

BARNES GROUP INC
Form DEF 14A
March 22, 2016
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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 Pursuant to §240.14a-12

BARNES GROUP INC.

(Name of Registrant as Specified In Its Charter)

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

Payment of Filing Fee (Check the appropriate box):

No fee required.

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(1) Amount Previously Paid:

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(3) Filing Party:

(4) Date Filed:

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2016

**NOTICE OF ANNUAL MEETING OF
STOCKHOLDERS AND PROXY STATEMENT**

MAY 6, 2016 BRISTOL, CONNECTICUT

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123 Main Street

Bristol, Connecticut 06010

March 22, 2016

NOTICE OF 2016 ANNUAL MEETING OF STOCKHOLDERS TO BE HELD MAY 6, 2016

You are invited to attend Barnes Group Inc.'s 2016 Annual Meeting of Stockholders on Friday, May 6, 2016 at the DoubleTree By Hilton, 42 Century Drive, Bristol, CT 06010, at 11:00 a.m., Eastern Daylight Time. Proposals to be considered at the Annual Meeting include:

1. Election of directors;
2. Advisory vote to approve the Company's executive compensation;
3. Ratify the selection of PricewaterhouseCoopers LLP as the Company's independent auditor for 2016;
4. Approve the Company's Performance Based Bonus Plan for Selected Executive Officers;
5. Amend the Company's Bylaws to replace plurality voting with majority voting in uncontested director elections;
6. Shareholder proposal as described in this proxy statement, if properly presented at the meeting; and
7. Transact any other business that may properly come before the meeting.

Stockholders of record at the close of business on March 9, 2016 (Record Date) may vote at the meeting. The

Board of Directors recommends a vote FOR Proposals 1 through 5, inclusive, and AGAINST Proposal 6.

Your vote is important. **Whether or not you plan to attend the meeting, we encourage you to vote as promptly as possible.** Stockholders of record on the Record Date are entitled to vote at the meeting or in the following ways:

Thomas O. Barnes

Chairman of the Board

Table of Contents**PROXY SUMMARY**

This summary highlights information contained elsewhere in this proxy statement. This summary does not contain all information that you should consider, and you should read the entire proxy statement carefully before voting.

BARNES GROUP INC. 2016 ANNUAL MEETING OF STOCKHOLDERS

Friday, May 6, 2016
11:00 a.m. Eastern Daylight Time

DoubleTree By Hilton Hotel
42 Century Drive
Bristol, Connecticut 06010

Voting. Stockholders as of the record date, **March 9, 2016** may vote. Each share of common stock of the

Company is entitled to one vote for each director nominee and one vote for each of the proposals to be voted on.

Your vote is important. Please complete, sign, date and return your proxy or voting instruction form, or submit your vote and proxy by telephone, the Internet or by mail.

MEETING AGENDA AND VOTING RECOMMENDATIONS

Proposal	Board Vote Recommendation	Page Reference
1 Election of 10 directors	For each nominee	1
2 Advisory vote to approve the Company's executive compensation	For	16
3 Ratify the selection of PricewaterhouseCoopers LLP as the Company's independent auditor for 2016	For	62
4 Approve the Company's Performance Based Bonus Plan for Selected Executive Officers	For	62
5 Amend the Company's Bylaws to replace plurality voting with majority voting in uncontested director elections	For	66
6 Shareholder proposal as described in this proxy statement, if properly presented at the meeting	Against	68
Transact other business that properly comes before the meeting		

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PROXY SUMMARY

2016 DIRECTOR NOMINEES

Name and Principal Occupation	Age	Director Since	Independent	Standing Committee Memberships
Thomas O. Barnes Chairman of the Board, Barnes Group Inc.	67	1978		None
Elijah K. Barnes Principal, Avison Young	35	N/A	X	None
Gary G. Benav Former CEO, New York Life International, LLC and Former Vice Chairman and Director, New York Life Insurance Company	70	1994	X	Corporate Governance (Chair) Compensation and Management Development
Patrick J. Dempsey President and CEO, Barnes Group Inc.	51	2013		None
Thomas J. Hook President and CEO, Integer	53	N/A	X	None
Francis J. Kramer President and CEO and Chairman of the Board, II-VI Incorporated	66	2012	X	Corporate Governance Compensation and Management Development
Mylle H. Mangum CEO, IBT Enterprises, LLC	67	2002	X	Compensation and Management Development (Chair)
Hassell H. McClellan	70	2010	X	Audit

Former Associate Professor of Finance and
 Policy, Boston College s Wallace E. Carroll
 School of Management

William J. Morgan	69	2006	X	Audit (Chair)
Former Partner, KPMG LLP				Corporate Governance
JoAnna L. Sohovich	44	2014	X	Audit
CEO, The Chamberlain Group, Inc.				

