TRIUMPH GROUP INC
Form DEF 14A
June 13, 2013

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

# SCHEDULE 14A

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

Filed by the Registrant ý

Filed by a Party other than the Registrant o

Check the appropriate box:

o Preliminary Proxy Statement

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

ý Definitive Proxy Statement

o Definitive Additional Materials

o Soliciting Material under §240.14a-12

**Triumph Group, Inc.**

(Name of Registrant as Specified In Its Charter)

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

Payment of Filing Fee (Check the appropriate box):

ý No fee required.

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**Triumph Group, Inc.**
**899 Cassatt Road**
**Suite 210**
**Berwyn, Pennsylvania 19312**
**(610) 251-1000**

**Notice of Annual Meeting of Stockholders**
**To Be Held on July 18, 2013**

To the holders of shares of our common stock:

You are invited to be present either in person or by proxy at the annual meeting of stockholders of Triumph Group, Inc. ("Triumph" or the "Company") to be held at **899 Cassatt Road, Suite 210, Berwyn, Pennsylvania 19312**, on Thursday, July 18, 2013, beginning at 9:00 a.m., local time, for the following purposes:

1. To elect all eleven nominees for directors for the coming year;

2. To approve, by advisory vote, executive compensation paid to our named executive officers for fiscal 2013;

3. To approve the material terms of performance-based awards for executive officers under the Company's executive incentive compensation plans for purposes of section 162(m) of the Internal Revenue Code;

4. To approve the 2013 Equity and Cash Incentive Plan;

5. To approve the 2013 Employee Stock Purchase Plan;

6. To ratify the selection of Ernst & Young LLP as our independent registered public accounting firm for the fiscal year ending March 31, 2014; and

7. To transact any other business as may properly come before the meeting or any postponements or adjournments.

Management currently knows of no other business to be presented at the meeting. If any other matters come before the meeting, the persons named in the enclosed proxy will vote with their judgment on those matters.

The Board of Directors has fixed the close of business on May 31, 2013, as the record date for determining stockholders entitled to notice of and to vote at the meeting and any adjournments. To make sure that your vote is counted, please complete, date and sign the enclosed proxy and return it promptly in the enclosed envelope, whether or not you plan to attend the meeting in person. A self-addressed, postage paid envelope is enclosed for your convenience. If you do attend the meeting, you may then withdraw your proxy and vote your shares in person. In any event, you may revoke your proxy prior to its exercise. Shares represented by proxies that are returned properly signed but unmarked will be voted in favor of proposals made by us.

By order of the Board of Directors,

John B. Wright, II
Secretary

June 13, 2013
Berwyn, Pennsylvania

**Your vote is important**

**Please fill in, date and sign the accompanying proxy and return it promptly in the enclosed envelope, whether or not you plan to attend the meeting. No postage is necessary if the envelope is mailed in the United States.**

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**Triumph Group, Inc.**
**899 Cassatt Road**
**Suite 210**
**Berwyn, Pennsylvania 19312**
**(610) 251-1000**

**Proxy Statement**

**For Annual Meeting of Stockholders**

**To be held on July 18, 2013**

## GENERAL INFORMATION

This proxy statement is sent by the Board of Directors (the "Board") of Triumph Group, Inc., to solicit proxies to be voted at our annual meeting of stockholders on Thursday, July 18, 2013, to be held at 9:00 a.m., local time, at **899 Cassatt Road, Suite 210, Berwyn, Pennsylvania 19312** and at any adjournments, for the purposes stated in the accompanying notice of the meeting. This proxy statement, the notice and the enclosed proxy card will first be mailed to stockholders entitled to vote on or about June 13, 2013.

Sending a signed proxy will not affect your right to attend the meeting and vote in person because the proxy is revocable. You have the power to revoke your proxy by, among other methods, giving written notice to the Secretary of Triumph at any time before your proxy is exercised or by attending the meeting and voting in person.

When your proxy card is returned properly signed, your shares will be voted according to your instructions. The Board knows of no matters that are likely to be brought before the meeting other than the matters identified in the notice of the meeting. If any other matters properly come before the meeting, the persons named in the enclosed proxy, or their duly appointed substitutes acting at the meeting, will be authorized to vote or otherwise act according to their judgment in those matters. In the absence of contrary instructions, your shares included on the enclosed proxy will be voted:

"**FOR**" the nominees for director stated thereon;

"**FOR**" the approval, by advisory vote, of executive compensation of our named executive officers for fiscal 2013;

"**FOR**" the approval of the material terms of performance-based awards for executive officers under the Company's executive incentive compensation plans for purposes of section 162(m) of the Internal Revenue Code;

"**FOR**" the approval of the 2013 Equity and Cash Incentive Plan;

"**FOR**" the approval of the 2013 Employee Stock Purchase Plan; and

"**FOR**" the ratification of the selection of Ernst & Young LLP as our independent registered public accounting firm for the fiscal year ending March 31, 2014.

We will pay for this proxy solicitation. Our officers and other regular employees may solicit proxies by mail, in person or by telephone or telecopy. These officers and other regular employees will not receive additional compensation. We are required to pay, upon request, the reasonable expenses incurred by record holders of common stock who are brokers, dealers, banks, voting trustees or other nominees for mailing proxy material and annual stockholder reports to any beneficial owners of common stock they hold of record.

**IMPORTANT NOTICE REGARDING THE AVAILABILITY OF PROXY MATERIALS FOR THE 2013 ANNUAL MEETING OF STOCKHOLDERS TO BE HELD ON JULY 18, 2013.**

Triumph Group Inc.'s Proxy Statement for the 2013 Annual Meeting of Stockholders, the Annual Report on Form 10-K for the fiscal year ended March 31, 2013, and the 2013 Annual Report to Stockholders are available via the Internet at www.proxyvote.com.

