

GOODRICH CORP
Form DEF 14A
March 12, 2002

Table of Contents

**SCHEDULE 14A
(Rule 14a-101)**

INFORMATION REQUIRED IN PROXY STATEMENT

SCHEDULE 14A INFORMATION

Proxy Statement Pursuant to Section 14(a) of the Securities

Exchange Act of 1934 (Amendment No.)

Filed by the Registrant x

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))
- x Definitive Proxy Statement
- o Definitive Additional Materials
- o Soliciting Material under Rule 14a-12

Goodrich Corporation

(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):

- x No fee required.
- o Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.

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

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

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

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(1) Amount Previously Paid:

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(4) Date Filed:

Table of Contents

**Notice of
2002
Annual Meeting
of Shareholders
and
Proxy Statement**

Table of Contents

Four Coliseum Centre

2730 West Tyvola Road
Charlotte, North Carolina 28217

NOTICE TO SHAREHOLDERS

THE ANNUAL MEETING OF SHAREHOLDERS of Goodrich Corporation, a New York corporation, will be held at Goodrich's headquarters, Four Coliseum Centre, 2730 West Tyvola Road, Charlotte, North Carolina on April 16, 2002, at 10:00 A.M. to:

1. Elect twelve Directors to hold office until the next Annual Meeting of Shareholders and until their respective successors are elected and qualified.
2. Consider and act upon a proposal to ratify the appointment of Ernst & Young LLP as Independent Auditors for the Company for the year 2002.
3. Transact such other business as may properly come before the meeting.

Information with respect to the above matters is contained in the Proxy Statement attached to this Notice.

The Board of Directors has fixed February 25, 2002 as the record date for determining shareholders entitled to notice of and to vote at the meeting. Only holders of record at the close of business on that date shall be entitled to notice of and to vote at the meeting or any adjournment thereof.

A proxy for use at the meeting in the form accompanying this Notice is hereby solicited on behalf of the Board of Directors of the Company from holders of Common Stock. Shareholders may withdraw their proxies at the meeting should they be present and desire to vote their shares in person, and they may revoke their proxies for any reason at any time prior to the voting thereof.

It is important that every shareholder be represented at the meeting regardless of the number of shares owned. To minimize expense associated with collecting proxies, please execute and return your proxy promptly.

By Order of the Board of Directors

Kenneth L. Wagner
Assistant Secretary

Dated March 12, 2002

TABLE OF CONTENTS

GENERAL INFORMATION

VOTE REQUIRED FOR APPROVAL

1. ELECTION OF DIRECTORS

NOMINEES FOR ELECTION

OTHER NOMINEES

HOLDINGS OF COMPANY EQUITY SECURITIES BY DIRECTORS AND EXECUTIVE OFFICERS

BENEFICIAL OWNERSHIP OF SECURITIES

COMPENSATION COMMITTEE REPORT

EXECUTIVE COMPENSATION

CUMULATIVE TOTAL SHAREHOLDER PERFORMANCE GRAPH

GOVERNANCE OF THE COMPANY

AUDIT REVIEW COMMITTEE REPORT

SECTION 16(a) BENEFICIAL OWNERSHIP REPORTING COMPLIANCE

2. RATIFICATION OF APPOINTMENT OF INDEPENDENT AUDITORS

OTHER MATTERS

SHAREHOLDER PROPOSALS

APPENDIX A

Table of Contents

TABLE OF CONTENTS

| | |
|---|-----|
| Notice to Shareholders | 1 |
| General Information | 2 |
| Vote Required for Approval | 2 |
| Election of Directors | 2 |
| Nominees for Election | 3 |
| Other Nominees | 6 |
| Holdings of Company Equity Securities By Directors and Executive Officers | 7 |
| Beneficial Ownership of Securities | 8 |
| Compensation Committee Report | 9 |
| Executive Compensation | 14 |
| Cumulative Total Shareholder Performance Graph | 20 |
| Governance of the Company | 21 |
| Audit Review Committee Report | 24 |
| Section 16(a) Beneficial Ownership Reporting Compliance | 24 |
| Ratification of Appointment of Independent Auditors | 25 |
| Other Matters | 25 |
| Shareholder Proposals | 26 |
| Appendix A | A-1 |

Table of Contents

GENERAL INFORMATION

The accompanying proxy is solicited on behalf of the Board of Directors of Goodrich Corporation. Our Annual Meeting of Shareholders will be held at our corporate headquarters, Four Coliseum Centre, 2730 West Tyvola Road, Charlotte, North Carolina at 10:00 A.M. on April 16, 2002.

All shareholders of record of Common Stock at the close of business on February 25, 2002 are entitled to notice of and to vote at the meeting. There were 101,700,426 shares outstanding and entitled to vote on such date, and each share is entitled to one vote. There are no cumulative voting rights. All of the shares represented by proxies submitted by such shareholders, and not revoked by them, will be voted on all matters presented for a vote.

Most shareholders have a choice of voting over the Internet, by using a toll-free telephone number or by completing a proxy card and mailing it in the postage-paid envelope provided. Please refer to your proxy card or the information forwarded by your bank, broker or other holder of record to see which options are available to you. Please be aware that if you vote over the Internet, you may incur costs such as telephone and Internet access charges for which you will be responsible. The Internet and telephone voting facilities for shareholders of record will close at 5:00 p.m. E.S.T. on April 15, 2002.

Proxies for shares of Common Stock will also represent shares held under our Dividend Reinvestment Plan. Proxies will also be considered to be voting instructions to the Plan Trustee with respect to shares held in accounts under the following plans: Goodrich Corporation Employees Savings Plan; Goodrich Corporation Employees Savings Plan for Wage Employees; Goodrich Corporation Savings Plan for Rohr Employees; Coltec Industries Inc Retirement Savings Plan; Coltec Industries Inc Retirement Accumulation Plan; Noveon, Inc. Retirement Savings Plan; Noveon, Inc. Retirement Savings Plan for Wage Employees; Geon Retirement Savings Plan; Michelin 401(k) Savings Plan; and UGTM Wage 401(k) Savings Plan. If participants in any such plan also are shareholders of record with the same account information, they will receive a single proxy which will represent all shares. If the account information is different, then the participants will receive separate proxies. Participants in other Company employee benefit plans will receive separate proxies.

You can revoke your proxy at any time before it is exercised by written notice to the Company's Secretary, timely delivery of a properly executed, later-dated proxy (including an Internet or telephone vote) or voting by ballot at the meeting. If your shares are held in the name of a bank, broker or other holder of record, you must obtain a proxy, executed in your favor, from the holder of record to be able to vote at the meeting.

We will pay the expense of soliciting these proxies. In addition to using the mails, our Officers, Directors and employees may solicit proxies personally, or by telephone or by facsimile. We will reimburse brokers and others holding shares in their names, or in the names of nominees, for their expenses in sending proxy material to the beneficial owners of such shares and obtaining their proxies. We have retained D.F. King & Co., Inc., 77 Water Street, New York, New York 10005-4495, to assist us in soliciting proxies from shareholders, including brokers, custodians, nominees and fiduciaries, and will pay that firm fees estimated at \$9,500 for its services, plus the firm's expenses and disbursements.

Our 2001 Annual Report, including financial statements, is being mailed with this proxy statement to each shareholder of record. An additional copy will be furnished to any shareholder upon request.

This proxy statement and our 2001 Annual Report are available on our Internet site at www.goodrich.com. Most shareholders can elect to view future proxy statements and annual reports over the Internet instead of receiving paper copies in the mail. If you are a shareholder of record, you can choose this option and save us the cost of producing and mailing these documents by checking the appropriate box on your proxy card or by following the instructions provided if you vote over the Internet or by telephone. If you are a shareholder of record and choose to view future proxy statements and annual reports over the Internet, you will receive a proxy card in the mail next year with instructions containing the Internet address to access those documents. If your shares are held through a bank, broker or other holder of record, check the information provided by that entity for instructions on how to elect to view future proxy statements and annual reports over the Internet.

Table of Contents

The approximate date on which we will begin mailing this proxy statement and the accompanying proxy to shareholders is March 12, 2002. Our principal executive offices are located at Four Coliseum Centre, 2730 West Tyvola Road, Charlotte, North Carolina 28217.

VOTE REQUIRED FOR APPROVAL

The presence, in person or by proxy, of the holders of a majority of the shares entitled to vote at the meeting is necessary to constitute a quorum. Abstentions and broker non-votes are counted as present and entitled to vote for purposes of constituting a quorum. A broker non-vote occurs when a nominee holding shares for a beneficial owner does not vote on a particular proposal because the nominee does not have discretionary voting power for that particular item and has not received voting instructions from the beneficial owner.

The twelve nominees for Director receiving a plurality of the votes cast at the meeting in person or by proxy shall be elected. Abstentions and broker non-votes are not counted for purposes of the election of Directors.

Ratification of the appointment of independent auditors will be decided by a majority of the votes cast for or against the proposal at this meeting. Abstentions and broker non-votes are not counted for these purposes.

PROPOSALS TO SHAREHOLDERS

1. ELECTION OF DIRECTORS

One of the purposes of the meeting is the election of twelve Directors to hold office until the next Annual Meeting of Shareholders in 2003 and until their respective successors are elected and qualified. It is intended that the accompanying proxy will be voted for the election of the twelve nominees named on the following pages, all of whom, with the exception of Mr. Larsen, are now Directors and whose terms expire in April 2002.

All nominees have indicated that they are willing to serve as Directors if elected. If any nominee should be unable or unwilling to serve, the proxies will be voted for the election of such person as may be designated by the Board of Directors to replace such nominee.

The Board recommends that you vote FOR the election of these nominees for Director.

Table of Contents

NOMINEES FOR ELECTION

DAVID L. BURNER, age 62 Director since December 4, 1995.

Chairman and Chief Executive Officer, Goodrich Corporation. Mr. Burner received his BSC degree from Ohio University. He joined Goodrich in 1983 as the Financial Vice President of the Engineered Products Group. Later that year he became Vice President and General Manager of the Off-Highway Braking Systems Division and in 1985 became an Executive Vice President of the Aerospace and Defense Division. In February 1987 Mr. Burner became President of that Division, which is now Goodrich Aerospace. He was elected a Senior Vice President of the Company in April 1990 and Executive Vice President in October 1993. He joined the Office of the Chairman in July 1994, was elected President of the Company in December 1995, Chief Executive Officer in December 1996 and Chairman in July 1997. Mr. Burner began his career with Arthur Andersen & Co. Mr. Burner is a member of the Board of Directors of Briggs & Stratton Corporation, Lance, Inc., Milacron Inc. and Progress Energy, Inc. Mr. Burner is active in numerous community activities.

DIANE C. CREEL, age 53 Director since December 22, 1997.