Meeting Attendance

Overall attendance by our current directors at Board and committee meetings in 2015 averaged 99%

Table of Contents**PROXY SUMMARY****EXECUTIVE COMPENSATION HIGHLIGHTS**

The following summary of specific features of our executive compensation program highlights our commitment to executive compensation practices that align the interests of our executive officers and stockholders.

What We Do**What We Don't Do**

- | | |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------|
| <p>⌋ We pay-for-performance - over 80% of CEO total direct compensation at target (and on average over 60% for other NEOs) is at risk in the form of annual and long-term incentives</p> | <p>x We don't provide any 280G gross-ups for a golden parachute payment</p> |
| <p>⌋ We consider a relevant peer group in establishing compensation</p> | <p>x We don't have excessive perquisites</p> |
| <p>⌋ We review the complete compensation package of every NEO annually</p> | <p>x We don't have individual employment agreements with any executive officer</p> |
| <p>⌋ We have robust stock ownership requirements - 5x base salary for CEO and 3x for other NEOs</p> | <p>x We don't allow re-pricing of underwater stock options without stockholder approval</p> |
| <p>⌋ We have a clawback policy incorporated into our incentive compensation plans</p> | <p>x We don't have a minimum payout of annual incentive or long term incentive compensation</p> |
| <p>⌋ We have "double trigger" equity vesting in the event of a change in control for all NEO awards</p> | |
| <p>⌋ We take into account tax deductibility when structuring and awarding grants</p> | |
| <p>⌋ We have an independent compensation consultant that works directly with the Compensation Committee</p> | |

Table of Contents**PROXY SUMMARY****2015 EXECUTIVE COMPENSATION KEY ELEMENTS**

Type	Form	Terms
Equity	Annual grants in the form of 50% performance share awards (PSAs), 30% restricted stock units (RSUs) and 20% stock options	
	Stock options	Time-based vesting; 18, 30, and 42 months from the grant date in equal installments
	RSUs	Time-based vesting; 18, 30, and 42 months from the grant date in equal installments
	PSAs	Performance-based vesting at the end of a 3-year cycle; based on three equally weighted measures separately evaluated based on a comparison of the Company's performance against the performance of Russell 2000 Index companies or based on an absolute internal measure
Cash	Salary	Base salaries are reviewed annually, and are typically increased at periodic intervals, often at the time of a change in position or assumption of new responsibilities
	Annual incentive compensation	<p>Stockholder-approved program with payouts based on accomplishing targeted financial performance measures</p> <p>Annual incentive targets for our NEOs range from 45% to 75% of base salary at target level performance. Actual payouts may range from zero to three times target based on performance compared to our three performance measures</p> <p>For 2015 performance, actual payouts were:</p> <p>45% of target for our CEO, CFO, and SVP, HR based on corporate results;</p> <p>45% of target on corporate results and 24% of target on segment results for our President, Industrial segment based on a combination of our corporate and Industrial segment results; and</p> <p>45% of target on corporate results and 0% of target on segment results for our President, Aerospace segment based on a combination of our corporate and Aerospace segment results.</p>
Retirement	NEOs participate in qualified retirement programs generally available to the Company's US employees. NEOs also participate in a non-qualified retirement program that provides benefits on base salary earnings in excess of Internal Revenue Service (IRS) limit on qualified plans. Mr. Dempsey, Mr. Stephens, Mr. Barnhart and Ms. Edwards also participate in grandfathered non-qualified executive retirement programs that have been closed to new entrants.	
Change in Control and Severance	Severance payable and benefit continuation upon termination of employment in certain specified circumstances or upon a change in control	
	Severance ranges from a multiple of one times base salary plus pro rata bonus for certain non-change in control events, to two times base salary plus pro rata bonus and additional benefits for other change	

in control events

Limited	Financial planning and tax preparation services, annual physicals (for amounts not otherwise covered by health insurance), and executive life insurance (with tax gross-up benefit for grandfathered
Perquisites	participants only)

