KEMET CORP
Form DEF 14A
June 13, 2018
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.)
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Check the appropriate box:
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KEMET CORPORATION
(Name of Registrant as Specified In Its Charter)

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

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(4) Date Filed:

KEMET Corporation

101 NE 3rd Avenue, Suite 1700
Fort Lauderdale, Florida 33301

NOTICE OF ANNUAL MEETING OF STOCKHOLDERS

The 2018 Annual Meeting of Stockholders (the “Annual Meeting”) of KEMET Corporation (the “Corporation”) will be held on Wednesday, July 25, 2018, at 10:30 a.m., local time, at KEMET Corporation, KEMET Tower, One East Broward Boulevard, Fort Lauderdale, Florida, to consider and take action with respect to the following matters:

1) The election of three directors, each for a three-year term or until his successor is duly elected and qualified.
2) The ratification of the appointment of Ernst & Young LLP as the Corporation’s independent registered public accounting firm for the fiscal year ending March 31, 2019.
3) Advisory approval of the compensation paid to the Corporation’s Named Executive Officers.
4) The transaction of such other business as may properly come before the Annual Meeting and any adjournments or postponements thereof.

Date of mailing and Stockholders of Record: On or about June 13, 2018, we will mail a Notice of Internet Availability of Proxy Materials ("Notice") to the holders of record of the Corporation's Common Stock as of the close of business on May 29, 2018 (the “Record Date”). On the date of the mailing of the Notice, all such stockholders and beneficial owners will have the ability to access the proxy, proxy statement and annual report on a website referred to in the Notice. Holders of record of the Corporation’s Common Stock on the Record Date are entitled to vote on all matters presented at the Annual Meeting and at any adjournments or postponements thereof.

Your vote is extremely important. We appreciate you taking the time to vote promptly. After reading the Proxy Statement, please vote, at your earliest convenience. Your shares cannot be voted unless you (i) vote by Internet, (ii) vote by phone, (iii) request that proxy materials be sent to you by mail that will include a proxy card that you can use to vote by completing, signing and returning the proxy card by mail or (iv) attend the Annual Meeting and vote in person. In addition, your proxy is revocable at any time before it is voted by written notice to the Secretary of the Corporation or by delivery of a later-dated proxy.

By order of the Board of Directors,
R. James Assaf Secretary
June 13, 2018

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KEMET Corporation
101 N.E. 3rd Avenue, Suite 1700
Fort Lauderdale, Florida 33301
PROXY STATEMENT
2018 Annual Meeting of Stockholders
July 25, 2018

GENERAL INFORMATION

This proxy statement is being furnished to the holders of common stock, par value $0.01 per share (the “Common Stock”), of KEMET Corporation (the “Corporation” or “KEMET”) in connection with the solicitation of proxies on behalf of the Board of Directors of the Corporation (the “Board of Directors” or “Board”) for the 2018 Annual Meeting of Stockholders (the “Annual Meeting”) to be held on July 25, 2018, at KEMET Corporation, KEMET Tower, One East Broward Boulevard, Fort Lauderdale, Florida, and at any adjournments or postponements thereof.

Internet Access to Proxy Materials / How to Vote

In accordance with rules and regulations adopted by the Securities and Exchange Commission, instead of mailing a printed copy of our proxy materials to each stockholder of record, the Corporation furnishes proxy materials on the Internet. If you received a Notice of Internet Availability of Proxy Materials (the “Notice”) by mail, you will not receive a printed copy of our proxy materials other than as described herein. Instead, the Notice will instruct you as to how you may access and review all of the important information contained in the proxy materials. The Notice also instructs you as to how you may submit your proxy over the Internet or by phone. If you received a Notice by mail and would like to receive a printed copy of our proxy materials, you should follow the instructions for requesting proxy materials included in the Notice.

It is anticipated that the Notice will be sent to stockholders on or about June 13, 2018 to holders of record of Common Stock as of the close of business on May 29, 2018. This proxy statement, the form of proxy relating to the Annual Meeting and our annual report will be made available via the Internet to stockholders on the date that the Notice is first sent.

All shares represented by valid proxies received pursuant to this solicitation, and not revoked before they are exercised, will be voted in the manner specified therein. If no direction is indicated, the proxies will vote the shares represented thereby FOR the election of each of the directors described herein, FOR the ratification of the appointment of Ernst & Young LLP as independent registered public accounting firm for the fiscal year ending March 31, 2019, FOR the advisory approval of the compensation paid to the Corporation’s Named Executive Officers and, as to any other business as may properly be brought before the Annual Meeting and any adjournments or postponements thereof, in accordance with the recommendation of the Corporation’s management.

Voting your proxy by Internet or telephone or by returning your completed proxy by mail will not prevent you from voting in person at the Annual Meeting should you be present and wish to do so. In addition, you may revoke your proxy any time before it is voted by written notice to the Secretary of the Corporation prior to the Annual Meeting or by submission of a later-dated proxy.

Voting Rights

Each outstanding share of Common Stock entitles the holder thereof to one vote. On May 29, 2018, the record date, there were 57,252,739 shares of Common Stock outstanding. The presence in person or by proxy of a majority of such shares of Common Stock shall constitute a quorum. Pursuant to Delaware law, abstentions are treated as present and entitled to vote, and therefore are counted in determining the existence of a quorum. Under Delaware law, broker “non-votes” are considered present but not entitled to vote, and thus will be counted in determining the existence of a quorum but will not be counted in determining whether a matter requiring approval of a majority of the shares present and entitled to vote has been approved.

Each director nominee shall be elected to the Board of Directors by vote of the majority of the votes cast with respect to that director nominee’s election at any meeting for the election of directors at which a quorum is present, provided that if the number of nominees exceeds the number of directors to be elected, the director nominees shall be elected by a plurality of the votes cast. The Amended and Restated By-laws of the Corporation provide that a majority of the votes cast means the number of shares voted “for” a director nominee must exceed the number of votes cast “against” that director nominee. The affirmative vote of the majority of the votes present in person or represented by proxy and entitled to vote at the Annual Meeting is required to ratify the appointment of Ernst & Young LLP as the independent registered public accounting firm of the Corporation for the fiscal year ending March 31, 2019 and to approve on an advisory basis the compensation paid to the Corporation’s Named Executive Officers.

Abstentions will have no effect on the election of directors because abstentions do not count as votes cast. Abstentions will be counted as votes against the ratification of Ernst & Young LLP as the independent registered public accounting firm and the advisory approval of the compensation paid to the Named Executive Officers, since abstentions represent shares entitled to vote and thus are included in the denominator in determining the approval percentage.

When a matter is not routine and the brokerage firm has not received voting instructions from the stockholder, the brokerage firm cannot vote the shares on that matter. This is called a broker “non-vote.” The ratification of the selection of independent auditors is considered a routine matter. The election of directors and the advisory approval of the compensation paid to the Named Executive Officers are not considered routine matters, and as such, broker non-votes will have no effect on these proposals because they are not “entitled to vote” on such proposals.

