

KEMET CORP
Form DEF 14A
June 28, 2013

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

SCHEDULE 14A

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

Filed by the Registrant

Filed by a Party other than the Registrant

Check the appropriate box:

- Preliminary Proxy Statement
- Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))**
- Definitive Proxy Statement
- Definitive Additional Materials
- Soliciting Material under §240.14a-12

KEMET 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):

- No fee required.
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-

KEMET Corporation
P.O. Box 5928
Greenville, South Carolina 29606

June 28, 2013

Dear Stockholder:

You are cordially invited to attend the 2013 Annual Meeting of Stockholders (the "Annual Meeting") which will be held on Thursday, July 25, 2013, at 10:30 a.m., local time, at KEMET Corporation, 2835 Kemet Way, Simpsonville, South Carolina.

The notice of meeting, proxy statement and proxy are included with this letter. The matters listed in the notice of meeting are more fully described in the proxy statement.

It is important that your shares are represented and voted at the Annual Meeting, regardless of the size of your holdings. Accordingly, please mark, sign and date the enclosed proxy and return it promptly in the enclosed envelope. If you attend the Annual Meeting, you may withdraw your proxy should you wish to vote in person.

Sincerely,

Frank G. Brandenburg
Chairman of the Board of Directors

KEMET Corporation

P.O. Box 5928
Greenville, South Carolina 29606

NOTICE OF ANNUAL MEETING OF STOCKHOLDERS

The 2013 Annual Meeting of Stockholders (the "Annual Meeting") of KEMET Corporation (the "Corporation") will be held on Thursday, July 25, 2013, at 10:30 a.m., local time, at KEMET Corporation, 2835 Kemet Way, Simpsonville, South Carolina, to consider and take action with respect to the following matters:

- 1) The election of two directors, each for a three-year term or until his successor is duly elected and qualified.
- 2) The ratification of the appointment of Ernst & Young LLP as the Corporation's independent registered public accounting firm for the fiscal year ending March 31, 2014.
- 3) Conduct an advisory vote to approve the compensation paid to the Corporation's Named Executive Officers.
- 4) The transaction of such other business as may properly come before the Annual Meeting and any adjournments or postponements thereof.

Holders of record of the Corporation's Common Stock at the close of business on June 7, 2013, are entitled to receive notice of and to vote on all matters presented at the meeting and at any adjournments or postponements thereof.

Important Notice Regarding the Availability of Proxy Materials for the Annual Meeting to be Held on July 25, 2013:

The Proxy Statement and Annual Report are available at <http://www.kemet.com/proxymaterials>.

By order of the Board of Directors,

R. James Assaf
Secretary

June 28, 2013

Whether or not you plan to attend the meeting in person and regardless of the number of shares you own, please mark, sign and date the enclosed proxy and mail it promptly in the envelope provided to ensure that your shares will be represented. You may nevertheless vote in person if you attend the Annual Meeting. In addition, your proxy is revocable at any time before it is voted by written notice to the Secretary of the Corporation or by delivery of a later- dated proxy.

KEMET Corporation

P.O. Box 5928

Greenville, South Carolina 29606

PROXY STATEMENT

2013 Annual Meeting of Stockholders

July 25, 2013

This proxy statement is being furnished to the holders of common stock, par value \$0.01 per share (the "Common Stock"), of KEMET Corporation (the "Corporation" or "KEMET") in connection with the solicitation of proxies on behalf of the Board of Directors of the Corporation (the "Board of Directors" or "Board") for the 2013 Annual Meeting of Stockholders (the "Annual Meeting") to be held on July 25, 2013, at KEMET Corporation, 2835 Kemet Way, Simpsonville, South Carolina, and at any adjournments or postponements thereof.

This proxy statement, the enclosed proxy and the Corporation's 2013 Annual Report to Stockholders ("Annual Report") will be mailed on or about June 28, 2013 to holders of record of Common Stock as of the close of business on June 7, 2013.

When you sign and return the enclosed proxy, the individuals identified as proxies thereon will vote the shares represented by the proxy in accordance with the directions noted thereon. If no direction is indicated, the proxies will vote the shares represented thereby **FOR** the election of each of the directors described herein, **FOR** the ratification of the appointment of Ernst & Young LLP as independent registered public accounting firm for the fiscal year ending March 31, 2014, **FOR** the advisory approval of the compensation paid to the Corporation's Named Executive Officers, and, as to any other business as may properly be brought before the Annual Meeting and any adjournments or postponements thereof, in accordance with the recommendation of the Corporation's management.

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

Each outstanding share of Common Stock entitles the holder thereof to one vote. On June 7, 2013, the record date, there were 45,076,933 shares of Common Stock outstanding. The presence in person or by proxy of a majority of such shares of Common Stock shall constitute a quorum. Pursuant to Delaware law, abstentions are treated as present and entitled to vote, and therefore are counted in determining the existence of a quorum. Under Delaware law, broker "non-votes" are considered present but not entitled to vote, and thus will be counted in determining the existence of a quorum but will not be counted in determining whether a matter requiring approval of a majority of the shares present and entitled to vote has been approved.

Each director nominee shall be elected to the Board of Directors by vote of the majority of the votes cast with respect to that director nominee's election at any meeting for the election of directors at which a quorum is present. The Amended and Restated By-laws of the Corporation provide that a majority of the votes cast means the number of shares voted "for" a director nominee must exceed the number of votes cast "against" that director nominee. The affirmative vote of the majority of the votes present in person or represented by proxy and entitled to vote at the Annual Meeting is required to ratify the appointment of Ernst & Young LLP as the independent registered public accounting firm of the Corporation for the fiscal year ending March 31, 2014 and to approve on an advisory basis the compensation paid to the Corporation's Named Executive Officers.

Abstentions will have no effect on the election of directors, ratification of Ernst & Young LLP as the independent registered public accounting firm or the advisory approval of the compensation paid to the Named Executive Officers since only votes "For" or "Against" each such proposal will be counted.

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When a matter is not routine and the brokerage firm has not received voting instructions from the stockholder, the brokerage firm cannot vote the shares on that matter. This is called a broker "non-vote." The ratification of the selection of independent auditors is considered a routine matter. The election of directors and the advisory approval of the compensation paid to the Named Executive Officers are not considered routine matters.

PROPOSAL TO ELECT TWO DIRECTORS

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

The Board of Directors is currently comprised of nine directors divided into three classes (Messrs. Kotzubei, Paul and Swann 2013; Messrs. Brandenburg, Borruso, and Maddrey 2014; and Dr. Backes and Messrs. Bedi and Loof 2015). The term of each class expires in different years. The nominees for election to the Board of Directors this year are Jacob Kotzubei and Robert G. Paul, each of whom are currently directors of the Corporation, and each of whom has been nominated to serve for a three-year term or until his successor is duly elected and qualified. The Board of Directors expects the nominees named above to be available for election. In case the nominees are not available, the proxy holders may vote for a substitute, unless the Board of Directors reduces the number of directors.

On May 11, 2013, Mr. Joseph D. Swann, who is one of the Corporation's nine current directors, informed the Board of Directors that he would not stand for re-election at the Annual Meeting. As a result, the Board elected to reduce the size of the Board from nine to eight directors, effective immediately following the Annual Meeting.

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

The following sets forth, among other matters, information as to each continuing director and each nominee for director: (i) their age, as of June 7, 2013; (ii) all positions and offices with the Corporation; (iii) principal occupation and employment during the past five years; (iv) current directorships of publicly-held companies or registered investment companies; (v) other previous directorships of publicly-held companies or registered investment companies during the past five years; (vi) period of service as a director of the Corporation; and (vii) particular experience, qualifications, attributes or skills, beyond those described above, which led to the Corporation's Board of Directors to conclude that such director or nominee for director should serve as a director of the Corporation.

The Board of Directors recommends a vote "FOR" the re-election of each of Messrs. Kotzubei and Paul to the Board of Directors, each to serve for a three-year term or until his successor is duly elected and qualified.

Nominees for Board of Directors

Jacob Kotzubei, 44, Director, was named such in October 2011. Mr. Kotzubei joined Platinum Equity Advisors, LLC ("Platinum Equity") in 2002 and is a Partner at the firm. Mr. Kotzubei serves as an officer and/or director of a number of Platinum Equity's portfolio companies. Prior to joining Platinum Equity in 2002, Mr. Kotzubei worked for 4½ years for Goldman Sachs' Investment Banking Division in New York City. Previously, he was an attorney at Sullivan & Cromwell LLP in New York City, specializing in mergers and acquisitions. Mr. Kotzubei serves on the board of directors for

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Ryerson Holding Corporation and Ryerson Inc. Mr. Kotzubei also served as a director of PNA Group, Inc. from July 2006 to August 2008 and a director of PNA Intermediate Holding Corporation from January 2007 to August 2008. Mr. Kotzubei received a Bachelor's degree from Wesleyan University and holds a Juris Doctor from Columbia University School of Law where he was elected a member of the Columbia Law Review. Mr. Kotzubei's experience in executive management oversight, private equity, capital markets, mergers and acquisitions and related transactional matters has led the Board to conclude that he has the varied expertise necessary to serve as a director of the Company.

Robert G. Paul, 71, Director, was named such in July 2006. Mr. Paul is the former President of the Base Station Subsystems Unit of Andrew Corporation, a global designer, manufacturer, and supplier of communications equipment, services, and systems, from which he retired in March 2004. From 1991 through July 2003, he was President and Chief Executive Officer of Allen Telecom Inc. which was acquired by Andrew Corporation during 2003. Mr. Paul joined Allen Telecom in 1970 where he built a career holding various positions of increasing responsibility including Chief Financial Officer. Mr. Paul also serves on the board of directors and compensation and audit committees for Rogers Corporation and is a board member and chairman of the audit committee for Comtech Telecommunications Corp. He earned a Bachelor of Science degree in Mechanical Engineering from the University of Wisconsin-Madison and a Masters of Business Administration degree from Stanford University. The Corporation's Board of Directors believes that it benefits from Mr. Paul's extensive experience in the communications industry, one of the primary market segments into which the Corporation sells its products. Mr. Paul's strong financial background adds accounting expertise to both the Corporation's Board of Directors and its Compensation Committee. In addition, Mr. Paul's experience running a public company with markets throughout the world and manufacturing plants in Europe, Asia and the Americas provides a strong fit with the Corporation's global markets and operations. The Corporation also benefits from Mr. Paul's previous public company board experience.

Continuing Directors

Dr. Wilfried Backes, 70, Director, was named such in March 2008. Dr. Backes served as Executive Vice President and Chief Financial Officer of EPCOS AG, a major publicly traded passive electronic components company headquartered in Germany, from 2002 through his retirement in 2006. Dr. Backes previously served as Executive Vice President, Chief Financial Officer and Treasurer of Osram Sylvania, Inc. from 1992 to 2002. Prior to that time, Dr. Backes held various senior management positions with Siemens AG including the position of President and Chief Executive Officer of Siemens Components, Inc. from 1989 to 1992. He received Diplom-Volkswirt and Dr. rer. pol. Degrees from Rheinische Friedrich-Wilhelms-Universität in Bonn, Germany. The Corporation's Board of Directors believes that it benefits from Dr. Backes' fifteen years of international experience within the electronic passive components industry, as well as his experience in the industrial/lighting industry, the Corporation's largest market segment into which it sells its products. In addition, Dr. Backes' strong financial background adds accounting expertise to both the Corporation's Board of Directors and its Audit Committee.

Gurminder S. Bedi, 65, Director, was named such in May 2006. Mr. Bedi served as Vice President of Ford Motor Company from October 1998 through his retirement in December 2001. Mr. Bedi served in a variety of other managerial positions at Ford Motor Company for more than thirty years. He currently serves as Chairman of Compuware Corporation and is on the board of directors of Actuant Corporation, and is the Managing Partner of Compass Acquisitions, LLC, a private equity firm specializing in acquisitions of small and mid-sized automotive companies. He earned a Bachelor of Science degree in Mechanical Engineering from George Washington University and a Masters of Business Administration degree from the University of Detroit. The Corporation's Board of Directors believes that it benefits from Mr. Bedi's strong technical background, as well as his extensive experience with Ford Motor Company, a global leader in the automotive industry, a key market segment into

which the Corporation sells its products. The Corporation also benefits from Mr. Bedi's previous public company board experience.

Frank G. Brandenburg, 66, Chairman and Director, was named such in October 2003. Before his retirement in 2003, Mr. Brandenburg was a Corporate Vice President and Sector President of Northrop Grumman Corporation from July 2001 to December 2003. Prior to joining Northrop, he previously spent 28 years at Unisys where his last position was Corporate Vice President and President, Client/Server Systems, and then later served as the President and Chief Executive Officer of EA Industries, Inc. Mr. Brandenburg served as Senior Vice President and Group Executive with Litton Industries, Inc. from November 1999 until its acquisition by Northrop in April 2001. Mr. Brandenburg served as a director of American Mold Guard, Inc. from April 2006 to April 2008. Mr. Brandenburg serves on the board of directors of Auto-Lab LLC, a private company and franchiser of automotive repair and maintenance facilities, and is a Partner in Trident Auto Services, LLC, a private company which owns and operates automotive repair and maintenance facilities. He received a Bachelor of Science degree in Industrial Engineering and a Masters of Science degree in Operations Research from Wayne State University and completed the Program for Management Development at the Harvard Business School. The Corporation's Board of Directors believes that it benefits from Mr. Brandenburg's experience in high-tech component businesses as well with leading companies in the military/aerospace and computer-related industries, significant market segments into which the Corporation sells its products. The Corporation also benefits from Mr. Brandenburg's previous public company board experience.

Joseph V. Borruso, 73, Director, was named such in March 2008. Mr. Borruso is currently the President of AOEM Consultants, LLC, a business consulting firm for automotive suppliers, and has served in such capacity since July 2005. Mr. Borruso also serves as a director of Gibbs Technologies Limited, a private company which designs and manufactures high speed amphibious vehicles for recreational and military use. He served as President and Chief Executive Officer of Hella North America, a manufacturer of automotive lighting and electronics, from 1999 through his retirement in May 2005. Prior thereto, Mr. Borruso served in various senior management positions, most recently as Executive Vice President of Sales, for the Bosch Automotive Group N.A. from 1983 to 1999. The Corporation's Board of Directors believes that it benefits from Mr. Borruso's extensive experience in the automotive supplier industry, a key market segment into which the Corporation sells its products. In addition, Mr. Borruso's international experience while at Bosch Automotive Group N.A. and Hella North America provides value from a global business perspective.