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PROXY SUMMARY

GOVERNANCE HIGHLIGHTS

As part of our commitment to high ethical standards, our Board follows the following sound governance practices:

Independence	7 of our 9 directors are independent Our CEO is the only management director Audit, Compensation and Corporate Governance Committees are composed exclusively of independent directors
Independent Lead Director	Lead independent director with clearly established authority and responsibility over Board governance and operations Selected by independent directors Serves as a liaison between the Chairman of the Board and the independent directors
Executive Sessions	Regular executive sessions of Board and committees without management present Lead independent director presides at executive sessions of the independent directors
Board Oversight of Risk Management	Board risk management oversight with a focus on the most significant risks facing the Company Committee oversight and disclosure regarding political activities
Stock Ownership Requirements	Long-standing executive and director stock ownership requirements CEO required to own five times his salary Other executive officers required to own three times their salary
Board Practices	Annual evaluation processes for the Board and each of the standing committees Directors may not stand for election after age 72 Regular consideration of rotation of committee chairs and members Corporate Governance Guidelines require directors to attend director education programs and briefing sessions A prohibition on directors simultaneously serving on more than three public company audit committees, including that of the Company A prohibition on hedging of Company stock by directors and executive officers

Accountability

Declassified Board--directors serve one-year terms
Majority voting policy--directors who receive more withhold than for votes in uncontested elections must offer to resign
Stockholders have right to hold special meetings

Other Best Practices

A policy that requires Corporate Governance Committee approval before an executive officer accepts outside board membership with for-profit entities
A compliance Alertline through which employees and other interested parties may communicate with the Board or raise concerns
Stockholder engagement and outreach to allow for management and the Board to understand and consider issues that matter most to stockholders and enable the Company to address them effectively

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PROXY SUMMARY

2015 NEO COMPENSATION SUMMARY

Name and Principal Position	Year	Salary	Bonus	Stock Awards	Option Awards	Non-Equity Incentive Compensation Plan	Change in Pension Value and Nonqualified Deferred	All Other Compensation	Total
							Earnings		
Patrick J. Dempsey President and Chief Executive Officer	2015	\$ 793,750*		\$ 2,539,258	\$ 579,506	\$ 267,840	\$ 249,522	\$ 95,482	\$ 4,525,358
	2014	768,750		2,130,065	443,912	1,538,220	1,622,098	141,129	6,644,174
	2013	700,000		1,588,668	371,030	881,567	253,304	123,261	3,917,830
Christopher J. Stephens, Jr. Senior Vice President, Finance and Chief Financial Officer	2015	461,000		608,817	139,364	102,895	32,892	262,522	1,607,490
	2014	461,000		762,575	159,663	609,995	88,646	362,296	2,444,175
Stephens, Jr.	2013	453,585		875,508	135,805	382,238	10,912	165,604	2,023,652
Scott A. Mayo Senior Vice President, and President, Barnes Industrial	2015	425,000		428,650	98,789	68,799		44,113	1,065,351
	2014	336,799		1,069,840	72,978	305,952		138,434	1,924,003
Richard R. Barnhart Senior Vice President and President, Barnes Aerospace	2015	375,000		408,698	93,497	33,480	102,396	67,631	1,080,702
	2014	375,000		426,618	89,508	386,468	207,608	45,471	1,530,673
	2013	334,750		419,873			32,401	30,102	817,126

Dawn N. Edwards	2015	296,000	256,344	58,215	59,460	8,538	121,010	799,567
	2014	296,000	410,385	83,460	352,500	174,222	96,364	1,412,931
Senior Vice President, Human Resources	2013	296,000	488,327	64,010	220,886		80,568	1,149,791

* Pro rata amount taking into account Mr. Dempsey's increase in salary from \$775,000 to \$800,000, effective April 1, 2015.