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## VOTE REQUIRED FOR APPROVAL

*General*

Holders of record of our common stock as of the close of business on May 31, 2013, the record date, will be entitled to notice of and to vote at the meeting and at any adjournments. Holders of shares of common stock are entitled to vote on all matters brought before the meeting.

As of the record date, there were 51,721,218 shares of common stock outstanding and entitled to vote on the election of directors and all other matters. Holders of common stock will vote on all matters as a class. Each outstanding share of common stock entitles the holder to one vote. All votes will be counted by Computershare as transfer agent.

The presence in person or by proxy of the holders of a majority of the outstanding common stock is necessary to constitute a quorum at the meeting. Abstentions in each of the proposals will be counted for the purpose of determining whether a quorum is present at the meeting and as votes cast and will have the effect of a negative vote. Broker non-votes for all proposals will not be counted in determining the presence of a quorum, will not be considered as votes cast, and will have no effect on the results of the votes.

*Election of Directors*

In an uncontested election (which is the case for the election of directors at the 2013 annual meeting), directors will be elected by a majority of the votes cast by holders of common stock, voting together as a class, represented in person or by proxy and entitled to vote on such matter at the annual meeting. A majority of the votes cast means that the number of votes cast "for" a director nominee must exceed the number of votes cast "against" that nominee. Our Amended and Restated By-Laws contain detailed procedures to be followed in the event that one or more directors do not receive a majority of the votes cast at the annual meeting.

*Approval, by Advisory Vote, of Executive Compensation*

Approval, by advisory vote, of executive compensation for our named executive officers for fiscal 2013 will require the favorable vote of a majority of the votes cast by holders of shares of common stock present in person or by proxy and entitled to vote on such matter at the annual meeting. This vote is advisory in nature and therefore not binding on the Company. However, our Board will consider the outcome of this vote in its future deliberations regarding executive compensation.

*Approval of Material Terms of Performance-Based Awards for Executive Officers under the Company's Executive Incentive Compensation Plans*

Approval of the material terms of performance-based awards for executive officers under the Company's executive incentive compensation plans for purposes of section 162(m) of the Internal Revenue Code (the "Code") will require the favorable vote of a majority of the votes cast by holders of shares of common stock present in person or represented by proxy and entitled to vote on such matter at the annual meeting.

*Approval of 2013 Equity and Cash Incentive Plan*

Approval of the 2013 Equity and Cash Incentive Plan will require the favorable vote of a majority of the votes cast by holders of shares of common stock present in person or represented by proxy and entitled to vote on such matter at the annual meeting.

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*Approval of 2013 Employee Stock Purchase Plan*

Approval of the 2013 Employee Stock Purchase Plan will require the favorable vote of a majority of the votes cast by holders of shares of common stock present in person or represented by proxy and entitled to vote on such matter at the annual meeting.

*Ratification of Ernst & Young LLP as Our Independent Registered Public Accounting Firm for the Fiscal Year Ending March 31, 2014*

Ratification of the audit committee's selection of our independent registered public accounting firm will require the favorable vote of a majority of the votes cast by holders of the shares of common stock present in person or represented by proxy and entitled to vote on such matter at the annual meeting.

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## PROPOSALS TO STOCKHOLDERS

### Proposal No. 1 Election of Directors

The Board currently consists of eleven directors: Paul Bourgon, Elmer L. Doty, John G. Drosdick, Ralph E. Eberhart, Jeffry D. Frisby, Richard C. Gozon, Richard C. Ill, William L. Mansfield, Adam J. Palmer, Joseph M. Silvestri and George Simpson. At the meeting, the eleven directors are submitted as nominees for election by the stockholders for a term ending at the next annual meeting of stockholders and when each such director's successor is duly elected and qualified.

The table below lists the name of each person nominated by the Board to serve as a director for the coming year. All of the nominees are currently members of our Board with terms expiring at the meeting. Each nominee has consented to be named as a nominee and, to our knowledge, is willing to serve as a director, if elected. Should any of the nominees not remain a nominee at the end of the meeting (a situation which is not anticipated), solicited proxies will be voted in favor of those who remain as nominees and may be voted for substitute nominees. Unless contrary instructions are given on the proxy, the shares represented by a properly executed proxy will be voted "**FOR**" the election of Paul Bourgon, Elmer L. Doty, John G. Drosdick, Ralph E. Eberhart, Jeffry D. Frisby, Richard C. Gozon, Richard C. Ill, William L. Mansfield, Adam J. Palmer, Joseph M. Silvestri and George Simpson.

| Nominees | Age | Year First Elected a Director |
|---|---|---|
| Paul Bourgon | 56 | 2008 |
| Elmer L. Doty | 59 | 2010 |
| John G. Drosdick | 69 | 2012 |
| Ralph E. Eberhart | 66 | 2010 |
| Jeffry D. Frisby | 57 | 2012 |
| Richard C. Gozon | 74 | 1993 |
| Richard C. Ill | 70 | 1993 |
| William L. Mansfield | 65 | 2012 |
| Adam J. Palmer | 40 | 2010 |
| Joseph M. Silvestri | 51 | 2008 |
| George Simpson | 70 | 2002 |

The principal occupations of each nominee and the experience, qualifications, attributes or skills that led to the conclusion that such nominee should serve as a director for the coming year are as follows:

**Paul Bourgon** has been a Director of Triumph since October 2008. Mr. Bourgon has served as President of the Aeroengine division of SKF Aeroengine since 2006. SKF Group supplies products, solutions and services within rolling bearings, seals, mechatronics, services and lubrication systems and SKF Aeroengine, a division of SKF Group, focuses on providing services in bearing repair and overhaul. Prior to joining SKF Aeroengine, Mr. Bourgon served as Vice President Marketing of Heroux-Devtex Inc., a company which then supplied the commercial and military sectors with landing gear, airframe structural components, including kits, and aircraft engine components. Mr. Bourgon also serves on the board of directors of Venture Aerobearing LLC. Mr. Bourgon's current experience as a president of a significant aerospace business and his past experience within the aerospace industry enables him to serve as an additional point of reference on trends and developments affecting Triumph's business and its customers, suppliers and competitors. In addition, his background as a Chartered Accountant, member of the Canadian Institute of Chartered Accountants since 1983, articling with Coopers & Lybrand in Montreal in the Auditing and Taxes departments, as well as his ongoing responsibility for the financial statements of the business he manages, enables him to lend additional financial expertise to the deliberations of the Board and as Chair of the Audit Committee.