Per-Olof Loof, 62, Chief Executive Officer and Director, was named such in April 2005. Mr. Loof was previously the Managing Partner of QuanStar Group, LLC, a management consulting firm and had served in such capacity since December 2003. Prior thereto, he served as Chief Executive Officer of Sensormatic Electronics Corporation and in various management roles with Andersen Consulting, Digital Equipment Corporation, AT&T and NCR. Mr. Loof serves as a board member of Global Options, Inc. Mr. Loof also serves on several charity boards including Boca Raton Regional Hospital and the International Centre for Missing & Exploited Children. He received a "civilekonom examen" degree in economics and business administration from the Stockholm School of Economics. The Corporation's Board of Directors believes that it benefits from Mr. Loof's successful management experience with leading global companies, including his leadership of Sensormatic Electronics Corporation, a New York Stock Exchange company until its acquisition by Tyco International Ltd. in 2001. Mr. Loof's ongoing interaction with the Corporation's customers and suppliers provides the Board of Directors with industry expertise and a deep understanding of the Corporation's business and operations and the economic environment in which it operates.

E. Erwin Maddrey, II, 72, Director, was named such in May 1992. Mr. Maddrey is President of Maddrey and Associates, a personal investments vehicle, and has served in such capacity since July 2000. Mr. Maddrey was President, Chief Executive Officer, and a Director of Delta Woodside

Industries, a textile manufacturer, from 1984 through June 2000. Prior thereto, Mr. Maddrey served as President, Chief Operating Officer, and Director of Riegel Textile Corporation. Mr. Maddrey also serves on the board of directors for Blue Cross/Blue Shield of South Carolina as well as several non-profit organizations including the Furman University Board of Trustees and the South Carolina Governor's School for the Arts Foundation. Mr. Maddrey retired as director of Delta Apparel, Inc. in November 2012. The Corporation's Board of Directors believes that it benefits from the broad expertise acquired by Mr. Maddrey as an officer and director in a variety of for-profit and not-for-profit organizations, including extensive financial experience which allows Mr. Maddrey to serve effectively as the Chairman of the Corporation's Audit Committee. The Corporation also benefits from Mr. Maddrey's previous public company board experience.

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

Information about the Board of Directors

The Board of Directors held seven meetings (exclusive of committee meetings) during the fiscal year ended March 31, 2013. Each current director attended at least 75% of the number of meetings that they were eligible to attend during the fiscal year ended March 31, 2013 of the Board of Directors and all committees on which such director served. The Board of Directors has not adopted a formal policy with respect to directors' attendance at annual meetings of the stockholders of the Corporation. All of the Corporation's directors were in attendance at the 2012 Annual Meeting of Stockholders. In accordance with the Corporation's Corporate Governance Guidelines, Frank G. Brandenburg, as Chairman of the Board, presided over all regularly scheduled executive sessions of the non-management directors of the Corporation. The Board of Directors has established the following permanent committees, the functions and current members of which are noted below. All of the committees of the Board of Directors operate under charters, current copies of which can be found on our website at <http://ir.kemet.com> where you can click on the "Corporate Governance" link for each of the committee charters.

Audit Committee. The Audit Committee of the Board of Directors currently consists of: Mr. Maddrey (Chairman of the Audit Committee), Dr. Backes and Messrs. Borruso and Swann. All members of the Audit Committee are independent as defined in the Securities Exchange Act of 1934 and the rules and regulations thereunder, as amended ("Exchange Act"), and the listing rules of the New York Stock Exchange ("NYSE"). The Board of Directors has determined that at least one member of the Audit Committee, Mr. Maddrey, is an "audit committee financial expert" serving on the Audit Committee within the meaning of the Securities and Exchange Commission (the "SEC") rules and regulations. In addition, Dr. Backes and Messrs. Borruso and Swann also have prior financial statement experience: Dr. Backes has served at various times as president, chief executive officer, chief financial officer and treasurer in prior companies; Mr. Borruso has served as president and chief executive officer in current and prior companies; and Mr. Swann has served as president and plant controller in prior companies. Mr. Maddrey has served on audit committees with other companies. The Audit Committee, among other duties, employs the independent auditors, pre-approves all services performed by the independent auditors, reviews the internal and external financial reporting of the Corporation, reviews the scope of the independent audit, considers comments by the auditors regarding internal controls and accounting procedures and management's response to those comments, and reviews services provided by the independent auditors and other disclosed relationships as they bear on the independence of the independent auditors. The Audit Committee was established in accordance with Section 3(a)(58)A of the Exchange Act. The Audit Committee met eight times during the fiscal year ended March 31, 2013.

Compensation Committee. The Compensation Committee of the Board of Directors currently consists of Mr. Paul (Chairman of the Compensation Committee), Dr. Backes and Messrs. Bedi and Borruso. All members of the Compensation Committee are independent within the meaning of the

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listing rules of the NYSE. The Compensation Committee reviews and makes recommendations to the Board of Directors regarding salaries, compensation and benefits of executive officers and key employees of the Corporation and grants all options to purchase Common Stock of the Corporation. The Compensation Committee met five times during the fiscal year ended March 31, 2013.

Nominating and Corporate Governance Committee. The Nominating and Corporate Governance Committee currently consists of Messrs. Bedi (Chairman of the Nominating and Corporate Governance Committee), Maddrey, Paul and Swann, all of whom are independent within the meaning of the listing rules of the NYSE. The Nominating and Corporate Governance Committee is authorized to review the Corporation's governance practices, including the composition of the Board, and to make recommendations to the Board concerning nominees for election as directors, including nominees recommended by stockholders. The Nominating and Corporate Governance Committee met four times during the fiscal year ended March 31, 2013.

A stockholder who wishes to recommend a prospective nominee for the Board should notify the Corporation's Corporate Secretary in writing with supporting material that the stockholder considers appropriate. The Nominating and Corporate Governance Committee will also consider whether to nominate any person nominated by a stockholder pursuant to the provisions of the Corporation's By-laws relating to stockholder nominations. Once the Nominating and Corporate Governance Committee has identified a prospective nominee, it makes an initial determination as to whether to conduct a full evaluation of the candidate. This initial determination is based on whatever information is provided to the Nominating and Corporate Governance Committee with the recommendation of the prospective candidate, as well as the Nominating and Corporate Governance Committee's own knowledge of the prospective candidate, which may be supplemented by inquiries to the person making the recommendation or others. The preliminary determination is based primarily on the need for additional Board members to fill vacancies or expand the size of the Board and the likelihood that the prospective nominee can satisfy the evaluation factors described below. If the Nominating and Corporate Governance Committee determines that additional consideration is warranted, it will engage a third-party search firm to gather additional information about the prospective nominee's background and experience and to report its findings to the Nominating and Corporate Governance Committee. The Nominating and Corporate Governance Committee then evaluates the prospective nominee against certain standards and qualifications. The Nominating and Corporate Governance Committee selects individuals as director nominees who have the highest personal and professional integrity, who have demonstrated exceptional ability and judgment and who will be most effective, in conjunction with the other nominees to the Board, in collectively serving the long-term interests of the Corporation's stockholders. In addition, pursuant to the Nominating and Corporate Governance Committee Charter, the Nominating and Corporate Governance Committee evaluates the prospective nominee against a set of criteria for Board membership which includes factors relating to business experience, diversity, occupation, and personal skills in technology, finance, marketing, international business, financial reporting and other areas that are expected to contribute to an effective Board. The Nominating and Corporate Governance Committee also considers such other relevant factors as it deems appropriate, including the current composition of the Board, the balance of management and independent directors, the need for Audit Committee expertise and the evaluations of other prospective nominees. In connection with this evaluation, the Nominating and Corporate Governance Committee determines whether to interview the prospective nominee, and if warranted, one or more members of the Nominating and Corporate Governance Committee, and others as appropriate, interview prospective nominees in person or by telephone. After completing this evaluation and interview, the Nominating and Corporate Governance Committee determines the nominees who it will recommend to the Board.

The Board undertook its annual review of director independence in May 2013. During this review, the Board inquired about transactions and relationships between each director or any member of his or her immediate family and the Corporation and its subsidiaries and affiliates. The Board also inquired

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about transactions and relationships between directors or their affiliates and members of the Corporation's senior management or their affiliates. The purpose of this review was to determine whether any such relationships or transactions were inconsistent with a determination that the director is independent.

Only one of the directors determined to be independent by the Board has a relationship with the Corporation other than as a director. In evaluating the independence of Mr. Kotzubei, the Board considered that (i) Mr. Kotzubei is a Partner of Platinum Equity Advisors, LLC and (ii) K Equity, LLC ("K Equity"), an affiliate of Platinum Equity Advisors, LLC, has a warrant representing the right to purchase 8.4 million shares of Common Stock. In determining that Mr. Kotzubei is independent, the Board favorably considered that (i) Mr. Kotzubei meets the NYSE independence tests, (ii) the NYSE does not view ownership of even a significant amount of stock, by itself, as a bar to an independence determination, (iii) the loans with K Equity have been extinguished, (iv) the term of the Corporate Advisory Services Agreement with Platinum Equity Advisors, LLC, as well as the advisory fee payable thereunder, were both fixed as of its May 5, 2009 effective date, and (v) the warrant rights of K Equity closely align K Equity's interests with the Corporation's stockholders.

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

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

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

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

Consider and review with management, the internal audit group and the independent public accountants the effectiveness or weakness of the Corporation's internal controls. Develop in consultation with management a timetable for implementing recommendations to correct identified weaknesses.

Review the coordination between the independent public accountants and internal auditors; review the risk assessment processes, scopes and procedures of the Corporation's internal audit

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work and whether such risk assessment process, scopes and procedures are adequate to attain the internal audit objectives as determined by the Corporation's management and approved by the committee; and review the quality and composition of the Corporation's internal audit staff.

Review management's monitoring of the Corporation's compliance with laws and the Corporation's Code of Conduct and ensure that management has proper review systems in place to ensure that the Corporation's financial statements, reports and other information disseminated to governmental organizations and the public satisfy legal requirements.

The Corporation's Chief Compliance Officer provides reports to the Audit Committee concerning activities related to the Corporation's whistleblower hotline and other compliance issues.

The Compensation Committee reviews the Corporation's compensation policies and practices to ensure that no such practices or policies create a reasonable likelihood of a material adverse effect on the Corporation. Additional information on the process and procedures for executive compensation determinations, including the role of management and compensation consultants, is contained in "Compensation Discussion and Analysis" below. For the fiscal year ended March 31, 2013, the Compensation Committee determined that none of the Corporation's compensation policies or practices were reasonably likely to have a material adverse effect on the Corporation. In addition, pursuant to the Compensation Committee Charter, the Compensation Committee provides oversight of the Corporation's safety, health and environmental programs, including a periodic review of accident frequency and severity statistics, programs to promote safe work habits, serious statutory violations or resulting citations, and any potential legal and/or financial liabilities in excess of \$100,000 that may exist due to non-compliance with any safety, health or environmental law or regulation.

Compensation Committee Interlocks and Insider Participation

None of the members of our Compensation Committee is or has been an officer or employee of the Corporation, and no executive officer of the Corporation served on the Compensation Committee or board of directors of any entity that employed any member of the Corporation's Compensation Committee or Board of Directors. In addition, no other "compensation committee interlocks" existed during the fiscal year ended March 31, 2013.

Compensation of Directors

The compensation of the non-employee members of our Board of Directors is as follows (employee Directors are not compensated for their Board service):

Each director (other than the Chairman) is paid a director's fee at the annual rate of \$40,000.

The Chairman is paid a director's fee at the annual rate of \$65,000.

The Chairman of the Audit Committee of the Board receives an annual retainer of \$12,500, and each member of the Audit Committee receives an annual retainer of \$8,000.

The Chairman of the Compensation Committee receives an annual retainer of \$8,000, and each member of the Compensation Committee receives an annual retainer of \$5,000.

The Chairman of the Nominating and Corporate Governance Committee receives an annual retainer of \$7,000, and each member of the Nominating and Corporate Governance Committee receives an annual retainer of \$4,000.

All directors are reimbursed for out-of-pocket expenses incurred in connection with attending meetings.

Each director receives as additional compensation a fee of \$1,500 per meeting for personal attendance at each Board or committee meeting, and a fee of \$750 per meeting for telephonic

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attendance at each Board or committee meeting. In addition, each non-employee director receives an annual grant of 6,667 restricted stock units ("Director RSUs"), which vest one day prior to the Annual Meeting of Stockholders for the fiscal year in which they are issued. Upon settlement, each Director RSU is converted into a share of restricted Common Stock and delivered to the director. Prior to the grant date, each director can elect to defer the settlement of his Director RSUs beyond the vesting date to a specific later date or to the termination date of his service on the Board. Restricted shares of Common Stock that have been converted from Director RSUs are 100% vested on the date of settlement; however they are restricted and cannot be sold until 90 days after the director resigns from his position as a member of the Board or until he achieves the targeted ownership under the Corporation's stock ownership guidelines, and only to the extent that such ownership exceeds the target.

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

DIRECTOR COMPENSATION TABLE

The table below provides information concerning the compensation of the Corporation's non-employee directors for the fiscal year ended March 31, 2013. The table below does not include information with respect to the Corporation's Chief Executive Officer, Mr. Loof, as he is also a Named Executive Officer of the Corporation. Mr. Loof is not compensated for his service as a director of the Corporation. As stated above, employee directors are not compensated for their Board service.

Name	Fees Earned or Paid in		Total (\$)
	Cash (\$)	Stock Awards \$(1)	
Wilfried Backes	78,500	30,402	108,902
Gurminder S. Bedi	74,500	30,402	104,902
Joseph V. Borruso	78,500	30,402	108,902
Frank G. Brandenburg	95,750	30,402	126,152
Jacob Kotzubei	46,750	30,402	77,152
E. Erwin Maddrey, II	80,500	30,402	110,902
Robert G. Paul	74,500	30,402	104,902
Joseph D. Swann	76,000	30,402	106,402

- (1) Represents the aggregate grant date fair value computed in accordance with Financial Accounting Standards Board Accounting Standards Codification Topic 718 ("FASB ASC Topic 718") for the following restricted stock unit grants: 6,667 Director RSUs with a grant date fair value of \$30,402 granted on August 1, 2012 to each of Dr. Backes and Messrs. Bedi, Borruso, Brandenburg, Kotzubei, Maddrey, Paul and Swann.

Stock Ownership Guidelines

To directly align the interests of the directors with the interests of the stockholders, the Compensation Committee established guidelines stipulating whereby each director should maintain a minimum ownership interest in the Corporation. Mr. Loof as a member of management has a target to own and retain a minimum number of shares totaling in value five times his annual base salary (discussed further in the Compensation Discussion and Analysis). Non-employee directors have a target to own and retain a minimum number of shares totaling in value three times their annual retainer. The time period during which such minimum number of shares is to be acquired and retained is targeted five years from the later of (i) April 1, 2006 or (ii) the year in which such director was first elected. With the exception of Mr. Kotzubei, who has been a director for less than two years, all non-employee directors met the ownership guideline as of March 31, 2013.