PROPOSAL TO ELECT THREE DIRECTORS

The Corporation's Restated Certificate of Incorporation provides that the Board of Directors will consist of not more than nine nor fewer than three directors with the number of directors to be established from time to time by the Board of Directors by resolution.

The Board of Directors is currently comprised of nine directors divided into three classes (Dr. Backes and Messrs. Bedi and Loof—2018; Messrs. Kotzubei and Paul and Ms. Matsumoto—2019; and Messrs. Brandenberg and Maddrey and Ms. Rogge—2020). The term of each class expires in different years. The nominees for election to the Board of Directors this year are Dr. Wilfried Backes, Gurminder S. Bedi and Per-Olof Loof, each of whom are currently directors of the Corporation, and have been nominated to serve for a three-year term or until his successor is duly elected and qualified. The Board of Directors expects the nominees named above to be available for election. In case the nominees are not available, the proxy holders may vote for a substitute, unless the Board of Directors reduces the number of directors.

Provided that a quorum is present, each director nominee will be elected at the Annual Meeting by a majority of the votes cast with respect to that director nominee's election, provided that if the number of nominees exceeds the number of directors to be elected, the director nominees shall be elected by a plurality of the votes cast. The Amended and Restated Bylaws of the Corporation provide that a majority of the votes cast means the number of shares voted "for" a director nominee must exceed the number of votes cast "against" that director nominee. There is no right to cumulative voting as to any matter, including the election of directors.

The following sets forth, among other matters, information as to each continuing director and each nominee for director: (i) their age, as of May 29, 2018; (ii) all positions and offices with the Corporation; (iii) principal occupation and employment during the past five years; (iv) current directorships of publicly-held companies or registered investment companies; (v) other previous directorships of publicly-held companies or registered investment companies during the past five years; (vi) period of service as a director of the Corporation; and (vii) particular experience, qualifications, attributes or skills, beyond those described above, which led to the Corporation's Board of Directors to conclude that such director or nominee for director should serve as a director of the Corporation.

The Board of Directors recommends a vote "FOR" the re-election of each of each of Dr. Wilfried Backes, Gurminder S. Bedi and Per-Olof Loof to the Board of Directors, each to serve for a three-year term or until his successor is duly elected and qualified.

Nominees for Board of Directors

Dr. Wilfried Backes

Age: 75
Director since 2008

Board Committees • Audit • Compensation

Other Public Company Boards
• None

Biographical Information: Dr. Wilfried Backes, Director, was named such in March 2008. Dr. Backes served as Executive Vice President and Chief Financial Officer of EPCOS AG, a major publicly-traded passive electronic components company headquartered in Germany, from 2002 through his retirement in 2006. Dr. Backes previously served as Executive Vice President, Chief Financial Officer and Treasurer of Osram Sylvania, Inc. from 1992 to 2002. Prior to that time, Dr. Backes held various senior management positions with Siemens AG including the position of President and Chief Executive Officer of Siemens Components, Inc. from 1989 to 1992. He received Diplom-Volkswirt and Dr. rer. pol. Degrees from Rheinische Friedrich-Wilhelms-Universität in Bonn, Germany.
Specific Qualifications and Experience Relevant to the Corporation: The Corporation's Board of Directors believes that it benefits from Dr. Backes' fifteen years of international experience within the electronic passive components industry, as well as his experience in the industrial/lighting industry, the Corporation's largest market segment into which it sells its products. In addition, Dr. Backes' strong financial background adds accounting expertise to both the Corporation's Board of Directors and its Audit Committee.

Gurminder S. Bedi

Age: 70
Director since 2006

Board Committees • NCG (Chair) • Compensation

Other Public Company Boards
• Blue Bird Corporation

Biographical Information: Gurminder S. Bedi, Director, was named such in May 2006. Mr. Bedi served as Vice President of Ford Motor Company from October 1998 through his retirement in December 2001. Mr. Bedi served in a variety of other managerial positions at Ford Motor Company for more than thirty years. He is currently on the board of directors of Blue Bird Corporation, and previously served as a director of Compuware Corporation from 2002 until December 2014 (including Chairman from April 2013 through December 2014) and Actuant Corporation from 2008 until March 2018. He earned a Bachelor of Science degree in Mechanical Engineering from George Washington University and a Masters of Business Administration degree from the University of Detroit.
Specific Qualifications and Experience Relevant to the Corporation: The Corporation's Board of Directors believes that it benefits from Mr. Bedi's strong technical background, as well as his extensive experience with Ford Motor Company, a global leader in the automotive industry, a key market segment into which the Corporation sells its products. The Corporation also benefits from Mr. Bedi's previous public company board experience.

Per-Olof Loof

Age: 67
Chief Executive Officer
Director since 2005

Board Committees • None

Other Public Company Boards
• None

Biographical Information: Per-Olof Loof, Chief Executive Officer and Director, was named such in April 2005. Mr. Loof was previously the Managing Partner of QuanStar Group, LLC, a management consulting firm and had served in such capacity since December 2003. Prior thereto, he served as Chief Executive Officer of Sensormatic Electronics Corporation and in various management roles with Andersen Consulting, Digital Equipment Corporation, AT&T and NCR. Mr. Loof serves on several charity boards including the Boca Raton Regional Hospital and the International Centre for Missing & Exploited Children. He received a “civilekonom examen” degree in economics and business administration from the Stockholm School of Economics. Specific Qualifications and Experience Relevant to the Corporation: The Corporation’s Board of Directors believes that it benefits from Mr. Loof’s successful management experience with leading global companies, including his leadership of Sensormatic Electronics Corporation, a New York Stock Exchange company until its acquisition by Tyco International Ltd. in 2001. These experiences and Mr. Loof’s ongoing leadership of the Corporation and interaction with the Corporation’s customers and suppliers provide the Board of Directors with industry expertise and a deep understanding of the Corporation’s business and operations and the economic environment in which it operates.

Continuing Directors

Frank G. Brandenberg

Age: 71
Chairman Director since 2003

Board Committees • None

Other Public Company Boards
• None

Biographical Information: Frank G. Brandenberg, Chairman and Director, was named such in October 2003. Before his retirement in 2003, Mr. Brandenberg was a Corporate Vice President and Sector President of Northrop Grumman Corporation from July 2001 to December 2003. Prior to joining Northrop, he previously spent 28 years at Unisys where his last position was Corporate Vice President and President, Client/Server Systems, and then later served as the President and Chief Executive Officer of EA Industries, Inc. Mr. Brandenberg served as Senior Vice President and Group Executive with Litton Industries, Inc. from November 1999 until its acquisition by Northrop in April 2001. In addition, from January 2012 through February 2018, Mr. Brandenberg served as the Chief Executive Officer of Auto-Lab, LLC, a private company and franchiser of automotive repair and maintenance facilities. He received a Bachelor of Science degree in Industrial Engineering and a Masters of Science degree in Operations Research from Wayne State University and completed the Program for Management Development at the Harvard Business School.

