. The policy requires that all transactions between the Company and a related party, which includes all executive officers and directors and their immediate family members, that exceed $120,000 and in which the related party has a direct or indirect material interest, be approved or ratified by the Audit Review Committee or by the disinterested members of our full Board of Directors. The policy also applies to entities: (1) owned or controlled by a director, executive officer or their immediate family members: and (2) of which a director, executive officer or their immediate family member serves as a senior officer or director.

For 2010, the Audit Review Committee considered and ratified transactions between the Company and The Timken Company. Director Griffith is President and Chief Executive Officer of

20

Table of Contents

Timken. Timken s direct sales to the Company during 2010 were approximately $5.3 million, consisting primarily of bearing products that the Company used in various applications.

In reaching its decision, the Audit Review Committee took into consideration the following factors: Director Griffith received no unique personal benefit from such transactions; the transactions were negotiated at arm s length between the companies with no involvement from Director Griffith; the total amount of sales between the companies is immaterial in comparison to the total revenues of either company; and the amount of such sales is significantly below the levels that would preclude a finding of independence under New York Stock Exchange standards or our Guidelines on Governance.

Compensation Committee Interlocks and Insider Participation

In making its independence determinations with respect to Director Griffith, who serves as Chair of the Compensation Committee, the Board considered the transactions described above under Policy on Related Party Transactions and for the reasons stated above determined that the relationship was not material.

Board Committees

Our Board of Directors has established five standing committees: the Executive Committee, the Audit Review Committee, the Compensation Committee, the Committee on Governance and the Financial Policy Committee.

The following table shows the current committee membership and the number of meetings each committee held in 2010.

	Executive Committee	**Audit Review Committee**	**Compensation Committee**	**Committee on Governance**	**Financial Policy Committee**
Carolyn Corvi		X	X		
Diane C. Creel			X		X
George A. Davidson, Jr.			X		X
Harris E. DeLoach, Jr.	X	Chair		X	
James W. Griffith			Chair	X	
William R. Holland				X	Chair
John P. Jumper		X			X
Marshall O. Larsen	Chair				
Lloyd W. Newton			X		X
Douglas E. Olesen		X			X
Alfred M. Rankin, Jr.	X	X		Chair	
Number of Meetings in 2010	0	8	3	5	5

The following is a brief description of the duties of each committee. A more complete description of each committee s functions is contained in its charter, a current copy of which is available on the corporate governance page of our Internet site www.goodrich.com/governance.

Executive Committee. The Executive Committee acts on behalf of our Board of Directors between regularly scheduled Board meetings. Our Guidelines on Governance state that it is the view of the Board that the Executive Committee will meet only when formal action is necessary and it is not feasible to convene a special meeting, in person or by telephone, of the full Board.

Audit Review Committee. The Audit Review Committee assists our Board of Directors in its oversight of the integrity of our financial statements, the qualifications and independence of our independent registered public accounting firm, the performance of our internal audit function and independent registered public accounting firm, and our compliance with legal and

21

regulatory requirements. This committee has direct responsibility for the selection and appointment of our independent registered public accounting firm.

Compensation Committee. The Compensation Committee reviews, analyzes and, in some cases, approves and, in other cases, makes recommendations to our Board of Directors regarding employee and executive compensation, and incentive, equity-based and benefit programs, including compensation for our Chief Executive Officer.

Committee on Governance. The Committee on Governance assists our Board of Directors in identifying and recommending individuals to the Board for nomination as Board members, Board assessment and administration, management assessment, reviewing and assessing corporate governance guidelines and principles, and recommends director compensation.

Financial Policy Committee. The Financial Policy Committee assists our Board of Directors in reviewing and monitoring our financial planning, financial structure, major financing activities, risk management and insurance programs, investments, dividend policy and retirement plan funding and investment management.

Director Nominations and Qualifications

Our Board of Directors is responsible for nominating members of the Board and for filling vacancies on the Board that may exist between annual meetings of shareholders. The Board has delegated the screening process for new directors to the Committee on Governance.

Our Guidelines on Governance state that candidates nominated for election or re-election to our Board of Directors generally should meet the following qualifications:

- Candidates should possess broad training and experience at the policy-making level in business, government, education, technology or philanthropy.

- Candidates should possess expertise that is useful to us and complementary to the background and experience of other Board members, so that an optimum balance in Board membership can be achieved and maintained.

- Candidates should be of the highest integrity, possess strength of character and the mature judgment essential to effective decision-making.

- Candidates should be willing to devote the required amount of time to the work of the Board and one or more of its committees. Candidates should be willing to serve on the Board over a period of several years to allow for the development of sound knowledge of the Company and its principal operations.

- Candidates should be without any significant conflict of interest or legal impediment with regard to service on the Board of Directors.

Our current Board members share certain characteristics and attributes that are critical to effective board membership, including: sound and mature business judgment essential to intelligent decision-making; experience at the policy-making level at a business, government or other relevant organization; integrity and honesty; and the ability to collaborate in an effective manner at the board level. In addition, our directors have specific employment and leadership experiences, knowledge and skills that qualify them for service on our Board, as are described in their biographies in this Proxy Statement under the caption Nominees for Election and Their Qualifications.

When a vacancy exists on the Board, or when the Board determines to add an additional director, the Committee on Governance seeks out appropriate candidates from various sources, which may include other directors, as well as consultants and search firms to which we pay fees for their assistance in identifying and evaluating candidates. The Committee evaluates all candidates on the basis of the above qualifications and other criteria that may vary from time to

22

Table of Contents

time. The Guidelines on Governance state that normally only the Chief Executive Officer should be an employee director.

The Committee on Governance considers matters of diversity (including diversity in professional experience and diversity in terms of race, gender, age and background) in evaluating nominees for election as directors, although it does not have a formal policy. The Committee on Governance considers all candidates in the context of the qualifications enumerated above, as well as their complementary experiences, backgrounds and skills, in an effort to maintain a strong and effective Board of Directors.

The Committee on Governance does not have a formal policy on the consideration of director candidates recommended by shareholders. The Board of Directors believes that such a formal policy is unnecessary and that the issue is more appropriately dealt with on a case-by-case basis.

Under our By-Laws, nominations of persons for election to the Board of Directors may be made at an annual meeting of shareholders by any shareholder who has complied with the advance notice provisions of our By-Laws. These advance notice provisions are discussed elsewhere in this proxy statement under the caption Election of Directors Other Nominees .

The Board s Role in the Risk Management Process

The Company has traditionally identified and evaluated risk as part of each business unit s annual strategic planning process. Beginning in 2007, the Company developed and implemented an enterprise risk management program (ERM) which incorporates the business unit risk assessments. The Company s ERM program is a systematic approach to risk assessment and mitigation which is designed to measure, manage and aggregate risks on an enterprise-wide basis. Under the Company s ERM program, management identifies various risks facing the Company and assesses such risks by probability of occurrence and potential impact on free cash flow. Management has the responsibility for developing an action plan to address, mitigate or monitor such risks. Management updates the ERM program annually to reassess existing risk profiles and to identify new types of risk.

While management is responsible for developing and managing the Company s ERM program, the Board provides oversight and review of the process. The Board has delegated oversight of the ERM program to the Financial Policy Committee, with the exception of risk relating to internal control over financial reporting which is the oversight responsibility of the Audit Review Committee. The Vice President and Treasurer of the Company is primarily responsible for administrative management of the Company s ERM program. The CEO and the senior executive management team review and discuss each year s analysis and identification of risk. A report is presented to the Financial Policy Committee and the Audit Review Committee on the annual assessment. As both the Financial Policy Committee and the Audit Review Committee consist of independent directors under New York Stock Exchange standards, the Board s role in risk oversight did not impact the Company s leadership structure. The Compensation Committee, as described in the Compensation Discussion and Analysis, also considered the Company s risks in concluding that the Company s executive compensation program does not encourage our management to take unreasonable risks relating to the Company s business.

Communications with Directors

Shareholders or other interested parties who wish to communicate with our Board of Directors, our non-management directors as a group or any individual director can do so by writing to them, c/o Secretary, Goodrich Corporation, 2730 West Tyvola Road, Charlotte, North Carolina 28217. Our Secretary has been instructed by the Board to promptly forward communications so received to the addressee or addressees.

Table of Contents

Stock Ownership

In 2008, the Board adopted a stock ownership policy for non-management directors. Under the policy, each non-management director must maintain shares the value of which equals or exceeds four times the amount of the annual retainer (currently, $70,000 per year). Common Stock owned outright and shares in the deferred compensation and phantom share plans count towards meeting the stock ownership requirements. New directors have five years following election to satisfy the ownership requirements. All directors with at least five years of service meet the ownership requirements.

Compensation of Directors

The Committee on Governance recommends and the Board determines the total compensation of the non-management directors. Each component of director compensation is described in more detail below. Management directors receive no additional compensation for Board service.

The following table sets forth information regarding the compensation of our non-management directors in 2010.

Name (a)	Fees Earned or Paid in Cash ($)(b)	Stock Awards ($)(c)(2)	Option Awards ($)(d)	Non-Equity Incentive Plan Compensation ($)(e)	Change in Pension Value and Non-qualified Deferred Compensation Earnings ($)(3)(f)	All Other compensation ($)(4)(5)(g)	Total ($)(h)
Carolyn Corvi	102,000	90,000				1,062	193,062
Diane C. Creel	93,000	90,000			91	43,466	226,557
George A. Davidson, Jr.	94,500	90,000				45,554	230,054
Harris E. DeLoach, Jr.	117,250	90,000				58,838	266,088
James W. Griffith	104,750	90,000				23,663	218,413
William R. Holland	104,375	90,000				35,061	229,436
John P. Jumper	102,000	90,000				10,164	202,164
Lloyd W. Newton	94,500	90,000				8,242	192,742
Douglas E. Olesen	102,000	90,000				53,280	245,280
Alfred M. Rankin, Jr.	111,875	90,000			80,676	35,121	317,672
A. Thomas Young(1)	22,500	90,000				35,413	147,913

(1) Mr. Young retired from the Board on April 20, 2010.

(2) This column shows the full grant date fair value of the phantom share awards made for 2010.

(3) During 2010 Ms. Creel accrued interest on previously deferred meeting fees in the Outside Director Deferral Plan at the prime rate as provided in the Plan. The amount shown in column (f) represents the difference in interest earned compared to the amount that would have been earned using the federal long-term rate. For Mr. Rankin, this number represents the increase in the value of his benefit under the Directors Retirement Income Plan during 2010. This increase is the net impact of a decrease in value of $13,794 due to later

commencement of the pension (i.e., 12/31/10 versus 12/31/09) an increase in value of $71,053 due to the impact on his pension of the increase in the annual retainer, and an increase in value of $23,417 due to changes in assumptions the Company used to value pension benefits. The amount of the benefit payable will be $49,000 annually when he retires from the Board.

(4) Under the Outside Director Phantom Share Plan and the Directors Phantom Share Plan, our directors have the following amounts credited to their accounts as of December 31, 2010: Ms. Corvi, 1,288 shares; Ms. Creel, 23,756 shares; Mr. Davidson, 26,944 shares; Mr. DeLoach, 17,672 shares; Mr. Griffith, 15,767 shares; Mr. Holland, 21,193 shares; General Jumper, 8,005 shares; General Newton, 6,587 shares; Mr. Olesen, 24,782 shares; and Mr. Rankin, 16,823 shares.

(5) This column includes the following dividend equivalents paid during 2010 under the Outside Director Phantom Share Plan and the Director s Phantom Share Plan: Ms. Corvi, $1,062; Ms. Creel, $31,510; Mr. Davidson, $35,829; Mr. DeLoach, $23,265; Mr. Griffith, $20,684; Mr. Holland, $28,036; General Jumper, $10,164; General Newton, $8,242; Mr. Olesen, $32,900; Mr. Rankin, $22,115; and Mr. Young, $20,591. This column also includes the following dividend equivalents paid during 2010 under the Outside Director Deferral Plan and the Directors Deferred Compensation Plan: Ms. Creel, $11,956; Mr. Davidson, $9,725; Mr. DeLoach, $35,573; Mr. Griffith, $2,979; Mr. Holland, $7,025; Mr. Olesen, $20,380; Mr. Rankin, $13,006; and Mr. Young, $14,822. In addition, directors received certain perquisites

including long distance telephone service, business travel accident insurance and occasional personal use of company aircraft. The aggregate incremental cost of perquisites to each director was less than $10,000 in 2010.