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

Stockholder Communication with the Board of Directors

Stockholders and other parties interested in communicating directly with the Chairman or with the non-management directors as a group may do so by writing to Chairman of the Board of Directors, KEMET Corporation, P.O. Box 5928, Greenville, South Carolina 29606.

Section 16(a) Beneficial Ownership Reporting Compliance

Section 16(a) of the Exchange Act requires the Corporation's officers, directors and persons who beneficially own more than 10% of a registered class of the Corporation's equity securities to file

reports of securities ownership and changes in such ownership with the SEC. Officers, directors and greater than ten-percent beneficial owners also are required by rules promulgated by the SEC to furnish the Corporation with copies of all Section 16(a) forms they file.

Based solely upon a review of the copies of such forms furnished to the Corporation, or written representations that no Form 5 filings were required, the Corporation believes that during the period from April 1, 2012 through March 31, 2013, all Section 16(a) filing requirements applicable to its officers, directors and greater than ten-percent beneficial owners were complied with.

Review, Approval or Ratification of Transactions with Related Persons

Our directors and executive officers (and other employees) are expected to adhere to the Corporation's Code of Conduct. Our Code of Conduct is available free of charge on the Corporation's website at <http://ir.kemet.com> where you can click on the link to "Corporate Governance," then "Highlights" and "Global Code of Conduct." In the event that any action arises or is proposed that would require a waiver of or a deviation from our Code of Conduct, or in the event that any actual or potential conflict of interest arises involving any of our directors or executive officers, our policy requires that the matter be reported to the Corporation's management. In the event of such conflicts, the director(s) or officer(s) involved, if any, shall recuse themselves from any decision affecting their personal interests.

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

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

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

In connection with the Amended and Restated Platinum Credit Facility, the Corporation entered into a Corporate Advisory Services Agreement with Platinum Equity Advisors, LLC ("Platinum Advisors"), an affiliate of K Equity, for a term of the later of (i) June 30, 2013 and (ii) the termination of the Amended and Restated Platinum Credit Facility, pursuant to which the Corporation will pay an annual fee of \$1.5 million to Platinum Advisors for certain advisory services. On May 5, 2010, the Platinum Term Loan, the Platinum Line of Credit Loan, and the Platinum Working Capital Loan were extinguished.

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

total of 7 million shares of the Corporation's Common Stock, at a public offering price of \$14.60 per share. K Equity retained the unsold portion of the Warrant, representing the right to purchase 8.4 million shares of Common Stock.

**PROPOSAL TO RATIFY APPOINTMENT
OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM**

The Audit Committee has appointed Ernst & Young LLP as the independent registered public accounting firm to examine the financial statements of the Corporation for the fiscal year ending March 31, 2014 and to perform other appropriate accounting services.

A proposal will be presented at the Annual Meeting to ratify the appointment of Ernst & Young LLP as the Corporation's independent registered public accounting firm. One or more members of that firm are expected to be present at the Annual Meeting to respond to questions and to make a statement if they desire to do so. During the fiscal years ended March 31, 2013 and 2012, Ernst & Young LLP served as the Corporation's independent registered public accounting firm and also provided other audit-related services. See "Audit and Non-Audit Fees" on page 43. If the stockholders do not ratify this appointment by the affirmative vote of a majority of the shares represented in person or by proxy at the meeting, other independent registered public accounting firms will be considered by the Board of Directors upon recommendation by the Audit Committee. Even if the appointment of Ernst & Young LLP is ratified, the Audit Committee may in its sole discretion terminate the engagement of the firm and direct the appointment of another independent auditor at any time during the year if it determines that such an appointment would be in the best interests of the Corporation and its stockholders.

The Board of Directors recommends a vote "FOR" ratification of the appointment of Ernst & Young LLP as the Corporation's independent registered public accounting firm for the fiscal year ending March 31, 2014.

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

General Information

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

Summary

We are asking our stockholders to provide advisory approval of the compensation paid to our "Named Executive Officers," which consist of our "principal executive officer," our "principal financial officer" and our "next three highest paid-executive officers" at the end of our last fiscal year ended March 31, 2013 ("fiscal year 2013"), as described in the "Compensation Discussion and Analysis" ("CD&A") section of this Proxy Statement (beginning on page 16) and the compensation tables and narrative disclosures following the CD&A.

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

Highlights of our Executive Compensation Program

We believe that our executive compensation program:

Creates stockholder value by aligning executive compensation to business objectives and overall Corporation performance;

Attracts, retains, and motivates highly-qualified executives by offering market-competitive total compensation packages;

Balances the focus on short- and longer-term performance objectives through an appropriate mix of short-term cash incentive awards and long-term awards that include equity that vests over a number of years;

Has features designed to further align executive compensation with stockholder interests and mitigate risks, including: (i) cash bonus and equity award, (ii) a prohibition on "short sales" of and trading derivatives of Corporation securities (applicable to all employees), (iii) no minimum guaranteed cash bonus payments, equity grants or base salary increases, (iv) limited perquisites (v) stock ownership and holding requirements; and (vi) a compensation recoupment policy and a recently adopted anti-hedging and anti-pledging policy; and

Has certain features that are widely considered "best practices," including employment agreement change-in-control provisions that only provide cash severance upon a change-in-control termination (i.e., a "double trigger") and do not provide for the payment of any excise tax gross-up amounts.

As a result of the challenging economic climate companies in our industry face, our overall performance in fiscal year 2013 was below expectations but exceeded certain threshold performance levels set by the Compensation Committee of the Board of Directors. As a result our Named Executive Officers received annual bonuses below target levels. Performance for the two year period ended March 2013 was below the threshold set for our long-term incentive plan, resulting in no performance awards being paid.

Consistent with these principles, and as further discussed in the CD&A, we believe the Compensation Committee has designed an executive compensation program that: (i) aligns the compensation of our executives with the interests and concerns of shareholders and our overall business strategy, (ii) is competitive and reasonable as compared to compensation programs adopted by the Corporation's peer group and based on a review of broader public company and industry survey data and (iii) is cost-effective with limited perquisites and other personal benefits.

Board of Directors Recommendation

THE BOARD OF DIRECTORS RECOMMENDS THAT STOCKHOLDERS VOTE "**FOR**" THE SAY-ON-PAY PROPOSAL, AS STATED BY THE FOLLOWING RESOLUTION:

"RESOLVED, that the Corporation's stockholders approve, on an advisory basis, the compensation of the Named Executive Officers, as disclosed in the Corporation's Proxy Statement for the 2013 Annual Meeting of Stockholders pursuant to the compensation disclosure rules of the Securities and Exchange Commission, including the Compensation Discussion and Analysis, the fiscal year 2013 Summary Compensation Table, and the other related tables and disclosures."

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

Vote Required

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

SECURITY OWNERSHIP

As of June 7, 2013, the Corporation's issued and outstanding Common Stock consisted of 45,076,933 shares of Common Stock. The following information with respect to the outstanding shares of Common Stock beneficially owned by each nominee for director of the Corporation, each "Named Executive Officer," or "Executive," the directors and executive officers as a group, and all beneficial owners of more than 5% of the Common Stock known to the Corporation is furnished as of June 7, 2013. Except as otherwise indicated below, each of the persons named in the table has sole voting and investment power with respect to the securities beneficially owned by it or him as set forth opposite its or his name.

Directors, Named Executive Officers and 5% Stockholders	Number of Shares Beneficially Owned	Percent of Class
Per-Olof Loof	438,362(1)	*
William M. Lowe, Jr.	125,392(2)	*
Robert R. Argüelles	101,034(3)	*
Marc Kotelon	110,438(4)	*
Charles C. Meeks, Jr.	73,165(5)	*
Dr. Wilfried Backes	31,667(6)	*
Gurminder S. Bedi	33,334(7)	*
Joseph V. Borruso	29,200(8)	*
Frank G. Brandenburg	34,525(9)	*
Jacob Kotzubei	9,563(10)	*
E. Erwin Maddrey, II	25,429(11)	*
Robert G. Paul	32,834(12)	*
Joseph D. Swann	57,429(13)	*
All Directors and Executive Officers as a group (17 persons)	1,148,683(14)	2.53%
BlackRock, Inc.	2,286,763(15)	5.07%
Cadian Capital Management, LLC	4,425,400(16)	9.82%
Invesco Ltd	2,531,256(17)	5.62%
Morgan Stanley	3,468,013(18)	7.69%
The Vanguard Group	2,351,006(19)	5.22%
Tocqueville Asset Management L.P.	3,782,750(20)	8.39%
K Equity, LLC	8,416,815(21)	15.73%

*

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

- (1) Includes 311,529 restricted shares of Common Stock ("Restricted Shares"). Restricted Shares cannot be sold until 90 days after termination of service with the Corporation or until the director or officer achieves the targeted ownership under the Corporation's stock ownership guidelines, and only to the extent that such ownership exceeds the target.
- (2) Includes (a) 61,823 Restricted Shares and (b) 53,333 shares subject to currently exercisable options. Mr. Lowe had pledged 41,814 shares of his Common Stock as collateral for a loan, however, as of the date of this proxy statement, all of these shares have been removed as collateral.
- (3) Includes (a) 29,368 Restricted Shares and (b) 53,333 shares subject to currently exercisable options.
- (4) Includes (a) 46,271 Restricted Shares and (b) 40,834 shares subject to currently exercisable options.
- (5) Includes (a) 33,165 Restricted and (b) 37,500 shares subject to currently exercisable options.
- (6) Includes 8,333 Restricted Shares and 13,334 vested RSUs.

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- (7) Includes 10,000 Restricted Shares and 13,334 vested RSUs.
- (8) Includes 8,333 Restricted Shares and 13,334 vested RSUs.
- (9) Includes 11,525 Restricted Shares and 13,334 vested RSUs.
- (10) Includes 9,563 vested RSUs.
- (11) Includes 10,762 Restricted Shares and 13,334 vested RSUs.
- (12) Includes 10,000 Restricted Shares and 13,334 vested RSUs.
- (13) Includes 24,096 Restricted Shares.
- (14) The amount shown includes 573,336 Restricted Shares, 89,567 vested RSUs and 231,707 shares subject to currently exercisable options.
- (15) According to a Schedule 13G filed with the SEC on January 30, 2013 by BlackRock Inc., as of December 31, 2012, BlackRock Inc. has sole voting and dispositive power for 2,286,763 shares. The address for these reporting persons is 40 East 52nd Street, New York, NY 10022.
- (16) According to a Schedule 13G/A filed with the SEC on December 4, 2012 by Cadian Capital Management, LLC, Eric Bannasch and Cadian Master Fund, LP, as of December 31, 2011, Cadian Capital Management, LLC and Eric Bannasch each have shared voting power for 4,425,400 shares and shared dispositive power for 4,425,400 shares, and Cadian Master Fund, LP has shared voting and dispositive power for 2,526,903 shares. The address for Cadian Capital Management, LLC and Eric Bannasch is 535 Madison Avenue, 36th Floor, New York, NY 10022 and the address for Cadian Master Fund, LP is c/o Morgan Stanley Fund Services (Cayman) Ltd., Cricket Square, Hutchins Drive, 2nd Floor, Boundary Hall, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands.
- (17) According to a Schedule 13G filed with the SEC on February 12, 2013 by Invesco Ltd., as of December 31, 2012, Invesco Ltd. has sole voting and dispositive power for 2,531,256 shares. The address for these reporting persons is 1555 Peachtree Street NE, Atlanta, GA 30309.
- (18) According to a Schedule 13G/A filed with the SEC on January 30, 2013 by Morgan Stanley and Morgan Stanley Capital Services LLC, as of December 31, 2012, Morgan Stanley has sole voting power for 3,446,464 shares, shared voting power for 21,283 shares and sole dispositive power for 3,468,013 shares, and Morgan Stanley Capital Services LLC has sole voting and dispositive power for 3,401,191 shares. The address for these reporting persons is 1585 Broadway, New York, NY 10036.
- (19) According to a Schedule 13G filed with the SEC on February 13, 2013 by The Vanguard Group, as of December 31, 2012, The Vanguard Group has sole voting power for 60,663 shares, sole dispositive power for 2,291,143 shares and shared dispositive power for 59,863 shares. The address for these reporting persons is 100 Vanguard Blvd, Malvern, PA 19355.
- (20) According to a Schedule 13G filed with the SEC on January 31, 2013 by Tocqueville Asset Management LP, as of December 31, 2012, Tocqueville Asset Management LP has sole voting and dispositive power for 3,782,750 shares. The address for these reporting persons is 40 West 57th Street, 19th Floor, New York, NY 10019.
- (21) According to a Schedule 13D/A filed with the SEC on May 31, 2011 by K Equity, LLC, K Holdings, LLC, Platinum Equity Capital Partners II, L.P., Platinum Equity Partners II, LLC, Platinum Equity Investment Holdings II, LLC, Platinum Equity, LLC and Tom

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Gores, each of these reporting persons has sole voting power for 8,416,814 shares and sole dispositive power for 8,416,814 shares. The address for these reporting persons is 360 North Crescent Drive, South Building, Beverly Hills, CA 90210. This reflects 8,416,418 shares of the Corporation's Common Stock issuable upon the exercise of a warrant, and, for this Stockholder only, the percentage of class has been adjusted to reflect the additional 8,416,814 shares that would be issued in the event of an exercise of the remaining portion of the warrant.

**EXECUTIVE COMPENSATION
COMPENSATION DISCUSSION AND ANALYSIS**

This Compensation Discussion and Analysis ("CD&A") outlines the Corporation's executive compensation philosophy, objectives and processes. It explains the decision making process used by the Compensation Committee of our Board of Directors (the "Committee"), the reasoning behind our executive compensation program, and, more specifically, the actions the Committee took related to the compensation of the Corporation's executive officers listed below (we refer to these persons as our "Named Executive Officers" or "NEOs") for our fiscal year ended March 31, 2013:

Per-Olof Loof Chief Executive Officer
William M. Lowe, Jr. Executive Vice President and Chief Financial Officer
Robert R. Argüelles Executive Vice President and President KEMET Asia
Marc Kotelon Executive Vice President, Global Sales*
Charles C. Meeks, Jr. Executive Vice President, Ceramic, Film and Electrolytic Business Group

Executive Summary

Overview of our Executive Compensation Program

Like many companies in our business, fiscal year 2013 was a challenging economic period; however, despite these obstacles we were able to maintain our overall market position and our Named Executive Officers, along with all of our employees took steps to improve the long-term prospects of our business that will position the Corporation well for the future. Our annual financial performance was below our target expectations but surpassed certain threshold performance objectives resulting in our annual incentives paying out below target for all of our Named Executive Officers. Our two year Adjusted EBITDA performance ending March 2013 was below threshold, resulting in no performance awards under our long term incentive plan.