2017 ANNUAL MEETING

Deadline for stockholder proposals for inclusion in the proxy statement for the 2017 Annual Meeting of Stockholders: November 24, 2016

Table of Contents**PROXY STATEMENT FOR 2016 ANNUAL MEETING OF STOCKHOLDERS****MAY 6, 2016**

We are sending this proxy statement and a proxy or voting instruction form in connection with Barnes Group Inc.'s solicitation of proxies on behalf of its Board of Directors (Board), for the 2016 Annual Meeting of Stockholders (2016 Annual Meeting). Availability of this proxy statement and accompanying materials is scheduled to begin on or about March 23, 2016. Please submit your vote and proxy by telephone, the internet or, if you received your materials by mail, you can also complete, sign, date and return your proxy or voting instruction form.

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BARNES GROUP INC. 2016 PROXY STATEMENT

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GOVERNANCE

The Company is committed to good corporate governance, which promotes the long-term interests of stockholders. Our Board and senior management devote considerable time and attention to corporate governance matters and we maintain a comprehensive set of policies and procedures to enable effective corporate governance. We regularly review best practices in corporate governance and modify our policies and procedures as warranted. We also solicit feedback from stockholders on governance and executive compensation practices.

You can access the governance materials on our website at www.BGInc.com; click on *Investor Relations* and then *Corporate Governance*. These documents will also be provided without charge to any stockholder upon written request to Manager, Stockholder Relations and Corporate Governance Services, Barnes Group Inc., 123 Main Street, Bristol, Connecticut 06010.

Governance Materials

Certificate of Incorporation

Corporate Governance Guidelines

Code of Business Ethics and Conduct

Bylaws

Charters for our Audit, Compensation and Corporate Governance Committees

Political Activity Policy

Corporate Social Responsibility Report

PROPOSAL 1 - ELECTION OF DIRECTORS

At the 2013 annual meeting, our stockholders approved amendments to our Amended and Restated Bylaws (Bylaws) to phase out the classification of the Board and to provide instead for the annual election of directors commencing with those directors up for election at our 2014 annual meeting. As of the 2016 Annual Meeting, the Board is fully declassified and all directors are subject to annual election.

Upon the recommendation of the Corporate Governance Committee, the Board has nominated Thomas O. Barnes, Gary G. Benanav, Patrick J. Dempsey, Francis J. Kramer, Mylle H. Mangum, Hassell H. McClellan, William J. Morgan and JoAnna L. Sohovich for re-election to the Board at the 2016 Annual Meeting. Upon the recommendation of the Corporate Governance Committee, the Board has nominated Elijah K. Barnes and Thomas J. Hook for election to the Board at the 2016 Annual Meeting to serve as the Board's ninth and tenth directors. Mr. E. Barnes' election to the Board would maintain two Barnes family directors on the Board following the end of Mr. William S. Bristow Jr.'s

tenure as director after 38 years of service and continue a legacy of

stewardship and loyalty that has been instrumental in the stability and long-term success of the Company since 1857.

The Board has determined that except for Mr. T. Barnes and Mr. Dempsey, each nominee is an independent director as discussed below under Director Independence. If elected, each nominee will hold office until the 2017 annual meeting unless any of them earlier dies, resigns, retires or is removed, as provided in the Bylaws.

The ten nominees are listed below with brief biographies. Each director has been associated with his or her present organization for at least the past five years unless otherwise noted. None of the organizations listed as business affiliates of the directors is a subsidiary or other affiliate of the Company.

If a nominee for director should become unavailable for any reason, it is intended that votes will be cast for a substitute nominee designated by the Board. The Board has no reason to believe the persons nominated will be unable to serve if elected.

The Board recommends a vote FOR all nominees.

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GOVERNANCE

NOMINEES FOR RE-ELECTION

Age: 67

Director since: 1978

Committees:

None

THOMAS O. BARNES

Mr. Barnes is Chairman of the Board and was a non-management employee through December 31, 2014, until his retirement as an employee of the Company. From 2007 until 2012 he served as a director of New England Bank Shares, Inc. He served as a director of Valley Bank from 2005 to 2007 when it was merged into New England Bank Shares, Inc. Mr. Barnes' qualifications to be a member of our Board include his experience in the fields of manufacturing, finance and governance with numerous organizations throughout his career, including the Company's former distribution business. In addition, Mr. Barnes has owned and managed several businesses and has experience in the commercial lending field. He has served on the Board for over 35 years, has served as Chairman of our Board since 1995, and has served as chairman, trustee or director for over 20 non-profit organizations.