Chief Executive Officer and President, Earth Tech, an international consulting engineering firm headquartered in Long Beach, California. Ms. Creel has a B.A. and M.A. from the University of South Carolina. Ms. Creel has served as Chief Executive Officer and President of Earth Tech since January 1993. Prior thereto, she served as Chief Operating Officer of Earth Tech since 1987 and Vice President since 1984. Before joining Earth Tech, Ms. Creel was director of business development and communications for CH2M Hill from 1978-1984. Prior to that, Ms. Creel was manager of communications for Caudill Rowlett Scot, Houston, Texas from 1976 to 1978, and director of public relations for LBC&W, Architects-Engineers-Planners, Columbia, South Carolina from 1971-1976. Ms. Creel currently serves on the Board of Directors of Allegheny Technologies, Teledyne Technologies and the Corporations and Trusts which comprise the Fixed Income Fund of the American Funds Group of Capitol Management Corporation.

GEORGE A. DAVIDSON, JR., age 63 Director since April 15, 1991.

Retired Chairman, Dominion Resources, Inc., a natural gas and electric power holding company. Mr. Davidson is a graduate of the University of Pittsburgh with a degree in petroleum engineering. Effective January 2000, Dominion Resources and Consolidated Natural Gas Company merged. He has been associated with Consolidated Natural Gas since 1966. He became Vice Chairman of Consolidated Natural Gas in October 1985 and served in that position until January 1987, when he assumed the additional responsibility of Chief Operating Officer. In May 1987 Mr. Davidson became Chairman and Chief Executive Officer and served in that capacity until becoming Chairman of Dominion Resources, Inc. in January 2000. Mr. Davidson is a director of Dominion Resources, Inc. and PNC Bank Corp. Mr. Davidson is a director of the Pittsburgh Foundation, Past Chairman of the Board of The Pittsburgh Cultural Trust, Chairman Emeritus of the Pittsburgh Civic Light Opera Board and Past Chairman of the American Gas Association. Mr. Davidson is a Trustee of the University of Pittsburgh, chairs the Board of Visitors of the Katz Graduate School of Business and is Vice Chair of the Board of Visitors of the School of Engineering.

Table of Contents

HARRIS E. DELOACH, JR., age 57 Director since April 17, 2001.

President and Chief Executive Officer, Sonoco Products Company, a worldwide, vertically integrated packaging company. Mr. DeLoach holds a Bachelor of Arts degree in business administration and a Juris Doctor degree from the University of South Carolina. Mr. DeLoach was named President and Chief Executive Officer of Sonoco Products Company in July 2000. Previously, he was Senior Executive Vice President and Chief Operating Officer from 1999 to 2000, Executive Vice President from 1996 to 1999 and Group Vice President from 1993 to 1996. He joined Sonoco in 1985. Mr. DeLoach is a director of Sonoco Products Company. He also serves as a member of the Bank of America Advisory Board in Hartsville, South Carolina, as chairman of the Byerly Foundation, the University of South Carolina International Business School Advisory Board and the University of South Carolina Business Partnership Foundation, and as a member of the University of South Carolina Law School Partnership Board.

JAMES J. GLASSER, age 67 Director since April 15, 1985.

Chairman Emeritus, GATX Corporation, a transportation, storage, leasing and financial services company. Mr. Glasser holds a bachelor of arts degree from Yale University and a doctor of jurisprudence degree from Harvard Law School. He joined GATX Corporation in 1961 and served in various executive capacities becoming President in 1974, Chairman of the Board and Chief Executive Officer in 1978, and Chairman Emeritus in April 1996. He is a Director of Harris Bankcorp, Inc., Harris Trust and Savings Bank and Mutual Trust Life Insurance Co. Mr. Glasser is also Chairman of the Board of Lake Forest Hospital, a Director of The Chicago Music and Dance Theatre, Chicago Horticultural Society, Northwestern Memorial Corporation and Voices for Illinois Children, a Trustee of the Chicago Zoological Society and the University of Chicago and is Chairman of the Executive Committee of the Chicago Community Trust.

WILLIAM R. HOLLAND, age 63 Director since July 12, 1999.

Retired Chairman, United Dominion Industries, a diversified manufacturing company. Mr. Holland has bachelor of art and juris doctorate degrees from the University of Denver. He joined United Dominion in 1973 as Vice President and General Counsel. He held various executive positions, including Chief Executive Officer from 1986 to 2000 and Chairman from 1987 to 2001. Mr. Holland is a Director of J. A. Jones Construction Co. and Lance Inc. He is a member of the Board of Commissioners of Carolinas HealthCare System.

MARSHALL O. LARSEN, age 53 Not presently a director.

President and Chief Operating Officer, Goodrich Corporation. Mr. Larsen received a B.S. in Engineering from the U.S. Military Academy and an M.S. in Industrial Management from the Krannert Graduate School of Management at Purdue University. He joined Goodrich in 1977 as an Operations Analyst. In 1981, he became Director of Planning and Analysis and subsequently Director of Product Marketing. In 1986, he became Assistant to the President and later served as General Manager of several divisions of Goodrich's aerospace business. He was elected a Vice President of Goodrich and named a Group Vice President of Goodrich Aerospace in 1994 and was elected an Executive Vice President of Goodrich and President and Chief Operating Officer of Goodrich Aerospace in 1995. He was elected President and Chief Operating Officer of Goodrich in February 2002. Mr. Larsen is Chairman of the Board of Governors of the Aerospace Industries Association and a member of the Board of Governors of the General Aviation Manufacturers Association. He is active in numerous community activities.

Table of Contents

DOUGLAS E. OLESEN, age 63 Director since October 1, 1996.

Retired President and Chief Executive Officer, Battelle Memorial Institute, a worldwide technology organization, working for government and industry. Dr. Olesen earned his B.S., M.S. and Ph.D. degrees in Civil Engineering at the University of Washington. In 1963 Dr. Olesen joined Boeing Aircraft Company as a Research Engineer and assisted in developing and testing closed life-support systems for long-term space missions. He joined Battelle Memorial Institute, Northwest Labs, in Richland, Washington in 1967 and served in a series of management positions. Dr. Olesen was named Vice President and Director of the Northwest Division in 1979. In 1984 he became Executive Vice President and Chief Operating Officer of the Battelle Memorial Institute in Columbus, Ohio. In 1987 he was elected President and Chief Executive Officer and in October 2001 he retired. Currently he serves as a Director of Battelle Pulmonary Therapeutics, Inc. and as Chairman of Battelle for Kids. He is a member of the Governor's Commission on Teaching Success.

RICHARD DE J. OSBORNE, age 67 Director since April 15, 1996.

Chairman of the Board (retired), ASARCO Incorporated, a leading producer of nonferrous metals. Mr. Osborne received an A.B. in economics from Princeton University. He joined ASARCO in 1975 as Vice President of Finance and Chief Financial Officer. Mr. Osborne was elected a Director of ASARCO in 1976, Executive Vice President in 1977, President in 1982, and Chairman and Chief Executive Officer, in addition to President, in 1995. He relinquished the title of President in 1998 and retired as Chairman and Chief Executive Officer in April 1999. Prior to joining ASARCO, Mr. Osborne had been Executive Vice President of Finance and Business Development at Fairchild Camera and Instrument Corporation and held various executive positions in finance, planning and management at IBM Corporation. Mr. Osborne is a former Director of ASARCO and former non-executive Chairman and a Director of Southern Peru Copper Corporation. He is non-executive Chairman of the Board and a Director of Datawatch Corporation, and a Director of Schering-Plough Corporation, Birmingham Steel Corporation, NACCO Industries, Inc. and The Tinker Foundation. Mr. Osborne is also a Director of the Americas Society and of the Council of the Americas. Mr. Osborne is a former Chairman and Director of the National Mining Association, the Copper Development Association, the International Copper Association and the Silver Institute; and was the President and a Director of the American Australian Association. He is a member of the Council on Foreign Relations and the Economic Club of New York.

ALFRED M. RANKIN, JR., age 60 Director since April 18, 1988.

Chairman, President and Chief Executive Officer, NACCO Industries, Inc., an operating holding company with interests in the mining and marketing of lignite, manufacturing and marketing of forklift trucks, and the manufacturing and marketing of small household electric appliances. Mr. Rankin holds a Bachelor of Arts degree in economics from Yale University, and a juris doctor degree from the Yale Law School. He joined NACCO Industries in February 1989 as President and Chief Operating Officer and became President and Chief Executive Officer in May 1991. He assumed the additional title of Chairman in May 1994. Previously, Mr. Rankin served in a number of management positions with Eaton Corporation, with the most recent being Vice Chairman and Chief Operating Officer from April 1986 to February 1989. He is a director of NACCO Industries, Inc. and The Vanguard Group. He is a trustee of Cleveland Tomorrow, the Cleveland Museum of Art, the Musical Arts Association and University Hospitals of Cleveland.

Table of Contents

JAMES R. WILSON, age 61 Director since December 22, 1997.

Retired Chairman of the Board, President and Chief Executive Officer, Cordant Technologies Inc., a leading producer of solid propellant rocket motors, high performance fasteners used in commercial aircraft and industrial applications and components for aircraft and industrial gas turbine engines. Mr. Wilson holds a B.A. degree from the College of Wooster and an M.B.A. degree from Harvard University. Mr. Wilson assumed the position of Chairman of Cordant in October 1995 and the position of President and Chief Executive Officer in October 1993, and retired in June 2000. Mr. Wilson joined Cordant in July 1989 as Vice President and Chief Financial Officer and was named Executive Vice President in October 1992. Prior to joining Cordant in 1989, Mr. Wilson served as Chief Financial Officer for Circuit City Stores from 1987-1988, and as Executive Vice President and Chief Financial Officer for Fairchild Industries, Inc. from 1982-1987. Earlier, he held various financial management positions at Textron Inc. He is also a director of Cooper Industries, Inc. and serves as Chairman of the Board of Trustees of the College of Wooster, Wooster, Ohio.

A. THOMAS YOUNG, age 63 Director since April 17, 1995.

Retired Executive Vice President, Lockheed Martin Corporation, an aerospace and defense company. Mr. Young is a graduate of the University of Virginia with bachelor degrees in aeronautical engineering and mechanical engineering, and of the Massachusetts Institute of Technology with a master's degree in management. Mr. Young was with the National Aeronautics and Space Administration from 1961 to 1982, serving in a number of management positions including Mission Director of the Project Viking Mars landing program and Director of the Goddard Space Flight Center. In 1982 he joined Martin Marietta as Vice President of Aerospace Research and Engineering, later became Senior Vice President and President of Martin Marietta Electronics & Missiles Group and Executive Vice President. He became President and Chief Operating Officer in January 1990, Executive Vice President of Lockheed Martin Corporation in March 1995 and retired in July of that year. Mr. Young is a director of Potomac Electric Power Company and Science Applications Informational Corp. Mr. Young is also a Fellow of the American Astronautical Society, the American Institute of Aeronautics and Astronautics and the Royal Aeronautical Society and a member of the National Academy of Engineering.

OTHER NOMINEES

Under our By-Laws, any shareholder entitled to vote at the Annual Meeting may make nominations for director if such shareholder provides written notice to, and such notice is received by, the Secretary of the Company generally not less than 90 nor more than 120 days prior to the first anniversary of the preceding year's annual meeting. For the 2002 Annual Meeting such notice must have been received between December 16, 2001 and January 15, 2002. Each such notice must include:

the name, age, principal occupation or employment of each proposed nominee and a brief description of any arrangement or understanding between the nominee and others relating to why he or she was selected as a nominee, in addition to any other information required by the SEC's proxy regulations;

the proposed nominee's written consent to serve as a director if elected;

the name and address of the shareholder proposing the nominee as well as any other shareholders believed to be supporting such nominee; and

the number of shares of each class of Company stock owned by such shareholders.