After reviewing our performance and the corresponding executive compensation awards, the Committee believes the Corporation's compensation strategy continues to serve our Corporation and stockholders well. We will continue to rely on a balance of the following compensation and benefit programs to attract and retain executive talent and to ensure a strong connection between executive compensation and financial performance:

Base salary (fixed compensation);

Annual bonus incentives (cash bonuses);

Long-term incentive compensation in the form of cash and Restricted Stock;

Limited perquisites and other personal benefits; and

Retirement, health and welfare benefits.

During the first quarter (ending June 30) of each fiscal year, the Committee (i) determines base salary adjustments (if any) for our executive officers normally effective as of July 1st of each fiscal year, (ii) establishes the current year short- and the two-year long-term performance-based incentive compensation measures and opportunities and (iii) determines whether the performance conditions for recently-completed performance periods have been satisfied.

*

On May 9, 2013, the Corporation announced Mr. Kotelon's intention to resign his employment with the Corporation.

Key Compensation Developments and Pay for Performance Highlights in Fiscal Year 2013

Fiscal Year 2013 Results

Our incentive compensation plans are aligned with our financial performance and worked as intended during our 2013 fiscal year. While fiscal year 2013 performance was lower than we anticipated, the support we received from our distributors and customers was excellent and, through the efforts of our NEOs and other employees, we maintained our market share. The Corporation exceeded its threshold revenue goal and our NEO's exhibited superior individual performance during fiscal year 2013, which combined to result in payments under our annual incentive plan that were below our target levels, but above the threshold. For the two year period ended March 31, 2013, our Adjusted EBITDA performance was below threshold, which resulted in our NEOs not receiving a performance award under our long term incentive plan.

Compensation Program Philosophy and Objectives

The Corporation's executive compensation program focuses on closely aligning compensation paid to its executive officers with the performance of the Corporation on both a short-term and long-term basis and assisting the Corporation in attracting and retaining the necessary talent. With respect to incentive compensation, the Corporation's objective is to tie variable compensation to the achievement of the organization's financial performance. As the Corporation has expanded from a North American based corporation with international sales offices to a multinational corporation with international business groups, the Corporation's compensation philosophy has evolved to attract executives with international experience and the broader skills necessary for the management of a multinational corporation. We have designed the Corporation's compensation program to:

support the financial objectives of the Corporation;

attract and retain the talent and skill level needed to grow the Corporation with a focus on an international presence;

allow flexibility in design and administration to support the ever-changing electronics industry;

provide an externally competitive compensation structure for positions of similar skill, responsibilities, and geographic location;

provide a structure that is internally fair and equitable for the skills and knowledge required to perform each individual role; and

reward executives for performance that is aligned with both the short-term and long-term objectives of the Corporation and with stockholder interests.

What the Compensation Program Is Designed to Reward

The Corporation's compensation program is designed to align compensation with individual, team and/or organizational performance. The Committee believes that the total compensation program for executive officers is focused on enhancing corporate performance. In particular, the Committee feels that providing a portion of compensation in the form of an annual cash bonus based on achieving certain targets reflected in the annual business budget will enhance corporate performance. Individual performance is evaluated, and "pay for performance" governs all base salary increases. The Committee believes that executives' incentives are aligned with stockholder value creation by tying an executive's compensation to annual and long-term performance measures intended to create long-term stockholder value.

How the Corporation Structures an Executive's Total Compensation

Role of the Committee, Executive Officers and Compensation Consultants

The Committee is directly responsible to the Board of Directors, and through the Board to the Corporation's stockholders, for developing and administering all compensation programs for the Corporation's executives.

In making its determinations with respect to executive compensation, the Committee is supported by Richard Vosburgh, the Corporation's Senior Vice President and Chief Human Resources Officer. In addition, the Committee has historically engaged the services of a compensation consultant. In fiscal year 2013, the Committee retained the services of Pearl Meyer & Partners ("PM&P") to assist with its review of the compensation package of the Chief Executive Officer (the "CEO") and other executives. In addition, PM&P was retained to assist the Committee with several special projects, including benchmarking executive compensation, monitoring trends in executive and non-employee director compensation, and assisting in the preparation of the CD&A included in this proxy statement.

The Committee retains PM&P directly, although in carrying out assignments PM&P also interacts with Corporation management when necessary and appropriate. Specifically, the Senior Vice President and Chief Human Resources Officer interacts with the consultants to provide compensation data. In addition, PM&P may, in its discretion, seek input and feedback from the executives regarding its consulting work product prior to presentation to the Committee to confirm its alignment with the Corporation's business strategy, determine what additional data may need to be gathered, or identify other issues, if any, prior to presentation to the Committee. PM&P does not provide any services to the Corporation other than its consulting services to the Committee related to executive and director compensation.

The Committee frequently requests the CEO to be present at Committee meetings where executive compensation and corporate performance are discussed and evaluated. The CEO is free to provide insight, suggestions or recommendations regarding executive compensation if present during these meetings or at other times. However, only independent Committee members are allowed to vote on decisions made regarding executive compensation.

The Committee meets with the CEO to discuss his own compensation package, but ultimately, decisions regarding the CEO's compensation are made by the Committee, meeting in executive session, without the CEO or any other executive officer present, solely based upon the Committee's deliberations. Decisions regarding other executives are made by the Committee after considering recommendations from the CEO and Senior Vice President and Chief Human Resources Officer.

Peer Group Analyses

The Committee has reviewed external market data compiled by PM&P to examine the total cash and equity components of the compensation package that the Corporation provides to its Named Executive Officers and non-employee directors to determine if such compensation is competitive. The Committee also reviews survey data provided by the Hay Group, Inc. ("Hay"). The information provided by PM&P and Hay is analyzed by the Committee while reviewing the competitive nature of compensation provided to the Named Executive Officers and non-employee directors.

In making compensation decisions with respect to staff salaries, including the Named Executive Officers, the Committee maintains a standard pay range structure based on an external market analysis provided by PM&P and Hay. Pay ranges are reviewed periodically and adjustments made, as needed and within the financial capabilities of the Corporation and based on market conditions.

Historically, the Committee has reviewed data provided by PM&P from a variety of peer organizations. In fiscal year 2013, the Committee reviewed its peer group and determined to remove

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Thomas & Betts Corp. due to its acquisition by ABB Ltd. The Committee also removed Methode Electronics, Inc., C&D Technologies, Inc. and Park Electrochemical Corp. from the Corporation's peer group due to their smaller size of operations, as measured by sales, relative to the Corporation. The companies that remain in our peer group are considered peer companies of the Corporation because they either manufacture capacitors or other components, compete in the same market segments or actively recruit each other's employees due to similar skill requirements.

Amphenol Corporation

Littelfuse, Inc.

AVX Corporation

MEMC Electronic Materials, Inc.

CTS Corporation

Molex Incorporated

Fairchild Semiconductor International, Inc.

National Instruments Corp

Greatbatch, Inc.

Teradyne, Inc.

International Rectifier Corporation

TTM Technologies, Inc.

JDS Uniphase Corporation

Vishay Intertechnology, Inc.

Linear Technology Corp

Other Factors

Other factors considered when making individual executive compensation decisions include individual performance, objective performance, skills required to meet position specifications and the Corporation's need for a flexible and adaptable workforce. We believe that these factors allow us to attract and retain the executives with the skills needed to manage a multinational corporation. Variable (incentive) compensation rewards may be team or individual performance based. Award criteria are directly tied to the Corporation's business and strategic plan. All compensation components reflect the Corporation's international focus.

Total Compensation

The Committee's goal is to award compensation that is reasonable and consistent with the Corporation's philosophy and objectives regarding executive compensation when all elements of potential compensation are considered. In making decisions with respect to any element of a Named Executive Officer's compensation, the Committee considers the total compensation that may be awarded to the officer, including the following principal components, each of which is discussed in more detail below:

Base salary (fixed compensation);

Annual bonus incentives, the amount of which is dependent on performance during the fiscal year;

Long-term incentive compensation, in the form of cash and restricted stock units;

Perquisites and other personal benefits; and

Retirement, health and welfare benefits.

In reviewing each component of compensation and the total reward package, the Committee uses data provided by its outside advisors to review not only the level of compensation provided by the Corporation and its competition, but also the mix of compensation. The mix of compensation refers to the percentage of compensation which is allocated to each component of compensation. This allows the Committee another means of assessing the competitiveness and structure of executive compensation and ensures that the philosophies and objectives of the Corporation are being achieved.

Other than base salaries, which are discussed below and benchmarked to the Corporation's peer group, the Committee does not strive to set aggregate executive compensation opportunities and

payments at a particular position, nor provide a mix of compensation as compared to market data. Rather, the Committee uses market data to inform decisions regarding levels and the mix of total compensation.

Stockholder Say-on-Pay Vote

At the 2012 Annual Meeting, stockholders had the opportunity to approve, in a non-binding advisory vote, the compensation of the Company's Named Executive Officers. This is referred to as a "say-on-pay" proposal. At the 2012 Annual Meeting, our stockholders overwhelmingly supported the proposal with a favorable vote of 95.9%. The Committee believes this vote reflects general approval of the Corporation's approach to executive compensation. Therefore, the Committee did not make significant changes in the structure of the Corporation's executive compensation program in response to the 2012 say-on-pay vote. The Committee will continue to consider the vote results for say-on-pay proposals in future years when making compensation decisions for our Named Executive Officers.

The Board has determined that the Corporation's stockholders should vote on a say-on-pay proposal each year, consistent with the preference expressed by the Corporation's stockholders at the 2011 Annual Meeting. Accordingly, at the 2013 Annual Meeting, stockholders will again have the opportunity to indicate their views on the compensation of the Company's Named Executive Officers by an advisory "say-on-pay" vote. The Board recommends that you vote **For** the say-on-pay proposal at the 2013 Annual Meeting. For more information, see "PROPOSAL CONCERNING ADVISORY (NONBINDING) VOTE TO APPROVE THE COMPENSATION PAID TO THE CORPORATION'S NAMED EXECUTIVE OFFICERS ("SAY-ON-PAY" VOTE)" in this proxy statement.

Elements of Compensation, Why the Corporation Chooses to Pay Each Element and the Corporation's Fiscal Year 2013 Practices

Base Salary (Fixed Compensation)

The Corporation provides Named Executive Officers with an annual base salary that is designed to provide a base level of compensation that fairly accounts for the external market value, skills and responsibilities of a specific position and that provides our executives with a stable amount of compensation. Each position is compared with similar positions within the Corporation and their market value to arrive at its relative ranking and value within the organization. The Corporation maintains a standard pay range structure based on an external market analysis of benchmark positions. Pay ranges are reviewed at least annually and adjustments made, as needed and within financial capabilities, based on the market movement of benchmark positions.

Individuals can move upwards through their pay ranges based on individual performance, skill development and/or exhibited competencies needed for the position. Internal performance reviews are performed each year on all employees and are a factor in determining increases in compensation. Base salary may also be adjusted based on external market conditions or for promotions to positions of greater responsibility. Base salary increases are managed in a fiscally responsible manner and are not guaranteed.

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Fiscal Year 2013 Base Salary Adjustments. The Committee made the following adjustments to the Named Executive Officers' base salaries:

Executive	Fiscal Year 2012 Base Salary \$	Fiscal Year 2013 Base Salary \$	Adjustment \$	Adjustment %
Per-Olof Loof Chief Executive Officer	770,000	816,000	46,000	6.0%
William M. Lowe, Jr. Executive Vice President and Chief Financial Officer	485,000	495,000	10,000	2.1%
Robert R. Argüelles Executive Vice President and President KEMET Asia	297,000	310,000	13,000	4.4%
Marc Kotelon Executive Vice President, Global Sales	420,008	432,608	12,600	3.0%
Charles C. Meeks, Jr. Executive Vice President, Ceramic, Film and Electrolytic Business Group	310,000	310,000		0.0%

Mr. Kotelon's cash compensation is provided in Swiss Francs, since he is based in KEMET's Geneva, Switzerland office. Mr. Kotelon's salaries shown above are based on the ECB reference rate for Swiss Francs on March 28, 2013 of CHF 1.00 to USD 1.05002, which is based on the regular daily concertation procedure between central banks within and outside the European System of Central banks, which normally takes place at 2:15 p.m., ECB time, each business day (the "Concertation Procedure"). The fiscal year 2013 salaries noted above were effective as of July 1, 2012.

When determining the appropriate adjustments the Committee also considered the following:

Mr. Loof's salary increase was based on the Committee's evaluation of his experience, performance and the market data provided by PM&P. The Committee determined that based on these factors, Mr. Loof's salary should be at the 75th percentile. In addition, the Committee considered the fact that Mr. Loof had not received a salary increase since January, 2010.

Mr. Lowe's salary increase was based on the Committee's evaluation of his experience and performance. The Committee determined that based on these factors, Mr. Lowe's salary should be above the market median, but below the 75th percentile.

Mr. Argüelles' salary increase included an evaluation of his performance and recognition of his promotion from SVP to EVP. After adjustment, Mr. Argüelles' base salary remains below the market median.

Mr. Kotelon's salary increase included an evaluation of his performance and his prior-year base salary, which was below the market median for similarly-situated executives. After adjustment, Mr. Kotelon's base salary is between the median and 75th percentile which the Corporation believes is appropriate for an executive with Mr. Kotelon's experience and who is employed in Europe.

Mr. Meeks' did not accept a salary increase due to the economic challenges facing the business units for which he is responsible; however, in February 2013 his salary was increased to reflect the elimination of certain perquisites.

Annual Bonus Incentives for Named Executive Officers

The Executive Bonus Plan ("EBP") is intended to reward executives based on the Corporation's annual financial performance. The Committee has established targets, thresholds and maximum opportunities, generally consistent with market data. Our Named Executive Officers had the following cash opportunities (and opportunity as a percentage of base salary as of March 31, 2013) under the EBP. As shown in the table below, the Committee provided Mr. Loof a larger potential annual incentive opportunity relative to his base salary because it believes that, as Chief Executive Officer of the Corporation, a greater portion of his total compensation opportunity should be variable compensation reflective of the Corporation's performance. In addition, Mr. Meeks' annual incentive opportunity was based on his adjusted annualized base salary of \$330,000.

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The table below shows the mix of performance measures for each NEO's fiscal year 2013 EBP. As shown below, the CEO's EBP is based wholly on corporate performance.