Annual Retainer and Meeting Fees

During 2010, each of our non-management directors received an annual retainer of $67,500. Effective April 21, 2010, the annual retainer was increased to $70,000. Annual retainers are paid in quarterly installments. In addition, each of our non-management directors received $1,500 for each Board and Board Committee meeting attended. The Chairs of the Committee on Governance and the Financial Policy Committee each received an annual retainer of $6,875 for serving as the Committee Chair, the Chair of the Compensation Committee received an annual retainer of $8,750 and the Chair of the Audit Review Committee received an annual retainer of $13,750. Effective April 21, 2010, the Committee Chair annual retainers were increased to $15,000 for the Audit Review Committee, $10,000 for the Compensation Committee and $7,500 for the Committee on Governance and the Financial Policy Committee. Chair retainers are paid in quarterly installments.

Outside Director Deferral Plan

Starting in 2005, non-management directors could elect to defer annual retainer and meeting fees under the Outside Director Deferral Plan. The plan permits non-management directors to elect to defer a portion or all of the annual retainer and meeting fees into either a phantom Goodrich share account or a cash account. Amounts deferred into the phantom share account accrue dividend equivalents, and amounts deferred into the cash account accrue interest at the prime rate. The plan provides that amounts deferred into the phantom share account are paid out in shares of Common Stock, and amounts deferred into the cash account are paid out in cash, in each case following termination of service as a director, in either a single lump sum, five annual installments or ten annual installments.

Prior to 2005, non-management directors could elect to defer a portion or all of the annual retainer and meeting fees into a phantom Goodrich share account pursuant to the Directors Deferred Compensation Plan. The plan provides that amounts deferred into the account are paid out in shares of Common Stock following termination of service as a director. Dividend equivalents accrue on all phantom shares credited to a director s account.

Outside Director Phantom Share Plan

In addition to the annual retainer and meeting fees, in 2010, each non-management director received an annual grant of phantom shares under the Outside Director Phantom Share Plan equal in value to $90,000. Dividend equivalents accrue on all phantom shares credited to a director s account. All phantom shares are fully vested on the date of grant. Following termination of service as a director, the cash value of the phantom shares will be paid to each director in either a single lump sum, five annual installments or ten annual installments. The value of each phantom share is determined on the relevant date by the fair market value of Common Stock (as defined in the plan).

Prior to 2005, each non-management director received an annual grant of phantom shares under the Directors Phantom Share Plan equal in value to the then-current annual retainer. Dividend equivalents accrue on all phantom shares credited to a director s account. All phantom shares under this plan are fully vested. Following termination of service as a director, the cash value of the phantom shares will be paid to each director in twelve monthly installments. The value of each phantom share is determined on the relevant date by the fair market value of Common Stock (as defined in the plan).

Table of Contents

Directors Retirement Income Plan

Mr. Rankin participates in our 1982 Directors Retirement Income Plan, which was terminated in 1995. The plan provided that, upon retirement from the Board of Directors after reaching the age of 55 with at least ten years of service as a director, a non-management director would be entitled to receive an annual amount equal to the annual retainer in effect at retirement. A retiring director who had reached age 55 and served for at least five but less than ten years would be entitled to a reduced amount equal to 50% of the annual retainer in effect at retirement, plus 10% of such annual retainer for each additional year of service (rounded to the nearest whole year) up to ten. Under the transition provisions of the plan, upon his retirement Mr. Rankin will be entitled to receive an annual amount under the plan equal to 70% of the annual retainer in effect at retirement.

Other

Non-management directors are reimbursed for actual expenses incurred in the performance of their services as directors, including continuing education programs and seminars and, in most instances, provided with travel via company-provided private aircraft to Board of Directors and committee meetings. During 2010, we also provided each non-management director with long-distance telephone service for business and personal use and with $250,000 in business travel accident insurance coverage.

Indemnification; Insurance

We indemnify our directors and officers to the fullest extent permitted by the New York Business Corporation Law. This is required under our By-Laws, and we have also signed agreements with each of our directors and some of our officers contractually obligating us to provide this indemnification to them.

As authorized by the New York Business Corporation Law and our By-Laws, we have purchased insurance providing indemnification for Goodrich and its subsidiaries as well as their directors and officers. The insurance is part of a package that includes employment practices, fiduciary and crime insurance coverage.

Table of Contents

AUDIT REVIEW COMMITTEE REPORT

The Audit Review Committee is appointed annually by the Board of Directors to assist it in its oversight function by monitoring the integrity of Goodrich s consolidated financial statements, the qualifications and independence of the independent registered public accounting firm, the performance of the internal audit function and independent registered public accounting firm and compliance with legal and regulatory requirements. The Audit Review Committee has the sole authority and responsibility to select, determine the compensation of, evaluate and, when appropriate, replace the independent registered public accounting firm.

Management is responsible for the financial reporting process, including the system of internal controls, for the preparation of consolidated financial statements in accordance with generally accepted accounting principles and for the report on internal control over financial reporting. The independent registered public accounting firm is responsible for auditing those financial statements and expressing an opinion as to their conformity with generally accepted accounting principles. In addition, that firm is responsible for attesting to the effectiveness of Goodrich s internal control over financial reporting.

In this context, the Audit Review Committee has met and held discussions with management and the independent registered public accounting firm. Management represented to the Audit Review Committee that Goodrich s consolidated financial statements were prepared in accordance with generally accepted accounting principles, and the Audit Review Committee has reviewed and discussed the consolidated financial statements with management and the independent registered public accounting firm. The independent registered public accounting firm discussed with the Audit Review Committee the matters required to be discussed by Statement on Auditing Standards No. 61 *(Communication With Audit Committees).* The Audit Review Committee also reviewed and discussed with management and the independent registered public accounting firm, management s report and the independent registered public accounting firm s report and attestation on internal control over financial reporting in accordance with Section 404 of the Sarbanes-Oxley Act.

In addition, the Audit Review Committee received the written disclosures and the letter from the independent registered public accounting firm required by applicable requirements of the Public Company Accounting Oversight Board regarding the independent registered public accountant communications with the Audit Review Committee concerning independence, and discussed with the independent registered public accounting firm its independence from Goodrich and its management. The Audit Review Committee also considered whether the provision of non-audit services to Goodrich is compatible with maintaining the firm s independence. The Audit Review Committee has concluded that the independent registered public accounting firm is independent from Goodrich and its management.

The Audit Review Committee discussed with Goodrich s internal auditors and independent registered public accounting firm the overall scope and plans for their respective audits. The Audit Review Committee meets with the internal auditors and independent registered public accounting firm, with and without management present, to discuss the results of their examinations, the evaluations of Goodrich s internal controls, and the overall quality of Goodrich s financial reporting.

Table of Contents

In reliance on the reviews and discussions referred to above, the Audit Review Committee recommended to the Board of Directors, and the Board has approved, that the audited financial statements be included in Goodrich s Annual Report on Form 10-K for the year ended December 31, 2010, for filing with the Securities and Exchange Commission. The Audit Review Committee also appointed, subject to shareholder ratification, Goodrich s independent registered public accounting firm for the year 2011.

The Audit Review Committee

Harris E. DeLoach, Jr., Chair
Carolyn Corvi
John P. Jumper
Douglas E. Olesen
Alfred M. Rankin, Jr.

Table of Contents

COMPENSATION COMMITTEE REPORT

The Compensation Committee has reviewed and discussed the Compensation Discussion and Analysis contained in this Proxy Statement with management. Based on the review and discussion referred to above, the Compensation Committee recommended to the Board of Directors that the Compensation Discussion and Analysis be included in this Proxy Statement.

The Compensation Committee

James W. Griffith, Chair
Carolyn Corvi
Diane C. Creel
George A. Davidson, Jr.
Lloyd W. Newton

Table of Contents

EXECUTIVE COMPENSATION

Compensation Discussion and Analysis

Executive Compensation Summary

In 2010, we experienced sales growth of approximately 4%, with growth occurring in all of our major market channels, except for commercial aftermarket products and services which was essentially flat year-over-year. Our income from continuing operations attributable to the Company increased 2% from $563 million in 2009 to $577 million in 2010. Income from continuing operations attributable to the Company would have increased by approximately 6% if the Company had not elected to redeem debt prior to its maturity in 2012 to capitalize on favorable re-financing rates. We were able to maintain strong operating income margins due to our continued focus on cost control and operational excellence. The Company generated excellent net cash provided by operating activities during 2010 despite accelerating $300 million of contributions to its defined benefit pension plans into 2010 that were planned for future periods.

As discussed below, we achieved above target results on our annual incentive compensation metrics, Free Cash Flow (net cash provided by operating activities minus capital expenditures) and Earnings Before Interest and Taxes. This resulted in achievement of 142% of target for the portion of the annual incentive compensation tied to financial performance. Our strong return on invested capital and our total shareholder return of 39% during 2010 contributed to performance unit payouts at 193%, which is very near maximum level, for the period covering 2008-2010. We continue to believe that our underlying executive compensation programs remain appropriate and effective in motivating and rewarding the behaviors that create long-term shareholder value. We believe our annual incentive plan financial metrics of Earnings Before Interest and Taxes and Free Cash Flow are the fundamental measurements of the strength of the Company and, when strong performance is sustained, will create shareholder value. Below is a graph showing total shareholder return for the Company compared to the S&P 500 and the S&P Aerospace indices for the period covering 2005-2010.

Table of Contents

Beginning in 2010, the Company eliminated executive perquisites for the CEO and all direct reports to the CEO, with the exception of financial counseling and tax preparation and executive physicals. In order to maintain a competitive total compensation package for our named executive officers, the Compensation Committee increased the target bonus opportunity by 5-10% of annual salary for our named executive officers. This approach shifts economic value from non-performance-based items to performance-based pay which requires the achievement of certain performance levels before compensation is earned. We did not make any other changes to the design of our executive incentive compensation programs for 2010.

Executive Compensation Philosophy

We have designed our compensation programs to help us recruit and retain the executive talent required to successfully manage our business. We have designed the programs to motivate employees to achieve business objectives and maximize their long-term commitment to our success by providing compensation elements that align the interests of executives with enhancing shareholder value and achieving our long-term strategies.

The Role of Risk and Risk Mitigation

We believe our executive compensation program appropriately balances risk with maximizing long-term shareholder value. By targeting long-term incentive compensation at 50-60% of our named executive officers total compensation package, the Committee believes that we are encouraging strategies that correlate with the long-term interests of the Company. In addition, only about 20-25% of total compensation is fixed for the named executive officers while the remaining total compensation is tied to performance, consistent with the Company s pay-for-performance philosophy. Further, the Committee has selected the financial metrics of Earnings Before Interest and Taxes and Free Cash Flow which are not easily manipulated by short-term risk taking. We have also maintained stock ownership guidelines for over ten years for our named executive officers that not only align their interests with shareholders, but also discourage behavior that is focused only on the short-term. Based on these factors, the Committee believes, with the concurrence of its independent compensation consultant, that our executive compensation program does not encourage our management to take unreasonable risks relating to our business.

The Committee also monitors our executive compensation program for potential risk mitigation. Effective in 2010, the Committee revised the agreement for named executive officers and certain other senior executive recipients of stock options and restricted stock units to allow the Committee to clawback certain awards in the case of, among other things, acts of fraud, theft, misappropriation of funds, dishonesty, bad faith or disloyalty. In addition, all of the components of our long-term incentive program contain vesting periods ranging from one to five years.