Specific Qualifications and Experience Relevant to the Corporation: The Corporation’s Board of Directors believes that it benefits from Mr. Brandenberg’s experience in high-tech component businesses as well as with leading companies in the military/aerospace and computer related industries, significant market segments into which the Corporation sells its products. The Corporation also benefits from Mr. Brandenberg’s previous public company board experience.

Age:49
Director since 2011

Board Committees
• NCG

Other Public Company Boards
• Ryerson Holding Corporation and Key
• Energy Services, Inc.

Jacob T. Kotzubei

Biographical Information: Jacob T. Kotzubei, Director, was named such in October 2011. Mr. Kotzubei joined Platinum Equity Advisors, LLC ("Platinum Equity"), a private equity firm, in 2002 and is a Partner at the firm. Mr. Kotzubei serves as a director of a number of Platinum Equity's portfolio companies. Prior to joining Platinum Equity in 2002, Mr. Kotzubei worked for 4½ years for Goldman Sachs' Investment Banking Division in New York City. Previously, he was an attorney at Sullivan & Cromwell LLP in New York City, specializing in mergers and acquisitions. Mr. Kotzubei serves on the board of directors for Ryerson Holding Corporation and Key Energy Services, Inc., and served on the board of directors of Ryerson Inc. until its merger into a subsidiary of Ryerson Holding Corporation in December 2014. Mr. Kotzubei received a Bachelor's degree from Wesleyan University and holds a Juris Doctor from Columbia University School of Law where he was elected a member of the Columbia Law Review.

Specific Qualifications and Experience Relevant to the Corporation: The Corporation's Board of Directors believes that it benefits from Mr. Kotzubei's experience in executive management oversight, private equity, capital markets, mergers and acquisitions and related transactional matters.

Age: 77
Director since 1992

Board Committees
• Audit (Chair)
• NCG

Other Public Company Boards
• None

E. Erwin Maddrey, II

Biographical Information: E. Erwin Maddrey, II, Director, was named such in May 1992. Mr. Maddrey is President of Maddrey and Associates, a personal investments vehicle, and has served in such capacity since July 2000. Mr. Maddrey was President, Chief Executive Officer, and a Director of Delta Woodside Industries, a textile manufacturer, from 1984 through June 2000. Prior thereto, Mr. Maddrey served as President, Chief Operating Officer, and Director of Riegel Textile Corporation. Mr. Maddrey also serves on the board of directors for Blue Cross/Blue Shield of South Carolina as well as several non-profit organizations. Specific Qualifications and Experience Relevant to the Corporation: The Corporation's Board of Directors believes that it benefits from the broad expertise acquired by Mr. Maddrey as an officer and director in a variety of for-profit and not-for-profit organizations, including extensive financial experience which allows Mr. Maddrey to serve effectively as the Chairman of the Corporation's Audit Committee. The Corporation also benefits from Mr. Maddrey's previous public company board experience.

Yasuko Matsumoto

Age: 54
Director since 2017

Board Committees
• None

Other Public Company Boards
• Nippon Avionics Co., Ltd. (listed on the Tokyo Stock Exchange)

Biographical Information: Yasuko Matsumoto, Director, was named such in June 2017. Ms. Matsumoto is currently employed as Executive Specialist, Corporate Strategy Division of NEC Corporation ("NEC"). She joined NEC in 1986 and served in a variety of managerial positions with NEC and its subsidiaries. In April 2013 Ms. Matsumoto was appointed Department Manager, Energy Service Department, Smart Energy Business Unit; and in February 2014 she was named General Manager, Affiliated Company Department, Corporate Strategy Division, prior to her appointment in March 2018 to her current position. Ms. Matsumoto currently serves on the board of directors of Nippon Avionics Co., Ltd. (listed on the Tokyo Stock Exchange) and three wholly-owned subsidiaries of NEC, Netcracker Technology Corporation, NEC Energy Devices, Ltd. and Takasago Ltd. Ms. Matsumoto served as a director of NEC TOKIN Corporation from 2011 until its acquisition by the Corporation on April 19, 2017. Ms. Matsumoto received a Bachelor of Economics degree from Sophia University and is a graduate of the Executive Management Program of the University of Tokyo.

Specific Qualifications and Experience Relevant to the Corporation: The Corporation’s Board of Directors believes that it benefits from Ms. Matsumoto’s financial and mergers and acquisitions expertise, her experience with the automotive industry and with the Asian electronics components market, and her experience with, and access to, the Asian financial market.

Robert G. Paul

Age: 76
Director since 2006

Board Committees
• Compensation (Chair)
• NCG

Other Public Company Boards
• Comtech Telecommunications Corp

Biographical Information: Robert G. Paul, Director, was named such in July 2006. Mr. Paul is the former President of the Base Station Subsystems Unit of Andrew Corporation, a global designer, manufacturer, and supplier of communications equipment, services, and systems, from which he retired in March 2004. From 1991 through July 2003, he was President and Chief Executive Officer of Allen Telecom Inc. which was acquired by Andrew Corporation during 2003. Mr. Paul joined Allen Telecom in 1970 where he built a career holding various positions of increasing responsibility including Chief Financial Officer. Mr. Paul currently serves on the board of directors of Comtech Telecommunications Corp., and previously served on the board of directors of Rogers Corporation from April 2000 through May 2016. He earned a Bachelor of Science degree in Mechanical Engineering from the University of Wisconsin-Madison and a Masters of Business Administration degree from Stanford University.

Specific Qualifications and Experience Relevant to the Corporation: The Corporation’s Board of Directors believes that it benefits from Mr. Paul’s extensive experience in the communications industry, one of the primary market segments into which the Corporation sells its products. Mr. Paul’s strong financial background adds accounting expertise to both the Corporation’s Board of Directors and its Compensation Committee. In addition, Mr. Paul’s experience running a public company with markets throughout the world and manufacturing plants in Europe, Asia and the Americas provides a strong fit with the Corporation’s global markets and operations. The Corporation also benefits from Mr. Paul’s previous public company board experience.

	Karen M. Rogge
Age: 63 Director since 2018	Biographical Information: Karen M. Rogge, Director, was named such in May 2018. Ms. Rogge is President of the RYN Group LLC, a management consulting business, which she founded in 2010. She served as the Interim Vice President and Chief Financial Officer for Applied Micro Circuits Corporation, a global semi-conductor company, from August 2015 to January 2016. Previously, Ms. Rogge served as the Chief Financial Officer and Senior Vice President of Extreme Networks, Inc., a computer network company, from April 2007 to July 2009. Earlier in her career, she held executive financial and operations management positions at Hewlett Packard Company, Seagate Technology, and Inktomi Corporation. Ms. Rogge served as an independent Board Director for AeroCentury Corporation, a publicly traded aircraft leasing company, from June 2017 to May 2018. She received a Master of Business Administration degree from Santa Clara University, and a Bachelor of Science degree in Business Administration, with an accounting concentration, from California State University, Fresno.
Board Committees • Audit	
Other Public Company Boards • None	Specific Qualifications and Experience Relevant to the Corporation: The Corporation's Board of Directors has determined that Ms. Rogge should serve as a director based on her extensive experience in the technology industry, and her experience as a financial and operations executive in publicly traded companies.