	Threshold Performance		Target Performance		Maximum Performance	
	(\$)	(%)	(\$)	(%)	(\$)	(%)
Per-Olof Loof CEO	408,000	50	816,000	100	1,632,000	200
William M. Lowe, Jr. EVP and CFO	173,250	35	346,500	70	693,000	140
Robert R. Argüelles EVP	108,500	35	217,000	70	434,000	140
Marc Kotelon EVP(1)	154,027	35	308,054	70	616,109	140
Charles Meeks, Jr. EVP	115,500	35	231,000	70	462,000	140

(1)

As EBP payments were made in May of 2013, Mr. Kotelon's incentives shown above are based on the ECB reference rate for Swiss Francs on April 30, 2013 of CHF 1.00 to USD 1.06815, which is based on the Concertation Procedure.

For Named Executive Officers other than the CEO, 20% of their 2013 EBP was determined by their individual performance as evaluated by the CEO and approved by the Committee. The Committee believes linking a portion of an Executive's annual bonus to the achievement of individual performance goals provides an appropriate balance between financial and their individual performance in determining total annual variable compensation. Upon the Committee's review and Mr. Loof's suggestion the remaining NEOs individual performance was determined to vary between Target and Above Target.

In addition, 50% of the annual bonus opportunity for Mr. Meeks, who is a business unit leader, is based on the achievement of performance goals specifically tailored to his business units. The Committee believes this mix of company-wide and business unit specific performance measures appropriately reflects Mr. Meeks' impact on the business units he manages and the Corporation's overall performance.

Each component of our annual incentive program operates independently of each other; therefore, an executive may become entitled to receive a bonus solely based on the Corporation's performance, individual performance, or in the case of Mr. Meeks, business group performance. Moreover, a portion of the corporate performance component of the annual incentive program may be attained by achievement of the EBITDA, free cash flow or revenue performance goals described below.

The table below summarizes the relative weighting of each performance component applicable to the 2013 EBP for each of our NEOs.

Name	Corporate Performance	Business Group Performance	Individual Performance
Per-Olof Loof	100%	N/A	
William M. Lowe, Jr.	80%	N/A	20%
Robert Argüelles	80%	N/A	20%
Marc Kotelon	80%	N/A	20%
Charles C. Meeks, Jr.	30%	50% Ceramic, Film and Electrolytic Business Group	20%

The Committee has the right to exercise discretion to reduce the EBP payout to ensure that payouts produce their desired result. The Committee may not exercise discretion to increase a payout. The Committee reviewed the EBP payouts and determined that such payouts were appropriate; accordingly, the Committee did not exercise any discretion to reduce EBP payouts for fiscal year 2013.

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The Committee established the following performance measures under the EBP for measuring the Corporation's performance in fiscal year 2013 (amounts are in millions):

Weighting (%)	Performance Target	Threshold (\$)	Target (\$)	Maximum (\$)	Actual Results (\$)
50	Adjusted EBITDA	91.9	114.9	137.9	59.8
30	Free Cash Flow	42.6	53.3	64.0	38.4
20	Revenue	842.7	936.3	1,029.9	843.0

The Committee established the following performance measures under the EBP for measuring the Ceramic and the Film and Electrolytic Business Units' each of which constituted 50% of Mr. Meeks' business group performance component in fiscal year 2013 (amounts are in millions, except percentages):

Ceramic Business Unit

Weighting (%)	Performance Target	Threshold (\$)	Target (\$)	Maximum (\$)	Actual Results (\$)
50	Adjusted EBITDA	32.6	40.8	49.0	45.7
50	Adjusted Gross Margin	57.2	63.5	69.9	67.1

Film and Electrolytic Business Unit

Weighting (%)	Performance Target	Threshold (\$)	Target (\$)	Maximum (\$)	Actual Results (\$)
50	Adjusted EBITDA	16.2	20.3	24.4	(1.2)
50	Adjusted Gross Margin	44.2	49.1	54.0	(25.0)

For the fiscal year 2013 EBP, the Committee selected the corporate and business unit performance metrics described above because they reflect the corresponding financial and operating targets in the Corporation's annual business budget for the fiscal year. In order for a minimum bonus payout to occur, the Threshold is set between 80% and 90% of Target. At the time the performance measures were established, the Committee believed that it would require a high degree of difficulty to reach the Maximum bonus payout which is set at 110% to 120% of the Target.

For purposes of the EBP we define the various performance metrics as follows:

"Adjusted EBITDA" is defined as net income/loss before income tax expense; interest expense, net; and depreciation and amortization; adjusted to exclude write down of long-lived assets; restructuring charges; plant start-up costs; net foreign exchange gain/loss; stock-based compensation expense; net loss on sales and disposals of assets; ERP integration costs; registration related fees and acquisition related fees.

"Free Cash Flows" is defined as Adjusted Operating Income adjusted for: depreciation and amortization on tangible and intangible assets, the change in working capital (change in inventories, net; accounts receivable, net; and accounts payable), and less capital expenditures. Adjusted Operating Income is defined as operating income adjusted to exclude: write down of long-lived assets, restructuring charges, plant start-up costs, amortization included in interest expense, net loss on sales and disposals of assets, ERP integration costs, stock-based compensation expense, net foreign exchange gain/loss, registration related fees and acquisition related fees.

"Revenue" is defined as net sales in accordance with U.S. GAAP.

"Adjusted Gross Margin" is defined as net sales (in accordance with U.S. GAAP) less cost of sales adjusted to exclude plant start-up costs and stock-based compensation expense.

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Within 90 days after completion of the fiscal year, the Committee reviews the Corporation's performance and determines each participant's bonus award. Payments of awards are paid in cash in a lump sum shortly following the Committee's approval.

The Committee evaluated the individual performance of each of our Named Executive Officers other than Mr. Loof following the completion of fiscal year 2013 and determined that each executive had very good to excellent performance. Therefore, the Committee determined that those executive's had fulfilled their individual performance goals at or above target.

Fiscal Year 2013 Results. Based on the Corporation's performance and where applicable, the Named Executive Officer's individual performance and the Named Executive Officer's business group performance, the Named Executive Officers earned the following awards under the EBP:

Name	Target EBP (\$)	Actual EBP (\$)	Actual EBP as a % of Target (%)
Per-Olof Loof	816,000	81,600	10%
William M. Lowe, Jr.	346,500	173,458	50%
Robert R. Argüelles	217,000	97,780	45%
Marc Kotelon	308,054(1)	91,029	30%
Charles C. Meeks, Jr.	231,000	150,195	65%

(1)

As EBP payments were made in May of 2013, Mr. Kotelon's EBP payment shown above is based on the ECB reference rate for Euros on April 30, 2013 of EUR 1.00 to USD 1.3072, which is based on the Concertation Procedure.

Fiscal Year 2013 Non-financial Performance Award. Based on key non-financial performance contributions during the year, the Compensation Committee approved a discretionary cash award of \$150,000 to Mr. Loof. Such contributions included finalizing the NEC TOKIN Joint Venture; creating the Tantalum Ore Vertical Integration; delivering large Film & Electrolytic operational improvements; and leading significant cost reduction initiatives. Long-Term Incentive Compensation

The Committee believes the long-term incentive program provides executives with significant additional incentive to promote the long-term financial success of the Corporation and attract and retain talented leadership. The Committee further believes that by structuring a significant amount of the long-term to provide our executives equity based incentives that are subject to our stock ownership guidelines the long-term plan appropriately aligns their interests with our stockholders.

LTIP Fiscal 2012/2013 Performance Period

In May 2011 the 2012/2013 LTIP was established for the two-year period ending March 31, 2013. The 2012/2013 LTIP incentive is earned based on the Corporation's achieved Adjusted EBITDA over the two year period, which the Committee believes is an appropriate and effective measure of the Corporation's overall performance. The Threshold level of performance was set at 85% of Target and was, at the time it was established, believed to be an achievable goal. At the time the Committee determined the Target level of performance, the goal was believed to be aggressive, but obtainable. The Maximum level of performance was set based on 115% of target and was believed to be realizable, but only with exceptional performance. The 2012/2013 LTIP provides that up to 100% of the payments may be made in Restricted Shares of the Corporation's common stock, as determined by the Committee in its discretion, based on the Corporation's closing stock price on May 2, 2011.

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Executives were granted the following 2012/2013 LTIP opportunity:

Executive Title	Percentage of Base Salary		
	Minimum (%)	Target (%)	Maximum (%)
CEO	50.0%	100.0%	200.0%
Executive Vice Presidents	50.0%	100.0%	150.0%

The CEO has a higher maximum 2012/2013 LTIP opportunity in order to provide the opportunity upon the achievement of outstanding results to earn above median total compensation based on market data reviewed by the Committee.

The Threshold, Target and Maximum of the Adjusted EBITDA performance goals for the 2012/2013 LTIP are set forth below. As shown, the Corporation's performance over the two-year performance period ending March 31, 2013 did not achieve Threshold and no performance award was paid.

Performance Measure	Threshold (\$)	Target (\$)	Maximum (\$)	Actual Results (\$)
Adjusted EBITDA (in millions)	301.2	354.3	402.4	190.1

LTIP Fiscal 2013/2014 Performance Period

In May 2012, the 2013/2014 LTIP was established. Sixty percent of the 2013/2014 LTIP (measured at target performance) is similar to the 2012/2013 LTIP in that it provides our NEOs the opportunity to earn incentive compensation based on the Corporation's achievement of an Adjusted EBITDA performance goal for the two-year period ending March 31, 2014 (the "Performance Award"). The Committee continues to believe adjusted EBITDA is an appropriate and effective measure of the Corporation's overall performance. If these performance targets are reached, 50% of the Performance Award will be paid in restricted stock units, which are settled in Restricted Shares, and 50% will be made in cash. One-half of the restricted stock units are settled at the end of the performance period and the other half is settled one year later. The cash portion of the Performance Award is paid at the end of the performance period.

Unlike prior years' long-term incentive plans, the Committee determined that the remaining forty percent of the 2013/2014 LTIP (measured at target performance) will take the form of a grant of restricted stock units that will vest in equal annual installments over a three-year period ending May 14, 2015. The Committee believes the time-vested restricted stock units will play an important role in creating incentives for Executives to retain their employment with the Corporation.

Executives were granted the following 2013/2014 LTIP opportunity:

Executive Title	Percentage of Base Salary		
	Minimum (%)	Target (%)	Maximum (%)
CEO	50.0%	100.0%	200.0%
Executive Vice Presidents	50.0%	100.0%	150.0%

Robert Argüelles Restricted Stock Unit Award

The Corporation granted Mr. Argüelles 20,000 restricted stock units, which are settled in Restricted Shares, on October 29, 2012 in recognition of Mr. Argüelles' promotion to Executive Vice President and President KEMET Asia, and in consideration of his acceptance of an expatriate assignment in Japan to manage the integration of NEC TOKIN Corporation. Two-thirds of the restricted stock units vest on October 29, 2014 and the remaining one-third vest on October 29, 2015,

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in each case, contingent upon Mr. Argüelles' continued service to the Corporation through the applicable vesting date.

LTIP Fiscal 2014/2015 Performance Period

In May 2013, the 2014/2015 LTIP was established and mirrors the 2013/2014 LTIP's performance and time-based unit award structure.

Executives were granted the following 2014/2015 LTIP opportunity:

Executive Title	Percentage of Base Salary		
	Minimum (%)	Target (%)	Maximum (%)
CEO	50.0%	100.0%	200.0%
Executive Vice Presidents	50.0%	100.0%	150.0%

Perquisites and Other Personal Benefits

The Corporation provides Named Executive Officers with limited perquisites and other personal benefits that the Committee believes are reasonable and consistent with the overall executive compensation program to better enable the Corporation to attract and retain superior employees for key positions. Mr. Loof received reimbursement for airline and other club dues. Mr. Loof is also reimbursed for certain phone and internet service expenses, and Messrs. Kotelon and Meeks are provided with a company car or auto allowance. The car allowance program ceased for Mr. Meeks in February of 2013; in lieu of the car allowance program he received a base pay increase of \$20,000.

In addition, to the perquisites described above, the Named Executive Officers received certain other perquisites generally relating to their travel on behalf of the Corporation, required business related travel for spouse, and phone and internet service outside of their primary residence, as more fully described in the footnotes to the Summary Compensation Table below.

Retirement, Health and Welfare Benefits

Executives participate in the same retirement, health and welfare benefits as other employees. Other than the supplemental retirement savings plans described below, no supplemental programs are provided to the Named Executive Officers.

Deferred Compensation Plan for Key Managers

With the exception of Mr. Kotelon, the Named Executive Officers, in addition to certain other U.S.-based eligible executives, are entitled to participate in the Deferred Compensation Plan for Key Managers (the "DCP"). Participants in the DCP can defer up to 75% of their total compensation on a pre-tax basis during any fiscal year. If a participant elects to defer a portion of their compensation, the Corporation will match an amount equal to 100% of the first six percent of compensation that a participant elects to defer. Benefits under the DCP are paid no earlier than at the beginning of the year following the executive's retirement or termination of employment. Named Executive Officers can participate in either the DCP or the Corporation's 401(k) retirement savings plan or both; however, the aggregate match provided by the Corporation under both plans and the Executive Secured Benefit Plan (described below) cannot exceed six percent of compensation in any given calendar year.

The Committee believes that the DCP offers its Named Executive Officers an opportunity to save on a tax-advantaged basis for their retirement and helps attract and retain key personnel.

Executive Secured Benefit Plan

On December 21, 2010, the Committee adopted the KEMET Executive Secured Benefit Plan (the "Secured Benefit Plan"). The Secured Benefit Plan, which became effective January 1, 2011, is an after-tax non-qualified retirement plan for select highly-compensated employees of the Corporation. The Secured Benefit Plan supplements the Corporation's two existing pre-tax deferred compensation plans the DCP and the 401(k) retirement savings plan.

The Secured Benefit Plan allows participants to make after-tax contributions that are placed in an institutional life insurance policy that is owned by the participant with investment options in a variety of mutual funds. Each participant may elect to make contributions to the Secured Benefit Plan in an amount not to exceed 50% of his or her base salary plus 50% of his or her EBP incentive compensation; provided, however, the participant's initial contribution must equal at least \$5,000. There are no minimum contributions in subsequent years. The Corporation will match an amount equal to 100% of the first six percent of compensation that a participant elects to contribute to the Secured Benefit Plan, though this amount is reduced to account for any contributions made to the DCP or 401(k) retirement savings plan. The participant's contributions to the Secured Benefit Plan are made on an after-tax basis and any Corporation matching contributions are taxable income to the participant for the year in which such contributions are made on behalf of the participant. Each participant is responsible for all federal, state and local taxes on such contributions. In addition, all policy premiums and fees are paid by the participant.

Unlike the DCP or 401(k) retirement savings plan, the Secured Benefit Plan allows participants to withdraw up to 100% of their contributions in the life insurance policy, subject to minor fees, while actively employed or following termination of employment. Upon death, the estate of the participant will receive a death benefit equal to the amount of the original life insurance policy, minus any distributions.