Compensation Committee

The Compensation Committee of the Board of Directors is responsible for establishing the overall philosophy and objectives, financial metrics and oversight for our executive compensation programs. The Committee presently consists of five independent directors who are responsible for reviewing our compensation, benefits and share-based programs and recommending changes to the full Board of Directors. The Committee meets regularly, but at least three times annually, and engages the services of an independent compensation consultant to assist with its deliberations. The Board of Directors has established a Compensation Committee Charter to govern and guide the Committee. The Committee reviews and assesses the Charter annually and recommends any changes to the Board of Directors.

Table of Contents

Pay Mix of Named Executive Officers

The Committee s philosophy is to develop short-term and long-term incentive programs that reward financial performance that creates value for our shareholders. Our executive compensation programs are designed to strike an appropriate balance between our short-term and long-term goals and objectives. To that end, the Committee considers the achievement of the long-term goals of the Company to be a priority for increasing shareholder value and targets long-term incentive compensation to be approximately 50% of the total direct compensation of the executive officers. This focuses management on the appropriate long-term initiatives to increase shareholder value. In addition, short-term (annual) incentive compensation is intended to be approximately 25% of the total direct compensation of the executive officers, with annual salary making up the remainder. The Committee believes that this pay mix remains appropriate to create long-term shareholder value, even with recent economic developments.

The Chief Executive Officer s long-term incentive compensation, based on target levels, is approximately 60% of his total direct compensation, and his annual incentive compensation is approximately 20% of his total direct compensation. The remainder of his total direct compensation, approximately 20%, is annual salary. For the other named executive officers, based on target levels, their long-term incentive compensation is approximately 50% of their total direct compensation and their annual incentive compensation is approximately 25% of their total direct compensation. The remainder of the other executives total direct compensation, approximately 25%, is annual salary. Below is a bar chart showing the components of the total direct compensation for the named executive officers based on target levels.

Financial Goals and Performance Metrics

As the Committee collaborates with the Board of Directors and senior management to evaluate our financial performance, it reviews and identifies those areas where financial performance can be improved. Measures of this financial performance improvement include revenue growth, net income, earnings per share, earnings before interest and taxes, cash flow or its individual components, return on equity, return on invested capital or any other financial metric that will enhance shareholder value when achieved or exceeded. In addition to enhancing shareholder value, the executive compensation programs also are intended to provide retention value to the Company and to provide a competitive compensation package for attracting executive talent.

Each year, the Committee reviews our annual and long-term (five years) business plans. Using this review, the Committee identifies those financial goals that are critical for achievement of our business plans. The Committee also annually reviews the components of other aerospace and manufacturing companies executive compensation programs. This external review helps the Committee identify issues and trends in executive compensation. Except for the changes noted above, the Committee determined not to make any other changes to the executive compensation program in 2010.

Table of Contents

Use of Compensation Consultants and Benchmarking Data

Pearl Meyer & Partners currently serves as the Committee s independent compensation consultant. In addition to providing advice on various executive compensation issues that arise, Pearl Meyer & Partners provides executive compensation market data to the Committee and conducts reviews of the proxy statements of peer companies to evaluate current practices and trends within the aerospace industry. Other than serving as independent compensation consultant to the Committee and providing advice to the Committee on Governance on director compensation issues, Pearl Meyer & Partners provided no other services to the Board, its committees or to the Company since it has been engaged by the Company.

The Committee has established a group of aerospace peer companies (32 companies) which is used for both comparison of total shareholder return and executive compensation levels and practices (referred to as the Primary Peer Group). The Committee also established a subset of the Primary Peer Group (21 companies) for analysis of executive compensation levels and practices (referred to as the Secondary Peer Group). The Secondary Peer Group companies are selected based on their aerospace products, revenue size and comparability to our markets and customers. The Committee believes that the Secondary Peer Group consists of companies that compete with us for executive talent while the Primary Peer Group consists of a broader set of companies that the Committee believes we compete with for outside investment. The companies listed below are our current Primary Peer Group.

AAR Corp.	General Dynamics Corporation*	Precision Castparts Corp.*
Alcoa Inc.	General Electric Company**	Raytheon Company*
Alliant Techsystems Inc.*	Hexcel Corporation*	Rockwell Collins Inc.*
B/E Aerospace, Inc.	Heico Corporation	Rolls-Royce Group plc
The Boeing Company*	Honeywell International Inc.*	Spirit Aerosystems Inc.*
Bombardier Inc.	ITT Corporation*	Teledyne Technologies, Inc.*
Crane Co.*	L-3 Communications Holdings, Inc.*	Textron Inc.*
Curtiss-Wright Corporation	Lockheed Martin Corporation*	Triumph Group, Inc.*
EADS N.V.	Moog Inc.*	United Technologies Corporation*
Embraer	Northrop Grumman Corporation*	Woodward Governor Company*
Garmin Ltd.	Parker-Hannifin Corporation*	

* Companies in our Secondary Peer Group.

** Starting with the 2010 performance unit period, General Electric Company will not be part of the Primary Peer Group.

In addition to consideration of the data from the Secondary Peer Group, the Committee and Pearl Meyer & Partners also consider data provided by the Company with respect to survey data published by Towers Watson, Mercer and Aon Hewitt. The Committee evaluates the Secondary Peer Group data as well as survey data trends (with equal weighting on the Secondary Peer Group data and survey data, where such data is available, and collectively referred to as market data herein) to develop targets, as discussed herein, for each element of compensation for each position. The companies listed on Appendix C to this Proxy Statement are included in the survey data.

We use the market data to benchmark several factors considered in the pay setting process. Annually, including 2010, each element of the executive compensation structure (salary range, target incentive award opportunities, and executive benefits and perquisites) and, therefore, target total direct compensation was set to be within a competitive range to the median of the market data. The determination of an individual executive s pay will vary based on his or her competencies, skills, experience and performance, as well as internal alignment and pay relationships. In 2010, each named executive officer s salary and target annual and long-term incentive award opportunities were within the competitive range of median compensation opportunities offered by the market data.

Components of Executive Compensation

The components of our 2010 executive compensation program are: annual salary; annual incentive compensation; long-term incentive compensation; benefits and perquisites relating to financial counseling and tax preparation and executive physicals. Long-term incentive compensation currently consists of grants of restricted stock units, non-qualified stock options and performance units. Each of these components is discussed separately below.

Annual Salary

The Committee views annual salary as the foundation for our executive compensation programs. In establishing salary levels, the Committee considers annual salary as a basic and necessary component of executive compensation. While focusing on executive performance, the payment of annual salary is not directly tied to achievement of certain pre-established financial goals. As discussed above, annual salary is targeted to be approximately 20-25% of the total direct executive compensation package for the named executive officers. The Committee considers financial performance when evaluating future salary adjustments as well as the continued employment of the named executive officers.

In addition, annual salary is intended to ensure that our compensation practices are competitive within the aerospace industry and with major industrial companies (using the market data). To help assess the annual salary of our executive officers, each year the Committee and its independent advisor (currently Pearl Meyer & Partners) review market data for each executive officer, including the named executive officers. The Committee evaluates the market data to develop a target annual salary for each executive position. The Committee believes that the target salary for each of our executive positions should be at the median base salary of similar positions at comparable aerospace and industrial companies. Consistent with our Secondary Peer Group companies, our Chief Executive Officer s annual salary is greater than the salary of the other named executive officers because he has responsibility for the performance of the entire Company while the other named executive officers have responsibility for a business segment or a corporate function. The role requires a different level of knowledge, experience and capability to achieve complex results across the entire Company. While the median is the target, other factors such as experience, time in position, complexity of functions and operations and past performance also are considered. The Committee believes that salaries for executives with significant experience and strong past performance should not generally exceed the 75th percentile of the comparable position within the market data. The Committee recommends to the Board of Directors the annual salary for the Chairman and Chief Executive Officer and establishes the annual salary for certain other executive officers, including the named executive officers. Based on its consideration as well as recommendations from the Chief Executive Officer, the Committee uses its judgment to determine the appropriate salary level for each executive officer. The Chief Executive Officer provides written feedback to the Committee on the performance of the executive officers, including his own. For 2010, the salaries for our named executive officers ranged from the median to about 11% above the 50th percentile of the market data.

Annual Incentive Compensation

Our annual incentive compensation is an annual cash bonus paid based on the achievement of certain financial, individual and team performance goals. In addition to rewarding performance, our annual incentive compensation is intended to motivate and retain qualified individuals who have the opportunity to influence our results and enhance shareholder value. The

philosophy is to provide competitive awards when financial objectives are achieved and provide reduced or no awards when the objectives are not achieved.

An individual s annual incentive compensation target under our Management Incentive Plan is expressed as a percentage of salary, with the percentages of salary increasing with the level of the job. For 2010, the target bonus for our Chief Executive Officer was 120% of his annual salary. For the other named executive officers, the target bonus was 80-85% of their annual salary. Consistent with our Secondary Peer Group companies, our Chief Executive Officer s target bonus is greater than the target bonus of the other named executive officers because he has responsibility for the performance of the entire Company while the other named executive officers have responsibility for a business segment or a corporate function. Annual incentive payments can range from 0% to 200% of target, based on the level of performance against the financial and individual and team objectives. This percentage range is based on the analysis of the market data to ensure that our annual incentive compensation remains competitive. The payout percentages are based on the achievement of the financial and personal and team performance metrics established at the beginning of the year.

Each year, the Committee evaluates our business and strategic plan to determine which financial metrics are critical to achieving this plan. Based on discussions with our management, the Committee identifies those financial metrics, typically limited to two or three. At the beginning of 2010, the Committee determined that Earnings Before Interest and Taxes as well as conversion of earnings into Free Cash Flow were critical goals to achieving our strategic plan because of the challenging environment of the aerospace industry and the continuing growth of the defense business. We have used these metrics for the past seven years. For 2010, the weightings of Earnings Before Interest and Taxes as well as Free Cash Flow were equal at 42.5% each for the Chief Executive Officer and 40% each for the other named executive officers. The remaining 15% weighting for the Chief Executive Officer and 20% weighting for the other named executive officers is based on individual and team goals that were identified at the beginning of each year. The Chief Executive Officer s higher weighting for the Company s financial metrics, as compared to the other named executive officers, reflects his responsibility for the Company s overall financial and operational results.

The Committee has reviewed these financial metrics for 2011 in light of recent economic developments and the current state of the aerospace industry, and has determined that they remain appropriate. The Committee believes that these two financial metrics remain critical to creating long-term shareholder value and positioning the Company for the future.

The Committee sets the target performance for these financial metrics as well as the threshold and maximum levels at the beginning of each year. The Committee generally establishes the incentive plan targets at the business plan, or budget, for the coming year. This decision is based on the level of difficulty in achieving the business plan as well as identifying the risks associated with the plan. The threshold and maximum levels are then established. The threshold is determined based on the Committee s judgment of acceptable financial performance and, for 2010, was set at 80% of target for the Earnings Before Interest and Taxes metric and 75% of target for the Free Cash Flow metric. The maximum is determined based on superior financial performance which, for 2010, was set at 120% of target for Earnings Before Interest and Taxes and at 125% of target for Free Cash Flow. Annual incentive compensation is paid only if threshold performance is achieved on at least one financial metric. The Committee then reviews financial performance throughout the fiscal year and identifies any areas where further consideration and discussion are warranted. The decision to exercise any discretionary adjustments regarding special items is reserved for year-end after the Committee reviews overall

Table of Contents

performance. The actual target financial performance levels and the threshold and maximums for the financial metrics for 2010 are set forth below.