Age: 70

Director since: 1994

Committees:

Compensation and
Management
Development

GARY G. BENANAV

Mr. Benanav retired in March 2005 from New York Life International, LLC where he was the Chief Executive Officer from December 1997, and the Vice Chairman and a director of New York Life Insurance Company from November 1999. He has served as a director of Express Scripts Holding Company (ESI) since January 2000, a full-service pharmacy benefit management company. Mr. Benanav's qualifications to be a member of our Board include having served as the executive officer of two U.S. corporations with assets in excess of \$100 billion, extensive international business experience, extensive management responsibility for U.S. and international insurance and financial services companies, experience in dealing with regulators and legislators, extensive knowledge of finance and accounting matters including complex financial statement and accounting issues across various types of businesses, and practice as a business attorney for 15 years, including serving as a legal advisor to boards of directors for over five years. In

Corporate
Governance
(Chair)

addition, Mr. Benanav received a Presidential appointment as U.S. representative to APEC Business Advisory Council (2002 to 2005).

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Age: 51

Director since: 2013

Committees:

None

Mr. Dempsey was appointed the President and Chief Executive Officer of the Company in March 2013. Prior to this appointment, since February, 2012, he served as the Company's Senior Vice President and Chief Operating Officer, and was responsible for oversight and direction of the Company's global business segments, as well as working closely on the development and execution of the Company's strategic plan. Mr. Dempsey joined the Company in October 2000 and has held a series of roles of increasing responsibility. He was appointed Vice President, Barnes Group Inc. and President, Barnes Aerospace in 2004, Vice President, Barnes Group Inc. and President, Barnes Distribution in October 2007, and Vice President, Barnes Group Inc. and President, Logistics and Manufacturing Services in October 2008. Mr. Dempsey's qualifications to be a member of our Board include his extensive knowledge of the Company's business operations and his depth of experience in the fields of business management, enterprise management systems, business development and international operations.

FRANCIS J. KRAMER

Age: 66

Director since: 2012

Committees:

Compensation and
Management
Development
Corporate
Governance

Mr. Kramer is President and Chief Executive Officer and Chairman of the Board of Directors of II-VI Incorporated, a global leader in engineered materials and optoelectronic components. He has served as a director of II-VI Incorporated since 1989, has been President since 1985, and was Chief Operating Officer from 1985 to 2007. He is a Board Advisor on the University of Pittsburgh's Swanson School of Engineering. Mr. Kramer's qualifications to be a member of our Board include his current service as a chief executive officer, and extensive experience in the fields of engineering, manufacturing, domestic and international operations, business development, strategic planning and extensive knowledge both domestically and internationally with acquisitions.



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Age: 67

Director since: 2002

Committees:

Compensation and
Management
Development
(Chair)

Ms. Mangum has served as Chief Executive Officer of IBT Enterprises, LLC, a leading provider of branch banking solutions, since October 2003. Prior to this, she served as the Chief Executive Officer of True Marketing Services, LLC since July 2002, focusing on consolidating marketing services companies. From 1999 to 2002, she was the Chief Executive Officer of MMS Incentives, Inc., a private equity company involved in developing and implementing marketing and loyalty programs in high-tech environments. She is currently a director of PRGX Global, Inc., Haverty Furniture Companies, Inc., and Express, Inc. She also served as a director of Collective Brands Inc., and its predecessor PaylessShoeSource, Inc., from 1997 to 2012, Scientific-Atlanta, Inc. from 1993 to 2006, Respironics, Inc. from 2004 to 2008, Matria Healthcare, Inc. from 2006 to 2008, and Emageon Inc. from 2004 to 2009. Ms. Mangum's qualifications to be a member of our Board include her current service as a chief executive officer, and extensive business and management experience including, in addition to that mentioned above, serving as an executive with General Electric, BellSouth and Holiday Inn Worldwide. She has extensive knowledge of marketing, accounting and finance, as well as compliance and internal controls.