No person is eligible for election as a director unless nominated in accordance with the procedures contained in the By-Laws. See Appendix A for the full text of the relevant section of the By-Laws. We have not received any notice of additional nominees for director.

Table of Contents

**HOLDINGS OF COMPANY EQUITY SECURITIES BY DIRECTORS AND
EXECUTIVE OFFICERS**

The following table contains information with respect to the number of shares of Common Stock beneficially owned by our Directors and Executive Officers as of January 31, 2002. Except as otherwise noted in the footnotes below, each of these persons had sole voting and investment power with respect to the Common Stock beneficially owned by them.

| Name of Beneficial Owner | Amount and Nature of Beneficial Ownership(2) | Directors Phantom Shares(3)(4) | Directors Deferred Compensation Plan Phantom Shares(3)(4) | Long Term Incentive Plan Phantom Shares(4)(5) | Percent of Class(6) |
|--|--|--------------------------------------|---|--|------------------------|
| David L. Burner | 806,631 | | | 201,198 | * |
| Diane C. Creel | 206 | 4,733 | 2,755 | | * |
| George A. Davidson, Jr. | 5,000 | 10,294 | 2,755 | | * |
| Harris E. DeLoach, Jr. | 1,000 | | 2,037 | | * |
| James J. Glasser | 2,000 | | 2,755 | | * |
| William R. Holland | 5,000 | 2,739 | 1,912 | | * |
| Marshall O. Larsen | 493,496 | | | 101,909 | * |
| Terrence G. Linnert | 183,384 | | | 51,070 | * |
| Douglas E. Olesen | 887 | 5,531 | 4,278 | | * |
| Richard de J. Osborne | 1,076(7) | 5,531 | 2,755 | | * |
| Alfred M. Rankin, Jr. | 1,000 | 2,420 | 4,639 | | * |
| Ernest F. Schaub | 286,547(8) | | | 60,902 | * |
| Ulrich Schmidt | 121,420 | | | 34,769 | * |
| James R. Wilson | 7,692 | 4,733 | 6,733 | | * |
| A. Thomas Young | 1,000 | 6,294 | 6,895 | | * |
| 18 Directors and Executive Officers as a Group | 2,324,202(9) | 42,275 | 37,514 | 521,571 | 2.25% |

* Less than 1%.

- (1) Applicable percentage ownership is based on 101,675,045 shares of Company common stock outstanding at January 31, 2002 (excluding 14,000,000 shares held by a wholly owned subsidiary).
- (2) Includes the approximate number of shares credited to the individuals' accounts in the Company's Employees' Savings Plan or similar plans of the Company's subsidiaries, the Company's matching portion of which is subject to vesting requirements. Includes shares not presently owned by the individuals but which are subject to stock options exercisable within 60 days as follows: D. L. Burner, 622,550 shares; M. O. Larsen, 397,300 shares; T. G. Linnert, 150,500 shares; E. F. Schaub, 229,400 shares; U. Schmidt, 110,266 shares; and all Directors and Executive Officers as a group, 1,731,427 shares. Excludes 106,450 shares not presently owned by Mr. Burner but which are subject to stock options exercisable within 60 days, as to which he does not have voting or investment power and disclaims beneficial ownership. All ownership is direct, except Mr. Schaub owns 5,000, and all Directors and Executive Officers as a group own 5,000, shares indirectly.
- (3) Number of Phantom Shares awarded under Directors' Phantom Share Plan and Directors' Deferred Compensation Plan, see Governance of the Company Compensation of Directors.
- (4) Phantom shares are not outstanding and there is no voting or investment authority.
- (5) Phantom shares credited under the Long-Term Incentive Plan are subject to achievement of performance goals.
- (6) Does not include Directors' Phantom Shares, Directors' Deferred Compensation Plan Phantom Shares or LTIP Phantom Shares.

- (7) Shared voting and investment power as to 1,076 shares.
- (8) Shared voting and investment power as to 5,000 shares.
- (9) Shared voting and investment power as to 6,076 shares.

Table of Contents**BENEFICIAL OWNERSHIP OF SECURITIES**

The following table contains information known to us with respect to persons who are the beneficial owner of more than 5% of Common Stock as of January 31, 2002. The shares are directly owned except that the shares in our benefit plans are held of record, but not beneficially, by the Plan's trustee.

| Name and Address of Beneficial Owner | Amount | Percent of Class (1) |
|---|-----------|----------------------|
| Goodrich Corporation Employees Savings Plan and other Company defined contribution plans(2) | 8,147,858 | 8.01% |
| AXA and related companies(3) 25, avenue Matignon 75008 Paris, France | 6,546,094 | 6.44% |
| Morgan Stanley Dean Witter & Co.(4) 1585 Broadway New York, New York 10036 | 5,707,624 | 5.61% |

- (1) Applicable percentage ownership is based on 101,675,045 shares of Company common stock outstanding at January 31, 2002 (excluding 14,000,000 shares held by a wholly owned subsidiary).
- (2) Participants have voting rights; Trustee is to vote shares for which it does not receive any voting instructions in the same ratio as shares as to which it does receive voting instructions.
- (3) This information is based on a Schedule 13G/A filed with the SEC on February 12, 2002 by AXA; AXA Financial, Inc., 1290 Avenue of the Americas, New York, NY 10104, and the Mutuelles AXA as a group as follows: AXA Conseil Vie Assurance Mutuelle, AXA Assurances I.A.R.D. Mutuelle and AXA Assurances Vie Mutuelle, 370, rue Saint Honore, 75001 Paris France; and AXA Courtage Assurance Mutuelle, 26, rue Louis le Grand, 75002 Paris France. The above described persons reported voting and dispositive power as of December 31, 2001 as follows: (a) AXA, AXA Financial, Inc. and the Mutuelles AXA as a group each reported no voting or dispositive power; (b) AXA Rosenberg Investment Management LLC, a subsidiary of AXA, reported sole voting power as to 51,700 shares and shared dispositive power as to 92,300 shares; (c) Alliance Capital Management L.P., a subsidiary of AXA Financial, Inc., reported sole voting power as to 3,953,443 shares, shared voting power as to 131,863 shares and sole dispositive power as to 6,453,094 shares; and (d) The Equitable Life Assurance Society of the United States, a subsidiary of AXA Financial, Inc., reported sole dispositive power as to 700 shares.
- (4) This information is based on a Schedule 13G/A filed with the SEC on January 29, 2002, which stated that the reporting person has shared voting power as to 5,447,640 shares and shared dispositive power as to all 5,707,624 shares.

Table of Contents

COMPENSATION COMMITTEE REPORT

Executive Compensation Philosophy

The Compensation Committee and the Company are committed to the philosophy that pay should be linked to Company performance so that the interests of executives are aligned with those of shareholders.

This philosophy is supported by the following guiding principles for the Company's compensation programs:

A significant portion of pay will be dependent on the Company's annual and long-term performance including growth in shareholder value.

Compensation programs will emphasize stock-based incentives in order to link shareholder and executive interests and to encourage stock ownership by executives.

The Company intends to provide total compensation commensurate with performance—good performance resulting in superior compensation, and poor performance resulting in below average compensation levels—compared to other companies.

The Company's compensation program consists of three elements: annual base salary, annual cash incentive compensation and long-term incentives. To assist it in performing its duties, the Committee meets periodically with its own independent compensation consultant.

Competitive Labor Market

The Compensation Committee establishes compensation programs, in part, on the basis of competitive factors. It considers the pay levels and practices of a group of specific companies employing executives with comparable experience and skills as well as broad-based surveys of large industrial companies. The companies reviewed individually and those included in the principal broad-based surveys include those companies comprising the different indices used in the stock price performance graph, in addition to other companies.

Base Salary

The Company's base salary policy is intended to insure that compensation practices are competitive within relevant industries and with major industrial companies. The Compensation Committee believes that the middle of the salary range for Company executives should be at the median base salary of comparable industrial companies. The Compensation Committee recommends to the Board of Directors the base salary for the Chief Executive Officer and establishes the annual base salary for other Company officers at the level of senior vice president or higher.

Incentive Compensation

Incentive compensation is intended to motivate and retain qualified individuals who have the opportunity to influence Company results significantly and enhance shareholder value. The philosophy for incentive compensation plans is to provide competitive awards when financial objectives are achieved and provide reduced or no awards when the objectives are not achieved. Incentive compensation programs are divided into two types—annual cash bonus and long-term incentive compensation. Generally speaking, the higher an individual's level within the Company, the greater the percentage of his or her potential total compensation is represented by incentive compensation.

The Company utilizes its Value Management Program as a measurement tool for evaluating the Company's financial performance, for developing and evaluating its business plans and for incentive compensation. The primary measurements used by the Company are:

Relative Total Shareholder Return compared to a peer group of companies, which for 2001 were the manufacturing companies within the S&P 500 index (RTSR); and

Table of Contents

Total Business Return, which measures earnings before interest, taxes, depreciation and amortization (EBITDA) as well as cash flow (TBR).

The Company believes that these measurements have historically been accurate estimators of shareholder value creation.

For 2002, RTSR will be determined based upon a comparison with a peer group of comparable aerospace companies that the Committee believes will more accurately reflect the Company's business mix following the spin-off of the Company's Engineered Industrial Products (EIP) business to shareholders.

In addition, in 2002 the annual and long-term incentive compensation plans will include a performance measurement based on free cash flow (Free Cash Flow) at the corporate, segment, group and business unit level.

Annual Incentive Compensation

An individual's annual cash bonus target under the Company's Management Incentive Plan is expressed as a percentage of his or her salary, with the percentages of salary increasing with the level of the job. Incentive payments can range from 0% to 200% of target, based on the level of performance against the financial objectives. In certain cases, performance at a level exceeding 200% will result in a cash bonus being paid pro rata over an ensuing three-year period.

In 2001, Mr. Burner and six other executive officers did not participate in the Management Incentive Plan. Instead, they participated in the Senior Executive Management Incentive Plan, which is designed to meet the Federal income tax deductibility rules of the Internal Revenue Code. As required by the Code, the plan requires that any award be based upon an objective formula established at the beginning of the year. For 2001, target annual incentive awards and financial objectives under the plan were established based on the same criteria as the Management Incentive Plan. Incentive payments under the plan can range from 0% to 200% of target, based on the level of performance against the financial objectives.