Chief Executive Officer

		Performance Levels		
Financial Metric	**Percentage**	**Threshold**	**Target**	**Maximum**
Earnings Before Interest and Taxes	42.5%	$ 756.0	$ 945.0	$ 1,134.0
Free Cash Flow*	42.5%	$ 363.2	$ 484.2	$ 605.3
Team and Individual Goals	15.0%			

Other Named Executive Officers

		Performance Levels		
Financial Metric	**Percentage**	**Threshold**	**Target**	**Maximum**
Earnings Before Interest and Taxes	40%	$ 756.0	$ 945.0	$ 1,134.0
Free Cash Flow*	40%	$ 363.2	$ 484.2	$ 605.3
Team and Individual Goals	20%			

* Free Cash Flow is defined as net cash provided by operating activities minus capital expenditures.

At its February meeting, the Committee reviews our final financial results for the prior year and determines whether any special consideration, positive or negative, should be exercised. The Committee has the discretion to make adjustments for significant and unusual special items such as restructuring costs, accelerated pension contributions, accelerated settlement of debt obligations, prior year tax settlements and acquisitions and divestures. After adjustments by the Committee, 2010 Earnings Before Interest and Taxes was $983 million and Free Cash Flow was $561 million, resulting in achievement of 142% of target.

In addition to the financial objectives used to determine the annual incentive plan payout, each participant is evaluated on the achievement of individual and team goals. These goals are typically non-financial such as execution of strategic initiatives, talent management and continuous improvement. The respective individual and team goals for the named executive officers are discussed, reviewed and approved by the Committee at the beginning of each year. The Chief Executive Officer provides written feedback to the Committee on the achievement of individual and team goals by each named executive officer, including himself.

Mr. Larsen s 2010 annual incentive bonus was $1,987,036 and was based substantially (approximately 85%) on Goodrich s 2010 financial performance. In addition, Mr. Larsen was recognized for the following:

continued to enhance operating margins across the enterprise by focusing on operational excellence and robust resource allocation;

successfully completed two key acquisitions that provide existing businesses with new technologies and expanded market presence;

- focused on further developing and refining an enterprise global manufacturing strategy and continued with its execution;

- continued to make our culture development, implementation of our people philosophy and development of our talent management efforts enterprise priorities; and

- continued the successful implementation of our SAP Enterprise Resource Planning system in several key sites during 2010.

Mr. Kuechle s 2010 annual incentive bonus was $611,586. Mr. Linnert s 2010 annual incentive bonus was $603,346. Mr. Carmola s 2010 annual incentive bonus was $651,699. Ms. Egnotovich s 2010 annual incentive bonus was $651,699. Their 2010 annual incentive bonuses were based substantially (approximately 80%) on Goodrich s 2010 financial performance which is discussed above. In addition, each of the four was recognized as follows:

Mr. Kuechle:

enhanced the resource allocation process to improve working capital, aircraft program and capital expenditure prioritization;

achieved 100% free cash flow conversion of 2010 net income, excluding accelerated pension contributions;

successfully completed two key acquisitions on favorable terms that provide existing businesses with new technologies and expanded market presence;

maintained full compliance with Sarbanes-Oxley requirements;

provided leadership on cash flow and liquidity initiatives, including a significant, successful debt offering and debt redemption on favorable terms and effective pension asset and liability management; and

continued the successful implementation of our SAP Enterprise Resource Planning system in several key sites during 2010.

Mr. Linnert:

successfully provided legal support for two key acquisitions that provide existing businesses with new technologies and expanded market presence;

managed the successful settlement of ongoing litigation, including a significant product liability claim;

provided appropriate governance support for a joint venture resulting in successful achievement of financial targets;

finalized and implemented enhanced global anti-corruption policy, including training and certification process;

continued to drive business conduct and ethics mandates through ongoing education and training of all employees; and

maintained full compliance with Sarbanes-Oxley requirements.

Mr. Carmola:

delivered significant program wins, including A350-1000 Landing Gear Systems;

substantially improved segment cash flow results over 2009;

focused on further developing and refining an enterprise global manufacturing strategy and continued with its execution;

continued to improve quality and on-time delivery in 2010 and enhanced segment margins; and successfully completed strategic technology acquisition to improve existing business operations and products.

Ms. Egnotovich:

achieved significant growth in segment revenues and earnings in 2010;

focused on further developing and refining an enterprise global manufacturing strategy and continued with its execution;

developed and refined a long-term product strategy to secure future growth; and

successfully completed strategic acquisition to improve and expand existing Interiors operations and products.

For 2010, the Committee adjusted the financial metric targets and final performance results to include the acquisition of the cabin management assets of DeCrane Holdings Co. and Crompton Technology Group. In addition, the Committee excluded from the Earnings Before Interest and Taxes metric the cost associated with the early retirement of debt, costs associated with executing the acquisitions, and charges related to restructuring activities that were not planned for 2010. The Committee excluded from the Free Cash Flow metric pension contributions of $300 million made in 2010 that were planned for future periods and costs associated with executing the acquisitions, reduced by the amount of associated cash tax benefits actually realized in 2010. The acquisition adjustments were made to ensure that management is accountable for the results of these new businesses. The adjustment for the additional pension contribution recognizes that this action has a long-term benefit to the Company and its employees, while negatively impacting cash in the short term. The adjustment for restructuring activities recognizes that this action has a long-term benefit while negatively impacting earnings in the short term. These adjustments are also consistent with past practice. After making these adjustments, the Committee recommended to the Board of Directors an annual incentive bonus in the amount discussed above for Mr. Larsen and awarded the amounts discussed above for the other named officers.

Long-term Incentive Compensation

Our long-term incentive compensation awards are made pursuant to the 2001 Equity Compensation Plan, which was initially approved by shareholders in April 2001 and, as amended and restated, subsequently approved by shareholders in April 2005 and April 2008. The Equity Compensation Plan is administered by the Committee and provides for a variety of equity-based incentive compensation awards such as restricted stock units, stock options, and performance units. We use a two-year average stock price for determining the amount of shares and/or units granted for non-qualified stock options, restricted stock units and performance units. This approach avoids significant changes in grant size when the stock price is volatile. We believe this approach prudently manages the size of management equity grants and continues to provide alignment with shareholders. This approach has been tested through the challenging economic times of the past several years.

Since 2004, the Committee has provided long-term incentive compensation through the use of restricted stock units, stock options and performance units. The Committee considers it to be an appropriate use of equity as part of total compensation since it further aligns the incentives of our management with the interests of shareholders.

For the named executive officers, the mix of long-term incentive awards is weighted 40% restricted stock units, 30% non-qualified stock options and 30% performance unit awards. This approach balances the overall number of shares used each year for equity grants and minimizes the impact of grants on shareholder dilution. This approach also balances the use of restricted stock units, which provide ongoing value, with stock options and performance unit awards, which require stock price growth to create value. Restricted stock units are granted annually if we achieve an adjusted return on invested capital at or above a predetermined level for the previous year.

The Committee considers the recommendation of the Chief Executive Officer in determining the level of awards of long-term incentive compensation to executive officers, other than himself. The Chief Executive Officer makes recommendations based on guidelines established by the Committee and his judgment on the individual s performance. The Committee has established a set of equity grant guidelines based on its review of competitive practices and the market data. The guidelines are based on salary and level within the Company. The Committee

Table of Contents

targets the equity grant guidelines at the median of the market data. The Committee also considers its own evaluation of the individuals since the members have an opportunity to observe their performance and have available information on the level of past awards and individual stock ownership of the executive officers which may be considered in the final determination of the awards. The Committee ultimately decides the level of long-term compensation granted to each named executive officer, except for Mr. Larsen. The Committee makes a recommendation to the Board of Directors for the level of long-term compensation for Mr. Larsen.

We use the average of the high and low share price on a grant date for the exercise price of stock options and as the fair market value for our restricted stock units. We believe this approach is a more appropriate method of determining fair market value than using the closing price, which could be impacted more by external or market events late on a grant date. The Committee has used this approach since 2002.

Restricted Stock Units

The Committee views the annual grants of restricted stock units as the foundation for the long-term incentive award program. Restricted stock units provide management with an underlying value in our stock. In order to qualify the restricted stock unit awards as performance-based compensation under Section 162(m) of the Code, the Committee has imposed a performance measure of an 8% annual return on invested capital, which must be met before grants are approved for executive employees. The Committee considers return on invested capital as an effective measure of our ability to manage our capital. Restricted stock units generally, once granted, vest at the rate of 50% on the third anniversary, 25% on the fourth anniversary and the balance on the fifth anniversary of the date of grant to assist in employee retention. Distribution of stock is generally made upon vesting. The Committee believes that this vesting schedule provides the appropriate balance between short-term and long-term incentives as well as providing retention value to the Company.

In the event a participant becomes retirement eligible, the participant will be deemed vested in the restricted stock units as of the date the participant first becomes retirement eligible. Distribution of stock will be as follows: 50% on the third anniversary, 25% on the fourth anniversary and the balance on the fifth anniversary of the date of grant. If a retirement eligible participant terminates employment prior to the complete distribution and is a specified employee as defined in Section 409A of the Code (generally, one of the top paid officers) of the Company, the distribution will be made six months after termination of employment. Otherwise, the remaining stock will be distributed to the participant within 90 days of termination.

If a participant s employment terminates prior to vesting for any reason other than death, disability or retirement, the unvested restricted stock units are forfeited. A participant who dies or becomes disabled is immediately vested in each restricted stock unit award.

For the 2010 grant, the following provisions applied to the restricted stock unit award agreements to promote retention and support our executive succession plans:

If during the grant year an early retirement eligible participant (age 55 with five years of service) or a normal retirement eligible participant (age 65) terminates employment, the participant s award of restricted stock units will be prorated based on the participant s length of service during the grant year.

If a named executive officer terminates employment and is at least 55 years old but less than 62 years old with at least five years of service, the distribution of the restricted stock units to the participant will be suspended for six months. Within six months after the termination, the Committee may determine if the participant is working (or will be

working) for or with a competitor of the Company, did not give the Company timely notification of his or her termination of employment, or engaged in financial malfeasance. If the Committee makes one or more of these determinations within the six-month timeframe, then the restricted stock units that have not been distributed to the participant will be forfeited.

As the Company pays dividends, dividend equivalents are paid to each participant who holds restricted stock units. For the 2010 grants, the Committee continued its practice of using a two-year average price for our Common Stock to determine the number of units granted. This approach effectively manages the size of grants and prevents stock price volatility from significantly impacting shares utilized for management grants. For 2010, return on invested capital exceeded the 8% annual return threshold, which the Committee took into account in issuing the 2011 grants of restricted stock units.

Stock Options

The Committee views non-qualified stock option grants as a critical and direct link between management and shareholders. All value earned through stock options is dependent upon an increase in the value of our stock price. The 2001 Equity Compensation Plan provides that stock options may not be granted at less than 100% of fair market value on the grant date and that options may not be repriced.

Each year, the Committee approves annual option grants at its December meeting, except with respect to the Chief Executive Officer whose annual grant is approved by the Board of Directors at its December meeting. Senior management recommends to the Committee the potential recipients and the number of options for the annual stock option grant with the Committee reviewing and approving the final grants. The grant price is the fair market value on the grant date, which is defined as the average of the high and low share price on that date. In order to ensure that our annual stock option grants are not subject to market timing, the Committee has historically approved annual stock option grants at its December meeting with a grant date of the first trading day of the following year.

Stock options generally are granted with a three-year graded vesting schedule, vesting one-third each year, and for a term of ten years. The Committee believes that this vesting schedule adequately balances short-term and long-term goals as well as providing retention value to the Company. If a participant dies, becomes disabled or retires on or after age 65, unvested stock options are immediately vested. If a participant retires early (age 55 with five years of service), the shares continue to vest on the original schedule.

For the 2010 grant, the following provisions applied to the stock option award agreements to promote retention and support our executive succession plans:

If during the grant year an early retirement eligible participant (age 55 with five years of service) or a normal retirement eligible participant (age 65) terminates employment, the participant s award of stock options will be prorated based on the participant s length of service during the grant year.