HASSELL H. MCCLELLAN

Age: 70

Director since: 2010

Committees:

Audit

Dr. McClellan retired in 2013 as an Associate Professor of Finance and Policy at Boston College's Wallace E. Carroll School of Management, where he served as the Associate Dean from 1996 to 2000. Dr. McClellan had been a member of the faculty of Boston College since 1984. He specializes in global competitiveness and strategic management for boards of directors and financial services, and has both an MBA and a Doctor of Business Administration degree. Dr. McClellan has served as trustee of the Virtus Variable Insurance Trust (formerly Phoenix Edge Series Fund) since 2008, as trustee of both the John Hancock Variable Insurance Trust and John Hancock Funds II since 2005, as trustee of John Hancock Funds and John Hancock Funds III since 2012, and as trustee of Virtus Mutual Funds since January 1, 2015. Dr. McClellan's qualifications to be a member of our Board include his extensive experience and expertise in global competitiveness, strategic planning and finance. In addition to his academic achievements in these areas, he has served as a board member or trustee of more than ten non-profit and private organizations.

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Age: 69

Director since: 2006

Committees:

Audit (Chair)

Corporate
Governance

Mr. Morgan is a retired partner of the accounting firm KPMG LLP (KPMG) where he served clients in the industrial and consumer market practices. After his retirement in 2006, and until 2010, he was a consultant to KPMG's Leadership Development Group and Dean of KPMG's Chairman's 25 Leadership Development Program. He is the Audit Committee financial expert of our Board. From 2004 until 2006, Mr. Morgan was the Chairman of KPMG's Audit Quality Council and, from 2002 until 2006, he was a member of its Independence Disciplinary Committee. He previously served as the Managing Partner of KPMG's Stamford, Connecticut office. Mr. Morgan is currently a director of PGT, Inc. and The J.G. Wentworth Company. He previously served as a member of the Boards of Directors for KPMG and KPMG Americas. In addition to his service with KPMG and on other boards of directors, Mr. Morgan's qualifications to be a member of our Board include his 39 year career and expertise in the accounting and auditing fields, as well as his extensive practice as a certified public accountant and experience working with global industrial companies relative to accounting, finance, auditing, controls, risk management, compliance and corporate governance.

JOANNA L. SOHOVICH

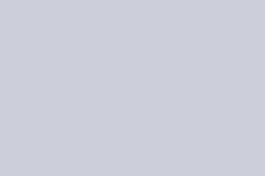
Age: 44

Director since: 2014

Committees:

Audit

Ms. Sohovich is the Chief Executive Officer of The Chamberlain Group, Inc. since February 2016. Prior to that she was the Global President, STANLEY Engineered Fastening at Stanley Black & Decker, Inc. where she led a global technology and manufactured goods business. Before being appointed to this position in 2015, she served as Global President, Industrial & Automotive Repair since 2012 and, prior to that, Industrial & Automotive Repair President - North America, Asia and Emerging Regions since 2011, both at Stanley Black & Decker, Inc. From 2002 to 2011, Ms. Sohovich served in several roles of increasing responsibility at Honeywell International, including President, Security & Communications from 2010 to 2011 emphasizing new product development and innovation, Vice President & General Manager, Commercial Building Controls from 2008 to 2010, leading growth initiatives across a broad commercial building controls portfolio, and Integration Leader from 2007 to 2008 resulting in Honeywell's successful acquisition and integration of Maxon Corporation. Ms. Sohovich served as Vice President, Six Sigma for Honeywell from 2004 to 2005. Her



earlier experience includes Plant Management, Repair and Overhaul Shop Management, Quality Management and service as an officer in the United States Navy. Ms. Sohovich's qualifications to be a member of our Board include her extensive executive management and leadership experience, broad knowledge of industrial manufacturers, global mindset and direct experience in driving innovation and strategic growth initiatives.

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Age: 35

Committees:

N/A

Mr. Barnes has over 12 years of experience in the areas of commercial real estate, lease negotiation and finance. He currently is Principal, Avison Young since 2014, where he is the co-head of the Agency Leasing Practice Group for the Washington D.C. office. From 2008 to 2014, he was Managing Director and Principal at Cassidy Turley. Prior to this, he was Vice President for the Leasing Management Group at Jones Lang LaSalle. Mr. Barnes qualifications to serve on our Board include his significant real estate experience that should contribute to the Company's management of its extensive owned and leased real estate portfolio. In addition to his business and financial qualifications, Mr. Barnes' nomination to the Board presents an opportunity as Mr. T. Barnes' son to continue, for a sixth generation, a legacy of family oversight that is uniquely devoted to the Company's long-term success and returning value to Company shareholders.