There are no family relationships among the Corporation's directors or executive officers.

Information about the Board of Directors

On May 30, 2018 the Board of Directors appointed Karen M. Rogge to fill a vacancy on the Board created by the retirement of Joseph V. Borruso. Ms. Rogge was identified to the Nominating and Corporate Governance Committee through a search for potential Board candidates conducted at the direction of the Nominating and Corporate Governance Committee by the National Association of Corporate Directors.

The Board of Directors held five meetings (exclusive of committee meetings) during the fiscal year ended March 31, 2018. Each current director attended at least 75% of the number of meetings that he or she was eligible to attend during the fiscal year ended March 31, 2018 of the Board of Directors and all committees on which such director served. The Corporation has not adopted a formal policy with respect to directors' attendance at annual meetings of the stockholders of the Corporation. The Corporation encourages, but does not require, directors to attend. Of the Corporation's nine directors at such time, eight were in attendance at the 2017 Annual Meeting of Stockholders. In accordance with the Corporation's Corporate Governance Guidelines, Frank G. Brandenberg, as Chairman of the Board, presided over all Board meetings and all regularly scheduled executive sessions of the non-management directors of the Corporation. The Board of Directors has established the following permanent committees, the functions and current members of which are noted below. All of the committees of the Board of Directors operate under charters, current copies of which can be found on our website at http://ir.kemet.com where you can click on the "Corporate Governance" link for each of the committee charters.

Audit Committee. The Audit Committee of the Board of Directors currently consists of: Mr. Maddrey (Chairman of the Audit Committee), Dr. Backes and Ms. Rogge. All members of the Audit Committee are independent as defined in the Securities Exchange Act of 1934 and the rules and regulations thereunder, as amended ("Exchange Act"), and the listing rules of the New York Stock Exchange ("NYSE"). The Board of Directors has determined that each of the three members of the Audit Committee is an "audit committee financial expert" serving on the Audit Committee within the meaning of the Securities and Exchange Commission (the "SEC") rules and regulations. Mr. Maddrey has served as president of current and prior companies and on audit committees with other companies; Dr. Backes has served at various times as president, chief executive officer, chief financial officer and treasurer in prior companies; and Ms. Rogge has served at various times as chief financial officer and in other financial management positions with prior public technology companies. The Audit Committee, among other duties, employs the independent auditors, pre-approves all services performed by the independent auditors, reviews the internal and external financial reporting of the Corporation, reviews the scope of the independent audit, considers comments by the auditors regarding internal controls and accounting procedures and management's response to those comments, and reviews services provided by the independent auditors and other disclosed relationships as they bear on the independence of the independent auditors. The Audit Committee was established in accordance with Section 3(a)(58)(A) of the Exchange Act. The Audit Committee met seven times during the fiscal year ended March 31, 2018.

Compensation Committee. The Compensation Committee of the Board of Directors currently consists of Mr. Paul (Chairman of the Compensation Committee), Dr. Backes and Mr. Bedi. All members of the Compensation Committee are independent within the meaning of the listing rules of the NYSE. The Compensation Committee, among other duties, establishes the total compensation package provided to the Chief Executive Officer and the Corporation's Named Executive Officers, and reviews and/or approves the actual compensation (including base pay adjustments and any annual and long-term incentive payouts) paid to all senior executive officers of the Corporation, including all direct reports of the Chief Executive Officer. The Compensation Committee has the authority to delegate any of its responsibilities to subcommittees as the Compensation Committee may deem appropriate in its sole discretion. The Compensation Committee met eight times during the fiscal year ended March 31, 2018.

Nominating and Corporate Governance Committee. The Nominating and Corporate Governance Committee currently consists of Messrs. Bedi (Chairman of the Nominating and Corporate Governance Committee), Kotzubei, Maddrey and Paul, all of whom are independent within the meaning of the listing rules of the NYSE. The Nominating and Corporate Governance Committee, among other duties, is authorized to review the Corporation's governance practices, including the composition of the Board, and to make recommendations to the Board concerning nominees for election as directors, including nominees recommended by stockholders. The Nominating and Corporate Governance Committee met four times during the fiscal year ended March 31, 2018.

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A stockholder who wishes to recommend a prospective nominee for the Board should notify the Corporation's Corporate Secretary in writing with supporting material that the stockholder considers appropriate. The Nominating and Corporate Governance Committee will also consider whether to nominate any person nominated by a stockholder pursuant to the provisions of the Corporation's By-laws relating to stockholder nominations. Once the Nominating and Corporate Governance Committee has identified a prospective nominee, it makes an initial determination as to whether to conduct a full evaluation of the candidate. This initial determination is based on whatever information is provided to the Nominating and Corporate Governance Committee with the recommendation of the prospective candidate, as well as the Nominating and Corporate Governance Committee's own knowledge of the prospective candidate, which may be supplemented by inquiries to the person making the recommendation or others. The preliminary determination is based primarily on the need for additional Board members to fill vacancies or expand the size of the Board and the likelihood that the prospective nominee can satisfy the evaluation factors described below. If the Nominating and Corporate Governance Committee determines that additional consideration is warranted, it will engage a third-party search firm to gather additional information about the prospective nominee's background and experience and to report its findings to the Nominating and Corporate Governance Committee. The Nominating and Corporate Governance Committee then evaluates the prospective nominee against certain standards and qualifications. The Nominating and Corporate Governance Committee selects individuals as director nominees who have the highest personal and professional integrity, who have demonstrated exceptional ability and judgment and who will be most effective, in conjunction with the other nominees to the Board, in collectively serving the long-term interests of the Corporation's stockholders. In addition, pursuant to the Nominating and Corporate Governance Committee Charter, the Nominating and Corporate Governance Committee evaluates the prospective nominee against a set of criteria for Board membership which includes factors relating to business experience, diversity, occupation, and personal skills in technology, finance, marketing, international business, financial reporting and other areas that are expected to contribute to an effective Board. Pursuant to the Nominating and Corporate Governance Committee's charter, the Nominating and Corporate Governance Committee periodically reviews the director recruitment and selection process to ensure that diversity remains a component of any director search. The Nominating and Corporate Governance Committee also considers such other relevant factors as it deems appropriate, including the current composition of the Board, the balance of management and independent directors, the need for Audit Committee expertise and the evaluations of other prospective nominees. In connection with this evaluation, the Nominating and Corporate Governance Committee determines whether to interview the prospective nominee, and if warranted, one or more members of the Nominating and Corporate Governance Committee, and others as appropriate, interview prospective nominees in person or by telephone. After completing this evaluation and interview, the Nominating and Corporate Governance Committee determines the nominees who it will recommend to the Board.
Director Independence. The Board undertook its annual review of director independence in May 2018. During this review, the Board inquired about transactions and relationships between each director or any member of his or her immediate family and the Corporation and its subsidiaries and affiliates. The Board also inquired about transactions and relationships between directors or their affiliates and members of the Corporation's senior management or their affiliates. The purpose of this review was to determine whether any such relationships or transactions were inconsistent with a determination that the director is independent.
Two of the directors determined to be independent by the Board have or had a relationship with the Corporation other than as a director. In evaluating the independence of Mr. Kotzubei, the Board considered that (i) Mr. Kotzubei is a Partner of Platinum Equity Advisors, LLC and (ii) K Equity, LLC ("K Equity"), an affiliate of Platinum Equity Advisors, LLC, had a warrant representing the right to purchase 8.4 million shares of Common Stock through September 11, 2017. As of September 30, 2017, K Equity does not have any outstanding warrants for shares of the Company's common stock. In determining that Mr. Kotzubei is independent, the Board favorably considered that (i) Mr. Kotzubei meets the NYSE independence tests, (ii) the NYSE does not view ownership of even a significant amount of stock, by itself, as a bar to an independence determination, (iii) the loans with K Equity have been extinguished, (iv) the term of the Corporate Advisory Services Agreement with Platinum Equity Advisors, LLC, as well as the advisory fee payable thereunder, were both fixed as of its May 5, 2009 effective date, and the term expired on June 30, 2013, and (v) the prior warrant rights of K Equity closely aligned K Equity's interests with the Corporation's stockholders.