If a named executive officer terminates employment and is at least 55 years old but less than 62 years old with at least five years of service, the vesting of the stock options will be suspended for six months. Within six months after the termination, the Committee may determine if the participant is working (or will be working) for or with a competitor of the Company, did not give the Company timely notification of his or her termination of employment, or engaged in financial malfeasance. If the Committee makes one or more of these determinations within the six-month timeframe, then the stock options that have not vested will be forfeited.

Table of Contents

If a person leaves the Company for reasons other than for death, disability or retirement, the unvested stock options are forfeited and any vested options must be exercised within 90 days.

Performance Units

The Committee views performance units as an opportunity to reward senior management for both stock price growth and achievement of financial performance goals. The Committee makes awards every year, based on overlapping three-year performance cycles. The Committee has determined that a three-year cycle is an appropriate balance of short-term and long-term results and represents a realistic performance horizon. At the beginning of each three-year cycle, the Committee establishes the financial metrics. The financial metrics for the performance unit plan have been consistent for the past seven award cycles, including 2010. The financial metrics, listed below, are relative total shareholder return, which measures our stock performance against our Primary Peer Group, and return on invested capital, which was discussed earlier. The award of performance units is limited to our senior management, currently consisting of 47 individuals who have significant responsibilities for managing individual business units or have significant influence on our overall results.

		2008-2010 Cycle Performance Levels		
Financial Metric	**Percentage**	**Threshold**	**Target**	**Maximum**
Return on Invested Capital(1)	50%	15.1%	16.2%	17.4%
Relative Total Shareholder Return(2)	50%	25th	50th	75th

(1) Return on Invested Capital is defined as Earnings Before Interest and Taxes after tax excluding special items divided by average invested capital.

(2) Relative Total Shareholder Return (RTSR) is defined as our stock performance over the performance period, including reinvested dividends, as compared to the RTSR of the Primary Peer Group of companies.

Awards are credited as performance units in a book account for each participant. Each performance unit is equivalent to one share of our Common Stock. Throughout the performance period, dividend equivalents are credited to each participant s account. Under the award terms, participants are entitled to a payout at the end of each plan cycle only if the threshold performance standard is met. The number of performance units to be used in the calculation of the payout will range from 0% to 200% of the total performance units account (including those credited through dividend equivalents), based on the level of performance against the above financial objectives. At the end of the performance period, the participant will receive a cash payment based on the number of units at the end of the period, the then current price of our Common Stock and the level of achievement of each performance measure. For the 2008-2010 performance cycle, the payout was 193% of target award grants. This payout was, in part, based upon the excellent return on invested capital achieved over the three-year performance cycle, which was at the maximum payout level. In addition, the RTSR achieved over the three-year performance cycle was near the 75th percentile of our peer group, which resulted in near maximum payout. Finally, the Company s stock price increased 24.7% during the three-year performance cycle, which further increased the value of the awards relative to target.

Benefit and Perquisite Programs

Our executive officers, including all of the named executive officers, are eligible to participate in a number of broad-based benefit programs, including health, disability and life insurance programs, an employee stock purchase plan, qualified 401(k) and pension plans and a severance plan. Our executive officers may also participate in other benefit programs including non-qualified deferred compensation and pension plans, a supplemental executive retirement plan, and a management continuity agreement that takes effect upon a change-in-control.

Table of Contents

Effective January 1, 2010, the Company eliminated the executive perquisites for the CEO and all direct reports to the CEO, with the exception of financial counseling and tax preparation and executive physicals. The Company believes that this is the appropriate approach to executive compensation and believes that the remaining perquisites serve the interests of the Company and its shareholders by ensuring the financial and physical well-being of our executives. In addition to the elimination of most of the executive perquisites, the Company eliminated all tax gross-ups effective January 1, 2010. Because coverage was already in place, the Company paid the cost of Umbrella Liability Insurance Coverage for the named executive officers and they have reimbursed the company for the full cost of this coverage. In order to maintain a competitive total compensation package for our named executive officers, the Committee decided to increase the target bonus opportunity by 5-10% of his or her annual salary, starting in 2010. This approach shifts economic value from non-performance-based items (i.e., certain perquisites) to performance-based pay which would require achievement of certain performance levels before this compensation can be earned.

Stock Ownership Guidelines

The Committee uses stock ownership guidelines to align the interests of our senior management team with those of the shareholders. We believe that senior managers (including the named executive officers) should maintain a significant equity interest in the Company through ownership of stock that they acquire either with their own funds or through certain awards described herein. The Committee has determined that stock ownership creates direct economic alignment with shareholders and motivates our senior management team to enhance shareholder value. The definition of stock owned includes the following:

Shares owned in the Goodrich Corporation Employees Savings Plan

Restricted Stock Units (after-tax value using 35% tax rate)

Shares owned/subscribed to in the Goodrich Corporation Employee Stock Purchase Plan

Shares held individually or jointly, or in a revocable trust by spouse

Deferred Performance Shares (after-tax value using 35% tax rate)

The Committee has established the following stock ownership guidelines:

Executive Position	**Ownership Guideline**
Chairman and Chief Executive Officer	120,000 Shares
Executive VP	35,000 Shares
Senior VP	30,000 Shares
General Manager	14,000/7,000 Shares
Corporate VP	14,000/7,000 Shares

Our policy is that members of our senior management team meet the ownership guidelines within five years of the first equity grant to the individual. All of the named executive officers have satisfied the stock ownership requirements. Senior managers who have been promoted will have the longer of three years from the date of their promotion or the remaining five years from their first equity grant to satisfy the ownership guidelines. Those who have not satisfied their ownership guidelines will be required to retain the after-tax value of any restricted stock unit grants until the guidelines are satisfied.

Table of Contents

Tax Deductibility of Compensation

Section 162(m) of the Code generally disallows a tax deduction to public companies for compensation in excess of $1 million paid to the Company s Chief Executive Officer and the four next highly compensated executive officers whose compensation is required to be reported in the Summary Compensation Table of the Proxy Statement. Certain compensation is specifically exempt from the deduction limit to the extent that it does not exceed $1 million during any fiscal year or is performance based as defined in Section 162(m). The Committee believes that it is generally in our interest to structure compensation to come within the deductibility limits set in Section 162(m) of the Code. The Committee also believes, however, that it must maintain the flexibility to take actions which it deems to be in the best interests of the Company but which may not qualify for tax deductibility under Section 162(m). In 2010, substantially all of the annual incentive compensation earned by the named executive officers satisfied Section 162(m).

Table of Contents

Summary Compensation Table

On the following pages are tables showing various components of executive compensation, benefits and stock awards for the named executive officers. The table below summarizes the total compensation paid or earned by each of the named executive officers for the fiscal year ended December 31, 2010. We have not entered into employment agreements with any of the named executive officers, other than the management continuity agreements described in this Proxy Statement.

The named executive officers were not entitled to receive payments which would be characterized as bonus payments under column (d) of the Summary Compensation Table for the fiscal year ended December 31, 2010; therefore, there is no column (d) below. Amounts listed under column (g), Non-Equity Incentive Plan Compensation, were determined by the Compensation Committee at its February 14, 2011 meeting.

nd Principal Position(a)	Year (b)	Salary ($)(c)(1)	Stock Awards ($)(e)(2)	Option Awards ($)(f)(3)	Non-Equity Incentive Plan Compensation ($)(g)(4)	Change in Pension Value and Non-qualified Deferred Compensation Earnings ($)(h)(5)	All Other Compensation ($)(i)(6)	To ($
Marshall	2010	1,100,000	3,910,960	1,762,050	1,987,036	850,631	217,578	9,8
an, President and	2009	1,100,000	2,251,200	1,015,350	1,492,812	2,614,630	229,171	8,7
xecutive Officer	2008	1,100,000	4,086,560	2,241,750	2,173,616	2,773,486	193,550	12,5
, Scott	2010	515,000	1,118,925	456,060	611,586	786,098	40,542	3,5
ve Vice President,	2009	500,000	603,305	251,420	473,596	853,868	104,719	2,7
nancial Officer	2008	460,000	986,708	533,750	603,994	449,205	99,682	3,1
Terrence	2010	515,000	1,118,925	456,060	603,346	490,112	49,604	3,2
ve Vice President,	2009	500,000	816,008	261,090	473,596	551,005	104,179	2,7
stration and General	2008	500,000	1,095,133	565,775	656,515	786,233	116,433	3,7
n, John	2010	520,000	1,118,925	456,060	651,699	649,123	39,616	3,4
esident and Segment	2009	505,000	643,810	270,760	482,119	730,806	110,293	2,7
nt, Actuation and Landing	2008	505,000	1,168,625	597,800	663,081	510,573	91,354	3,5
ich, Cynthia	2010	520,000	1,118,925	456,060	651,699	642,493	49,110	3,4
esident and	2009	505,000	643,810	270,760	482,119	816,352	68,038	2,7
t President,	2008	505,000	1,168,625	597,800	663,081	563,625	81,330	3,5
s and Interior Systems								

The table above shows Stock Award and Option Award values based on the full grant date fair value of the Awards made during the respective fiscal year.

(1) The amounts shown in this column for 2010 include salary that has been deferred into the Company s savings restoration plan for each of the named executive officers.

(2) This number consists of (i) the grant date fair value of the restricted stock units awarded during the covered year and (ii) the grant date fair value of the performance units awarded to the executive during the covered year. Assuming maximum payout under the performance units, the amounts reported above for the restricted stock units and performance units awarded for 2010 would be as follows: Mr. Larsen, $5,225,200; Mr. Kuechle, $1,502,245; Mr. Linnert, $1,502,245; Mr. Carmola, $1,502,245; and Ms. Egnotovich, $1,502,245. See Note 5 to the Company s Consolidated Financial Statements filed as part of the Form 10-K for the year-ended December 31, 2010 for a discussion of the assumptions made in determining the grant date fair values in this column.

(3) The grant date fair value of the stock option grants has been developed solely for purposes of comparative disclosure in accordance with the rules and regulations of the SEC and is consistent with the assumptions we used for financial reporting. The grant date fair value of the stock options has been determined by application of the Black-Scholes option-pricing model, based upon the terms of the option grants and our stock price performance history as of the date of the grant. The key assumptions for the 2010 Option Awards were as follows:

	2010 Awards
Risk Free Interest Rate	2.9%
Dividend Yield	1.6%
Volatility Factor	35.0%
Wt. Avg. Expected Life	5.7 Years

See Note 5 to the Company s Consolidated Financial Statements filed as part of the Form 10-K for the year-ended December 31, 2010 for a discussion of the assumptions made in the valuation.

(4) The amounts shown in this column for 2010 include incentive compensation that has been deferred into the Company s savings restoration plan for each of the named executive officers.

(5) The amount shown in Change in Pension Value and Non-qualified Deferred Compensation Earnings consists of the increase in the present value of accrued pension benefits under the plans shown in the Pension Table. None of the named executive officers earned above-market earnings in deferred compensation plans.

The pension value is determined using the same actuarial assumptions as used for the Company s financial reporting; namely a discount rate of 5.67% and the RP-2000 mortality table, reflecting mortality improvements for 20 years. For 2010, the change in pension value is calculated as the difference between the December 31, 2009 value and the December 31, 2010 value (as shown in the Pension Table). These values are calculated based on benefits commencing at the earliest age at which benefits are not reduced for early retirement, age 62, or current age, if older.

Name	Increase Due to Additional Service ($)	Increase Due to Change in Final Average Earnings ($)	Increase Due to Decrease in Discount Period ($)	Increase Due to Change in Assumptions ($)	Total Change in Value ($)
M. Larsen	(917,393)	17,255	1,018,735	732,034	850,631
S. Kuechle	161,282	271,285	170,068	183,463	786,098
T. Linnert	(22,280)	3,960	271,214	237,218	490,112
J. Carmola	247,210	47,039	187,625	167,249	649,123
C. Egnotovich	122,121	113,759	221,060	185,553	642,493

(6) This number is the sum of one or more of the following items (i) financial counseling and tax preparation, (ii) annual physicals, (iii) use of Company aircraft for personal travel, (iv) 401(k) matching contribution by the Company to its defined contribution plan, (v) matching contributions by the Company to the savings restoration plan, and (vi) grant date fair value on the Company s employee stock purchase plan.