The Committee believes the Secured Benefit Plan provides participants with an attractive alternative method for retirement planning and helps attract and retain key management personnel.

Individual Agreements with Named Executive Officers

With the exception of our CEO, Mr. Loof, none of our Named Executive Officers were employed pursuant to employment agreements during fiscal year 2013. The material terms of Mr. Loof's employment agreement (the "Loof Agreement") are described below in the narrative description to the Summary Compensation Table and the Grants of Plan-Based Awards Table. The Committee believes that the Loof Agreement, which secures Mr. Loof's employment through June of 2017 provides appropriate continuity through an important phase of the Company's growth.

Change in Control Severance Compensation Agreements

The Committee entered into Change in Control Severance Compensation Agreements (the "Change in Control Agreements") with each of its Named Executive Officers that are scheduled to expire on July 27, 2014. The Committee believes the Change in Control Agreements are in the Corporation's best interests in order to ensure that in the event of a possible change in control of the Corporation, the stability and continuity of management would continue unimpaired, free of the distractions incident to any such change in control. The material terms of the Change in Control Agreements are set forth in the section titled Potential Payments Upon Termination or Change-in-Control.

Tax and Accounting Implications

Section 162(m) of the Code prohibits the Corporation from deducting compensation paid in any year to its CEO and each other Named Executive Officer whose compensation is reported in the Summary Compensation Table for such year by reason of being among the three most highly compensated officers for that year, other than the Chief Financial Officer, in excess of \$1 million, but does not subject performance-based compensation to this limit.

The Committee continues to emphasize performance-based compensation for executives and thus minimize the effect of Section 162(m). However, the Committee believes that its primary responsibility is to provide a compensation program that attracts, retains, and rewards the executive talent necessary

for the Corporation's success. Consequently, in any year the Committee may authorize nonperformance-based compensation in excess of \$1 million. The Committee recognizes that the loss of the tax deduction may be unavoidable under these circumstances.

Stock Ownership Guidelines

To directly align the interests of the Named Executive Officers with the interests of the stockholders, the Committee established guidelines stipulating that each Named Executive Officer should maintain a minimum ownership interest in the Corporation. The amount to be retained varies depending upon the Named Executive Officer's position. The CEO has a target to own and retain a minimum number of shares totaling in value five times his annual base salary while all other Named Executive Officers are to own and retain a minimum number of shares totaling in value no less than three times their annual base salary. The time period during which such minimum number of shares is to be acquired and retained was initially targeted five years from the later of (i) April 1, 2006 or (ii) the year in which such executive officer was hired or promoted to executive officer status. Because of our limited use of equity in our long-term incentive plans, some of our executives have not achieved their ownership guidelines. Until these targets are achieved, these executives may not sell any Restricted Shares acquired through grant from the Corporation. As persons with access to material non-public information regarding the Corporation, our Named Executive Officers, like all of our employees and directors, are restricted in their ability to trade our securities in accordance with applicable law and the guidelines contained in our Code of Conduct.

Stock Holding Requirements

Any profit shares, defined as net shares after paying taxes, must be held until the grantee's targets under the Corporation's stock ownership guidelines are met. The Committee determined that requiring Named Executive Officers to hold all Restricted Shares and other performance-based equity awards until their employment terminates does not provide individuals with an opportunity to benefit from performance-based equity grants and that the stock ownership guidelines were appropriate for ensuring Named Executive Officers hold an appropriate level of shares of the Corporation's common stock.

Management of Executive Compensation-Related Risk

The Corporation's executive compensation program is designed to create incentives for its executives to achieve its annual and longer-term business objectives. The Committee considers how the individual elements of executive compensation and the executive compensation program as a whole could potentially encourage executives, either individually or as a group, to make excessively risky business decisions at the expense of long-term stockholder value. In order to address this potential risk, the Committee annually reviews the risk characteristics of the Corporation's executive compensation programs and considers methods for mitigating such risk. The Committee considers the following characteristics of the Corporation's executive compensation program as factors that help mitigate risk:

The Committee has the authority to reduce long-term incentive plan awards or pay no award at all;

Significant amounts of long-term incentive awards have been performance-based, which aligns compensation with stockholder value;

Overall compensation is balanced between fixed and variable pay and variable pay is linked both to annual performance and performance over multi-year periods;

Named Executive Officers have received time-vesting RSU awards designed to promote long-term retention, to mitigate inappropriate short-term risk taking, and to help align management and stockholder interests;

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Performance goals for both annual and long-term incentive arrangements are not unduly aggressive;

A consistent compensation philosophy is applied year-over-year and does not change significantly with short-term changes in business conditions; and

Open dialogue exists among management, outside advisors, the Committee and the Board regarding executive compensation practices and policies and the appropriate incentives to use in achieving short-term and long-term performance targets.

The Corporation has implemented a compensation recovery policy designed to prevent covered executives from receiving compensation based on materially inaccurate financial performance measures.

All Named Executive Officers are subject to stock ownership requirements designed and stock holding requirements designed to ensure their interests are aligned with the long-term interests of our shareholders.

We have recently adopted anti-hedging and anti-pledging policies that prohibit covered persons, including our NEOs, from holding securities in a margin account, pledging securities as collateral for a loan or entering into hedging or monetization transactions.

REPORT OF THE COMPENSATION COMMITTEE

We have reviewed and discussed the foregoing Compensation Discussion and Analysis with management. Based on such review and discussions with management, we have recommended to the Board of Directors that the Compensation Discussion and Analysis be included in this proxy statement and in the Corporation's Annual Report on Form 10-K for the fiscal year ended March 31, 2013.

Submitted by: Robert G. Paul, Chairman
Gurminder S. Bedi Dr. Wilfried
Backes Joseph V. Borruso
Members of the Committee

SUMMARY COMPENSATION TABLE

The table below summarizes the total compensation earned by each of the Named Executive Officers for each of the last three fiscal years.

Name and Principal Position	Year	Salary (\$)	Bonus (\$)	Stock Awards (\$)(1)	Option Awards (\$)(2)	Non-Equity Incentive Compensation (\$)(2)	Nonqualified Deferred Compensation Earnings (\$)	All-Other Compensation (\$)(3)	Total (\$)	Change in Pension Value and
Per-Olof Loof Chief Executive Officer	2013	804,500	150,000	326,480		81,600		66,783	1,429,363	
	2012	770,000		454,500		1,989,195		66,783	3,280,478	
	2011	770,000				3,832,795		126,671	4,729,466	
William M. Lowe, Jr. Executive Vice President and Chief Financial Officer	2013	492,500		198,000		173,458		13,741	877,699	
	2012	478,750		229,750		958,641		13,741	1,680,882	
	2011	454,808				1,727,795		70,915	2,253,518	
Robert R. Argüelles Executive Vice President and President KEMET Asia	2013	306,750		216,798		97,780		262,008	883,336	
Marc Kotelon Executive Vice President, Global Sales	2013	446,646(4)		172,472		90,673	222,488(5)	10,439	942,718	
	2012	450,289(4)		183,800		507,217	96,082(5)	10,439	1,247,827	
	2011	372,115(4)				1,225,813	127,736(5)	33,393	1,759,057	
Charles C. Meeks, Jr. Executive Vice President, Ceramic, Film and Electrolytic Business Group	2013	313,314		123,998		150,195		35,004	622,511	
	2012	302,500		229,750		540,269		35,004	1,107,523	
	2011	271,212				809,103		44,402	1,124,717	

- (1) Amounts reflected under the "Stock Awards" column represents the aggregate grant date fair value computed in accordance with FASB ASC Topic 718 of the (a) restricted stock units and (b) the portion of the Performance Award payable in restricted stock units. The Corporation determined that it is improbable that the Corporation will achieve the Performance Award goals and did not assign any value to the Performance Award as a whole nor the portion of the Performance Award payable in restricted stock units. The values of the portion of the Performance Awards payable to our NEOs in restricted stock units assuming the highest level of performance conditions are achieved and based on the closing price of our Common Stock on the grant date (\$5.38) are as follows: Mr. Loof \$489,720 (91,026 RSUs); Mr. Lowe \$222,750 (41,403 RSUs); Mr. Argüelles \$139,500 (25,929 RSUs); Mr. Kotelon \$194,674 (36,065 RSUs); and Mr. Meeks \$139,500 (25,929 RSUs).
- (2) The amounts shown in this column reflects awards under the EBPs and LTIPs. The table below summarizes the breakdown between EBP and LTIP received by each Named Executive Officer.

Named Executive Officer	2013		2012		2011	
	EBP (\$)	2013/2014 LTIP \$(a)	EBP (\$)	2011/2012 LTIP \$(b)	EBP (\$)	2010/2011 LTIP \$(c)
Per-Olof Loof	81,600		333,872	1,655,323	1,540,000	2,292,795
William M. Lowe	173,458		216,970	741,671	552,000	1,175,795
Robert R. Argüelles				97,780		
Marc Kotelon(d)	90,672		163,960	343,257	433,603	792,210
Charles C. Meeks, Jr.	150,195		201,680	338,589	280,000	529,103

- (a) This column reflects the cash-portion of the 2013/2014 LTIP's Performance Award. Given the two-year performance period that ends at the end of our 2014 fiscal year, no amount is shown for fiscal year 2013 since our NEOs have not yet earned any such cash payment. No amounts were paid under the 2012/2013 LTIP due to the Corporation's performance.
- (b) The amount shown reflects the total amount of cash plus the total value of the shares received on or shortly after May 1, 2012. As per the terms of the 2011/2012 LTIP, the Compensation Committee exercised its discretion to convert 25% of the total payout amount into Restricted Shares based on the

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share price of our Common Stock on May 3, 2010 (\$6.51). The value of these shares, as shown in the table above, is based on the closing price of our Common Stock on May 1, 2012 (\$8.46).

(c)

The amount shown reflects the total amount of cash plus the total value of the shares received on or shortly after July 27, 2011. As per the terms of the 2010/2011 LTIP, the Compensation Committee exercised its discretion to convert 15% of the total payout amount into shares Restricted Shares based on the share price of our Common Stock on July 28, 2009 (\$1.71). The value of these shares, as shown in the table above, is based on the closing price of our Common Stock on July 27, 2011 (\$12.65).

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(d)

Amounts shown for Mr. Kotelon's EBP awards are based on the following exchange rates:

Year	EBP	LTIP
2013	EUR 1.00 to USD 1.3072 (April 30, 2013)	
2012	CHF 1.00 to USD 1.09952 (April 30, 2012)	CHF 1.00 to USD 1.09952 (April 30, 2012)
2011	CHF 1.00 to USD 1.1719 (May 31, 2011)	CHF 1.00 to USD 1.2489 (July 31, 2011)

(3)

All other compensation for each of the Named Executive Officers for fiscal year 2013 consists of the following:

Name	Corporate Contributions to Retirement and 401(k) Plans (\$)	Club Dues (\$)	Company Car (\$)	Tax Reimbursements (\$)	Other (\$)	Total (\$)
	Per-Olof Loof	51,988	1,368			13,427(a)
William M. Lowe, Jr.	13,741					13,741
Robert R. Argüelles	15,884	330			245,794(b)	262,008
Marc Kotelon			10,439(c)			10,439
Charles C. Meeks, Jr.	24,211		10,394		399	35,004

(a)

Includes \$10,415 for business related travel for spouse in connection with the annual achievement meeting and other business related travel and \$3,012 for phone and internet service.

(b)

Includes: child education expenses (\$48,757), housing costs (\$50,261), a cost-of-living payment (\$86,871) and family-travel expenses (\$42,560).

(c)

For purposes of presenting in U.S. dollars, we have used the 12-month average of the ECB month-end reference rates for Swiss Francs, which is based on the Concertation Procedure. The ECB reference rate used above for the fiscal year ended March 28, 2013 is CHF to USD 1.0707.

(4)

For purposes of presenting in U.S. dollars, for each applicable fiscal year, we have used the 12-month average of the ECB month-end reference rates for Swiss Francs, which is based on the Concertation Procedure. The ECB reference rate used above for the fiscal year ended March 31, 2011, the rate is CHF 1.00 to USD 1.0924; for fiscal year ended March 31, 2012, the rate is CHF 1.00 to USD 1.1441; and for fiscal year ended March 28, 2013, the rate is CHF 1.00 to USD 1.0707.

(5)

We have used the ECB reference rate for Swiss Francs, which is based on the Concertation Procedure. The ECB reference rate used above for March 28, 2013 is CHF 1.00 to USD 1.05002; for March 31, 2012 is CHF 1.00 to USD 1.0884; for March 31, 2011 is CHF 1.00 to USD 1.0924. For fiscal year 2013, the change in value includes \$27,908 decrease related to the change in the exchange rate and \$86,088 increase attributable to Mr. Kotelon's repayment of a loan to the plan. For fiscal year 2012, the change in value includes \$6,375 increase related to the change in the exchange rate. For fiscal year 2011, the change in value includes \$46,444 increase related to the change in the exchange rate.

GRANTS OF PLAN-BASED AWARDS TABLE

The table below summarizes the total of each grant of an award made to a Named Executive Officer in the fiscal year ended March 31, 2013.

	Grant Date	Estimated Future Payouts Under Non-Equity Incentive Plan Awards			All Other Stock Awards: Number of Shares of Stock of Units (#)	Grant Date Fair Value of Stock Awards (\$)	Estimated Future Payouts Under Equity Incentive Plan Awards		
		Threshold (\$)	Target (\$)	Maximum (\$)			Threshold (\$)	Target (\$)	Maximum (\$)
Per-Olof Loof									
2013/2014									
LTIP(1)	05/14/12	122,400	244,800	489,600	60,684	326,480	122,400	244,800	489,600
2013 EBP(2)		408,000	816,000	1,632,000					
William M. Lowe, Jr.									
2013/2014									
LTIP(1)	05/14/12	74,250	148,500	222,750	36,803	198,000	74,250	148,500	222,750
2013 EBP(2)		173,250	346,500	693,000					
Robert R. Argüelles									
2013/2014									
LTIP(1)	05/14/12	46,500	93,000	139,500	23,048	123,998	46,500	93,000	139,500
2013 EBP(2)		108,500	217,000	434,000					
Restricted Stock Units(3)	11/05/12				20,000	92,800			
Marc Kotelon									
2013/2014									
LTIP(1)	05/14/12	64,891	129,782	194,674	32,058	172,472	64,891	129,782	194,674
2013 EBP(2)		154,027	308,054	616,109					
Charles C. Meeks, Jr.									
2013/2014									
LTIP(1)	05/14/12	46,500	93,000	139,500	23,048	123,998	46,500	93,000	139,500
2013 EBP(2)		115,500	231,000	462,000					

(1) Represents the estimate possible payout under the 2013/2014 LTIP. As described in the Compensation Discussion and Analysis, participants in the 2013/2014 LTIP receive Performance Awards that are partially payable in cash in partially payable in restricted stock units that are settled in Restricted Shares and restricted stock units that vest based on the individual's continued service to the Corporation. Mr. Kotelon's 2013/2014 LTIP amounts are based on the ECB reference rate for Swiss Francs on March 28, 2013 of CHF 1.00 to USD 1.05002, which is based on the Concertation Procedure. Participants also receive time-based restricted stock units, which are shown as Stock Awards.