In evaluating the independence of Ms. Matsumoto, the Board considered that Ms. Matsumoto (i) previously served on the board of directors of NEC TOKIN Corporation ("TOKIN") prior to its acquisition by the Company on April 19, 2017, and (ii) previously served as an employee of NEC Corporation, with which the Company had been a joint venture partner in TOKIN. In determining that Ms. Matsumoto is independent, the Board favorably considered that (i) Ms. Matsumoto meets the NYSE independence tests, (ii) Ms. Matsumoto no longer serves on the board of directors of TOKIN, (iii) Ms. Matsumoto is no longer employed by NEC, with which the Corporation no longer has any material business relationship and (iv) Ms. Matsumoto had served on TOKIN's board of directors upon the direction of NEC, as one of NEC's representatives, and had therefore not served upon the direction of the Corporation or its management.

As a result of this review, the Board affirmatively determined that all of the current directors, and any other directors serving during the past year, including the Chairman, Frank G. Brandenberg, are independent of the Corporation and its management within the meaning of the SEC's rules and regulations and the NYSE rules and regulations, with the exception of Mr. Per-Olof Loof, who is considered to be a non-independent director because he is a member of the Corporation's management.

Board Leadership Structure. Currently, the positions of Chairman of the Board and Chief Executive Officer of the Corporation are held by separate individuals, with Mr. Loof serving as CEO and Mr. Brandenberg serving as Chairman of the Board. The Board believes that at the current time this structure is best for the Corporation, as it allows Mr. Loof to focus on the Corporation's strategy, business and operations, while enabling Mr. Brandenberg to assist with Board matters and serve as a liaison between the Board and the Corporation's management.

Role in Risk Oversight. As the Corporation's principal governing body, the Board of Directors has the ultimate responsibility for overseeing the Corporation's risk management practices. According to the Corporation's Corporate Governance Guidelines, the Board of Directors' risk responsibilities include assessing major risks facing the Corporation, including those relating to cybersecurity, and reviewing options for their mitigation; monitoring ethical behavior; monitoring compliance with laws and regulations, the Corporation's Global Code of Conduct ("Code of Conduct"), auditing and accounting principles and the Corporation's own governing documents; assessing its own effectiveness in fulfilling these and other Board responsibilities; and overseeing the procedures in place to ensure the integrity of the Corporation's financial statements. The Board of Directors believes it has in place effective processes to identify and oversee the material risks facing the Corporation and that these processes are consistent with, and provide additional support for, the current leadership structure of the Board of Directors. Certain risk management functions have been delegated to committees of the Board of Directors.

Pursuant to the Audit Committee Charter, one of the primary roles and responsibilities of the Audit Committee is to monitor the integrity of the Corporation's financial reporting process and systems of internal controls regarding finance, accounting and associated legal compliance. Under the Audit Committee Charter, the Audit Committee will, among other responsibilities and duties:

- Consider and review with management, the internal audit group and the independent public accountants the effectiveness or weakness of the Corporation's internal controls. Develop in consultation with management a timetable for implementing recommendations to correct identified weaknesses.
- Review the coordination between the independent public accountants and internal auditors; review the risk assessment processes, scope and procedures of the Corporation's internal audit work and whether such risk assessment process, scope and procedures are adequate to attain the internal audit objectives as determined by the Corporation's management and approved by the committee; and review the quality and composition of the Corporation's internal audit staff.
- Review management's monitoring of the Corporation's compliance with laws and the Corporation's Code of Conduct and ensure that management has proper review systems in place to ensure that the Corporation's financial statements, reports and other information disseminated to governmental organizations and the public satisfy legal requirements.
- The Corporation's Chief Compliance Officer provides reports to the Audit Committee concerning activities related to the Corporation's whistleblower hotline and other compliance issues.

The Compensation Committee reviews the Corporation's compensation policies and practices to ensure that no such practices or policies create a reasonable likelihood of a material adverse effect on the Corporation. Additional information on the process and procedures for executive compensation determinations, including the role of management and compensation consultants, is contained in “Compensation Discussion and Analysis” below. For the fiscal year ended March 31, 2018, the Compensation Committee determined that none of the Corporation’s compensation policies or practices were reasonably likely to have a material adverse effect on the Corporation. In addition, pursuant to the Compensation Committee Charter, the Compensation Committee provides oversight of the Corporation’s safety, health and environmental programs, including a periodic review of accident frequency and severity statistics, programs to promote safe work habits, serious statutory violations or resulting citations, and any potential legal and/or financial liabilities in excess of $100,000 that may exist due to noncompliance with any safety, health or environmental law or regulation.

Compensation Committee Interlocks and Insider Participation

None of the members of our Compensation Committee is or has been an officer or employee of the Corporation, and no executive officer of the Corporation served on the Compensation Committee or board of directors of any entity that employed any member of the Corporation’s Compensation Committee or Board of Directors. In addition, no other “compensation committee interlocks” existed during the fiscal year ended March 31, 2018.

Compensation of Directors

During the fiscal year ended March 31, 2018, the compensation of the non-employee members of our Board of Directors was as follows (employee directors are not compensated for their service on our Board of Directors):

- Each director was paid a director’s fee at the annual rate of $70,000.
- The Chairman received an annual retainer of $35,000.
- The Chairman of the Audit Committee of the Board received an annual retainer of $15,000, and each other member of the Audit Committee received an annual retainer of $10,000.
- The Chairman of the Compensation Committee received an annual retainer of $15,000, and each other member of the Compensation Committee received an annual retainer of $10,000.
- The Chairman of the Nominating and Corporate Governance Committee received an annual retainer of $10,000, and each other member of the Nominating and Corporate Governance Committee received an annual retainer of $5,000.
- All directors were reimbursed for out-of-pocket expenses incurred in connection with attending meetings.
- No additional fees were paid for attendance at meetings of the Board or a Committee of the Board.
- Each non-employee director received an annual grant of 10,000 restricted stock units (“Director RSUs”), which vest, based on the director’s continued service, one day prior to the Annual Meeting of Stockholders for the fiscal year in which they are issued. Upon settlement, each Director RSU is converted into a share of restricted Common Stock and delivered to the director. Prior to the grant date, each director can elect to defer the settlement of his Director RSUs beyond the vesting date to a specific later date or to the termination date of his service on the Board. Restricted shares of Common Stock that have been converted from Director RSUs are 100% vested on the date of settlement; however they are restricted and cannot be sold until 90 days after the director resigns from his position as a member of the Board.