For 2010, the amounts for the named executive officers included:

	Larsen	Kuechle	Linnert	Carmola	Egnotovich
Financial Counseling and Tax Preparation	15,000	6,750	19,200	9,000	7,500
Annual Physicals	259	154	762	568	0
Airplane Use	125,614	0	0	0	0
401(k) Match	7,350	7,350	7,350	7,350	7,350
SBRP Match	69,355	22,292	22,292	22,698	33,398
Employee Stock Purchase Plan	0	3,996	0	0	862

$ 217,578	$ 40,542	$ 49,604	$ 39,616	$ 49,110

The incremental cost to the Company of personal use of the Company aircraft is calculated based on the actual average variable operating costs to the Company. Variable operating costs include fuel, maintenance, weather-monitoring, on-board catering, landing/ramp fees, and other miscellaneous variable costs. The total annual variable costs are divided by the annual number of hours the Company aircraft flew to derive an average variable cost per hour. This average variable cost per hour is then multiplied by the length of each trip for each non-business traveler. The amount is then divided by an average load factor.

Table of Contents

Grants of Plan-Based Awards

Grants of Plan-Based Awards Table

		Estimated Future Payouts Under Non-Equity Incentive Plan Awards(1)			Estimated Future Payouts Under Equity Incentive Plan Awards(2)						
Grant Date (b)	Date Approved	Threshold ($)(c)	Target ($)(d)	Maximum ($)(e)	Threshold (#)(f)	Target (#)(g)	Maximum (#)(h)	All Other Stock Awards Number of Shares of Stock or Units (#)(i)(3)	All Other Options Awards Number of Securities Underlying Options (#)(j)(4)	Exercise or Base Price of option Awards ($/Sh)(k)(5)	Closi Price the Gra Dat ($
1/4/10	12/07/09	0	1,320,000	2,640,000	0	24,000	48,000				
1/4/10	12/07/09							32,000			
1/4/10	12/07/09								85,000	65.315	66.
1/4/10	12/07/09	0	412,000	824,000	0	7,000	14,000				
1/4/10	12/07/09							9,000			
1/4/10	12/07/09								22,000	65.315	66.
1/4/10	12/07/09	0	412,000	824,000	0	7,000	14,000				
1/4/10	12/07/09							9,000			
1/4/10	12/07/09								22,000	65.315	66.
1/4/10	12/07/09	0	442,000	884,000	0	7,000	14,000				
1/4/10	12/07/09							9,000			
1/4/10	12/07/09								22,000	65.315	66.
1/4/10	12/07/09	0	442,000	884,000	0	7,000	14,000				
1/4/10	12/07/09							9,000			
1/4/10	12/07/09								22,000	65.315	66.

(1) For estimated future payments under non-equity incentive plan awards, each participant is assigned threshold and maximum award levels. Threshold award level is the level above which an incentive award will be paid. No incentive award is paid for performance at or below threshold level. Maximum award level is the maximum amount of incentive award that may be paid. A participant s maximum award level is 200% of such participant s target incentive amount.

The Committee may use one or more of the following performance measures: operating income; net income; earnings (including earnings before interest, taxes, depreciation and/or amortization); earnings per share; sales; costs; profitability of an identifiable business unit or product; maintenance or improvement of profit margins; cost reduction goals; operating cash flow; free cash flow (operating cash flow less capital expenditures); working capital; improvements in capital structure; debt reduction; credit ratings; return on assets; return on equity; return on invested capital; stock price; total shareholder return; completion of joint ventures, divestitures, acquisitions or other corporate transactions; new business or expansion of customers or clients; strategic plan development and implementation; succession plan development and implementation; customer satisfaction indicators; employee metrics; or other objective individual or team goals.

The performance measures may relate to the Company, on an absolute basis and/or relative to one or more peer group companies or indices, or to a particular participant, subsidiary, division or operating unit, or any combination of the foregoing, determined by the Committee. In addition, the Committee may adjust, modify or amend the above criteria, either in establishing any performance measure or in determining the extent to which any performance measure has been achieved. The Committee has the authority, at the time it establishes the performance measures for the applicable program year, to make equitable adjustments in the criteria in recognition of unusual or non-recurring events, in response to changes in applicable laws or regulations, or to account for items of gain, loss or expense determined to be extraordinary or unusual in nature or infrequent in occurrence or related to the disposal of a business or related to a change in accounting principles, or as the Committee determines to be appropriate to reflect a true measurement of the performance of the Company or any subsidiary, division or operating unit, as applicable, and to otherwise satisfy the objectives of the program. As noted above, the Committee selected earnings before interest and taxes and conversion of earnings into free cash flow for 2010.

(2) The estimated future payouts under equity incentive plan awards relates to the 2010-2012 performance unit awards made in 2010 pursuant to the 2001 Equity Compensation Plan. Payouts on these awards are to be based on the Company s relative total shareholder return and return on invested capital over the 2010-2012 performance period. At the end of the performance period, each participant will earn a cash payout only if the threshold performance standard is exceeded. The cash payout will range from 0% to 200% of the value of the total performance unit account (including performance units credited through dividends equivalents), based on the level of performance against the financial metrics.

(3) The shares of stock for the named executive officers represent the value as of the grant date of the restricted stock unit awards. Restricted stock units, generally, once granted, vest at the rate of 50% on the third anniversary, 25% on the fourth anniversary and the balance on the fifth anniversary of the date of grant. The vesting of units for retirement eligible participants is described under the heading Restricted Stock Units. Dividends or dividend equivalents are paid on all restricted stock unit awards.

Table of Contents

(4) All options were granted pursuant to our 2001 Equity Compensation Plan with an exercise price equal to 100% of the fair market value (as defined in the plan) on January 4, 2010, the date of the grant, have a 10-year term and vest in equal installments over a three-year period.

(5) As required by the 2001 Equity Compensation Plan, under which all of our options were awarded, we used the average of the high and low sales price on the grant date to determine the exercise price for the option awards.

Outstanding Equity Awards at Fiscal Year-End

	Option Awards					Stock Awards			
ame(a)	Number of Securities Underlying Unexercised Options (#) Exercisable (b)	Number of Securities Underlying Unexercised Options (#) Unexercisable (c)	Equity Incentive Plan Awards: Number of Securities Underlying Unexercised Unearned Options (#)(d)	Options Exercise Price ($)(e)	Option Expiration Date (f)	Number of Shares or Units of Stock That Have Not Vested (#)(g)	Market Value of Shares or Units of Stock That Have Not Vested ($)(h)	Equity Incentive Plan Awards: Number of Unearned Shares, Units or Other Rights That Have Not Vested (#)(i)	Equity Incentive Plan Awards: Market or Payout Value or Unearned Shares, Units or Other Rights Tha Have Not Vested ($)(j)
arsen, M.	70,000(5)			69.865	1/2/2018				
arsen, M.	35,000(6)			38.37	1/2/2019				
arsen, M.		35,000(5)		69.865	1/2/2018				
arsen, M.		70,000(6)		38.37	1/2/2019				
arsen, M.		85,000(7)		65.315	1/4/2020				
arsen, M.						8,450(8)	742,628		
arsen, M.						12,000(9)	1,054,620		
arsen, M.						32,000(10)	2,812,320		
arsen, M.						32,000(11)	2,812,320		
arsen, M.						32,000(12)	2,812,320		
arsen, M.								24,000(14)	4,218,480
arsen, M.								24,000(15)	4,218,480
uechle, S.	10,000(1)			32.43	1/2/2015				
uechle, S.	17,500(2)			40.405	1/3/2016				
uechle, S.	25,000(3)			45.87	1/3/2014				
uechle, S.	12,400(4)			45.87	1/3/2017				
uechle, S.	16,666(5)			69.865	1/2/2018				
uechle, S.	8,666(6)			38.37	1/2/2019				
uechle, S.		8,334(5)		69.865	1/2/2018				
uechle, S.		17,334(6)		38.37	1/2/2019				

uechle, S.		22,000(7)	65.315	1/4/2020				
uechle, S.					1,950(8)	171,376		
uechle, S.					2,800(9)	246,078		
uechle, S.					7,500(10)	659,138		
uechle, S.					8,500(11)	747,023		
uechle, S.					9,000(12)	790,965		
uechle, S.							6,500 (14)	1,142,505
uechle, S.							7,000 (15)	1,230,390
nnert, T.	25,000(1)		32.43	1/2/2015				
nnert, T.	23,000(2)		40.405	1/3/2016				
nnert, T.	50,000(3)		45.87	1/3/2014				
nnert, T.	16,500(4)		45.87	1/3/2017				
nnert, T.	17,666(5)		69.865	1/2/2018				
nnert, T.	9,000(6)		38.37	1/2/2019				
nnert, T.		8,834(5)	69.865	1/2/2018				
nnert, T.		18,000(6)	38.37	1/2/2019				
nnert, T.		22,000(7)	65.315	1/4/2020				
nnert, T.					2,500(8)	219,713		
nnert, T.					3,550(9)	311,992		
nnert, T.					8,500(10)	747,023		
nnert, T.					8,750(11)	768,994		

47

Table of Contents

Name(a)	Option Awards: Number of Securities Underlying Unexercised Options (#) Exercisable (b)	Number of Securities Underlying Unexercised Options (#) Unexercisable (c)	Equity Incentive Plan Awards: Number of Securities Underlying Unexercised Unearned Options (#)(d)	Options Exercise Price ($)(e)	Option Expiration Date (f)	Stock Awards: Number of Shares or Units of Stock That Have Not Vested (#)(g)	Market Value of Shares or Units of Stock That Have Not Vested ($)(h)	Equity Incentive Plan Awards: Number of Unearned Shares, Units or Other Rights That Have Not Vested (#)(i)	Equity Incentive Plan Awards: Market or Payout Value or Unearned Shares, Units or Other Rights That Have Not Vested ($)(j)
Linnert, T.						9,000(12)	790,965		
Linnert, T.						5,000(13)	439,425		
Linnert, T.								6,750(14)	1,186,448
Linnert, T.								7,000(15)	1,230,390
Carmola, J.	11,500(2)			40.405	1/3/2016				
Carmola, J.	16,500(4)			45.87	1/3/2017				
Carmola, J.	18,666(5)			69.865	1/2/2018				
Carmola, J.	9,333(6)			38.37	1/2/2019				
Carmola, J.		9,334(5)		69.865	1/2/2018				
Carmola, J.		18,667(6)		38.37	1/2/2019				
Carmola, J.		22,000(7)		65.315	1/4/2020				
Carmola, J.						2,625(8)	230,698		
Carmola, J.						3,550(9)	311,992		
Carmola, J.						9,000(10)	790,965		
Carmola, J.						9,000(11)	790,965		
Carmola, J.						9,000(12)	790,965		
Carmola, J.								7,000(14)	1,230,390
Carmola, J.								7,000(15)	1,230,390
Egnotovich, C.	35,000(3)			45.87	1/3/2014				
Egnotovich, C.	16,500(4)			45.87	1/3/2017				
Egnotovich, C.	18,666(5)			69.865	1/2/2018				
Egnotovich, C.	9,333(6)			38.37	1/2/2019				
Egnotovich, C.		9,334(5)		69.865	1/2/2018				
Egnotovich, C.		18,667(6)		38.37	1/2/2019				
Egnotovich, C.		22,000(7)		65.315	1/4/2020				
Egnotovich, C.						2,625(8)	230,698		
Egnotovich, C.						3,550(9)	311,992		
Egnotovich, C.						9,000(10)	790,965		
Egnotovich, C.						9,000(11)	790,965		
Egnotovich, C.						9,000(12)	790,965		

Egnotovich, C.	7,000(14)	1,230,390
Egnotovich, C.	7,000(15)	1,230,390

(1) The vesting date for the 1/3/05 grant is 1/3/06, 1/3/07, 1/3/08.