(2) The 2013 EBP allowed the Named Executive Officers to receive a cash award based on the fiscal year 2013 performance of the Corporation, the officer's Business Unit, and/or the officer's individual performance, as further described in the Compensation Discussion and Analysis under the heading, "Annual Bonus Incentives for Named Executive Officers." The threshold, target and maximum performance levels reflected in this table represent the range of amounts each of the Named Executive Officers was eligible to earn based on fiscal year 2013 performance. Actual payouts under the 2013 EBP were below target for each of the Named Executive Officers and are reported in the Summary Compensation Table above. Mr. Kotelon's 2013 EBP amounts, which were paid in May 2013, are based on the ECB reference rate for Euros on April 30, 2013 of CHF 1.00 to USD 1.06815, which is based on the Concertation Procedure.

Employment Agreements and Other Individual Agreements with Named Executive Officers

Loof Agreement

Mr. Loof, our CEO, is employed pursuant to the Loof Agreement. The Board believes that the Loof Agreement benefits the Corporation by providing continuity for the Corporation's senior executive and setting up a timetable for orderly succession planning. Key terms of the Loof Agreement are as follows:

The Loof Agreement, as amended, has a term of April 1, 2010 through June 30, 2017.

Salary of \$770,000 subject to increases at the discretion of the Board.

Mr. Loof is eligible to participate in the Corporation's health and insurance coverage plan, existing short-term incentive compensation program, long-term incentive compensation program, and the Corporation's deferred compensation plans (described below), in each case as such plans are generally available to other executive officers of the Corporation.

Subject to his continued employment as CEO through April 1, 2016, Mr. Loof will be entitled to participate in a special 15-month long-term incentive compensation program ("Special LTIP") covering the final 15 months of the Loof Agreement term. The Special LTIP is similar to the Corporation's LTIP described above and available to other Named Executive Officers, but it is prorated to reflect a 15-month period. While participating in the Special LTIP Mr. Loof will not be eligible for any other long-term incentive compensation awards.

Pursuant to an amendment to the Loof Agreement, a grant of 50,000 Restricted Shares that will cliff vest on June 30, 2017, provided Mr. Loof remains in the continuous employment with the Corporation through that date.

The Loof Agreement will terminate (i) immediately upon Mr. Loof's resignation, death or disability or (ii) upon notice of termination by the Corporation at any time, with or without "cause" (as defined in the Loof Agreement).

Mr. Loof will be entitled to certain severance payments upon his termination of employment without cause or upon his resignation for good reason, including a termination without cause or resignation for good reason in connection with a change in control. Please refer to the section titled "Potential Payments upon Termination or Change-in-Control" for a description of these payments.

If Mr. Loof is terminated by the Corporation for cause or if Mr. Loof resigns (other than for "good reason"), he will be entitled to receive only his base salary through the date of termination or resignation and will not be entitled to receive any other salary, compensation or benefits from the Corporation or its subsidiaries, except as otherwise specifically provided for under the Corporation's employee benefit plans or as otherwise expressly required by applicable law.

In the event of Mr. Loof's disability or death, Mr. Loof or his heirs, as applicable, will be entitled to receive only his base salary through the date of such an event and any annual bonus for a completed fiscal year that has not yet been paid.

The Loof Agreement contains a standard confidentiality provision as well as non-competition and non-solicitation agreements for the term of Mr. Loof's employment and for a minimum of twelve months after any termination thereof.

Other Agreements with Named Executive Officers

The Corporation has entered into Change in Control Severance Compensation Agreements with each of its Named Executive Officers. Please refer to the section titled "Potential Payments upon Termination or Change-in-Control" for information concerning these agreements.

OUTSTANDING EQUITY AWARDS AT FISCAL YEAR-END TABLE

The table below summarizes the awards under the Corporation's equity incentive plans for each Named Executive Officer outstanding as of March 31, 2013.

Name	Option Awards				Stock Awards		Equity Incentive Plan Awards: Market or Payout Value of Unearned Shares, Units or Other Rights That Have Not Vested (\$)(6)
	Number of Securities Underlying Unexercised Options (#)	Equity Incentive Plan Awards: Number of Securities Underlying Unexercised Options (#)	Option Exercise Price (\$)	Option Expiration Date	Number of Shares or Units of Stock That Have Not Vested (#)	Market Value of Shares or Units of Stock That Have Not Vested (\$)(6)	
Per-Olof Loof	Exercisable	Unexercisable					
		83,333	24.15	(1)			
		83,333	4.38	(2)	83,333	520,833	
				(3)	50,000	312,500	
William M. Lowe, Jr.				(4)			40,658
	20,000		1.71	7/28/2019			
	33,333		8.31	7/14/2018			
				(3)	18,750	117,188	
Robert R. Argüelles				(4)			24,658
	20,000		1.71	7/28/2019			
	33,333		3.72	9/8/2018			
				(3)	15,000	93,750	
Marc Kotelon				(4)			15,442
	20,000		1.71	7/28/2019			
	16,667		20.46	6/21/2015			
	1,667		23.28	10/29/2014			
Charles C. Meeks, Jr.				(5)	20,000	125,000	
	2,500		38.31	10/24/2013			
				(3)	15,000	93,750	
				(4)			21,479
Charles C. Meeks, Jr.				(4)			134,244
	15,000		1.71	7/28/2019			
	16,667		20.46	6/21/2015			
	3,333		23.28	10/29/2014			
Charles C. Meeks, Jr.				(4)			15,442
	2,500		38.31	10/24/2013			
				(3)	18,750	117,188	
				(4)			96,513

- (1) Mr. Loof received a grant of 167,667 options as provided in his March 2005 Employment Letter. These options expire at the earlier of (i) April 4, 2015, or (ii) the third year following Mr. Loof's retirement. Effective March 4, 2010, 83,333 of these awards were voluntarily relinquished and no concurrent grant, replacement award or other valuable consideration was provided.
- (2) The vesting schedule for the 83,333 options and the 83,333 Restricted Share awards granted to Mr. Loof is 50% on June 30, 2014 and 50% on June 30, 2015, for each award. The 83,333 options granted to Mr. Loof expire on January 29, 2020.
- (3) On January 31, 2012, the Corporation granted RSUs to Messrs. Lowe, Arguelles, Kotelon and Meeks, which vest over a four-year period, twenty-five percent each year. On March 28, 2012, the Corporation granted Mr. Loof 50,000 Restricted Shares, which cliff vest on June 30, 2017.
- (4) In May 2012, the 2013/2014 LTIP was established which forty percent will take the form of a grant of restricted stock units that will vest in equal annual installments over a three-year period ending May 14, 2015.

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- (5) On November 5, 2012, the Corporation granted RSUs to Mr. Arguelles, which two-thirds vests on October 29, 2014 and one-third vests on October 29, 2015.
- (6) Based on the closing price of the Corporation's Common Stock on March 28, 2013.

OPTION EXERCISES AND STOCK VESTED TABLE

The table below summarizes exercises of stock options and vesting of stock awards for the Named Executive Officers for the fiscal year ended March 31, 2013.

Name	Options Awards		Stock Awards	
	Number of Shares Acquired on Exercise (#)	Value Realized on Exercise (\$)	Number of Shares Acquired on Vesting (#)	Value Realized on Vesting (\$)(1)
Per-Olof Loof				
William M. Lowe, Jr.			6,250	36,000
Robert R. Argüelles			5,000	28,800
Marc Kotelson			5,000	28,800
Charles C. Meeks, Jr.			6,250	36,000

- (1) Based on the closing price of the Corporation's Common Stock on January 31, 2013.

PENSION BENEFITS TABLE

The table below sets forth information regarding pension benefits for Mr. Kotelson for the fiscal year ended March 31, 2013. None of the other Named Executive Officers participated in a pension plan during fiscal year 2013.

Name	Plan Name	PENSION BENEFITS		
		Number of Years Credited Service (#)(2)	Present Value of Accumulated Benefit (\$)(3)(4)	Payments During Last Fiscal Year (\$)
Marc Kotelson	Swiss Life Collective "BVG" Foundation(1)	8.5	686,349	

- (1) The plan is part of the Swiss Life BVG Foundation, Zurich, Switzerland and is fully re-insured with Swiss Life. All permanent employees KEMET Electronics S.A., the Corporation's wholly-owned subsidiary between the age of 24 and 62 (female) or 65 (male) are eligible to participate. The main pension benefit is calculated as 1²/₃% multiplied by pensionable salary multiplied by pensionable years of service. Employees contribute at least 5% of pensionable salary and the company pays the remainder (with a minimum to match the employee contribution).
- (2) Reflects the number of years of service credited to Mr. Kotelson under the plan, computed as of the same pension plan measurement date used for financial statement reporting purposes with respect to the Corporation's audited financial statements for the last completed fiscal year.
- (3) Reflects the actuarial present value of Mr. Kotelson's accumulated benefit under the plan, computed as of the same pension plan measurement date used for financial statement reporting purposes with respect to the Corporation's audited financial statements for the last completed fiscal year. To determine the accumulated benefit, at the measurement date, the Corporation used the following assumptions: a discount rate of 2.0%, a rate of compensation increase of 2.0% and an expected long-term rate of return on plan assets of 3.0%.
- (4) For purposes of presenting in U.S. dollars, we have used the ECB reference rate for Swiss Francs on March 28, 2013, which is based on the Concertation Procedure. The ECB reference rate used above is CHF 1.00 to USD 1.05002.

Kotelon Pension Benefit

As described above, Mr. Kotelon's pension plan, like the respective plans for each other of our Swiss employees, provides him with a main pension benefit equal to $1\frac{2}{3}\%$ multiplied by pensionable salary multiplied by pensionable years of service. Employees contribute at least 5% of pensionable salary and the company pays the remainder (with a minimum to match the employee contribution). The normal pension benefit is paid as a lump sum.

As of March 31, 2013, the Corporation had closed the office in Switzerland and as such was in the process of paying out the defined benefit pension plan. As such, for Mr. Kotelon's pension plan the Corporation will no longer make any future contributions to the plan after March 31, 2013. Mr. Kotelon's plan benefit will be paid out in the first quarter of fiscal year 2014.

NONQUALIFIED DEFERRED COMPENSATION TABLE

The table below provides information with respect to each defined contribution or other plan that provides for the deferral of compensation on a basis that is not tax-qualified. Contributions made to the Secured Benefit Plan on behalf of Named Executive Officers are not included as this plan is an after-tax nonqualified retirement plan that does not provide for a deferral of compensation.

Name	Executive Contributions In Last Fiscal year (\$)	Registrant Contributions in Last Fiscal Year (\$)	Aggregate Earnings / (Losses) in Last Fiscal Year (\$)	Aggregate Withdrawals/ Distributions (\$)	Aggregate Balance at Last Fiscal Year-End (\$)
Per-Olof Loof	44,762	34,168(1)	58,505		855,756
William M. Lowe, Jr.					
Robert R. Argüelles					
Marc Kotelon					
Charles C. Meeks, Jr.					

(1)

Amount represents the annual base for calendar year 2012 and the annual bonus match for fiscal year 2013, each of which was credited to Mr. Loof's account under the DCP in June 2013. This amount is reported in the Summary Compensation Table under "All Other Compensation."

POTENTIAL PAYMENTS UPON TERMINATION OR CHANGE IN CONTROL

The Corporation has entered into Change in Control Severance Compensation Agreements (the "Change in Control Agreements") with each of its Named Executive Officers to ensure that in the event of a possible change in control of the Corporation, the stability and continuity of management would continue unimpaired, free of the distractions incident to any such change in control. Absent a "change in control" (as defined below), the Change in Control Agreements will expire on July 27, 2014. In the event a change in control occurs prior to July 27, 2014, the Change in Control Agreements will expire on the two year anniversary of the change in control. In addition, the Change in Control Agreements will automatically terminate upon the occurrence of any of the following events:

The Named Executive Officer's death or termination due to disability;

The Named Executive Officer's attainment of his "retirement date" (age $70\frac{1}{2}$ or the date the executive has informed the Corporation he intends to retire after age 55 but before age $70\frac{1}{2}$), or

The determination by the Board that the Named Executive Officer is no longer eligible to receive the benefits provided under the Change in Control Agreement, provided such determination is made prior to a change in control.

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Under the Change in Control Agreements, the Named Executive Officers are entitled to severance benefits in the event their employment with the Corporation is terminated under certain circumstances following a change in control, as well as accelerated vesting of performance awards. The Change in Control Agreements do not provide for a "gross-up" for any excise tax imposed by operation of Code Section 4999 on amounts that constitute "excess parachute payments" under Code Section 280G. However, a Named Executive Officer's payment under his Change in Control Agreement may be reduced to an amount such that it does not constitute an excess parachute payment under Code Section 280G, if such reduction would result in the NEO receiving a greater after-tax payment. If the NEO would receive a greater after-tax payment absent a reduction and payment of applicable taxes, including excise taxes, no reduction will be made.

Under the Change in Control Agreements, a "change in control" is deemed to have occurred in the event of certain significant changes to the ownership of the Corporation, including when:

- (1) the percentage of ownership by an acquiring entity or group equals or exceeds 25% of the (a) then outstanding shares of Common Stock of the Corporation, or (b) combined voting power of the then outstanding voting securities of the Corporation entitled to vote generally in the election of the Corporation's directors,
- (2) a replacement of the majority of the incumbent members of the Corporation's Board, or
- (3) a reorganization, merger or consolidation or sale of assets, unless following such event (a) beneficial stockholders prior to the event own more than 50% of the outstanding shares of common stock and voting power of outstanding securities entitled to vote generally in the election of the Corporation's directors, (b) no person owns 25% or more of the outstanding shares of common stock or the combined voting power of the then outstanding voting securities, and (c) at least a majority of the incumbent members of the Board continue to serve on the Board following the transaction.