Because Ms. Matsumoto was elected to the Board mid-year on June 13, 2017, she received a pro rata director fee of $55,962 and received a pro rata grant of 7,972 Director RSUs.

The Corporation uses a combination of cash and stock-based incentive compensation to attract and retain qualified candidates to serve on the Board of Directors. Periodically the Board of Directors approves changes to non-employee director compensation after review of recommendations from the Compensation Committee. In recommending the levels of director cash and equity compensation, the Compensation Committee considers the significant amount of time that directors expend in fulfilling their duties to the Corporation as well as the skill-level required by the Corporation of members of the Board of Directors. The Compensation Committee also examines compensation of directors at manufacturing companies with revenues comparable to the Corporation. None of the non-employee directors participate in a defined benefit plan or non-qualified deferred compensation plan sponsored or contributed to by the Corporation.

DIRECTOR COMPENSATION TABLE

The table below provides information concerning the compensation of the Corporation's non-employee directors for the fiscal year ended March 31, 2018. The table below does not include information with respect to the Corporation's Chief Executive Officer, Mr. Loof, as he is also a Named Executive Officer of the Corporation. As an employee-director, Mr. Loof is not compensated for his service as a director of the Corporation. Because Ms. Rogge was not a director during fiscal year 2018, she did not receive any compensation for fiscal year 2018 and is not listed in the tables below.

Name	Fees Earned or Paid in Cash ($)	Stock Awards ($)(1)	Total ($)
Dr. Wilfried Backes	90,000	167,100	257,100
Gurminder S. Bedi	90,000	167,100	257,100
Joseph V. Borruso (2)	90,000	167,100	257,100
Frank G. Brandenberg	105,000	167,100	272,100
Jacob T. Kotzubei	71,250	167,100	238,350
E. Erwin Maddrey, II	90,000	167,100	257,100
Yasuko Matsumoto	55,962	133,212	189,174
Robert G. Paul	90,000	167,100	257,100

(1) Represents the aggregate grant date fair value computed in accordance with Financial Accounting Standards Board Accounting Standards Codification Topic 718 ("FASB ASC Topic 718") for the following restricted stock unit grants: (a) 10,000 Director RSUs with a grant date fair value of $167,100 granted on August 2, 2017 to each of Dr. Backes and Messrs. Bedi, Borruso, Brandenberg, Kotzubei, Maddrey and Paul, and (b) 7,972 Director RSUs with a grant date fair value of $133,212 granted on August 2, 2017 to Ms. Matsumoto.

(2) Mr. Borruso retired from the Board on May 30, 2018.

Stock Ownership Guidelines

To directly align the interests of the directors with the interests of the stockholders, the Compensation Committee established guidelines stipulating that each director should maintain a minimum ownership interest in the Corporation. Mr. Loof as a member of management has a target to own and retain a minimum number of shares totaling in value five times his annual base salary (discussed further in the Compensation Discussion and Analysis). Non-employee directors have a target to own and retain a minimum number of shares totaling in value three times their annual cash retainer ($70,000 in fiscal year 2018). The time period during which such minimum number of shares is to be acquired and retained is targeted five years from the year in which such director was first elected. The following represents each non-employee director's attainment of his or her targeted Corporation share ownership, based on the number of shares beneficially owned and the closing price of the Corporation's common stock on March 29, 2018, the last trading day during the 2018 fiscal year:

Name	Attainment of Targeted Corporation Share Ownership
Dr. Wilfried Backes	590.0 %
Gurminder S. Bedi	518.0 %
Frank G. Brandenberg	518.0 %
Jacob T. Kotzubei	485.5 %
E. Erwin Maddrey, II	622.4 %
Yasuko Matsumoto	68.8 %
Robert G. Paul	729.5 %

As persons with access to material non-public information regarding the Corporation, our directors are restricted in their ability to trade our securities in accordance with applicable law and the guidelines contained in our insider trading policy.

Stockholder Communication with the Board of Directors

Stockholders and other parties interested in communicating directly with the entire Board of Directors, with the Chairman, with the non-management directors as a group or with individual directors may do so by writing to the Board of Directors, KEMET Corporation, 101 N.E. 3rd Avenue, Suite 1700, Fort Lauderdale, Florida 33301, Attention: Corporate Secretary. Any correspondence sent in this manner will be forwarded accordingly. If no specific addressee is provided, the communication will be forwarded to the Chairman of the Board.

Section 16(a) Beneficial Ownership Reporting Compliance

Section 16(a) of the Exchange Act requires the Corporation’s executive officers, directors and persons who beneficially own more than 10% of a registered class of the Corporation’s equity securities to file reports of securities ownership and changes in such ownership with the SEC. Executive officers, directors and greater than ten-percent beneficial owners also are required by rules promulgated by the SEC to furnish the Corporation with copies of all Section 16(a) forms they file.

Based solely upon a review of the copies of such forms furnished to the Corporation, or written representations that no Form 5 filings were required, the Corporation believes that during the period from April 1, 2017 through March 31, 2018, all the Corporation’s officers, directors and greater than ten-percent beneficial owners complied with the Section 16(a) filing requirements applicable to them, with the following exception: a Form 4 relating to a stock sale by former director Joseph Borruso was filed one day after the two business day filing requirement due to a delay in receiving trade details.

Review, Approval or Ratification of Transactions with Related Persons

Our directors and executive officers (and other employees) are expected to adhere to the Corporation’s Code of Conduct. Our Code of Conduct is available free of charge on the Corporation’s website at http://ir.kemet.com where you can click on the link to “Corporate Governance,” then “Global Code of Conduct.” In the event that any action arises or is proposed that would require a waiver of or a deviation from our Code of Conduct, or in the event that any actual or potential conflict of interest arises involving any of our directors or executive officers, our policy requires that the matter be reported to the Corporation’s management. Thereafter, the Audit Committee makes the final decision, acting in its discretion, as to whether a waiver of or deviation from our Code of Conduct will be made, or a transaction involving a conflict of interest will be permitted. In the event of such conflicts, the director(s) or officer(s) involved, if any, shall recuse themselves from any decision affecting their personal interests.

The Board has reviewed the following transactions, including, without limitation, for the purpose of determining the independence of Mr. Kotzubei, a Partner at Platinum Equity, within the meaning of the SEC's rules and regulations and the NYSE rules and regulations.