As noted above, the performance measures used in 2001 in the Company's Management Incentive Plan and Senior Executive Management Incentive Plan are RTSR and TBR. The plan places various weightings on these measures depending upon a participant's role in the Company and his or her scope of responsibility. For 2001, the performance factors and weightings under these plans were as follows:

| Measures | Corporate Staff | Segment COO | Segment Staff | Group Staff | Business Unit Staff |
|-------------------|-----------------|-------------|---------------|-------------|---------------------|
| Company RTSR | 50% | 50% | 30% | | |
| Company TBR | 50% | | | | |
| Segment TBR | | 50% | 70% | 20% | |
| Group TBR | | | | 80% | 20% |
| Business Unit TBR | | | | | 80% |

In determining 2001 annual incentive compensation, the Committee also took into consideration the Company's 2001 performance prior to the September 11, 2001 terrorist attacks on New York and Washington and the subsequent impact of those attacks on the Company's aerospace business. The Committee determined that, under the circumstances, it was appropriate to exercise its authority to make certain discretionary awards to specified Corporate and Aerospace participants in an amount not to exceed the target awards for TBR under the plans. Any such discretionary amounts were paid in cash or, in the case of persons who also participate in the Long-Term Incentive Plan, restricted stock with a three-year vesting period. The Committee also authorized management to consider discretionary awards for certain EIP participants.

Table of Contents

The performance measures to be used in 2002 in the Company's Management Incentive Plan and Senior Executive Management Incentive Plan are RTSR, TBR and Free Cash Flow. The plan places various weightings on these measures depending upon a participant's role in the Company and his or her scope of responsibility. For 2002, the performance factors and weightings under these plans will be as follows:

| Measures | Corporate Staff | Segment COO | Segment Staff | Group Presidents | Group Staff | Business Unit Staff |
|------------------------------|-----------------|-------------|---------------|------------------|-------------|---------------------|
| Company RTSR | 50% | 50% | 30% | 30% | | |
| Company TBR | 25% | 25% | | | | |
| Company Free Cash Flow | 25% | 25% | | | | |
| Segment TBR | | | 35% | | 10% | |
| Segment Free Cash Flow | | | 35% | | 10% | |
| Group TBR | | | | 35% | 40% | 10% |
| Group Free Cash Flow | | | | 35% | 40% | 10% |
| Business Unit TBR | | | | | | 40% |
| Business Unit Free Cash Flow | | | | | | 40% |

Long-Term Incentive Compensation

Currently, long-term incentive compensation at the Company consists of a performance-related plan based on a three-year measurement cycle and stock options.

With respect to selected senior executives, including the persons named in the Summary Compensation Table, the Committee considers the recommendation of the Chief Executive Officer in determining the level of awards of long-term incentive compensation. It also considers its own evaluation of the individuals since the members have ample opportunity to observe their performance. With respect to other executives who receive long-term incentive compensation, the Committee makes the determination of the appropriate awards, but generally considers the recommendation of management in making the specific award within the established guidelines. The Committee has available information as to the level of past awards and individual stock ownership of the executive officers. The factors considered in making the awards for the Chief Executive Officer are discussed below.

Long-Term Incentive Plan

The Compensation Committee adopted the Long-Term Incentive Plan in 1992, which is based on the Stock Option Plan. In 2001, the Committee granted Long-Term Incentive Plan awards to 90 executives.

Currently, the Committee makes awards every year, based on overlapping three-year performance cycles. At the beginning of each three-year cycle, the Committee establishes the performance goals. The plan places various weightings on these measures depending upon a participant's role in the Company and his or her scope of responsibility.

For the 2001-2003 awards, the performance factors and weightings were as follows:

| Measures | Corporate Staff | Segment COO | Segment Staff | Group Staff | Business Unit Staff |
|--------------|-----------------|-------------|---------------|-------------|---------------------|
| Company RTSR | 50% | 50% | 30% | 20% | 20% |
| Company TBR | 50% | | | | |
| Segment TBR | | 50% | 70% | 80% | 80% |

Grants are credited as phantom Performance Shares in a book account for each participant. Each phantom Performance Share is equivalent to one share of Goodrich common stock. Participants will be entitled to a payout of shares at the end of each Plan cycle only if the threshold performance standard is met. The number of shares to be received will range from 0% to 200% of the total phantom Performance Share

Table of Contents

account (including shares credited through dividend equivalents), based on the level of performance against the above financial objectives. Awards will be paid in actual Goodrich common shares.

Guidelines establish a target award of Performance Shares with the aggregate market value of the shares awarded based upon a percentage of salary market value depending upon the individual's position level within the Company—the higher the position level the greater the percentage. The determination of whether to make an award is dependent upon the individual's past performance and expectations of future performance.

Stock Options

The Stock Option Plan is administered by the Compensation Committee. The Plan provides that options may not be granted at less than 100% of fair market value and that options may not be repriced. The Committee has established a target award for individuals based upon the aggregate exercise price of the options granted as a percentage of salary—the higher the salary, the greater the percentage. In 2001, the Committee granted stock options to 335 executives.

Stock Ownership Guidelines

The Compensation Committee has endorsed a management recommendation establishing stock ownership guidelines for participants in the Long-Term Incentive Plan at a multiple of their base salary. The multiple varies from between .75 to 4 times salary, with the multiple increasing with one's level within the Company. Individuals are given five years to achieve the target ownership levels.

Tax Deductibility of Compensation

Section 162(m) of the Internal Revenue Code generally disallows a tax deduction to public companies for compensation in excess of \$1 million paid to the company's chief executive officer or any of the four most highly compensated executive officers. Certain compensation is specifically exempt from the deduction limit to the extent that it does not exceed \$1 million during any fiscal year or is performance based as defined in Section 162(m). The Compensation Committee believes that it is generally in the Company's best interests to comply with Section 162(m). The Committee also believes, however, that it must maintain the flexibility to take actions which it deems to be in the best interests of the Company and its shareholders but which may not qualify for tax deductibility under Section 162(m).

Chief Executive Officer

Effective January 1, 2001, the Compensation Committee recommended, and the Board of Directors set, Mr. Burner's base salary at \$950,000. In recommending this base salary, the Committee took into account surveys of base compensation of chief executive officers of other major industrial companies. The Committee considered his leadership and key contributions to the overall financial performance of the Company, and the Company's progress towards achieving important strategic objectives.

In 2001, Mr. Burner's target annual incentive award and financial objectives under the Senior Executive Management Incentive Plan were established based on the same criteria as the Management Incentive Plan. For 2001 Mr. Burner received \$41,800, or 4.4% of his target amount under the plan. Mr. Burner also received a discretionary award of 15,400 restricted shares with a three-year vesting period, which was made by the Board of Directors after taking into consideration the factors discussed above under Annual Incentive Compensation.

Table of Contents

In 2001, Mr. Burner received options to purchase 140,000 shares. During 2001, Mr. Burner was awarded 46,000 Performance Shares under the 2001-2003 Long-Term Incentive Plan. The performance guidelines for awards for the Chief Executive Officer and the actual performance targets are the same as for other corporate officers. The Compensation Committee and the Board of Directors used the same factors to make these awards as it did in determining the other elements of Mr. Burner's compensation.

The Compensation Committee

James R. Wilson, Chairman

Diane C. Creel

George A. Davidson, Jr.

Harris E. DeLoach, Jr.

James J. Glasser

13

Table of Contents**EXECUTIVE COMPENSATION****Summary Compensation Table**

| Name and Principal Position | Year | ANNUAL COMPENSATION | | | LONG TERM COMPENSATION | | | |
|--------------------------------|------|---------------------|-----------|-----------------------------------|---------------------------------|---------------------------------------|---------------------|--------------------------------|
| | | Salary(\$) | Bonus(\$) | Other Annual Compensation (\$)(2) | AWARDS | | PAYOUT | |
| | | | | | Restricted Stock Awards (\$)(3) | Securities Underlying Options/SARs(#) | LTIP Payout (\$)(4) | All Other Compensation (\$)(5) |
| David L. Burner | 2001 | 950,000 | 41,800 | 163,759 | 429,660 | 140,000 | 0 | 198,420 |
| Chairman and Chief | 2000 | 900,000 | 1,375,938 | 175,006 | 0 | 89,200 | 379,063 | 171,536 |
| Executive Officer | 1999 | 816,667 | 1,030,767 | 643,771 | 0 | 146,900 | 320,299 | 157,215 |
| Marshall O. Larsen | 2001 | 600,000 | 202,500 | 388,060 | 22,320 | 65,000 | 0 | 80,647 |
| President and Chief | 2000 | 570,000 | 721,050 | 383,187 | 0 | 75,100 | 194,619 | 71,152 |
| Operating Officer | 1999 | 510,000 | 600,500 | 81,140 | 0 | 46,500 | 196,512 | 72,942 |
| Ernest F. Schaub | 2001 | 410,000 | 0 | 493,403 | 150,660 | 50,000 | 0 | 75,406 |
| Executive Vice | | | | | | | | |
| President and | 2000 | 375,000 | 315,000 | 160,621 | 0 | 59,300 | 61,880 | 73,321 |
| President, Goodrich | 1999 | 323,000 | 306,600 | 21,582 | 0 | 15,500 | 58,799 | 65,159 |
| Engineered Industrial Products | | | | | | | | |
| Terrence G. Linnert | 2001 | 400,000 | 11,440 | 24,430 | 117,180 | 35,000 | 0 | 88,044 |
| Senior Vice President, | 2000 | 359,937 | 394,800 | 340,502 | 0 | 38,900 | 50,679 | 77,814 |
| Human Resources and | 1999 | 303,333 | 247,520 | 14,230 | 0 | 15,300 | 55,704 | 69,703 |
| Administration, and | | | | | | | | |
| General Counsel | | | | | | | | |
| Ulrich Schmidt (1) | 2001 | 350,000 | 10,010 | 17,680 | 103,230 | 35,000 | 0 | 33,021 |
| Senior Vice President | | | | | | | | |
| and | 2000 | 282,500 | 227,014 | 168,662 | 0 | 14,100 | 20,421 | 27,636 |
| Chief Financial Officer | | | | | | | | |

(1) Mr. Schmidt became an executive officer of the Company in August 2000.

(2) Represents reimbursement for (i) payment of taxes and (ii) personal benefits, if such benefits total \$50,000 or more for a named officer.

The 2001 amount for Mr. Burner includes \$66,839 for personal use of corporate aircraft. The 2001 amounts shown for Messrs. Larsen and Schaub include \$162,423 and \$213,813, respectively, for moving and relocation expenses.

The 2000 amounts shown for Messrs. Burner, Larsen, Schaub, Schmidt and Linnert include \$38,470, \$154,263, \$31,763, \$150,166 and \$90,272, respectively, for moving and relocation expenses. The 2000 amount shown for Mr. Schaub also includes \$50,736 for personal use of corporate aircraft.

The 1999 amount for Mr. Burner includes \$315,634 for moving and relocation expenses. The 1999 amount for Mr. Larsen includes \$17,040 for automobile expenses and \$23,505 representing the imputed value in 1999 of the interest-free relocation loan provided to him by the Company.

(3)

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Represents the value as of the date of grant (February 19, 2002) of discretionary annual incentive compensation awards earned in 2001 that were paid in restricted stock with a three-year vesting period. Dividends are paid on restricted stock as and when dividends are paid on Goodrich common stock. The named executive officers held no restricted stock at December 31, 2001.

- (4) LTIP payouts for 2000 represent the fair market value of the termination and pro rata early payout of performance shares under the 1998 - 2000 Long-Term Incentive Plan and 1999 - 2001 Long-Term Incentive Plan, which was made in connection with the transition of our compensation programs to Value Management performance measures.