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**Elmer L. Doty** has been a Director of Triumph since June 2010. Mr. Doty has served as President and Chief Executive Officer of Accudyne Industries LLC since January 1, 2013. Mr. Doty served as the President of Triumph Aerostructures Vought Aircraft Division, which represents a substantial majority of the business acquired by Triumph in 2010 in the acquisition (the "Vought Acquisition") of Vought Aircraft Industries, Inc. ("Vought"), until December 31, 2010. From February 2006 until the closing of the Vought Acquisition, Mr. Doty served as President and Chief Executive Officer of Vought and as a member of Vought's board of directors. Prior to joining Vought, Mr. Doty served as the Vice President & General Manager of BAE Systems Ground Systems Division, a position he held since July 2005, when BAE acquired United Defense Inc. ("UDI"). Mr. Doty had served in the identical position with UDI since April 2001, with the additional duties of an executive officer of UDI. Prior to that time, he had served in other senior executive positions with UDI and its predecessor company, FMC Corporation. Mr. Doty joined the Board as part of an arrangement in connection with the Vought Acquisition. Mr. Doty brings to the Board not only his knowledge of Vought and its business but the benefit of years of management experience as a senior executive and a deep knowledge of the aerospace and defense industry.

**John G. Drosdick** has been a Director of Triumph since 2012. Mr. Drosdick served as Chairman, President, Chief Executive Officer of Sunoco, Inc. from June 2000 through August 2008, and as the Chairman of Sunoco Partners, LLC, a subsidiary of Sunoco, Inc. and the general partner of Sunoco Logistics Partners, L.P., a publicly traded master limited partnership from February 2002 through December 2008. Mr. Drosdick also serves as a director of United States Steel Corporation and PNC Funds. Mr. Drosdick's long experience as the chief executive officer of a major public company with multiple operations provides the Board with a source of significant expertise in managing complex business operations, and his service on other boards provides the Board with another source of information on best practices in corporate governance.

**Ralph E. Eberhart** has been a Director of Triumph since June 2010. General Eberhart served as Commander of the North American Aerospace Defense Command (NORAD) and U.S. Northern Command from October 2002 to January 2005. General Eberhart's active military career spanned 36 years. He is also a member of the board of directors of Rockwell Collins, Inc. and VSE Corporation and is a director of several private companies. He is also Chairman and President of the Armed Forces Benefit Association. General Eberhart joined the Board as part of an arrangement in connection with the Vought Acquisition. Given the significant share of Triumph's business focused on serving the militaries of the United States and other countries, General Eberhart provides the Board with valuable insight into military operations that enables the Company to better serve its military customers. The Company also benefits from his experience as a director of other aerospace and defense companies. Moreover, his senior leadership experience enables him to provide management with valuable advice on management issues.

**Jeffry D. Frisby** has been President of Triumph since 2009 and became Chief Executive Officer and a Director in July 2012. Prior to becoming our Chief Executive Officer, Mr. Frisby served as Chief Operating Officer of Triumph from 2009 to 2012. He joined the company in 1998 as President of Frisby Aerospace, Inc. upon its acquisition by Triumph. In 2000, he was named Group President of the Triumph Control Systems Group and was later named Group President of the Triumph Aerospace Systems Group upon its formation in April, 2003. He was appointed Chief Operating Officer of Triumph in July 2009. In July 2012, Mr. Frisby assumed the role of Chief Executive Officer of Triumph. Mr. Frisby currently serves as a member of the board of directors of Quaker Chemical Corporation. Mr. Frisby will provide the Board with detailed knowledge of Triumph's businesses and its industry, challenges and opportunities, having spent his business career in the aerospace industry. He will also communicate management's perspective on important matters before the Board.

**Richard C. Gozon** has been a Director of Triumph since 1993. He is currently President of Thomas Jefferson University. Prior to his retirement in 2002, Mr. Gozon served as Executive Vice President of

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Weyerhaeuser Company ("Weyerhaeuser"), a position which he held for more than five years. Weyerhaeuser is an international forest products company. He was responsible for Weyerhaeuser's Pulp, Paper, Containerboard Packaging, Newsprint, Recycling and Ocean Transportation businesses. He also served as Chairman of Norpac, a joint venture between Weyerhaeuser and Nippon Paper Industries. Mr. Gozon is Chairman and director of AmerisourceBergen Corporation and serves on the boards of directors of AmeriGas Partners, L.P. and UGI Corporation. Mr. Gozon's service on Triumph's Board since the Company's inception as a separate company provides him with a deep familiarity with the Company's business and industry. His own extensive experience as a senior executive in public companies has included broad management responsibility, including supervisory responsibility for the preparation of complex public company financial statements. These management experiences enable Mr. Gozon to contribute substantially to the oversight of all aspects of Triumph's operations, including service as the Company's lead independent director. The Company also benefits from Mr. Gozon's insights drawn from his long experience as a director of several other public companies.