THOMAS J. HOOK

Age: 53

Committees:

N/A

Mr. Hook has been the President and Chief Executive Officer of Integer (formerly Greatbatch) since August 2006. Prior to this, he was Chief Operating Officer, a position to which he was appointed in September 2004. From August 2002 until September 2004, Mr. Hook was employed by CTI Molecular Imaging where he served as President, CTI Solutions Group. From March 2000 to July 2002, he was General Manager, Functional and Molecular Imaging for General Electric Medical Systems. From 1997 to 2000, Mr. Hook worked for the Van Owen Group Acquisition Company and prior to that, Duracell, Inc. He is Chairman of the Board of HealthNow New York, Inc., a leading health care company in Western New York that provides quality health care services to companies and individuals in that region, and serves on its executive committee. Mr. Hook's qualifications to be a member of our Board include his wealth of leadership experience, particularly in the high-tech manufacturing industry, together with his substantial knowledge of finance and accounting by virtue of his educational background and multiple executive management positions.

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DIRECTOR INDEPENDENCE

Board Independence. The Board has adopted categorical standards to guide it in determining director independence. Under these standards, which are part of our Corporate Governance Guidelines and listed below, an independent director must meet the independence requirements in the New York Stock Exchange (NYSE) listing standards, including the requirement that the Board must have affirmatively determined that the director has no material relationships with the Company, either directly or as a partner, stockholder, or officer of an organization that has a relationship with the Company.

- a. A director will not be independent if (i) the director is, or was within the preceding three years, employed by the Company; (ii) an immediate family member of the director is, or was within the preceding three years, employed by the Company as an executive officer (as such term is defined by the NYSE) other than on an interim basis; (iii) the director or any immediate family member has received from the Company, during any 12 consecutive months within the preceding three years, more than \$120,000 in direct compensation from the Company, other than compensation received by an immediate family member of a director for service as a non-executive employee of the Company and director and committee fees and deferred compensation for prior service, provided, that such deferred compensation is not contingent on continued service; (iv) the director is employed by the Company's independent auditor; (v) an immediate family member of the director is employed by the Company's independent auditor (I) as a partner or (II) otherwise as an employee who personally works on the Company's audit; (vi) the director or an immediate family member was within the last three years a partner or employee of the Company's independent auditor and personally worked on the Company's audit within that time; or (vii) a Company executive officer is, or was within the preceding three years, on the board of directors of a company which, at the same time, employed the Company director or an immediate family member of the director as an executive officer.
- b. The following commercial and charitable relationships will not be considered material relationships that would impair a director's independence: (i) if a Company director is an employee, or an immediate family member is an executive officer, of another company that does business with the Company and, within any of the last three fiscal years, the annual sales to, or purchases from, the Company are less than 1% of the annual revenues of the other company; (ii) if a Company director is an employee, or an immediate family member is an executive officer, of another company that is indebted to the Company, or to which the Company is indebted, and the total amount of either company's indebtedness to the other is less than 1% of the total consolidated assets of the other company; and (iii) if a Company director serves as an officer, director or trustee of a charitable organization, and the Company's discretionary charitable contributions to the organization are less than 1% of such organization's total annual charitable receipts, provided, that the amount of the Company's contributions shall not include the matching of charitable contributions by Barnes Group Foundation, Inc. pursuant to the Matching Gifts Program.
- c.

For relationships not covered by b. above, the directors who are independent under the Corporate Governance Guidelines in a. and b. above will determine whether the relationship is material and, therefore, whether the director is independent. The Company will explain in the next proxy statement the basis of any Board determination that a relationship was immaterial despite the fact that it did not meet the categorical standards of immateriality in b. above.

The Board has determined that other than Mr. T. Barnes and Mr. Dempsey, all of our director nominees are independent under the listing standards of the NYSE and the above categorical standards. Mr. Dempsey is a current employee of the Company and Mr. T. Barnes is a former employee that was employed by the Company within the past three years.

Committee Independence. All members of the Audit Committee, Compensation and Management Development Committee (Compensation Committee) and Corporate Governance Committee are independent within the meaning of the NYSE listing standards and the above categorical standards, and all members of both the Audit Committee and the Compensation Committee meet the additional independence requirements of the NYSE listing standards that are applicable to members of such committees.