LTIP payouts for 1999 represent the fair market value of an interim payout of performance shares under the 1998 - 2000 Long-Term Incentive Plan, which was made as a result of the Coltec merger.

- (5) Includes for 2001: (a) matching contributions by the Company on behalf of the named individuals to the Company's defined contribution plans in the following amounts: D.L. Burner, \$141,681; M.O. Larsen, \$80,647; E.F. Schaub, \$44,350; T.G. Linnert, \$48,488; and U. Schmidt, \$33,021; and (b) premiums paid by the Company on behalf of the named individuals pursuant to the Company's split dollar insurance program in the following amounts: D.L. Burner, \$56,739; E.F. Schaub, \$31,056; and T.G. Linnert, \$39,556.

Includes for 2000: (a) matching contributions by the Company on behalf of the named individuals to the Company's defined contribution plans in the following amounts: D.L. Burner, \$113,970; M.O. Larsen, \$71,152; E.F. Schaub, \$42,044; T.G. Linnert, \$38,258; and U. Schmidt, \$27,636; and (b) premiums paid by the Company on behalf of the named individuals pursuant to the Company's split dollar insurance program in the following amounts: D.L. Burner, \$57,566; E.F. Schaub, \$31,277 and T.G. Linnert, \$39,556.

Includes for 1999: (a) matching contributions by the Company on behalf of the named individuals to the Company's defined contribution plans in the following amounts: D.L. Burner, \$98,923; M.O. Larsen, \$61,112; E.F. Schaub, \$34,488; and T.G. Linnert, \$31,123; and (b) premiums paid by the Company on behalf of the named individuals pursuant to the Company's split dollar insurance program in the following amounts: D.L. Burner, \$58,292; M.O. Larsen, \$11,830; E.F. Schaub, \$30,671; and T.G. Linnert, \$38,580.

Table of Contents**Option/ SAR Grants in Last Fiscal Year**

| Name | Individual Grants | | | | Potential Realizable Value at Assumed Annual Rates of Stock Price Appreciation for Option Term | | |
|---|--|---|--------------------------------|-----------------|--|---------------|---------------|
| | Number of Securities Underlying Options/SARs Granted | % of Total Options/SARs Granted to Employees in Fiscal Year | Exercise or Base Price (\$/Sh) | Expiration Date | 0% (\$) | 5% (\$) | 10% (\$) |
| | (# of Shares) | | | | | | |
| D. L. Burner | 28,000 | 1.37 | 35.6875 | 1/1/11 | 0 | 628,528 | 1,591,805 |
| | 112,000 | 5.48 | 38.6200 | 1/1/11 | 0 | 2,720,702 | 6,890,426 |
| M. O. Larsen | 13,000 | 0.64 | 35.6875 | 1/1/11 | 0 | 291,817 | 739,052 |
| | 52,000 | 2.54 | 38.6200 | 1/1/11 | 0 | 1,263,183 | 3,199,126 |
| E. F. Schaub | 10,000 | 0.49 | 35.6875 | 1/1/11 | 0 | 224,474 | 568,502 |
| | 40,000 | 1.96 | 38.6200 | 1/1/11 | 0 | 971,679 | 2,460,866 |
| T.G. Linnert | 7,000 | 0.34 | 35.6875 | 1/1/11 | 0 | 157,132 | 397,951 |
| | 28,000 | 1.37 | 38.6200 | 1/1/11 | 0 | 680,175 | 1,722,606 |
| U. Schmidt | 7,000 | 0.34 | 35.6875 | 1/1/11 | 0 | 157,132 | 397,951 |
| | 28,000 | 1.37 | 38.6200 | 1/1/11 | 0 | 680,175 | 1,722,606 |
| All Shareholders | N/A | N/A | N/A | N/A | 0 | 1,702,828,659 | 4,312,569,242 |
| All Optionees | 2,045,626 | 100 | (a) | (a) | 0 | 48,727,282 | 123,406,296 |
| Optionee Gain as % of all Shareholder Gain(b) | N/A | N/A | N/A | N/A | 0 | 2.86 | 2.86 |

(1) Options were granted under our stock option plan throughout 2001 with various vesting schedules and expiration dates through the year 2011. The weighted average exercise price of all options granted to optionees in 2001 was \$37.87.

(2) Based on a closing price of \$26.62 per share on December 31, 2001 and a total of 101,697,963 shares of Common Stock outstanding (excluding 14,000,000 shares held by a wholly owned subsidiary).

The dollar amounts under the potential realizable value column are the result of calculations of assumed annual compound rates of appreciation over the ten-year life of the options in accordance with the proxy regulations of the Securities and Exchange Commission and are not intended to forecast possible future appreciation, if any, of the Common Stock. The actual value, if any, an executive may realize will depend on the excess of the market price of the shares over the exercise price on the date the option is exercised. We did not use an alternative formula for a grant date valuation, as we are not aware of any formula that will determine with reasonable accuracy a present value based on future unknown or volatile factors. The options granted to the named individuals were immediately exercisable and were granted with limited stock appreciation rights which generally entitle the optionee to elect to receive the appreciation on the option in cash for a 60 day period following a change in control, which generally is deemed to have occurred if (i) any person becomes the beneficial owner of 20% or more of the Common Stock or combined voting power of our outstanding securities (subject to certain exceptions), (ii) during any two-year period there generally has been a change in the majority of our Directors, or (iii) certain corporate reorganizations are approved by our shareholders where the existing shareholders will not retain at least 70% of the voting securities of the surviving entity.

Table of Contents**Aggregated Option/ SAR Exercises In Last Fiscal Year And FY-End Option/ SAR Values**

| Name | Shares Acquired On Exercise(#) | Value Realized (\$) | Number of Securities Underlying Unexercised Options/SARs at FY-End (# of Shares) | Value of Unexercised In-the-Money Options/SARs at FY-End\$(1) |
|--------------|-----------------------------------|------------------------|--|---|
| | | | Exercisable/ Unexercisable | Exercisable/ Unexercisable |
| D. L. Burner | 5,000 | 11,925 | 482,550/0 | 124,998/0 |
| M. O. Larsen | 5,000 | 22,325 | 332,300/0 | 128,432/0 |
| E. F. Schaub | 8,900 | 160,630 | 174,750/0 | 114,923/0 |
| T.G. Linnert | -0- | -0- | 115,500/0 | 1,019/0 |
| U. Schmidt | -0- | -0- | 69,932/11,068 | 15,643/211 |

(1) Based on a closing price per share of \$26.62 on December 31, 2001.

Long Term Incentive Plans Awards In Last Fiscal Year

| Name | Number of Shares, Units Or Other Rights(#) | Performance or Other Period Until Maturation or Payout | Estimated Future Payouts Under Non-Stock Price-Based Plans(1) | | |
|--------------|---|--|--|--------------------|---------------------|
| | | | Threshold # Shares | Target # Shares | Maximum # Shares |
| D. L. Burner | 46,000 | 3 years | -0- | 46,000 | 92,000 |
| M. O. Larsen | 22,000 | 3 years | -0- | 22,000 | 44,000 |
| E. F. Schaub | 18,000 | 3 years | -0- | 18,000 | 36,000 |
| T.G. Linnert | 11,000 | 3 years | -0- | 11,000 | 22,000 |
| U. Schmidt | 11,000 | 3 years | -0- | 11,000 | 22,000 |

(1) The plan provides that payouts will be based on the Company's Relative Total Shareholder Return and Total Business Return over the performance period indicated. At the end of the performance period, each participant will earn actual shares (less applicable tax withholding) only if the threshold performance standard is met. The number of shares to be received will range from 0% to 200% of the total phantom Performance Share account (including shares credited through dividend equivalents), based on the level of performance against the financial objectives.

Retirement Pensions

We have in effect a pension plan for salaried employees which provides pensions payable at retirement to each eligible employee. The plan makes available a pension which is paid from funds provided through contributions by us and contributions by the employee, if any, made prior to 1972. The plan is not available to Directors other than those who are employees. The amount of an employee's pension depends on a number of factors including Final Average Earnings (FAE) for the highest 48 consecutive months of an employee's earnings and years of credited service to the Company.

The following chart shows the annual pension amounts currently available to employees who retire with the combinations of FAE and years of credited service shown in the chart, which should be read in conjunction with the notes following the chart. The current plan formula, which became effective as of January 1, 1989, generally provides a benefit of 1.15% of FAE times all years of pension credit plus 0.45% of FAE in excess of covered compensation times years of pension credit up to 35 years. In addition employees hired prior to January 1, 1990, may receive an additional pension credit of up to 4 years. Benefits become vested after 5 years of service.

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The chart does not include amounts payable to Messrs. Burner, Larsen, Schaub, Schmidt and Linnert under a non-qualified supplemental plan that is funded in part with life insurance policies. Under this non-qualified plan, the executives earn an additional benefit equal to 1.6 percent of FAE for each of their first

Table of Contents

15 years with the Company. As of December 31, 2001, the accrued additional benefits per year were as follows: D. L. Burner, \$420,757; M.O. Larsen, \$99,754; E.F. Schaub, \$21,371; T. G. Linnert, \$35,540; and U. Schmidt, \$8,655.

PENSION PLAN TABLE

| Final Average Earnings | Years of Credited Service | | | | | |
|------------------------------|---------------------------|------------|------------|------------|------------|--------------|
| | 5 | 10 | 15 | 20 | 30 | 40 |
| 250,000 | \$ 19,113 | \$ 38,225 | \$ 57,338 | \$ 76,450 | \$ 114,675 | \$ 148,163 |
| 300,000 | \$ 23,113 | \$ 46,225 | \$ 69,338 | \$ 92,450 | \$ 138,675 | \$ 179,038 |
| 350,000 | \$ 27,113 | \$ 54,225 | \$ 81,338 | \$ 108,450 | \$ 162,675 | \$ 209,913 |
| 400,000 | \$ 31,113 | \$ 62,225 | \$ 93,338 | \$ 124,450 | \$ 186,675 | \$ 240,788 |
| 450,000 | \$ 35,113 | \$ 70,225 | \$ 105,338 | \$ 140,450 | \$ 210,675 | \$ 271,663 |
| 500,000 | \$ 39,113 | \$ 78,225 | \$ 117,338 | \$ 156,450 | \$ 234,675 | \$ 302,538 |
| 600,000 | \$ 47,113 | \$ 94,225 | \$ 141,338 | \$ 188,450 | \$ 282,675 | \$ 364,288 |
| 700,000 | \$ 55,113 | \$ 110,225 | \$ 165,338 | \$ 220,450 | \$ 330,675 | \$ 426,038 |
| 800,000 | \$ 63,113 | \$ 126,225 | \$ 189,338 | \$ 252,450 | \$ 378,675 | \$ 487,788 |
| 900,000 | \$ 71,113 | \$ 142,225 | \$ 213,338 | \$ 284,450 | \$ 426,675 | \$ 549,538 |
| 1,000,000 | \$ 79,113 | \$ 158,225 | \$ 237,338 | \$ 316,450 | \$ 474,675 | \$ 611,288 |
| 1,100,000 | \$ 87,113 | \$ 174,225 | \$ 261,338 | \$ 348,450 | \$ 522,675 | \$ 673,038 |
| 1,200,000 | \$ 95,113 | \$ 190,225 | \$ 285,338 | \$ 380,450 | \$ 570,675 | \$ 734,788 |
| 1,300,000 | \$ 103,113 | \$ 206,225 | \$ 309,338 | \$ 412,450 | \$ 618,675 | \$ 796,538 |
| 1,400,000 | \$ 111,113 | \$ 222,225 | \$ 333,338 | \$ 444,450 | \$ 666,675 | \$ 858,288 |
| 1,500,000 | \$ 119,113 | \$ 238,225 | \$ 357,338 | \$ 476,450 | \$ 714,675 | \$ 920,038 |
| 1,600,000 | \$ 127,113 | \$ 254,225 | \$ 381,338 | \$ 508,450 | \$ 762,675 | \$ 981,788 |
| 1,700,000 | \$ 135,113 | \$ 270,225 | \$ 405,338 | \$ 540,450 | \$ 810,675 | \$ 1,043,538 |
| 1,800,000 | \$ 143,113 | \$ 286,225 | \$ 429,338 | \$ 572,450 | \$ 858,675 | \$ 1,105,288 |