On May 5, 2009, the Corporation entered into a credit facility with K Financing, LLC (the "Amended and Restated Platinum Credit Facility"), an affiliate of Platinum Equity Capital Partners II, L.P. The Amended and Restated Platinum Credit Facility consisted of a term loan (the "Platinum Term Loan"), a line of credit loan (the "Platinum Line of Credit Loan") and a working capital loan ("Platinum Working Capital Loan") among K Financing, LLC ("K Financing"), the Corporation and certain of the Corporation's subsidiaries. On May 5, 2010, the Platinum Term Loan, the Platinum Line of Credit Loan and the Platinum Working Capital Loan were extinguished.

In connection with the Amended and Restated Platinum Credit Facility, the Corporation granted K Financing a warrant to purchase up to 26,848,484 shares of the Corporation's Common Stock, representing up to 49.9% of the Corporation's outstanding Common Stock; the Warrant was subsequently transferred to K Equity, an affiliate of K Financing. As a result, K Equity and certain of its affiliates were deemed to be beneficial owners of the Corporation's securities as well as "related persons" as holders of securities covered by Item 403(a) of Regulation S-K.

On December 20, 2010, in connection with a secondary offering in which K Equity was the selling security holder, K Equity sold a portion of the Warrant representing the right to purchase 10.9 million shares of Common Stock to the underwriters of the secondary offering, who exercised their full portion of the warrant at a price of $12.80 per share in a cashless exercise and received a net settlement of 10.0 million shares of Common Stock. These shares were sold as part of a secondary offering and KEMET did not receive any of the proceeds from the transaction. On May 31, 2011, K Equity sold a portion of the Closing Warrant to Deutsche Bank Securities Inc., in connection with the offering of a total of 7 million shares of the Corporation's Common Stock, at a public offering price of $14.60 per share.

On September 11, 2017, K Equity sold the remaining portion of the Platinum Warrant to UBS Securities LLC (the "Underwriter"), in connection with the offering of 8,416,814 shares of the Company's common stock, at a public offering price of $21.57 per share. The Company filed a registration statement on Form S-3 to register the offer and resale by K Equity of the shares. The Company did not receive any of the proceeds from the sale of the shares in the Offering, but received approximately $8.8 million from the Underwriter in connection with the cash exercise of the Platinum Warrant for all 8,416,814 shares underlying the Platinum Warrant at an exercise price of $1.05 per share.

As of September 30, 2017, K Equity does not have any outstanding warrants for shares of the Company's common stock.

PROPOSAL TO RATIFY APPOINTMENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

The Audit Committee has appointed Ernst & Young LLP as the independent registered public accounting firm to examine the financial statements of the Corporation for the fiscal year ending March 31, 2019 and to perform other appropriate accounting services.

A proposal will be presented at the Annual Meeting to ratify the appointment of Ernst & Young LLP as the Corporation’s independent registered public accounting firm. One or more members of that firm are expected to be available at the Annual Meeting to respond to questions and to make a statement if they desire to do so. During the fiscal years ended March 31, 2018 and 2017, Ernst & Young LLP served as the Corporation’s independent registered public accounting firm and also provided other audit-related services. See “Audit and Non-Audit Fees” on page 53. If the stockholders do not ratify this appointment by the affirmative vote of a majority of the shares represented in person or by proxy at the meeting, other independent registered public accounting firms will be considered by the Audit Committee. Even if the appointment of Ernst & Young LLP is ratified, the Audit Committee may in its sole discretion terminate the engagement of the firm and direct the appointment of another independent auditor at any time during the year if it determines that such an appointment would be in the best interests of the Corporation and its stockholders.

The Board of Directors recommends a vote “FOR” ratification of the appointment of Ernst & Young LLP as the Corporation’s independent registered public accounting firm for the fiscal year ending March 31, 2019.

PROPOSAL CONCERNING ADVISORY (NON-BINDING) VOTE TO APPROVE THE COMPENSATION PAID TO THE CORPORATION'S NAMED EXECUTIVE OFFICERS ("SAY-ON-PAY" VOTE)

General Information

The Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010 enables our stockholders to vote to approve, on an advisory (non-binding) basis, the compensation paid to our "NEOs" as disclosed in this Proxy Statement in accordance with the SEC's rules (commonly known as a "say-on-pay" proposal).

In a non-binding advisory vote on the frequency of the say-on-pay proposal held at our 2017 annual meeting of stockholders, we recommended, and our stockholders voted in favor of, an annual say-on-pay vote. In light of this result and other factors considered by the Board, the Board determined that the Corporation would hold advisory say-on-pay votes on an annual basis until the next required advisory vote on such frequency. A new advisory vote on the frequency of the say-on-pay vote is required every 6 years.

Summary

We are asking our stockholders to provide advisory approval of the compensation paid to our "NEOs," which consist of our "principal executive officer," our "principal financial officer" and our "next three highest paid-executive officers" at the end of our last fiscal year ended March 31, 2018 ("fiscal year 2018"), as described in the "Compensation Discussion and Analysis" ("CD&A") section of this Proxy Statement (beginning on page 22) and the compensation tables and narrative disclosures following the CD&A.

This advisory vote is not intended to address any specific item of compensation, but rather the overall compensation of our Named Executive Officers and our compensation philosophy, policies and practices, as described in this Proxy Statement.

Our Strong 2018 Performance

As a result of the hard work of our management team and our employees, we completed the purchase of the remaining 66% economic interest in TOKIN that we did not already own and our financial performance improved significantly in 2018 in the following key metrics:

- Our revenues improved by $442 million;
- Our gross margins improved by 370 basis points;
- Our Adjusted EBITDA[(1)] improved by $86 million;
- Our cash on hand increased by $177 million; and
- Our stock price increased by 51.1%.

(1) Adjusted EBITDA is a non-GAAP financial measure. See pages 58-59 of our annual report on Form 10-K filed with the SEC on May 25, 2018 for additional information regarding Adjusted EBITDA and a reconciliation to the most directly comparable financial measure prepared in accordance with GAAP.

Our Compensation Philosophy

As described in detail under CD&A, our executive compensation program is designed to attract, retain and motivate superior executive talent, including our NEOs, who are critical to our success. The Corporation's executive compensation program focuses on closely aligning compensation paid to its NEOs with the performance of the Corporation. We have designed the Corporation's compensation program to exemplify the following tenets of our overall compensation philosophy:

Key Philosophy Tenets

Stockholder Alignment	NEOs should be compensated through pay components (base salaries, annual- and long-term incentives) designed to create long-term value for our stockholders, as well as foster a culture of ownership.
Pay for Performance	A large portion of a NEO's total compensation should be variable ("at risk") and tied to the achievement of the organization's financial performance, as well as team and individual contributions.
Competitiveness	Provide a structure that is internally fair and equitable for the skills and knowledge required to perform each individual role; and provide an externally competitive compensation structure for positions of similar skill, responsibilities, and geographic location.
Attraction and Retention	The executive compensation program should enable the organization to attract executives with a technical background, international experience and the broader skills necessary for the management of a global corporation.