**Richard C. Ill** served as Triumph's Chief Executive Officer from its founding in 1993 until his resignation from that position in July 2012 and served as President from 1993 until 2009. He has been a Director of Triumph since 1993 and has served as Chairman since 2009. Mr. Ill is a director of P.H. Glatfelter Company, Mohawk Industries and Baker Industries and a trustee of the Eisenhower Fellowships. Mr. Ill led the management buyout pursuant to which Triumph was founded in 1993 and led the Company as its Chief Executive Officer and a Director since that time until his resignation as Chief Executive Officer in July 2012. As Chairman, he serves a key leadership role on the Board, including as Chair of the Finance Committee and the Executive Committee, provides the Board with detailed knowledge of each of Triumph's businesses and its industry, challenges and opportunities, and communicates management's perspective on important matters to the Board. His experience in serving on the boards of other public companies provides additional insights that are valuable in the management and oversight of Triumph's business.

**William L. Mansfield** has been a Director of Triumph since 2012. Mr. Mansfield served as the Chairman of the Board of The Valspar Corporation from August 2007 through June 2012 and served as that company's Chief Executive Officer from February 2005 to June 2011 and as its President from February 2005 through February 2008. Mr. Mansfield also serves as a director of Bemis Company, Inc. and Axiall Corporation. Mr. Mansfield brings to the Board deep management experience as a former chief executive officer of a significant, publically-traded manufacturing business with diverse operations spread across the globe as well as a track record of enhancing growth through acquisition. Likewise, his continuing service as a director of other public companies is a source of additional insight into developments in corporate management and governance.

**Adam J. Palmer** has been a Director of Triumph since June 2010. Mr. Palmer is currently a Managing Director and Head of the Global Aerospace, Defense and Services Group at The Carlyle Group ("Carlyle"), a global alternative asset management firm. Prior to joining Carlyle in 1996, Mr. Palmer was with Lehman Brothers focusing on mergers, acquisitions and financings for aerospace, defense and information services companies. Mr. Palmer also currently serves on the boards of directors of Sequa Corporation, Wesco Aircraft Holdings, Inc., RPK Capital Partners, Dynamic Precision Group, Inc. and Landmark U.S. Holdings, LLC. Mr. Palmer served a member of Vought's board of directors from 2000 until the Vought Acquisition and led the negotiations on behalf of Carlyle that culminated in Triumph's acquisition of Vought from equity funds affiliated with Carlyle. Mr. Palmer joined the Board as part of an arrangement in connection with the Vought Acquisition. The Board benefits from Mr. Palmer's deep familiarity with Vought's business acquired through his years of involvement in developing its business as a Carlyle investment. The Board also benefits from Mr. Palmer's knowledge and understanding of the aerospace and defense industry, acquired through his

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years of active involvement as an investor, as well as his understanding of management issues derived from his participation on corporate boards.

**Joseph M. Silvestri** has been a Director of Triumph since October 2008 and previously served as a Director of Triumph from 1995 to 2005. Mr. Silvestri is currently a Managing Partner of Court Square Capital Partners, an independent private equity firm, and has been employed by Court Square Capital Partners and its predecessors since 1990. Mr. Silvestri also serves on the board of directors of numerous private companies. Through his two periods of service on the Board, Mr. Silvestri has acquired a deep understanding of Triumph's background and development. He also lends to the Board's deliberations the benefit of his own knowledge and understanding of the operation of the capital markets, financial matters and mergers and acquisitions generally gained through his years of participation in private equity investments. In addition, as an experienced private equity investor, he is able to share with the Board insights on corporate management and best practices derived from his experience with the many portfolio companies with which he has been associated.

**George Simpson** has been a Director of Triumph since 2002. Prior to his retirement in 2001, Mr. Simpson served as Chief Executive Officer of Marconi Corporation plc, formerly GEC plc, a position which he held since September 1996. Marconi Corporation plc was a communications and information technology company. In addition, Mr. Simpson has also served on the boards of directors of Nestlé SA and Alstom SA. Mr. Simpson's long and successful career leading or serving on the boards of directors of manufacturing enterprises doing business internationally provides Triumph with advice and insights on a wide range of management issues, including issues of operational and financial discipline, resource allocation and executive and senior management compensation. As a citizen of the United Kingdom resident in Europe, Mr. Simpson also brings an international perspective and the benefits of international business contacts to the Board's deliberations and his service as Chair of the Compensation and Management Development Committee.

**The Board recommends that stockholders vote "FOR" each of the nominees. The nominees receiving a majority of the votes cast in favor of their election will be elected as directors.**

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**Proposal No. 2  Advisory Vote on Executive Compensation**

The Dodd-Frank Wall Street Reform and Consumer Protection Act (the "Dodd-Frank Act") added Section 14A to the Exchange Act, which requires that we provide our stockholders with the opportunity to vote to approve, on a nonbinding, advisory basis, the compensation of our named executive officers for fiscal 2013 as disclosed in this proxy statement in accordance with the compensation disclosure rules of the United States Securities and Exchange Commission (the "SEC").

We seek to closely align the interests of our named executive officers with the interests of our stockholders. Our executive compensation programs are intended to achieve several business objectives, including: (i) recruiting and retaining our executives with the talent required to successfully manage our business; (ii) motivating our executives to achieve our business objectives; (iii) instilling in our executives a long-term commitment to the Company's success by providing elements of compensation that align the executives' interests with those of our stockholders; (iv) providing compensation that recognizes individual contributions as well as overall business results; and (v) avoiding or minimizing the risks of incentivizing management behavior that is inconsistent with the interests of our stockholders. Our Compensation Discussion and Analysis, which begins on page 37 of this proxy statement, describes in detail the components of our executive compensation program, the process by which our Board of Directors makes executive compensation decisions, and the compensation paid to our named executive officers for fiscal 2013. Highlights of our executive compensation program include the following:

- We set initial base salaries for executive officers by evaluating the responsibilities of the position and each individual's experience and, as part of such evaluation, considering the competitive marketplace for executives and peer group salaries for similar positions.