- (1) Earnings include salary, certain incentive payments including annual cash bonuses, but excludes awards under long-term incentive programs and the Company match in the Company savings plans. For the named executive officers, only the amounts shown in the Summary Compensation Table as Salary and Bonus under Annual Compensation constitute FAE. As of December 31, 2001, FAE for Messrs. Burner, Larsen, Schaub, Linnert and Schmidt were as follows: D. L. Burner, \$1,753,155; M. O. Larsen, \$1,024,879; E. F. Schaub, \$593,635; T. G. Linnert, \$533,812; and U. Schmidt, \$432,731.
- (2) In computing the pension amounts shown, it was assumed that an employee would retire at age 65 and elect to receive a five year certain and continuous annuity under the pension plan and that the employee would not elect any of the available survivor options, which would result in a lower annual pension. Pensions are not subject to any deduction for Social Security or any other offset amounts.
- (3) As of December 31, 2001, Messrs. Burner, Larsen, Schaub, Linnert and Schmidt had the following credited years of service under the pension plan (including, where appropriate, up to the 4 additional years): D. L. Burner, 22 years, 8 months; M. O. Larsen, 24 years, 0 months; E. F. Schaub, 30 years, 2 months; T. G. Linnert, 4 years, 2 months; and U. Schmidt, 7 years, 6 months.
- (4) Certain executives, including Messrs. Burner, Larsen, Schaub, Linnert and Schmidt, became vested in benefits immediately.
- (5) Any benefits shown in the chart which exceed the level of benefits permitted to be paid from a tax-qualified pension plan under the Internal Revenue Code are payable under a non-qualified supplemental pension plan, funded in part with life insurance policies.

Table of Contents

Management Continuity Agreements

In 1984 we first entered into management continuity agreements (the Agreements) with certain employees, which include all of the executive officers named in the Summary Compensation Table. Presently there are 23 Agreements in effect.

The purpose of the Agreements is to encourage the individuals to carry out their duties in the event of the possibility of a change in control of the Company. The Agreements are not ordinary employment agreements and do not provide any assurance of continued employment unless there is a change in control. They generally provide for a two-year period of employment commencing upon a change in control which generally is deemed to have occurred if (i) any person becomes the beneficial owner of 20% or more of the Common Stock or combined voting power of our outstanding securities (subject to certain exceptions), (ii) during any two-year period there generally has been a change in the majority of our Directors, or (iii) certain corporate reorganizations occur where the existing shareholders do not retain at least 70% of the voting securities of the surviving entity. The Agreements generally provide for the continuation of employment of the individuals in the same positions and with the same responsibilities and authorities that they possessed immediately prior to the change in control and generally with the same benefits and level of compensation, including average annual increases.

If we or our successor terminate the individual's employment for reasons other than cause or the individual voluntarily terminates his or her employment for a good reason (in each case as defined in the Agreements) the individual would be entitled to:

a lump sum cash payment equal to one-twelfth of the individual's annualized base salary in effect immediately prior to termination, multiplied by the number of months in such individual's Payment Period. As used in the Agreement, Payment Period means 36 months in the case of Messrs. Burner, Larsen, Schaub, Linnert and Schmidt and eight other individuals and 24 months in the case of the other individuals.

a lump sum cash payment equal to one-twelfth of the greater of the individual's most recent annual bonus or the individual's target incentive amount under our management incentive program, multiplied by a factor equal to the number of months in the individual's Payment Period.

an accelerated payout of outstanding awards under our Long-Term Incentive Plans.

continuation of all health and welfare benefit plans and programs and all fringe benefit programs, perquisites and similar arrangements during the Payment Period.

a cash payment equal to the sum of the number of stock options in the last annual grant of stock options by us to the individual, multiplied by the number of years in the Payment Period, multiplied by the calculated market value of our Common Stock on the date of the stock option grant, multiplied by a factor used by us in valuing fully vested stock options with a 10-year life in our most recent Annual Report on Form 10-K for options held by senior executives pursuant to the Black-Scholes method of valuing stock options, or, if such valuation was not made in the Form 10-K, then under the Black-Scholes method assuming options would be outstanding for 10 years.

in addition to the benefits to which the individual is entitled under the retirement plans or programs in which he or she participates, a lump sum cash payment at retirement in an amount equal to the actuarial equivalent of the retirement pension to which the individual would have been entitled under the terms of such retirement plans or programs had the individual accumulated additional years of continuous service under such plans equal in length to the Payment Period.

The Agreements provide for a tax gross-up for any excise tax due under the Internal Revenue Code for these types of agreements.

Indebtedness

In connection with the relocation of our corporate and aerospace segment headquarters to Charlotte, North Carolina in 1999, we established two real estate loan programs to assist relocating executives.

Table of Contents

Under the first program, an executive may obtain a no-interest loan from us, the proceeds of which may be used solely for the construction of a new principal residence. The loan is secured by a first priority lien on the new residence and is payable in full on demand and in any event, not later than 30 days after the executive obtains a certificate of occupancy for the new residence. Three of our executive officers (Messrs. Larsen, Schaub and Huggins) participated in this program in 2001.

Under the second program, an executive may obtain an unsecured, no-interest bridge loan from us, the proceeds of which may be used solely for the purchase of a new principal residence. The principal amount of the loan cannot be greater than the amount of equity in the executive's former principal residence. The loan is payable in full on demand and, in any event, not later than 15 days after the sale of the executive's former principal residence. One of our executive officers (Mr. Larsen) participated in this program in 2001.

The following table sets forth information regarding these loans.

| Name | Largest Aggregate Amount Outstanding At Any Time During 2001 (\$) | Principal Balance at February 28, 2002 (\$) |
|---------------|--|--|
| M. O. Larsen | 882,038 | -0- |
| E. F. Schaub | 1,675,000 | -0- |
| S. R. Huggins | 1,931,383 | 219,454 |

Executive Stock Purchase Program

We have adopted an Executive Stock Purchase Program (the Program) to encourage direct, long-term ownership of our common stock by our senior executives (including all of our executive officers). Under the Program, the executives may use the proceeds of personal full-recourse bank loans to purchase our common stock in open market or negotiated transactions with independent parties. We have agreed to guarantee the loans in the event of default, but have recourse to the executives if we incur a loss under the guarantee. Participants in the Program are fully liable for any losses, as well as for the repayment of the loans when they come due. At February 28, 2002, the aggregate principal balance of loans outstanding under the Program was \$9,748,954.

Table of Contents**CUMULATIVE TOTAL SHAREHOLDER PERFORMANCE GRAPH**

Set forth below is a line graph showing the yearly percentage change in the cumulative total shareholder return for the Common Stock with the similar returns for the Standard & Poor's 500 Stock Index, the Standard & Poor's Aerospace/ Defense Index and the Standard & Poor's Specialty Chemicals Index. Each of the returns is calculated assuming the investment of \$100 in each of the securities on December 31, 1996 and reinvestment of dividends into additional shares of the respective equity securities when paid. The graph plots the respective values on the five single days which are the last trading days of calendar years 1996 through 2001. Past performance is not necessarily indicative of future performance.

As a result of the divestiture of our Performance Materials segment in February 2001, we believe that a comparison to the Standard & Poor's Specialty Chemicals Index is no longer relevant to investors and therefore that index will not be included in the performance graphs in our future proxy statements.

| Company/Index | Base Period Dec96 | Dec97 | Dec98 | Dec99 | Dec00 | Dec01 |
|---------------------------|----------------------------------|--------------|--------------|--------------|--------------|--------------|
| GOODRICH CORP | 100 | 105.06 | 93.44 | 74.09 | 101.14 | 76.53 |
| S&P 500 INDEX | 100 | 133.36 | 171.48 | 207.56 | 188.66 | 166.24 |
| AEROSPACE/DEFENSE-500 | 100 | 102.88 | 78.87 | 76.83 | 121.13 | 100.50 |
| CHEMICALS (SPECIALTY)-500 | 100 | 123.83 | 105.46 | 116.73 | 103.84 | 97.31 |

Table of Contents

GOVERNANCE OF THE COMPANY

Pursuant to the New York Business Corporation Law and our By-Laws, our business is managed under the direction of our Board of Directors. Members of the Board are kept informed of our business through discussions with the Chairman and officers, by reviewing materials provided to them and by participating in meetings of the Board and its committees.

Our Board of Directors held 11 meetings in 2001. All Directors attended more than 75% of the aggregate total number of meetings held in 2001 by the Board of Directors and the Committees of the Board of Directors on which they served.

Board Committees

The Board of Directors has an Audit Review Committee, a Committee on Governance, a Compensation Committee and a Financial Policy Committee. All members of these committees are non-employee independent directors. The Board has established formal written charters for each of these committees.

The Board also has an Executive Committee, consisting of: David L. Burner, Chairman; James J. Glasser; and Alfred M. Rankin, Jr. This committee did not meet in 2001. The Executive Committee may exercise all of the powers of the Board of Directors, so far as they may be legally delegated, when the Board is not in session.

Audit Review Committee. The members of the Audit Review Committee as of the date of this proxy statement are: Richard de J. Osborne, Chairman; Harris E. DeLoach, Jr.; Douglas E. Olesen; Alfred M. Rankin, Jr.; and A. Thomas Young. This committee held three meetings in 2001. The Audit Review Committee:

considers the selection and recommends to the Board of Directors not later than at its meeting in February each year a firm of certified public accountants to be appointed as our independent auditors for our then current fiscal year;

evaluates together with the Board of Directors the performance of the independent auditors and, if so determined by the Audit Review Committee, recommends that the Board replace the independent auditors;

oversees independence of the independent auditors by:

receiving from the independent auditors, on a periodic basis, a formal written statement delineating all relationships between the independent auditors and us consistent with generally accepted auditing standards;

reviewing and actively discussing with the Board of Directors, if necessary, and the independent auditors, on an annual basis, any disclosed relationships or services between the independent auditors and us or any other disclosed relationships or services that may impact the objectivity and independence of the independent auditors; and

recommending, if necessary, that the Board of Directors take certain actions to satisfy itself of the auditors' independence;

reviews with the independent auditors and our chief audit executive the scopes of the audits and the results of the audit examinations by the independent auditors and our chief audit executive with respect to our current fiscal year;

reviews with management and the independent auditors our annual financial statements, including a discussion with the independent auditors of the matters required to be discussed by generally accepted auditing standards;

reviews with management and the independent auditors our quarterly financial statements prior to the filing of our Quarterly Report on Form 10-Q, including a discussion with the independent auditors of the matters required to be discussed by generally accepted auditing standards. The Chairman of the Audit Review Committee may represent the entire Audit Review Committee for purposes of this review;

Table of Contents

reviews the system of internal controls with the independent auditors, our chief audit executive and other financial officers and our General Counsel; and

on at least an annual basis, reviews with our General Counsel any legal matters that may have a material impact on our financial statements, our compliance policies and any material reports or inquiries received from regulators or governmental agencies.