(2) The vesting date for the 1/3/06 grant is 1/3/07, 1/3/08, 1/3/09.

(3) The vesting date for the special grant on 1/3/07 was 9/18/07.

(4) The vesting date for the 1/3/07 grant is 1/3/08, 1/3/09, 1/3/10.

(5) The vesting date for the 1/2/08 grant is 1/2/09, 1/2/10, 1/2/11.

(6) The vesting date for the 1/2/09 grant is 1/2/10, 1/2/11, 1/2/12.

(7) The vesting date for the 1/4/10 grant is 1/4/11, 1/4/12, 1/4/13.

(8) The vesting date for the 1/3/06 grant is 1/3/09, 1/3/10, 1/3/11.

(9) The vesting date for the 1/3/07 grant is 1/3/10, 1/3/11, 1/3/12.

(10) The vesting date for the 1/2/08 grant is 1/2/11, 1/2/12, 1/2/13.

(11) The vesting date for the 1/2/09 grant is 1/2/12, 1/2/13, 1/2/14.

(12) The vesting date for the 1/4/10 grant is 1/2/13, 1/2/14, 1/2/15.

(13) The vesting date for the 2/17/09 grant is 2/17/14.

Table of Contents

(14) The vesting date for the 1/3/09 grant is 12/31/11.

(15) The vesting date for the 1/4/10 grant is 12/31/12.

The fair market value for the amounts listed under column (h) is based on $87.89, which was the average of the high and low share price on December 31, 2010.

The 2009-2011 and 2010-2012 grants under column (j) are valued based on the next higher performance measure that exceeded the previous fiscal year s performance multiplied by the fair market value as of December 31, 2010.

Option Exercises and Stock Vested

	Option Awards		**Stock Awards**	
Name(a)	**Number of Shares Acquired on Exercise (#)(b)**	**Value Realized on Exercise ($)(c)**	**Number of Shares Acquired on Vesting (#)(d)**	**Value Realized on Vesting ($)(e)**
M. Larsen	444,650	17,210,942	29,325	1,915,216
S. Kuechle	32,800	1,027,956	6,000	391,860
T. Linnert	65,615	2,995,130	8,800	574,728
J. Carmola	84,200	2,955,786	8,638	564,148
C. Egnotovich	69,169	3,106,491	8,400	548,604

Pension Benefits

Each of the named executive officers participates in three traditional final average pay defined benefit pension plans that are intended to provide competitive retirement benefits: the Goodrich Corporation Employees Pension Plan (pension plan), the Goodrich Corporation Pension Benefit Restoration Plan (restoration plan), and the Goodrich Corporation Supplemental Executive Retirement Plan (supplemental plan). The pension plan is a tax-qualified plan that covers primarily all US employees other than most bargaining unit employees; however, the pension plan was closed to new participants effective January 1, 2006. The restoration plan is a non-qualified plan, the purpose of which is to restore benefits that otherwise would be payable under the pension plan if not for Internal Revenue Service limits on compensation and benefits applicable to tax-qualified plans. The combination of the pension and the restoration plans is intended to provide identical benefits as the pension plan, without regard to the limits imposed by the Internal Revenue Service. The supplemental plan is a non-qualified plan that serves to provide additional pension benefits, over and above the pension and restoration plans, to senior management executives, up to certain service limits as described in more detail below.

Present Value of Benefits

The present value of accumulated benefits, as shown in column (d) of the Pension Benefits table below, is calculated using the same assumptions used in determining our pension disclosure, as of December 31, 2010, described in the pension footnote disclosure of our Form 10-K for 2010; namely, a discount rate of 5.67%, and the RP-2000 mortality table, reflecting mortality improvements for 20 years. For the restoration and supplemental plans, the table is adjusted to reflect white collar mortality rates. We have valued each of the benefits based upon the participant s earliest unreduced retirement age (age 62), or current age if older than 62, using a current final average earnings and current years of service, even though earlier retirement is available, as described below.

Table of Contents

Benefit Formula

All of these plans use a benefit formula, which takes into account years of service and final average earnings, to calculate the amount of benefit payable at normal retirement age (age 65). Final average earnings under each plan is defined as the average annual pay during the highest consecutive 48 months of eligible earnings out of the last 120 months of employment with the Company. Eligible earnings consists of annual salary and annual incentive compensation. For purposes of the pension plan, earnings in excess of the Code Section 401(a)(17) limit and salary reduction agreements made to the Goodrich Corporation Savings Benefit Restoration Plan (the savings restoration plan) are excluded from eligible earnings.

Each plan s benefit formula determines the amount of benefit payable at age 65 under the plan s normal form of payment, which is a five-year certain and life annuity. Participants may retire and commence payments as early as age 55. Payments are reduced 4% per year the commencement age precedes 62 (e.g., if payments commence at 55, 72% of the accrued benefit is paid; at 60, 92% is paid; at 62 or later, the full, unreduced accrued benefit is paid).

A number of forms of payment, including single life annuity, joint and survivor annuity, and certain and life annuity, are available under the pension plan. Payment amounts are adjusted for form of payment so that each is actuarially equivalent to the plan s normal form. Both non-qualified plans allow single lump sum payments, in addition to the same annuity forms of payment available under the pension plan. To value benefits in the restoration plan, it is assumed that there is a 50% likelihood that the lump sum, rather than the annuity, will be paid.

Benefits under the pension plan and the restoration plan are determined using the following formula:

1.15% x final average earnings x service + 0.45% x (final average earnings in excess of Covered Compensation) x (the lesser of service or 35), where the Covered Compensation table is published by the Social Security Administration.

For the pension plan, final average earnings is limited to amounts allowed under Section 401(a)(17) of the Code. To calculate the restoration plan benefit, unlimited final average earnings, including employee contributions to the savings restoration plan are used, and the resulting benefit is offset by the benefit payable from the pension plan.

The supplemental plan benefit is determined using the following formula:

1.60% x final average earnings x supplemental plan service, where final average earnings is not limited by Section 401(a)(17) of the Code, and includes employee contributions to the savings restoration plan and supplemental plan service is as shown in the table. Supplemental plan service generally counts all service from the time the named executive officer became part of the senior management team. Supplemental plan service cannot exceed 15 years. Additionally, supplemental plan service is further limited to 35 years minus pension plan service.

The supplemental plan essentially serves to double pension benefits earned by the executive during the period of supplemental plan participation, allowing an executive working less than a full career with the Company to earn benefits similar to a full career employee. The supplemental plan is intended to enhance our ability to attract and retain the leadership that we need to execute our strategic plans. The caps on supplemental plan service will limit the benefit that long service executives can receive.

Because Messrs. Larsen, Carmola and Linnert are at least age 55 with more than five years of service, each is currently eligible for early retirement. If any one of them elected early retirement, benefits would be reduced as described above.

Table of Contents

Name(a)	Plan Name (b)	Number of Years of Credited Service (c)	Present Value of Accumulated Benefit (d)	Payments During Last Fiscal Year (e)
M. Larsen	Employees Pension Plan	33.46	$ 1,385,428	
	Pension Benefit Restoration Plan	33.46	$ 16,789,845	
	Supplemental Executive Retirement Plan	1.54	$ 842,192	
S. Kuechle	Employees Pension Plan	27.42	$ 616,595	
	Pension Benefit Restoration Plan	27.42	$ 2,072,845	
	Supplemental Executive Retirement Plan	5.39	$ 546,602	
T. Linnert	Employees Pension Plan	13.16	$ 529,273	
	Pension Benefit Restoration Plan	13.16	$ 1,995,600	
	Supplemental Executive Retirement Plan	13.16	$ 2,580,424	
J. Carmola	Employees Pension Plan	14.65	$ 416,407	
	Pension Benefit Restoration Plan	14.65	$ 1,598,777	
	Supplemental Executive Retirement Plan	10.75	$ 1,519,769	
C. Egnotovich	Employees Pension Plan	24.08	$ 644,395	
	Pension Benefit Restoration Plan	24.08	$ 2,386,040	
	Supplemental Executive Retirement Plan	8.71	$ 1,122,958	

Non-qualified Deferred Compensation

All of the named executive officers participate in the savings restoration plan, a non-qualified defined contribution plan designed to let highly compensated and management employees defer compensation in excess of limits that apply to tax-qualified savings plans. The savings restoration plan is designed to restore the benefits, including matching contributions, not permitted due to the limits on 401(k) plans. The amount in column (b), the executive s contribution, is included in the Summary Compensation Table within the amounts shown in the salary and Non-Equity Incentive Plan Compensation columns. The amount shown in column (c), Company contributions, is included in the Summary Compensation Table within the amount shown in the All Other Compensation column. The amount shown in column (f), Aggregate Balance, consists entirely of amounts that would have been reported in a previous year s Summary Compensation Table, had the named executive been a named executive officer in the year the contributions were made, and investment earnings thereon.

Participants may elect to defer 25% of their base salary and up to 25% of their annual incentive plan payment (Management Incentive Plan) to the savings restoration plan. Elections to defer are made before the pay is earned, with the exception that deferral elections with respect to bonus payments may be made as late as six months prior to the close of the performance period on which the bonus payment is based. Participants direct contributions among approximately 20 investment options (comparable asset classes to the 401(k) plan) and are credited with investment gains or losses based on the performance of these investment options. Each investment option is a mutual fund available to individual investors. The options cover a broad spectrum of asset classes and investment objectives, from money market through equity, and include several lifecycle funds as well. Participants are permitted to reallocate their balances among the investment options on a daily basis. The savings restoration plan is designed to look and function very similarly to the Company s tax-qualified savings plan.

At the participant s election, distributions are made either in a single lump sum payment of the entire account balance, or in monthly installments spread over 5, 10, or 15 years. However, if the participant fails to make a timely election, the distribution will be made as a single lump sum payment.

Table of Contents

Non-qualified Deferred Compensation

Name(a)	Executive Contributions in Last Fiscal Year ($)(b)	Company Contributions in Last Fiscal Year ($)(c)	Aggregate Earnings (Losses) in Last Fiscal Year ($)(d)	Aggregate Withdrawals/ Distributions in Last Fiscal Year ($)(e)	Aggregate Balance at 12/31/10 ($)(f)
M. Larsen	254,569	69,355	490,629		3,442,985
S. Kuechle	122,539	22,292	126,777		909,901
T. Linnert	122,539	22,292	286,837		2,047,301
J. Carmola	75,727	22,698	146,640		1,438,102
C. Egnotovich	90,191	33,398	94,854		757,778

Potential Payments upon Termination or Change-in-Control

Management Continuity Agreements

Each named executive officer has entered into a Management Continuity Agreement with the Company. The purpose of these agreements is to encourage the individuals to carry out their duties in the event of the possibility of a change-in-control. The agreements are not ordinary employment agreements (there are no such employment agreements) and do not provide any assurance of continued employment unless there is a change-in-control. They generally provide for a two-year period of employment commencing upon a change-in-control.

A change-in-control under these agreements generally is deemed to have occurred if (i) any person or entity becomes the beneficial owner of 20% or more of our Common Stock or combined voting power of our outstanding securities (subject to certain exceptions), (ii) during any two-year period there generally has been a change in the majority of our Directors, or (iii) certain corporate reorganizations occur where the existing shareholders do not retain at least 70% of the voting securities of the surviving entity.

These agreements generally provide for the continuation of employment of the individuals in the same positions and with the same responsibilities and authorities that they possessed immediately prior to the change-in-control and generally with the same benefits and level of compensation, including average annual increases. These triggers are designed to protect these employees from diminished responsibilities and compensation in the event of a change-in-control.