- We provide significant incentive opportunities for our executive officers, so that our executive officers have the potential for above average compensation, but only if certain Company-based performance objectives are met or exceeded.

- In order to align management's interest with that of our stockholders, we make equity awards (generally, in restricted stock in recent years) to our executive officers and other management employees. However, in the event of poor corporate performance, our compensation and management development committee may elect not to make equity awards.

- Our restricted stock award grants are designed to induce management to remain with the Company because such equity awards are forfeited if an executive officer voluntarily resigns within four years of the grant of such award.

- Our Executive Incentive Plan is designed to promote the achievement of the Company's short-and long-term targeted business objectives by providing competitive incentive reward opportunities to those selected executive officers who we believe can significantly impact the Company's performance.

- We provide certain executive officers with additional benefits, or perquisites, that we believe are reasonable, competitive, and consistent with our overall executive compensation program and allow our executive officers to work more efficiently.

The vote on this proposal is advisory, which means that the approval of executive compensation for the named executive officers for fiscal 2013 is not binding on the Company, our Board of Directors or the compensation and management development committee of the Board of Directors. The vote on this resolution is not intended to address any specific element of compensation, but rather relates to the overall compensation of our named executive officers for fiscal 2013, as described in this proxy statement in accordance with the compensation disclosure rules of the SEC. To the extent there is a significant vote against our executive compensation as disclosed in this proxy statement, the

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compensation and management development committee will evaluate whether any actions are necessary to address our stockholders' concerns.

The affirmative vote of a majority of the shares present in person or represented by proxy and entitled to vote on such matter at the annual meeting is required to approve Proposal 2. Accordingly, we ask our stockholders to vote on the following resolution at the annual meeting:

> RESOLVED, that the compensation paid to the Company's named executive officers for fiscal 2013, as disclosed pursuant to Item 402 of Regulation S-K, including the Compensation Discussion and Analysis, compensation tables, and narrative discussion, is hereby APPROVED, on a non-binding, advisory basis.

**The Board recommends that stockholders vote "FOR" the approval of the compensation of our named executive officers for fiscal 2013, as disclosed in this proxy statement.**

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## Proposal No. 3 Approval of the Material Terms of Performance-Based Awards for Executive Officers Under the Company's Executive Incentive Compensation Plans for Purposes of Section 162(m) of the Internal Revenue Code

**Executive Summary**

The stockholders of the Company are asked to consider and vote upon a proposal to approve the material terms of performance-based awards to be paid to executive officers under the Company's annual cash bonus plan and the Company's Executive Incentive Plan effective September 28, 2010 (the "Executive Incentive Plan" and collectively with the annual cash bonus plan, the "Executive Compensation Plans") in order to qualify payment of such awards as performance-based compensation under section 162(m) of the Code. If the stockholders approve this proposal, the compensation paid after approval of this proposal pursuant to such material terms of an Executive Compensation Plan will be fully deductible by the Company under section 162(m) of the Code.

The Company's annual cash bonus plan was approved by stockholders for purposes of section 162(m) of the Code at the 2007 annual meeting, and is being presented again for stockholder approval at this 2013 annual meeting. The Executive Incentive Plan was originally adopted by the Company's Board of Directors (the "Board") in September 2010, and is being presented for stockholder approval at this 2013 annual meeting. A description of the annual cash bonus plan and the Executive Incentive Plan are provided below, and a copy of the Executive Incentive Plan is attached as Appendix A to this proxy statement.

Awards may be granted under an Executive Compensation Plan to senior executives whose participation in such plan is determined by the compensation and management development committee (the "Compensation Committee") of the Board.

Section 162(m) of the Code generally provides that no business expense deduction is allowed for annual compensation in excess of $1 million paid by a publicly traded corporation to its chief executive officer and four other most highly compensated officers, as determined in accordance with the applicable rules under the Securities Exchange Act of 1934, as amended. However, under the Internal Revenue Code this limitation on deductibility does not apply to "qualified performance-based compensation." To satisfy this definition, the compensation must be paid solely on account of the attainment of one or more pre-established, objective performance goals, the performance goal under which compensation is paid must be established by a compensation committee composed solely of two or more directors who qualify as "outside directors" for purposes of the exception, the material terms under which the compensation is to be paid must be disclosed to and subsequently approved by stockholders of the corporation in a separate vote before payment is made, and the compensation committee must certify in writing before payment of the compensation that the performance goals and any other material terms were satisfied. Under the Internal Revenue Code, a director is an "outside director" if the director is not a current employee of the corporation, is not a former employee who receives compensation for prior services (other than under a qualified retirement plan), has not been an officer of the corporation, and does not receive, directly or indirectly (including amounts paid to an entity that employs the director or in which the director has at least a 5% ownership interest), remuneration from the corporation in any capacity other than as a director. In addition, stockholder approval of any such plan is required at least every five years.

For purposes of section 162(m) of the Code, we are seeking approval of the material terms for performance-based awards under the annual cash bonus plan and the Executive Incentive Plan, including the general business criteria that may be used to set performance objectives for awards intended to qualify under section 162(m). We generally seek to preserve our ability to claim tax deductions for compensation paid to executives. Stockholder approval of the general business criteria, without specific targeted levels of performance, and of the other material terms for performance-based awards, will permit qualification of awards for full tax deductibility under section 162(m).