While the Audit Review Committee has the powers and responsibilities set forth in its charter, it is not the responsibility of the Audit Review Committee to plan or conduct audits or to determine that our financial statements are complete and accurate or are in compliance with generally accepted accounting principles. This is the responsibility of management and the independent auditors. Likewise, it is not the responsibility of the Audit Review Committee to conduct investigations, resolve disputes, if any, between management and the independent auditors or to assure compliance with laws and regulations or our legal and ethical compliance policies.

Committee On Governance. The members of the Committee on Governance as of the date of this proxy statement are: James J. Glasser, Chairman; William R. Holland; Richard de J. Osborne; and James R. Wilson. This committee held three meetings in 2001. The Committee on Governance:

recommends candidates for our Board of Directors;

reviews annually the tenure of each Director; and

considers the size and composition of the Board, the ratio of non-employee to employee Directors, compensation and retirement of Directors, frequency and format of Board meetings, Committee structure, service on Committees and management succession planning.

All candidates for Director are considered and selected strictly on the basis of their ability to contribute to the deliberations of the Board of Directors. Shareholders wishing to recommend candidates for the Board may submit the names of such candidates, together with any desired supporting information, to our Secretary. This information is made available to the Committee on Governance to assist it in fulfilling its duties in this area.

Compensation Committee. The members of the Compensation Committee as of the date of this proxy statement are: James R. Wilson, Chairman; Diane C. Creel; George A. Davidson, Jr., Harris E. DeLoach, Jr.; and James J. Glasser. This committee held five meetings in 2001. The Compensation Committee:

reviews and recommends to the Board of Directors the adoption or amendment of the various compensation and benefit plans and programs maintained for the Officers and other key employees, including any stock option or incentive compensation plans;

reviews and approves specific matters which are consistent with such plans and programs;

reviews and approves certain compensation and benefit arrangements for senior management; approves the terms and conditions of awards under the Stock Option Plan within the limits in the Plan;

makes awards under the Stock Option Plan and the Long-Term Incentive Plan; and

establishes the annual merit salary increase budget for corporate staff executives; reviews and approves compensation for individuals holding the offices of Senior Vice President and above and reviews and recommends to the Board of Directors for approval the compensation for the Chief Executive Officer.

Financial Policy Committee. The members of the Financial Policy Committee as of the date of this proxy statement are: William R. Holland, Chairman; Diane C. Creel; George A. Davidson, Jr.; Douglas E. Olesen; Alfred M. Rankin, Jr.; and A. Thomas Young. This committee held five meetings in 2001. The Financial Policy Committee:

reviews the policies underlying our financial plan to ensure its adequacy and soundness in providing for our capital plans;

reviews and makes recommendations concerning the establishment and maintenance of our dividend policy;

Table of Contents

reviews, prior to action by the Board, our proposed major financing activities or acquisitions;

authorizes certain actions with respect to our debt or preferred stock; and

authorizes policies and procedures with respect to our short-term investments.

Compensation of Directors

During 2001 each of our non-employee Directors received fixed compensation for serving as a Director at the rate of \$50,000 per year, plus \$1,000 for each Board and Board Committee meeting attended, except that the chairperson of a Committee received \$2,000 for each meeting of that Committee attended. One half of the fixed compensation is deferred into a phantom Goodrich share account and is paid out in shares of Common Stock following termination of service as a Director. Dividends which would be earned on the phantom share account are credited to the account in additional phantom shares. Directors may elect to defer a portion or all of the remaining fixed compensation and meeting fees into the phantom share account. The Board believes that a portion of Director compensation should be based on Common Stock similar to executive compensation. This should more closely align the financial interests of Directors with the financial interests of shareholders.

In September 1995, the Board of Directors replaced the existing cash retirement plan for Directors with a new Directors Phantom Share Plan. Under the terms of the plan, outside Directors receive annual grants of phantom shares equal in value to the current annual retainer for up to ten years. Dividend equivalents accrue on all phantom shares credited to a Director's account. All phantom shares become fully vested at the earlier of five years from the date of grant, the Director's termination of Board service after age 55, or upon a change in control of the Company as defined in our Stock Option Plan. Following termination of service as a Director, the cash value of the vested number of phantom shares will be paid to each Director in twelve monthly installments. The value of each phantom share is determined on the relevant date by the fair market value of the Common Stock. The former cash retirement plan provided upon retirement from the Board of Directors after reaching the age of 55 with at least ten years of service as a Director, any non-employee Director would be entitled to receive an annual amount equal to the fixed compensation level in effect at the time of retirement. A retiring Director who has reached age 55 and has served for at least five but less than ten years would be entitled to a reduced amount equal to 50% of the fixed compensation level in effect at retirement, plus 10% of such compensation level for each additional year of service (rounded to the nearest whole year) up to ten. Transitional provisions have been provided between the old cash retirement plan and the new Directors Phantom Share Plan based on a Director's years of service as of September 1995. Directors with more than ten years of service will continue to be eligible under the old plan but will not receive any phantom shares under the new plan. Outside Directors with at least five but less than ten years service will continue to be eligible to receive benefits under the old plan with respect to their accrued benefits through the date of the adoption of the Directors Phantom Share Plan and will receive annual grants of phantom shares through their tenth year. Outside Directors with less than five years of service will receive no benefits under the old plan, but received initial grants of phantom shares equal to the current annual cash retainer times the number of completed years of service and will thereafter receive annual grants of phantom shares up to an aggregate of ten years. Retired Directors will continue to receive their retirement benefits.

Insurance

As authorized by Section 726 of the Business Corporation Law of the State of New York and our By-Laws, we have purchased insurance providing indemnification for the Company and its subsidiaries as well as their directors and officers. The insurance is part of a package which includes employment practices, fiduciary and crime insurance coverage. The insurance coverage was written by XL Capital, The Hartford, Royal & Sun Alliance, St. Paul Fire and Marine, Zurich American Insurance, Starr Express and Kemper Insurance Company, commencing June 19, 2001, for a three-year period, at a total premium cost of \$2,861,000.

Table of Contents

Consulting Agreement with Mr. Holland

William R. Holland, one of our directors, will serve as the non-executive chairman of EnPro Industries, Inc. following the spin-off of that company to our shareholders in the second quarter of 2002. We and EnPro have entered into a consulting agreement with Mr. Holland for the additional time required of him in connection with the spin-off. Under the agreement, Mr. Holland will be paid a monthly consulting fee of \$36,000 for the period of March 1 through June 30, 2002 (when activity relating to the spin-off is at its peak) and \$15,000 per month beginning in July 2002. We will be responsible for payment of all consulting fees relating to services provided prior to the spin-off date, and EnPro will be responsible for payment of all consulting fees relating to services provided on or after the spin-off date. The Agreement terminates April 30, 2003. During the term of the agreement, Mr. Holland will also be compensated for his services as a Goodrich director. See Compensation of Directors .

AUDIT REVIEW COMMITTEE REPORT

The Audit Review Committee reviews the Company's financial reporting process on behalf of the Board of Directors. Management has the primary responsibility for the Company's financial statements and the reporting process, including the system of internal controls.

In this context, the Committee has met and held discussions with management and the independent auditors. Management represented to the Committee that the Company's consolidated financial statements were prepared in accordance with generally accepted accounting principles, and the Committee has reviewed and discussed the consolidated financial statements with management and the independent auditors. The independent auditors discussed with the Committee the matters required to be discussed by Statement on Auditing Standards No. 61 (*Communication With Audit Committees*).

In addition, the Committee received the written disclosures and the letter from the independent auditors required by Independence Standards Board Standard No. 1 (*Independence Discussions With Audit Committees*), and discussed with the independent auditors the auditor's independence from the Company and its management. The Committee also considered whether the provision of non-audit services to the Company is compatible with the auditor's independence.

The Committee discussed with the Company's internal and independent auditors the overall scope and plans for their respective audits. The Committee meets with the internal and independent auditors, with and without management present, to discuss the results of their examinations, the evaluations of the Company's internal controls, and the overall quality of the Company's financial reporting.

In reliance on the reviews and discussions referred to above, the Committee recommended to the Board of Directors, and the Board has approved, that the audited financial statements be included in the Company's Annual Report on Form 10-K for the year ended December 31, 2001, for filing with the Securities and Exchange Commission. The Committee and the Board also have recommended, subject to shareholder approval, the appointment of the Company's independent auditors.

The Audit Review Committee

Richard de J. Osborne, Chairman
Harris E. DeLoach, Jr.
Douglas E. Olesen
Alfred M. Rankin, Jr.
A. Thomas Young

SECTION 16(a) BENEFICIAL OWNERSHIP REPORTING COMPLIANCE

Section 16 of the Securities Exchange Act of 1934 requires our directors and executive officers and persons who own more than ten percent of our Common Stock to file reports of ownership and changes in ownership with the SEC. Based solely upon a review of such reports and representations from our directors

Table of Contents

and executive officers, we believe that during 2001 all such reports were filed on a timely basis except that, due to an administrative oversight by the Company, Mr. Larsen filed an incomplete Form 4 with respect to a stock option exercise. An amended Form 4 was filed promptly following discovery of the error.

2. RATIFICATION OF APPOINTMENT OF INDEPENDENT AUDITORS

The Board of Directors on February 19, 2002 appointed the firm of Ernst & Young LLP, subject to ratification by the shareholders at the Annual Meeting, to audit our accounts with respect to our operations for the year 2002 and to perform such other services as may be required. Should this firm of auditors be unable to perform these services for any reason, the Board of Directors will appoint other independent auditors to perform these services.

Representatives of the firm of Ernst & Young LLP, our auditors for the most recently completed fiscal year, are expected to be present at the Annual Meeting, will have the opportunity to make a statement if they desire to do so, and will be available to respond to appropriate questions from shareholders.

Audit Fees

Ernst & Young LLP's fees for our 2001 annual audit were \$1.6 million.

Financial Information Systems Design and Implementation Fees

Ernst & Young LLP did not render any professional services to us in 2001 with respect to financial information systems design and implementation.

All Other Fees

Ernst & Young LLP's fees for all other professional services rendered to us during 2001 were \$5.3 million, comprised of:

| | |
|--|----------------|
| Audit services related to the sale of Performance Materials | \$ 1.1 million |
| Audit services related to the spin-off of Engineered Industrial Products | \$ 1.4 million |
| Other audit related services | \$ 1.0 million |
| Tax services | \$ 1.8 million |

Other audit related services generally include fees for employee benefit plan and statutory audits, business acquisitions, accounting consultations and SEC registration statements.