If we or a successor terminate the individual s employment during the two-year period of employment for reasons other than cause or the individual voluntarily terminates employment for a good reason each named executive officer would be entitled to:

A lump sum cash payment within five business days equal to three times the individual s base salary in effect immediately prior to termination;

A lump sum cash payment within five business days equal to three times the greater of (i) the individual s most recent annual bonus or (ii) the individual s target incentive amount under our Management Incentive Plan;

If the individual is under age 55 or over age 55 but not eligible to retire or not eligible for Company subsidized health and welfare benefits, then continuation of all health and welfare benefit plans and programs for three years for the current year;

If the individual is at least age 55 and eligible to retire and eligible for Company subsidized retiree health and welfare benefits, then provided with the health and welfare benefits to which the individual would be entitled to under the Company s general retirement policies, with the Company paying the same percentage of the capped premium cost of the plans as it would pay for retiree health subsidy-eligible employees, who retire at age 65, regardless of the individual s actual age at his or her date of termination of employment, provided such benefits are at least equal to those benefits which would have been payable if the individual had been eligible to retire and had retired prior to the change-in-control. Such benefit will be paid for the individual s lifetime;

Annual executive physical and tax and financial services for three years;

In addition to the benefits to which the individual is entitled under the defined benefit retirement plans or programs in which he or she participates, a lump sum cash payment at retirement in an amount equal to the actuarial equivalent of the retirement pension to which the individual would have been entitled under the terms of such retirement plans or programs had the individual accumulated three additional years of age, continuous service for determining benefit accruals (except for those individuals who elected to no longer earn service toward benefit accrual) and earnings (base salary in effect immediately prior to termination plus the greater of (i) the individual s most recent annual bonus or (ii) the individual s target incentive amount under our Management Incentive Plan) under such plans minus the benefits to which the individual is entitled under such defined benefit retirement plans or programs (calculated as an actuarial equivalent lump sum amount);

In addition to the benefits to which the individual is entitled under the defined contribution retirement plans or programs in which he or she participates, a lump sum cash payment within five business days in an amount equal to three times the greater of (i) the value of the Company matching contributions, if any, and discretionary contributions, if any, which were credited to the individual s accounts under such plans during the most recently completed plan year ending on or before the date of the change-in-control or (ii) the value of the Company matching contributions, if any, and discretionary contributions, if any, which were credited to the individual s accounts under such plans during the most recently completed plan year ending on or before the date of the individual s date of termination of employment; and

A tax gross-up for any excise tax due under the Code for these types of arrangements.

Generally, good reason means, during the two-year period of employment and without the executive s consent, there is (a) any material reduction in the duties, authority or responsibilities of the executive or the executive s direct reports or (b) any material breach by the Company of its obligations under the agreement.

Under the management continuity agreements, each named executive officer would be entitled to receive the following estimated benefits if terminated during the two-year period of employment following a change-in-control for reasons other than cause or if the individual voluntarily terminates employment for a good reason. These are estimated amounts only and may not reflect the actual amounts that would be paid to the named executive officers. The table reflects the amount that could be payable under the management continuity agreements assuming that the triggering event occurred on December 31, 2010 and that the value of our stock is $88.07 (the closing price on December 31, 2010).

Performance Unit Award Agreements

In the event a change-in-control occurs, the individual would receive a pro-rata portion of his or her award, based on the higher of target value of the award or the unit value of the most recent payout of performance units. In the event that the individual s employment is terminated for other than cause after a change-in-control, the individual would receive the full value of his or her award calculated as the higher of target value of the award or the unit value of the most recent payout of performance units, offset by the earlier payout upon

Table of Contents

change-in-control. This double trigger approach requires both a change-in-control and termination of employment for the individual to receive the full value of the award.

Estimated Current Value of Change-in-Control Benefits under Management Continuity Agreements and Equity Award Agreements

			Benefits				Excise Tax	
ame	Severance Amount (1)	Performance Units (2)	Perquisites Enhancement (3)	Savings Plan Enhancement (4)	Equity Acceleration (5)	Pension Enhancement (6)	and Gross-Up (7)	Total
I. Larsen	$ 7,778,436	$ 4,296,253	$ 9,167	$ 230,115	$ 6,050,350	$	$	$ 18,364,321
Kuechle	$ 2,965,788	$ 2,423,974	$ 90,968	$ 88,926	$ 4,133,913	$ 1,161,664	$ 3,104,653	$ 13,969,886
. Linnert	$ 2,965,788	$ 1,237,953	$ 38,397	$ 88,927	$ 1,556,033	$ 194,645	$	$ 6,081,743
Carmola	$ 3,006,357	$ 1,253,073	$ 84,041	$ 90,144	$ 1,598,285	$ 1,059,718	$	$ 7,091,618
. Egnotovich	$ 3,006,357	$ 2,514,700	$ 67,430	$ 122,244	$ 4,520,008	$ 2,021,375	$ 3,254,544	$ 15,506,658

(1) This amount represents three times the executive officers (i) 2010 annual base pay and (ii) payments made under the Management Incentive Plan for 2009.

(2) This amount represents only payouts for Performance Units for the 2009-2011 and 2010-2012 cycles which would otherwise not be payable upon termination or retirement without a change-in-control. Therefore, not included are the amounts of $4,325,579, $1,261,627 and $1,231,385 for Messrs. Larsen, Carmola and Linnert, respectively, to which they would be entitled without a change-in-control event due to their being eligible for early retirement.

(3) This amount represents the value of the following items for a three-year period after a change-in-control: (i) health and welfare benefits (ii) costs for annual physicals and (iii) tax and financial planning services. Instead of three years of continuing active employee medical coverage which the non-retirement eligible executives would receive, Messrs. Larsen, Carmola and Linnert would be eligible for retiree medical coverage except that they would pay a lower contribution toward this coverage until age 65 than they would pay in the absence of a change-in-control. Also, Mr. Larsen would receive the annual physical and financial planning benefits for five years following retirement without a change-in-control, so there is no extra value for these benefits upon a change-in-control. Messrs. Carmola and Linnert would receive one year of these benefits upon retirement without a change-in-control, so the extra value upon a change-in-control is for two additional years of these benefits.

(4) This amount represents a cash payment in an amount equal to the value of the Company matching contributions and discretionary contributions to which the individual would have been entitled had the individual continued to work for the Company for three additional years.

(5) This amount includes the vesting of unvested stock options and restricted stock units. This amount does not include $10,255,752, $2,921,722 and $3,285,011 for restricted stock units for Messrs. Larsen, Carmola and Linnert, respectively, to which they would be entitled without a change-in-control event as each is retirement eligible.

(6) This amount represents the present value of an additional three years of service and age under the pension plans.

(7) For executives who are entitled to receive severance and other benefits that exceed the individual s average five-year earnings, the estimated tax gross up is computed by taking the 20% excise tax, grossed up for taxes, on the amount of severance and other benefits in excess of one times each individual s average five-year W-2 earnings. Although Messrs. Larsen, Carmola and Linnert are entitled to an excise tax gross up, the amount of their payments, based upon a hypothetical December 31, 2010 change-in-control, does not trigger an excise tax obligation.

Potential Payments Upon Termination or Retirement (Not a Change-in-Control)

As summarized below, under most circumstances upon which a named executive officer leaves employment with the Company, he or she does not receive additional benefits beyond what other employees leaving under the same circumstances would receive. Change-in-control is a circumstance that would trigger additional benefits and payments not generally available to other employees. These additional benefits and payments are described above in a separate change-in-control section. There are certain benefits and payments that may be triggered upon termination or retirement, as described below.

Severance Programs

The Goodrich Corporation severance programs offer severance to eligible employees who terminate employment with the Company for reasons other than resignation (except under the voluntary separation plan), termination for cause, temporary layoff, changes in employment due to the sale of a business unit, transfers within the Company, death, disability or retirement. For eligible employees, the Goodrich Corporation severance program provides for a cash payment not greater than fifty-two weeks of base pay. Severance is paid as a lump sum, usually within fifteen days following the first payroll date after termination of employment if the employee signs an agreement and a release of claims against the Company, which may include a non-compete provision. If a triggering event occurred on December 31, 2010, each named executive officer would have received severance equal to the maximum of fifty-two weeks of salary as listed for 2010 of column (c) of the Summary Compensation Table.

Long-term Incentive Compensation

The Goodrich Corporation 2001 Equity Compensation Plan treats all participants as follows in determining benefits payable upon retirement, death or disability.

Stock Options

If the participant is eligible for retirement at the normal retirement age (age 65) or later under the Company s pension plan (or would be eligible for normal retirement if a participant in such plan), then all unvested options will vest immediately upon such termination. If the participant is eligible for early retirement (age 55 with five years of service) under the Company s pension plan (or would be eligible for early retirement if a participant in such plan) but has not reached age 65, then all unvested options shall continue to vest in accordance with the vesting schedule as provided in the award agreement; however, the Committee may cancel the unvested options granted to certain participants under certain circumstances. If the participant terminates employment by reason of permanent and total disability or death, then all unvested options will vest immediately upon such termination.

Restricted Stock Units

If the participant terminates employment by reason of permanent and total disability or death, then all unvested units will vest immediately upon such termination. The vesting of units for retirement eligible participants is described earlier in this Proxy Statement under the heading Restricted Stock Units.

Performance Units

If the participant terminates employment by reason of early or normal retirement under the Company s pension plan (or would be eligible for early or normal retirement if a participant in such plan), permanent and total disability, or death, then the amount of the benefit payable will be prorated based on the actual employment period versus the three-year performance period.

Perquisites

Upon termination of employment of a named executive officer who is eligible for early or normal retirement, the executive may receive the perquisites as listed below. Messrs. Larsen, Carmola and Linnert are currently eligible for early retirement. Since Mr. Kuechle and Ms. Egnotovich are not currently eligible for early retirement, perquisites would not have continued had they had a termination of employment, other than due to a change-in-control, on December 31, 2010.

Annual Physical

The Chief Executive Officer and his spouse are entitled to receive an annual physical each year during the five-year period following such termination. Each of the other named executive officers, and their spouses, are entitled to receive an annual physical during the 12-month

Table of Contents

period following such termination. For 2010, the actual benefit for Messrs. Larsen, Carmola and Linnert is $259, $568 and $762, respectively.

Financial Counseling/Income Tax Preparation

Each named executive officer will be reimbursed for payments related to financial counseling and income tax preparation for 12 months following such termination, with the exception of Mr. Larsen who is entitled to five years of such services following termination. The benefit for Messrs. Linnert and Carmola is up to $16,000, and for Mr. Larsen up to $80,000.

Pension Benefits

The following table sets forth amounts that the named executive officers would receive under non-qualified pension plans upon retirement had the executive officer retired on December 31, 2010.

Name	Annual Non-qualified Pension Benefits Payable Upon Termination ($)(1)	Lump Sum Value of Non-qualified Pension benefits ($)(2)
M. Larsen	1,449,550	18,671,245
S. Kuechle	384,907	5,019,279
T. Linnert	389,267	4,843,390
J. Carmola	268,275	3,947,354
C. Egnotovich	444,222	5,792,761

(1) Amounts shown for Messrs. Larsen, Carmola and Linnert are payable as of retirement, with delays as applicable under Section 409A of the Code and plan provisions. Amounts for Mr. Kuechle and Ms. Egnotovich are payable at age 62, the earliest age for unreduced early retirement. One-twelfth of the amount shown is payable monthly for the longer of life or five years. Other actuarially equivalent forms of payment are available. Qualified pension plan benefits are not shown, but would also be payable, under the same terms that apply to generally all salaried employees.

(2) In lieu of the annuity amounts shown in the previous column, all or a portion of the non-qualified pension benefit may be paid as a single lump sum. Amounts shown for Messrs. Larsen, Carmola and Linnert are payable as of retirement, with delays as applicable under Section 409A of the Code and plan provisions. Amounts for Mr. Kuechle and Ms. Egnotovich are payable at age 62, the earliest age for unreduced early retirement, except that the portion of the benefit earned on and after January 1, 2005, the effective date of Section 409A, would be discounted to and paid six months following separation from service.

HOLDINGS OF COMPANY EQUITY SECURITIES BY DIRECTORS AND EXECUTIVE OFFICERS