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The affirmative vote of a majority of the shares cast by holders of shares of common stock present in person or represented by proxy and entitled to vote on such matter at the annual meeting is required to approve this Proposal 3. Abstentions will be counted as votes cast on this proposal and will have the same effect as negative votes. Broker non-votes are counted towards a quorum, but are not counted for any purpose in determining whether this proposal has been approved.

**Description of the Executive Compensation Plans**

The following description of the Executive Compensation Plans is only a summary of the material features and does not describe all provisions. This summary is qualified in its entirety by reference to the text of the Executive Incentive Plan, which is attached to this proxy statement as Appendix A.

*Administration*

The Triumph annual cash bonus plan and the Executive Incentive Plan are each administered by the Compensation Committee of our Board. All of the members of the Compensation Committee satisfy the independence requirements of the listing standards of the New York Stock Exchange and our Independence Standards, meet the definitions of "non-employee director" under Rule 16b-3 of the Exchange Act and "outside director" for purposes of section 162(m) of the Code as described above. The Compensation Committee has the right to terminate or amend the annual cash bonus plan, without stockholder approval, at any time and for any reason. The Compensation Committee may amend, alter or suspend the Executive Incentive Plan, or any part thereof, at any time and for any reason, and the Board may terminate the Executive Incentive Plan at any time. Triumph will obtain stockholder approval for any amendment to the annual cash bonus plan or the Executive Incentive Plan to the extent such approval is required by applicable laws or stock exchange rules.

The Triumph executive officers are the employees eligible to receive performance-based compensation awards under the annual cash bonus program and the Executive Incentive Plan. The executive officers include the Chief Executive Officer, our other executive officers, and other key officers of Triumph, which currently consists of approximately 40 individuals.

*Incentive Awards*

Each year, within the time period established under section 162(m) of the Code, the Compensation Committee will determine the terms of each incentive award, if any, made to executive officers under the Executive Compensation Plans. Performance is measured over our fiscal year which ends March 31, and can encompass multiple fiscal year performance periods. The payment, if any, due an executive officer pursuant to the annual cash bonus program or the Executive Incentive Plan will depend on the extent to which we have achieved the corporate performance goals determined by the Compensation Committee at the beginning of a performance period. The payment under the Executive Incentive Plan may be in cash or in shares of our common stock. Any awards paid in stock are paid by issuance of an award under one of our stockholder-approved equity incentive plans. Currently, such awards are paid under our 2004 Stock Incentive Plan. If the 2013 Equity and Cash Incentive Plan is approved by stockholders under Proposal 4 in this proxy statement, future awards paid in stock under the Executive Incentive Plan will be issued under such 2013 Equity and Cash Incentive Plan.

The target bonus potential under the annual cash bonus plan is established by the Compensation Committee, expressed as a percentage of base salary, at the beginning of each fiscal year. Under the Executive Incentive Plan, target incentive awards are established by the Compensation Committee at the beginning of each three-year performance period, also expressed as a percentage of the participant's base salary. Under the Executive Incentive Plan, threshold performance goal(s) are established at the beginning of the three-year performance period, selected from the performance goals described below. The Compensation Committee determines the extent to which such performance

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goal(s) are met at the end of the first fiscal year in the performance period; thereafter the earned incentive award is paid 30% as a cash award and 70% as a stock award. Both the cash award and stock award components are subject to additional forfeiture restrictions based on service to Triumph during the remainder of the performance period, and to forfeiture if the threshold performance goal is not achieved, on average, over the entire performance period.

No payment under the annual cash bonus plan to any one executive officer in any fiscal year shall exceed $3.0 million, and no incentive award paid under the Executive Incentive Plan can exceed 200% of the established target incentive award.

*Performance Goals*

The Compensation Committee utilizes objective financial or operating criteria to establish corporate performance goals for awards under each of the Executive Compensation Plans. Awards may be based on any combination or specific targeted amounts of, or changes in, return on net assets ("RONA"), earnings per share on a fully diluted basis, operating income, earnings before interest, taxes, depreciation and amortization ("EBITDA"), working capital, sales growth and/or internal rate of return on capital expenditures. Performance Goals may be applied on an absolute Company, division or subsidiary basis or relative to performance of peer group companies or other external measure of the selected performance goal.

A performance goal may include or exclude items that measure specific objectives, such as the cumulative effect of changes in generally accepted accounting principles, losses resulting from discontinued operations, securities gains and losses, restructuring, merger-related and other nonrecurring costs, amortization of goodwill and other intangible assets, extraordinary gains or losses and any unusual, nonrecurring gain or loss that is separately quantified in the Company's financial statements. Performance goals expressed on a per-share basis shall, in case of a recapitalization, stock dividend, stock split or reverse stock split affecting the number of outstanding shares of the Company, be mathematically adjusted by the Compensation Committee so that the change in outstanding shares of the Company does not cause a substantive change in the applicable performance goal. The Compensation Committee may adjust performance goals for any other objective events or occurrences which occur during an award period, including changes in applicable tax laws or accounting principles.

Please see pages 39 to 42 of this proxy statement for a description of the awards made under the annual cash bonus plan and the Executive Incentive Plan for fiscal 2013.

*Conclusion*

In summary, if the stockholders approve this Proposal 3, the material terms of the performance goals described above will constitute the framework within which the Compensation Committee will set specific performance goals for awards under the annual cash bonus plan and Executive Incentive Plan as described above, and therefore preserve our ability to obtain tax deductions for such compensation in the next five years.