Vote Required

Ratification of the appointment of independent auditors will be decided by a majority of the votes cast for or against the proposal at this meeting.

The Board of Directors recommends that you vote FOR ratifying this appointment.

OTHER MATTERS

The Board knows of no other matters that may properly be presented to the meeting, but if other matters do properly come before the meeting, it is intended that the persons named in the proxy will vote according to their best judgment.

Under our By-Laws, any shareholder entitled to vote at the Annual Meeting may bring business before the meeting if such shareholder provides written notice to, and such notice is received by, the Secretary of the Company generally not less than 90 nor more than 120 days prior to the first anniversary of the preceding

Table of Contents

year's annual meeting. For the 2002 Annual Meeting such notice must have been received between December 16, 2001 and January 15, 2002. Each such notice must include:

for each matter, a brief description thereof and the reasons for conducting such business at the annual meeting;

the name and address of the shareholder proposing such business as well as any other shareholders believed to be supporting such proposal;

the number of shares of each class of Company stock owned by such shareholders; and

any material interest of such shareholders in such proposal.

See Appendix A for the full text of the relevant section of the By-Laws.

We have not been notified of any additional business to be presented at the meeting. This notice requirement applies to matters being brought before the meeting for a vote. Shareholders, of course, may and are encouraged to ask appropriate questions at the meeting without having to comply with the notice provisions.

SHAREHOLDER PROPOSALS

Under the rules of the SEC, if a shareholder wants us to include a proposal in our proxy statement for presentation at the 2003 Annual Meeting, the proposal must be received by us, attention: Office of the Secretary, at our principal executive offices by November 3, 2002. We suggest that such proposals be sent by certified mail, return receipt requested.

By Order of the Board of Directors

Kenneth L. Wagner
Assistant Secretary

Dated March 12, 2002

PLEASE DATE, SIGN AND MAIL YOUR PROXY

Table of Contents

APPENDIX A

BY-LAWS

ARTICLE I, SECTION 10

SECTION 10. (A) **Annual Meetings of Shareholders.** (1) Nominations of persons for election to the Board of Directors of the Company and the proposal of business to be considered by the shareholders may be made at an annual meeting of shareholders (a) pursuant to the Company's notice of meeting, (b) by or at the direction of the Board of Directors or (c) by any shareholder of the Company who was a shareholder of record at the time of giving of notice provided for in this By-Law, who is entitled to vote at the meeting and who complied with the notice procedures set forth in this By-Law.

(2) For nominations or other business to be properly brought before an annual meeting by a shareholder pursuant to clause (c) of paragraph (A)(1) of this By-Law, the shareholder must have given timely notice thereof in writing to the Secretary of the Company. To be timely, a shareholder's notice shall be delivered to the Secretary at the principal executive offices of the Company not less than 90 days nor more than 120 days prior to the first anniversary of the preceding year's annual meeting; provided, however, that in the event that the date of the annual meeting is advanced by more than 30 days or delayed by more than 60 days from such anniversary date, notice by the shareholder to be timely must be so delivered not earlier than the 120th day prior to such annual meeting and not later than the close of business on the later of the 90th day prior to such annual meeting or the 10th day following the day on which public announcement of the date of such meeting is first made. Such shareholder's notice shall set forth (a) as to each person whom the shareholder proposes to nominate for election or reelection as a director, the name, age, principal occupations and employment during the past five years, name and principal business of any corporation or other organization in which such occupations and employment were carried on, a brief description of any arrangement or understanding between such person and any other person(s) (naming such person(s)) pursuant to which he was or is to be selected as a nominee, and the written consent of such person(s) to serve as a director if elected; (b) as to any other business that the shareholder proposes to bring before the meeting, a brief description of the business desired to be brought before the meeting, the reasons for conducting such business at the meeting and any material interest in such business of such shareholder and the beneficial owner, if any, on whose behalf the proposal is made; (c) as to the shareholder giving the notice and the beneficial owner, if any, on whose behalf the nomination or proposal is made (i) the name and address of such shareholder, as they appear on the Company's books, of such beneficial owner and any other shareholders believed by such shareholder to be supporting such nominee(s) or other business and (ii) the class and number of shares of the Company which are owned beneficially and of record by such shareholder, such beneficial owner and any other shareholders believed by such shareholder to be supporting such nominee(s) or other business.

(3) Notwithstanding anything in the second sentence of paragraph (A)(2) of this By-Law to the contrary, in the event that the number of directors to be elected to the Board of Directors of the Company is increased and there is no public announcement naming all of the nominees for Director or specifying the size of the increased Board of Directors made by the Company at least 70 days prior to the first anniversary of the preceding year's annual meeting, a shareholder's notice required by this By-Law shall also be considered timely, but only with respect to nominees for any new positions created by such increase, if it shall be delivered to the Secretary at the principal executive offices of the Company not later than the close of business on the 10th day following the day on which such public announcement is first made by the Company.

(B) **Special Meetings of Shareholders.** Only such business shall be conducted at a special meeting of shareholders as shall have been brought before the meeting pursuant to the Company's notice of meeting. Nominations of persons for election to the Board of Directors may be made at a special meeting of shareholders at which directors are to be elected pursuant to the Company's notice of meeting (a) by or at the direction of the Board of Directors or (b) provided that the Board of Directors has determined that directors shall be elected at such special meeting, by any shareholder of the Company who is a shareholder of record at the time of giving of notice provided for in this By-Law, who shall be entitled to vote at the meeting

Table of Contents

and who complies with the notice procedures set forth in this By-Law. In the event the Company calls a special meeting of shareholders for the purpose of electing one or more directors, any such shareholder may nominate a person or persons (as the case may be), for election to such position(s) as specified in the Company's notice of meeting, if the shareholder's notice required by paragraph (A)(2) of this By-Law shall be delivered to the Secretary at the principal executive offices of the Company not earlier than the 120th day prior to such special meeting and not later than the close of business on the later of the 90th day prior to such special meeting or the 10th day following the day on which public announcement is first made of the date of the special meeting and of the nominees proposed by the Board of Directors to be elected at such meeting.

(C) **General.** (1) Only such persons who are nominated in accordance with the procedures set forth in this By-Law shall be eligible to serve as directors and only such business shall be conducted at a meeting of shareholders as shall have been brought before the meeting in accordance with the procedures set forth in this By-Law. The Chairman of the meeting shall have the power and duty to determine whether a nomination or any business proposed to be brought before the meeting was made in accordance with the procedures set forth in this By-Law and, if any proposed nomination or business is not in compliance with this By-Law, to declare that such defective proposal shall be disregarded.

(2) For purposes of this By-Law, public announcement shall mean disclosure in a press release reported by the Dow Jones News Service, Associated Press or comparable national news service or in a document publicly filed by the Company with the Securities and Exchange Commission pursuant to Sections 13, 14 or 15(d) of the Securities Exchange Act of 1934, as amended (the Exchange Act).

(3) Notwithstanding the foregoing provisions of this By-Law, a shareholder shall also comply with all applicable requirements of the Exchange Act and the rules and regulations thereunder with respect to the matters set forth in this By-Law. Nothing in this By-Law shall be deemed to affect any rights of shareholders to request inclusion of proposals in the Company's proxy statement pursuant to Rule 14a-8 under the Exchange Act.

Table of Contents

March 12, 2002

To our Shareholders:

The Annual Meeting of Shareholders will be held at Goodrich's headquarters, Four Coliseum Centre, 2730 West Tyvola Road, Charlotte, North Carolina on Tuesday, April 16, 2002, at 10:00 A.M.

If you have chosen to view our proxy statements and annual reports over the Internet instead of receiving paper copies in the mail, you can access our proxy statement and 2001 annual report electronically at our website, www.goodrich.com.

The proxy statement contains information regarding the meeting, the nominees for election to the Board of Directors and the proposal to ratify the appointment of Ernst & Young LLP as independent auditors. The voting results from the Annual Meeting of Shareholders will be posted on our website, www.goodrich.com on April 17.

It is important that your shares be represented at this meeting. Even if you plan to attend, we encourage you to promptly sign, date and return your proxy in the enclosed postage-paid envelope.

Sincerely,

/s/ David L. Burner

David L. Burner
Chairman and
Chief Executive Officer

**GOODRICH CORPORATION
P R O X Y**

This Proxy is Solicited on Behalf of the Board of Directors

The undersigned hereby authorizes David L. Burner and Kenneth L. Wagner, or either of them, with full power of substitution, to represent the undersigned and to vote all Common Stock of GOODRICH CORPORATION which the undersigned would be entitled to vote at the Annual Meeting of Shareholders of the Company to be held on April 16, 2002, and at any adjournment thereof, as indicated and in their discretion upon other matters as may properly come before the meeting.

You are encouraged to specify your choice by marking the appropriate boxes. SEE REVERSE SIDE, but you need not mark any boxes if you wish to vote in accordance with the Board of Directors' recommendations. The Proxies cannot vote your shares unless you sign and return this card. The Board of Directors recommends a vote FOR Proposals 1 and 2.

This card also constitutes your voting instructions for any and all shares held of record by The Bank of New York for your account in the Company's Dividend Reinvestment Plan, and will be considered to be voting instructions to the Plan Trustee with respect to shares held in accounts under the Goodrich Corporation Employees' Savings Plan and certain other plans as listed on page 1 of the proxy statement.

Please sign on the reverse side of this card and return it promptly in the enclosed return envelope to The Bank of New York, Proxy Department, New York, NY 10203.

GOODRICH CORPORATION
P.O. BOX 11054
NEW YORK, N.Y. 10203-0054

(Continued, and to be signed and dated, on reverse side.)

Table of Contents

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It's Fast and Convenient

TELEPHONE

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in the box below.
Follow the simple recorded
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Go to the website address listed above.
Have your Proxy Form in hand.
Enter the Control Number, located in
the box below.
Follow the simple instructions.

OR

MAIL

Mark, sign and date your proxy card.
Detach card from Proxy Form.
Return the card in the postage-paid
envelope provided.

Your telephone or internet vote authorizes the named proxies to vote your shares in the same manner as if you marked, signed and returned the proxy card. If you have submitted your proxy by telephone or the internet there is no need for you to mail back your proxy

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TELEPHONE OR INTERNET VOTING**

GOODRICH'S PROXY STATEMENT AND ANNUAL REPORT ARE AVAILABLE ON GOODRICH'S WEBSITE: <http://www.goodrich.com>

DETACH PROXY CARD HERE IF YOU ARE NOT VOTING BY THE TELEPHONE OR INTERNET

**Sign, Date and Return this
Voting Instruction Card
Promptly Using the
Enclosed Envelope**

**X
Votes MUST be indicated
(x) in Black or Blue ink**

THE BOARD OF DIRECTORS RECOMMENDS A VOTE FOR PROPOSALS 1 AND 2.

1. ELECTION OF DIRECTORS

FOR ALL WITHHOLD FOR ALL EXCEPTIONS

To include any comments, please mark this box.

To change your address, please mark this box.