Our Named Executive Officers will receive severance benefits under the Change in Control Agreements if they are terminated without "cause" or if they resign for "good reason" following the change in control. The Change in Control Agreements define "good reason" as the occurrence of any of the following events:

The assignment of any duties inconsistent the Named Executive Officer's position, duties, responsibilities and status with the Corporation, or any removal of the Named Executive Officer from, or any failure to reelect to, any such position;

A reduction by the Corporation in the Named Executive Officer's base salary;

The failure of the Corporation to continue in effect any compensation, welfare or benefit plan in which the Executive is participating at the time of a change in control, without substituting or providing a substantially similar benefit at substantially the same cost;

Any purported termination for "cause" or "disability" (as defined in the Change in Control Agreements) without grounds; and/or

The relocation of the Named Executive Officer's primary work location to a location that is more than 20 miles from the current work location.

"Cause," as defined in the Change in Control Agreements, means (i) the willful and continued failure by the Named Executive Officer for a significant period of time substantially to perform his duties with the Corporation (other than any such failure resulting from his disability), after a demand for substantial performance is delivered to the Named Executive Officer in writing by the Board or its designee which specifically identifies the manner in which the Board or its designee believes that the Named Executive Officer has not substantially performed his duties, or (ii) the willful engaging by the

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Named Executive Officer in gross misconduct materially and demonstrably injurious to the Corporation. No act, or failure to act, on the Named Executive Officer's part shall be considered "willful" unless done, or omitted to be done, by the Named Executive Officer, not in good faith and without reasonable belief that his action or omission was in the best interest of the Corporation.

Pursuant to the Change in Control Agreements, each Named Executive Officer is entitled to receive an amount equal to twenty-four times the sum of (a) monthly base salary and (b) the monthly amount of the annual target incentive bonus due each executive following a qualifying termination after a change in control. In addition, under the Change in Control Agreements, the Corporation must:

Maintain all life insurance, medical plans and programs in which the Named Executive Officers participate for 18 months following the date of the qualifying termination or until such time as the executive first becomes eligible for the same type of coverage under another employer's plan, whichever is earlier;

Pay all reasonable legal fees and expenses incurred by each Named Executive Officer as a result of his resignation for good reason; and

Pay the costs of reasonable outplacement services, up to a maximum of \$15,000, until the Named Executive Officer is employed on a full-time basis.

The Named Executive Officers are not entitled to the benefits described above if their termination is for cause, they resign without good reason, or they die, become disabled or retire.

Additionally, the Change in Control Agreements provide for accelerated vesting of LTIP awards to the next whole year following the date of the change in control. The LTIP awards are payable in an amount equal to the greater of: (1) the actual performance of the Corporation through the date of the change in control compared to the plan target, up to the maximum amount payable under the plan or (2) the target amount payable under the plan for such period.

Mr. Loof's Agreement also entitles him to certain severance payments upon his termination without "cause" or his resignation for "good reason" (collectively, a "qualifying termination" please refer below for a definition of such terms). Upon Mr. Loof's qualifying termination prior to December 31, 2014, he will be entitled to severance payments equal to his base salary from the date of termination to the earlier of June 30, 2015 or two years from his termination date. On or after January 1, 2015, but prior to December 31, 2016, Mr. Loof will be entitled to severance upon a qualifying termination equal to his base salary and benefits for a 90-day notice period and 90 days following his termination date. On or after January 1, 2017 but prior to March 31, 2017 such severance payments upon a qualifying termination will be equal to Mr. Loof's base salary and benefits from his termination date to March 31, 2017. On or after April 1, 2017, Mr. Loof will be entitled to severance payments upon a qualifying termination equal to his base salary from his termination date to June 30, 2017. However, if Mr. Loof resigns for good reason on or before June 30, 2015, his severance payments will be increased to include his target bonus under the Corporation's short-term incentive program during the severance period.

The definition of "cause" under Mr. Loof's Agreement is substantially similar to the definition found in the Change in Control Agreements. Mr. Loof's Agreement defines "good reason" as (i) the assignment of duties inconsistent with Mr. Loof's position or a change in Mr. Loof's title or offices or his removal or failure to maintain Mr. Loof in any employment conditions (except due to a termination for cause, death, disability or Mr. Loof's attainment of retirement age), and (ii) a material reduction of Mr. Loof's base salary, other than a reduction reflecting a material reduction in the size or complexity of the Corporation's business.

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Mr. Loof's Agreement also provides that if he becomes entitled to payments under both his Agreement and his Change in Control Agreement, he is entitled to the greater of the two payments, but may not receive payment under both agreements.

The table below describes the compensation and benefits payable to each of our Named Executive Officers in the following circumstances:

termination without cause or for good reason in the absence of a change of control;

termination without cause or for good reason in connection with a change of control;

voluntary resignation;

death; or

disability.

The amounts shown assume that termination of employment or a change in control occurred as of March 31, 2013, and estimate certain amounts which would be paid to our Named Executive Officers upon the specified event. Due to the number of factors that affect the nature and amounts of compensation and benefits provided upon the events discussed below, the actual amounts estimated to be paid or distributed may be different. A factor that could affect these amounts is the financial performance of the Corporation through the date of any such event.

The table quantifies and the accompanying footnotes describe the compensation and benefits that are paid in addition to compensation and benefits generally available to salaried employees. Examples of compensation and benefits generally available to salaried employees, and thus not included below, are distributions under the Corporation's 401(k) retirement savings plan, accrued vacation pay, and vested equity.

Name	Before Change in Control	After Change in Control			
	Termination w/o Cause or for Good Reason(1)	Termination w/o Cause or for Good Reason(2)(3)	Voluntary Termination	Death(4)	Disability
	(\$)	(\$)	(\$)	(\$)	(\$)
Per-Olof Loof	1,632,000	4,009,852		136,000	
William M. Lowe, Jr.	495,000	2,150,252		82,500	
Robert R. Argüelles	310,000	1,371,603		51,667	
Marc Kotelon(5)	824,000	1,860,132		72,101	
Charles C. Meeks, Jr.	310,000	1,371,603		51,667	

- (1) This benefit is payable pursuant to the KEMET Corporation Severance Pay Plan, except for Mr. Loof whose payment is paid pursuant to his Agreement. Pursuant to the Severance Pay Plan, our NEOs receive twelve months' base salary as severance, subject to local requirements.
- (2) These amounts shown include the target payout under the 2013/2014 LTIP pursuant to the accelerated vesting within the Change in Control Severance Agreements, reduced by the value associated with previously vested restricted stock units (calculated using the number of vested RSUs and the Corporation's Common Stock price (\$5.38) on the date of grant (May 14, 2012)).
- (3) These amounts include the benefit payable pursuant to the Change in Control Severance Agreements, which is (a) twenty four multiplied by the sum of (i) the NEO's monthly base salary plus (ii) the monthly value of the NEO's target annual bonus (Mr. Loof 100% of base salary, Messrs. Argüelles, Kotelon, Lowe and Meeks 70% of base salary), (b) accelerated LTIP (as

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described above) and (c) eighteen months of COBRA premium. As described above, the Corporation *does not* pay any Code Section 280G "gross-up" payments.

(4)

This benefit is payable pursuant to historical practice of the Corporation and is equal to two months of salary. The intention is to provide the family with income while the life insurance application process is taking place.

(5)

For purposes of presenting in U.S. dollars, we have used the ECB reference rate for Euros on March 28, 2013, which is based on the Concertation Procedure. The ECB reference rate used above is CHF 1.00 to USD 1.05002.

REPORT OF THE AUDIT COMMITTEE

The Audit Committee oversees the Corporation's financial reporting process on behalf of the Board of Directors. Management has the primary responsibility for the financial statements and the reporting process including the internal controls over financial reporting. In fulfilling its oversight responsibilities, the Audit Committee reviewed the audited financial statements in the Annual Report with management including a discussion of the quality, not just the acceptability, of the accounting principles, the reasonableness of significant judgments, and the clarity of disclosures in the financial statements. The Audit Committee also reviewed with the independent registered public accounting firm, who is responsible for expressing an opinion on the conformity of audited financial statements with U.S. generally accepted accounting principles, their judgments as to the quality, not just the acceptability, of the Corporation's accounting principles and such other matters as are required to be discussed with the Audit Committee under standards of the Public Company Accounting Oversight Board (United States). The Audit Committee has discussed with the independent registered public accounting firm the matters required to be discussed by the statement on Auditing Standards No. 61, as amended, as adopted by the Public Company Accounting Oversight Board ("PCAOB") in Rule 3200T. The Audit Committee has received from the independent registered public accounting firm the written disclosures and the letter required by the PCAOB's Ethics and Independence Rule 3526, Communication with Audit Committees Concerning Independence, and has discussed with the independent registered public accounting firm their independence from the Corporation. The Audit Committee also has considered whether the provision of non-audit services to the Corporation is compatible with the independent registered public accounting firm's independence.

For the fiscal year ended March 31, 2013 audit, the Audit Committee discussed with the Corporation's independent registered public accounting firm the overall scope and plans for their audit. The Audit Committee meets with the independent registered public accounting firm, with and without management present, to discuss the results of their audit, their evaluation of the Corporation's internal control over financial reporting and the overall quality of the Corporation's financial reporting.

Based upon the reviews and discussions referred to above, the Audit Committee recommended to the Board of Directors (and the Board has approved) that the audited financial statements for the fiscal year ended March 31, 2013 be included in the Annual Report on Form 10-K for the fiscal year ended March 31, 2013 for filing with the SEC.

AUDIT COMMITTEE

E. Erwin Maddrey, II, Chairman

Wilfried Backes

Joseph V. Borruso

Joseph D. Swann

Audit and Non-Audit Fees

The following table sets forth fees billed for professional audit services and other services rendered to the Corporation by Ernst & Young LLP for the fiscal years ended March 31, 2013 and March 31, 2012 (amounts in thousands):

	Fiscal Year 2013	Fiscal Year 2012
Audit Fees(1)	\$ 2,434	\$ 2,003
Audit-related Fees(2)	91	949
Tax Fees		
All other fees		
Total	\$ 2,525	\$ 2,952

- (1) The aggregate fees for professional services rendered for the audit of the Corporation's annual financial statements for the fiscal years ended March 31, 2013 and 2012 and the reviews of the financial statements included in the Corporation's Forms 10-Q for the fiscal years then ended.
- (2) For fiscal year 2013, audit-related fees consist of services related to registration statements and agreed upon procedures. For fiscal year 2012, audit-related fees consist of services related primarily to registration statements and due diligence.

All audit-related services, tax services and other services were pre-approved by the Audit Committee, which concluded that the provision of such services by Ernst & Young LLP were compatible with the maintenance of that firm's independence in the conduct of its auditing functions. The Audit Committee's Audit Policies provide for pre-approval of all audit, audit-related and tax services. These policies authorize the Audit Committee to delegate to one or more of its members pre-approval authority with respect to permitted services.

OTHER BUSINESS

At the date of this proxy statement, the Corporation has no knowledge of any business other than that described above that will be presented at the Annual Meeting. If any other business should come before the Annual Meeting, the proxies will be voted in accordance with the recommendation of the Corporation's management.

STOCKHOLDER PROPOSALS FOR 2014 ANNUAL MEETING

From time to time, stockholders present proposals which may be proper subjects for consideration at the Annual Meeting. To be considered for inclusion in the proxy statement, proposals must be submitted on a timely basis. Proposals for the 2014 Annual Meeting, which is expected to be held on July 31, 2014, must be received by the Corporation no later than February 28, 2014 and must otherwise comply with the SEC's rules, to be considered for inclusion in our proxy materials relating to the 2013 Annual Meeting.

In addition, the Corporation's Amended and Restated By-Laws establish advance notice procedures as to (1) business to be brought before an annual meeting of stockholders other than by or at the direction of the Board of Directors and (2) the nomination, other than by or at the direction of the Board of Directors, of candidates for election as directors. Any stockholder who wishes to submit a proposal to be acted upon at next year's annual meeting or who proposes to nominate a candidate for election as a director must submit such notice in compliance with such procedures.

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Any such proposals, as well as any questions related thereto, should be timely submitted in writing to the Secretary of the Corporation at the address below. The Secretary must receive this notice no later than April 26, 2014.

Notice of a proposal must include:

- (i) as to any other business that the stockholder proposes to bring before the meeting, a brief description of such business, the reasons for conducting such business at the meeting and any material interest in such business of such stockholder and the beneficial owner, if any, on whose behalf the proposal is made; and
- (ii) (A) the name and address of such stockholder, as they appear on the Corporation's books, and of such beneficial owner, (B) the class and number of shares of the Corporation which are owned beneficially and of record by such stockholder and such beneficial owner, and (C) whether either such stockholder or beneficial owner intends to solicit or participate in the solicitation of proxies in favor of such proposal or nominee or nominees.

Notice of a nomination must include:

- (i) as to each person whom the stockholder proposes to nominate for election or reelection as a director, all information relating to such person as would be required to be disclosed in solicitations of proxies for the election of such nominees as directors pursuant to Regulation 14A under the Exchange Act and such person's written consent to serving as a director if elected; and
- (ii) (A) the name and address of such stockholder, as they appear on the Corporation's books, and of such beneficial owner, (B) the class and number of shares of the Corporation which are owned beneficially and of record by such stockholder and such beneficial owner, and (C) whether either such stockholder or beneficial owner intends to solicit or participate in the solicitation of proxies in favor of such proposal or nominee or nominees.

You may contact our Secretary at our principal executive offices for a copy of the relevant provisions of the Corporation's Amended and Restated By-Laws regarding the requirements for making stockholder proposals and nominating director candidates.

ADDITIONAL INFORMATION

This solicitation is being made by the Corporation. All expenses of the Corporation in connection with this solicitation will be borne by the Corporation. In addition to the solicitation by mail, proxies may be solicited by directors, officers and other employees of the Corporation by telephone, in person or otherwise, without additional compensation. The Corporation will request brokerage firms, nominees, custodians and fiduciaries to forward proxy materials to the beneficial owners of shares held of record by such persons and will reimburse such persons and the Corporation's transfer agent for their reasonable out-of-pocket expenses in forwarding such materials.

The Corporation will furnish without charge to each person whose proxy is being solicited, upon the written request of any such person, a copy of the Corporation's Annual Report on Form 10-K for the fiscal year ended March 31, 2013, as filed with the SEC, including the financial statements and schedules thereto. Requests for copies of such Annual Report on Form 10-K should be directed to the Secretary of the Corporation at the address below. In addition, copies of the charters of the Audit Committee, Compensation Committee and Nominating and Corporate Governance Committee, as well as the Corporation's Corporate Governance Guidelines and Code of Business Integrity and Ethics, are available for viewing at the Corporation's website at <http://www.kemet.com> under "Investor Relations" where you can click on the link to "Corporate Governance" for a link to these documents or upon written request directed to the Secretary of the Corporation. Please complete the enclosed proxy and mail it in the enclosed postage-paid envelope as soon as possible.

By order of the Board of Directors,

R. James Assaf
Secretary

KEMET CORPORATION
P.O. Box 5928
Greenville, South Carolina 29606
June 28, 2013

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