**The Board recommends that stockholders vote "FOR" the approval of the material terms of performance-based awards for executive officers under the Company's annual cash bonus plan and Executive Incentive Plan for purposes of section 162(m) of the Code.**

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**Proposal No. 4 Approval of 2013 Equity and Cash Incentive Plan**

**Executive Summary**

We are requesting that the stockholders approve the terms of the Triumph Group, Inc. 2013 Equity and Cash Incentive Plan (the "2013 Plan"). On April 26, 2013, the Compensation and Management Development Committee of the Board of Directors (the "Compensation Committee") and the Board of Directors adopted and approved the 2013 Plan and directed that it be submitted to stockholders for their approval. The Board believes that the 2013 Plan is an important compensation tool designed to retain and motivate the officers and other employees of the Company and its affiliates whose long-term employment is considered essential to the Company's continued progress, while aligning the interests of such employees with stockholders, and providing incentives for such persons to create shareholder value.

The 2013 Plan is to be used for equity-based and cash-based awards to officers and other employees of the Company or its affiliates. The 2013 Plan enables the Company to grant stock options and make stock awards and restricted stock unit awards to eligible employee participants. Such awards can have service-based and/or performance-based vesting requirements. In addition, we have incorporated into the 2013 Plan the ability to make performance-based cash awards to eligible participants.

The Board is also seeking stockholder approval of performance-based awards (both equity-based and cash-based) made under the 2013 Plan for purposes of complying with section 162(m) of the Code. Generally, section 162(m) of the Code does not provide for a tax deduction to publicly held companies for compensation that is paid to the CEO and the four most highly compensated executive officers other than the CEO to the extent such compensation exceeds $1 million per officer in any year. However, awards made by a publicly held company pursuant to a performance-based compensation plan that is approved by its stockholders at least every five years will not be subject to such deduction limitation. In order to satisfy this requirement, we are submitting the 2013 Plan for stockholder approval at the annual meeting.

The 2013 Plan will replace the existing Triumph Group, Inc. 2004 Stock Incentive Plan (the "2004 Plan"), which expires by its terms in 2014. The 2013 Plan will not become effective until it is approved by the stockholders. After stockholders approve the 2013 Plan, no further awards will be made under the 2004 Plan, and the 2004 Plan will remain in existence only as it applies to outstanding awards previously made under the 2004 Plan.

The 2013 Plan has the following key features:

- Like the 2004 Plan, the 2013 Plan provides for grants of stock options (both "incentive stock options" and nonstatutory stock options) and stock awards. In addition, however, the 2013 Plan provides for grants of restricted stock units or "RSUs" and performance-based cash awards such as those currently made under the Triumph Group, Inc. Executive Incentive Plan.

- Equity grants, whether stock options, stock awards, or RSU awards, may or may not be performance-based.

- A stock option may not be granted with an exercise price lower than the fair market value of the underlying share on the grant date. The 2013 Plan has an expanded definition of "repricing" and prohibits engaging in any such repricing transaction without stockholder approval (other than in connection with a change in Triumph's capitalization.

- Shares subject to awards that are cancelled, expire or are forfeited without the issuance of any shares will be available for re-grant under the 2013 Plan, but shares tendered in payment of any exercise price or withheld to satisfy any tax withholding obligation will not be available for re-grant.

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An employee may not be granted, in any calendar year, awards covering more than 150,000 shares, except that in connection with his or her initial employment with Triumph, an employee may be granted awards covering up to an additional 100,000 shares.

An employee may not be granted, for any designated performance period, a cash award of more than $5,000,000.

**Description of the 2013 Plan**

The following description of the 2013 Plan is only a summary of the material features of the 2013 Plan and does not describe all of its provisions. The 2013 Plan is attached to this proxy statement as Appendix B. This summary is qualified in its entirety by reference to the text of the 2013 Plan.

*Administration*

The 2013 Plan will be administered by the Compensation Committee of the Board. The Compensation Committee, acting as the administrator of the 2013 Plan, will have, among other things, the discretionary authority to interpret the 2013 Plan, determine eligibility for and grant awards, determine the number of shares subject to any award made under the 2013 Plan, determine, modify or waive the terms and conditions of any award, prescribe forms, rules and procedures, and do all things necessary to carry out the purposes of the 2013 Plan, all subject to the provisions of the 2013 Plan. All determinations of the Compensation Committee made under the 2013 Plan will be conclusive and will bind all parties. The Compensation Committee may, in its discretion, delegate to one or more individuals the day-to-day administration of the 2013 Plan and any of the functions assigned to the Compensation Committee in the 2013 Plan.

*Shares Subject to the 2013 Plan*

An aggregate amount of 5,000,000 shares of our common stock have been authorized and reserved for issuance under the 2013 Plan, provided, that the aggregate number of shares of common stock issued as restricted stock units or stock awards may not exceed 3,500,000 shares. As of May 31, 2013, the closing price of our shares of common stock was $77.65 per share.

As of May 31, 2013, 70,888 shares are reserved for outstanding unexercised stock option awards and 289,879 shares are reserved for outstanding nonvested restricted stock and deferred stock units. These outstanding awards have been issued under the 2004 Plan and our Amended and Restated Directors' Stock Incentive Plan.

Shares of common stock underlying any award that is forfeited, cancelled or satisfied without the issuance of shares of common stock will be added back to the shares of common stock available for future issuance under the 2013 Plan. Any shares of common stock withheld by the Company to satisfy a participant's tax withholding obligations with respect to an award, or used by a participant to pay any exercise price will not be added back to the shares of common stock available for issuance under the 2013 Plan. Shares of common stock that may be issued under the 2013 Plan may be any combination of authorized and newly issued shares or shares held by the Company as treasury shares.

*Award Limits*

Awards of no more than 150,000 shares of common stock may be granted to any one participant in any calendar year, except that in connection with a participant's initial employment by the Company, the participant may be granted awards covering up to an additional 100,000 shares of common stock. Cash awards of no more than $5,000,000 may be granted to any one individual for any designated performance period. The aggregate number of shares that may be awarded as incentive stock options is 5,000,000 shares.