Consistent with our philosophy, and as further discussed in the CD&A, we believe the Compensation Committee has designed an executive compensation program that: (i) strongly aligns the compensation of our NEOs with the interests and concerns of stockholders and our overall business strategy by linking significant portions of our NEOs' compensation to our performance, (ii) is competitive and reasonable as compared to compensation programs adopted by the Corporation's peer group and based on a review of broader public company and industry survey data, (iii) includes best-practice compensation governance features that are in the best interests of the Corporation and its stockholders, and (iii) is cost-effective with limited perquisites and other personal benefits.

The Board of Directors recommends a vote "FOR" the say-on-pay proposal, as stated by the following resolution:

"RESOLVED, that the Corporation's stockholders approve, on an advisory basis, the compensation of the NEOs, as disclosed in the Corporation's Proxy Statement for the 2018 Annual Meeting of Stockholders pursuant to the compensation disclosure rules of the Securities and Exchange Commission, including the CD&A, the fiscal year 2018 Summary Compensation Table, and the other related tables and disclosures."

The say-on-pay vote is advisory, and therefore not binding on the Corporation, our Board of Directors or our Compensation Committee. Our Board of Directors and the Compensation Committee value the opinions of our stockholders and will take into account the outcome of this vote in considering future compensation arrangements.

Vote Required

Approval of this proposal requires the affirmative vote of a majority of the shares represented at the Annual Meeting and entitled to vote.

SECURITY OWNERSHIP

As of May 29, 2018, the Corporation's issued and outstanding Common Stock consisted of 57,252,739 shares of Common Stock. The following information with respect to the outstanding shares of Common Stock beneficially owned by each nominee for director of the Corporation, each continuing director, each "Named Executive Officer," the directors and executive officers as a group, and all beneficial owners of more than 5% of the Common Stock known to the Corporation is furnished as of May 29, 2018. Except as otherwise indicated below, each of the persons named in the table has sole voting and investment power with respect to the securities beneficially owned by it, him or her as set forth opposite its, his or her name.

Directors, Named Executive Officers and 5% Stockholders	Amount and Nature of Beneficial Ownership		Percent of Class
Per-Olof Loof	865,590	(1)	1.51 %
William M. Lowe, Jr.	139,730	(2)	*
Charles C. Meeks, Jr.	61,594	(3)	*
Shigenora Oyama	2,953	(4)	*
R. James Assaf	74,326	(5)	*
Dr. Wilfried Backes	68,334	(6)	*
Gurminder S. Bedi	60,002	(7)	*
Frank G. Brandenberg	60,001	(8)	*
Jacob T. Kotzubei	56,230	(9)	*
E. Erwin Maddrey, II	72,096	(10)	*
Yasuko Matsumoto	7,972	(11)	*
Robert G. Paul	84,501	(12)	*
Karen M. Rogge	—	(13)	*
All Directors and Executive Officers as a Group (15 persons)	1,701,448	(14)	2.95 %
BlackRock, Inc.	6,546,264	(15)	11.43 %
Dimensional Fund Advisors LP	3,063,455	(16)	5.35 %
Renaissance Technologies LLC	2,880,200	(17)	5.03 %
The Vanguard Group	4,010,624	(18)	7.01 %

* Percentage of shares beneficially owned does not exceed one percent of class.

(1) Includes 779,590 restricted shares of Common Stock ("Restricted Shares"). Restricted Shares cannot be sold until 90 days after termination of service with the Corporation or until the director or officer achieves the targeted ownership under the Corporation's stock ownership guidelines, and only to the extent that such ownership exceeds the target. 86,000 unrestricted shares are pledged as security in a margin account. Mr. Loof purchased these in the open market prior to the Corporation's adoption of its current anti-pledging policy, described on page 34 below.

(2) Represents 139,730 Restricted Shares.

(3) Includes 59,094 Restricted Shares.

(4) Represents 2,953 Restricted Shares.

(5) Represents 74,326 Restricted Shares.

(6) Represents 8,333 Restricted Shares, 50,001 vested RSUs and 10,000 RSUs that vest within 60 days of May 29, 2018.

(7) Includes 50,001 vested RSUs and 10,000 RSUs that vest within 60 days of May 29, 2018.
(8) Represents 50,001 vested RSUs and 10,000 RSUs that vest within 60 days of May 29, 2018.
(9) Represents 46,230 vested RSUs and 10,000 RSUs that vest within 60 days of May 29, 2018.
(10) Includes 10,762 Restricted Shares, 50,001 vested RSUs and 10,000 RSUs that vest within 60 days of May 29, 2018.
(11) Represents 7,972 RSUs that vest within 60 days of May, 29, 2018.
(12) Includes 10,000 Restricted Shares, 50,001 vested RSUs and 10,000 RSUs that vest within 60 days of May 29, 2018.
(13) Ms. Rogge joined the Board of Directors of the Corporation on May 30, 2018.
(14) The amount shown includes 1,232,907 Restr10icted Shares, 296,235 vested RSUs and 67,972 RSUs that will vest within 60 days of May 29, 2018.
(15) According to a Schedule 13G filed with the SEC on January 19, 2018 by BlackRock, Inc., as of December 31, 2017, BlackRock, Inc. has sole voting power for 6,453,911 shares and sole dispositive power for 6, 546,264 shares. The address for this reporting person is 55 East 52nd Street, New York, NY 10055.
(16) According to a Schedule 13G filed with the SEC on February 9, 2018 by Dimensional Fund Advisors LP, as of December 31, 2017, Dimensional Fund Advisors LP has sole voting power for 2,927,390 shares and sole dispositive power for 3,063,455 shares. The address for this reporting person is Building One, 6300 Bee Cave Road, Austin, TX 78746.
(17) According to a Schedule 13G filed with the SEC on February 14, 2018 by Renaissance Technologies LLC, as of March 23, 2017, Renaissance Technologies LLC has sole voting and sole dispositive power for 2,880,200 shares. The address for this reporting person is 800 Third Avenue, New York, NY 10022.
(18) According to a Schedule 13G filed with the SEC on February 8, 2018 by The Vanguard Group, as of December 31, 2017, The Vanguard Group has sole voting power for 106,100 shares, sole dispositive power for 3,905,642 shares, shared voting power for 3,600 shares, and shared dispositive power for 104,982 shares. The address for this reporting person is 100 Vanguard Blvd., Malvern, PA 19355.

EXECUTIVE COMPENSATION

COMPENSATION DISCUSSION AND ANALYSIS

This Compensation Discussion and Analysis ("CD&A") describes our executive compensation program. It explains the decision-making process used by the Compensation Committee of our Board of Directors, and the actions the Compensation Committee took related to the compensation of the Corporation's executive officers listed below (we refer to these persons as our "Named Executive Officers" or "NEOs") for our fiscal year ended March 31, 2018:

NEO	Position
Per-Olof Loof	Chief Executive Officer and Director
William M. Lowe, Jr.	Executive Vice President and Chief Financial Officer
Shigenori Oyama	Executive Vice President, Magnetics, Sensors, & Actuators
Charles C. Meeks, Jr.	Executive Vice President, Solid Capacitor