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*Eligibility*

All active employees of the Company or any of its affiliates are eligible to participate in the 2013 Plan. As of March 31, 2013, there were approximately 3,264 management employees, including the five named executive officers, each of whom would be eligible to be granted awards under the 2013 Plan. The Compensation Committee, in its discretion, selects the employees to whom awards may be granted, the time or times at which such awards are granted and the terms of such awards.

*Types of Awards*

Awards under the 2013 Plan may be made in the form of stock options, RSU awards, stock awards or cash awards; whether singly or in combination with any other form of award. Any of the foregoing awards may be made subject to the attainment of performance goals over the applicable performance period. The terms of all awards made under the 2013 Plan will be determined by the Compensation Committee and will be stated in an award agreement.

The 2013 Plan requires that awards intended to qualify for the exemption from the deduction limitations of section 162(m) of the Code be based on the attainment of specified performance goals established in writing by the Compensation Committee. The performance goals will comply with the requirements of section 162(m) of the Code.

*Stock Options*

Each stock option will be evidenced by a stock option agreement between the Company and the participant.

*Exercise Price.* The Compensation Committee determines the exercise price of stock options at the time the stock options are granted. The exercise price of a stock option may not be less than 100% of the fair market value of the common stock on the date such option is granted. Other than in connection with a change in Triumph's capitalization, options cannot be repriced without stockholder approval.

*Vesting Period; Performance Goals and Exercise Dates.* Stock options may vest or be exercisable at such time, subject to the achievement of designated performance goals, or in such installments, prior to the expiration of the option, as the Compensation Committee determines.

*Exercise of Stock Options; Form of Consideration.* The Compensation Committee determines when options become exercisable and in its discretion may accelerate the vesting of any outstanding options. The 2013 Plan permits payment of the exercise price to be made by cash, check, wire transfer, other shares of common stock of Triumph (with some restrictions), broker assisted same-day sales, any other form of consideration permitted by applicable law or any combination of these alternatives.

*Term of Stock Options.* The term of an option may be no more than ten years from the date of grant. An option may not be exercised after the expiration of its term.

*Termination of Employment.* Unless otherwise specified in the option agreement, if a participant's employment terminates for any reason (other than as described below), then all vested options held by the participant under the 2013 Plan will terminate ninety days after the participant's termination and any unvested options will terminate upon the participant's termination. The 2013 Plan provides for different vesting or exercise rights under certain termination of employment events described below in this proxy statement.

*Other Provisions.* The option agreement may contain other terms, provisions and conditions not inconsistent with the 2013 Plan, as may be determined by the Compensation Committee.

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*Stock Awards*

Each stock award will be evidenced by a stock award agreement between the Company and the participant.

*Restrictions and Performance Goals.* Stock awards may be earned and any forfeiture restrictions may lapse, at such time and in such installments, or subject to such performance goals and within any performance period established by the Compensation Committee.

*Forfeiture.* Unless otherwise provided in the stock award agreement, upon a participant's termination of employment (other than as described below), the shares subject to a stock award that have not been earned pursuant to the stock award agreement will be forfeited. The 2013 Plan provides for different vesting or lapse of forfeiture rights under certain termination of employment events described below in this proxy statement.

*Rights as a Stockholder.* The participant will be a stockholder upon the grant of a stock award, but such rights are forfeited if the shares subject to the stock award are forfeited.

*Restricted Stock Unit Awards*

Each RSU award will be evidenced by a RSU award agreement between the Company and the participant.

*Restrictions and Performance Goals.* RSUs may be earned and any forfeiture restrictions may lapse, at such time and in such installments, or subject to such performance goals and within any performance period established by the Compensation Committee. In addition to any terms and conditions set forth in the RSU award agreement, a RSU award will be subject to forfeiture until the expiration of the restricted period established by the Compensation Committee or until the satisfaction of any applicable performance goals established by the Compensation Committee during a designated performance period.

*Rights as a Stockholder.* No shares will be issued to the participant at the time a RSU award is granted. The Company will not be required to set aside a fund for the payment of any RSU award. The participant will have no voting or dividend rights with respect to any RSUs granted until the shares underlying the RSU award are earned and issued.

*Forfeiture.* Unless otherwise provided in the award agreement, upon a participant's termination of employment (other than as described below), the shares subject to RSUs that have not been earned pursuant to the award agreement will be forfeited. The 2013 Plan provides for different vesting or lapse of forfeiture rights under certain termination of employment events described below in this proxy statement.

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*Impact of Certain Termination Events on Stock Options, Stock Awards and RSUs*

Unless otherwise specified in an award agreement, specific events that lead to termination of a participant's employment with the Company or an affiliate have the following consequences on outstanding share-based awards:

| Termination Event | Stock Options | Stock Awards | RSUs |
|---|---|---|---|
| *Death, Disability or Retirement* | The participant's outstanding exercisable options may be exercised until the options expire. | Upon the participant's death, all outstanding, stock awards will be forfeited. Upon disability or retirement, all outstanding stock awards continue to vest until the end of the service or performance period. | Upon the participant's death, all outstanding, RSUs will be forfeited. Upon disability or retirement, all outstanding RSUs continue to vest until the end of the service or performance period. |
| *Voluntary Severance Incentive Program* | Unless otherwise provided pursuant to the terms of the voluntary severance program, the participant's unvested options will immediately vest and all outstanding options will be exercisable until the options expire. | All outstanding stock awards vest and all forfeiture provisions lapse. | All outstanding RSUs vest and all forfeiture provisions lapse. |
| *Divestiture or Workforce Restructuring* | The Compensation Committee may, in its discretion, vest some or all of the participant's outst | | |