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BOARD LEADERSHIP

The Board recognizes that one of its key responsibilities is to evaluate and determine its optimal leadership structure so as to provide independent oversight of management and a highly engaged and high-functioning Board. The Company's Corporate Governance Guidelines provide the Board with flexibility to select the appropriate leadership structure for the Company. In making leadership structure determinations, the Board considers many factors,

including the specific needs of the business and what is in the best interests of the Company's stockholders. Our Board has determined that if the Chairman is not an independent director, then there should be a Lead Independent Director elected by our independent directors. Currently, Mr. T. Barnes serves as Chairman of the Board and Mr. Benanav serves as Lead Independent Director.

Responsibilities of the Lead Independent Director

Preside at all meetings of the Board at which the Chairman of the Board is not present

Preside at executive sessions of the independent directors

Serve as a liaison between the Chairman of the Board and the independent directors

Together with the Chairman of the Board, determine the nature and scope of the information sent to the Board

Approve the final meeting agendas for the Board following review by the Chairman of the Board

Approve meeting schedules to assure that there is sufficient time for discussion of all agenda items

Has the authority to call meetings of the independent directors

If requested by major stockholders, ensure that he is available for consultation and direct communication

Perform such other duties as requested by the independent directors

The Board believes that the current structure is appropriate for the Company and provides for effective independent Board leadership and engagement. Our Chairman, although deemed not to be independent, has never been our chief executive officer and his prior employment as a non-executive, full-time employee was complementary to his regular duties as Chairman. Nonetheless, because a strong, independent oversight function is a critical aspect of effective corporate governance, our Corporate Governance Guidelines

require that the independent directors annually elect an independent director to serve as Lead Independent Director if the Chairman is not an independent director. This oversight function is enhanced by the fact that the Board's Audit, Compensation and Corporate Governance Committees are comprised entirely of independent directors. Further, the Company's non-management directors meet in regularly scheduled executive sessions, and the independent directors also periodically meet in executive sessions.

BOARD ROLE IN RISK OVERSIGHT

While risk management is the responsibility of the Company's management team, the Board is responsible for oversight of the Company's risk management activities. The Audit Committee has been designated by the Board to take the lead in overseeing risk management at the Board level. By its charter, the Audit Committee is required to discuss policies and guidelines that govern the risk assessment and risk management process, including assigning

responsibility with respect to particular risks to other committees of the Board, and that it meet periodically with management to review and assess the Company's major financial risk exposures and the manner in which they are being monitored and controlled. Accordingly, the Audit Committee reviews risk assessment and risk management, including in the areas of legal compliance, internal audit and financial controls, litigation, and environmental, health and safety. In

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doing so, the Audit Committee considers the nature of the material risks the Company faces and the adequacy of the Company's policies and procedures designed to respond to and mitigate these risks, and receives reports from management and other advisors, including periodic risk assessments by the Company's Internal Audit department.

Although the Board's primary risk oversight has been assigned to the Audit Committee, the full Board also periodically receives information about the Company's risk management and the most significant risks that the

Company faces. This is principally accomplished through regular attendance at Audit Committee meetings by the other Board members.

Additionally, as described below in *Risk Oversight and Assessment Policies and Practices*, the Compensation Committee oversees our compensation programs so that they are designed with the appropriate balance of risk and reward in relation to the Company's overall business strategy and are not reasonably likely to have a material adverse effect on the Company.

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GOVERNANCE

PROCESS FOR SELECTING DIRECTORS; STOCKHOLDER RECOMMENDED DIRECTOR CANDIDATES

The Corporate Governance Guidelines provide that nominees for directors are to be selected based on, among other things, their character, wisdom, judgment, ability to make independent analytical inquiries, business experiences and skills. In addition, consideration will be given to a nominee's understanding of our business environment, time commitment, acumen and ability to act on behalf of the Company's stockholders. Under the Process and Procedure for Identifying Director Candidates adopted by the Corporate Governance Committee (Director Candidates Process), the Corporate Governance Committee considers how a candidate represents, in combination with the other directors, a diversity of viewpoints, backgrounds, experiences and other demographics.

The Corporate Governance Committee will, as stated in the Director Candidates Process, consider director candidates recommended by stockholders of the Company, directors, officers and third-party search firms. When utilizing a third-party search firm, the search firm is instructed to identify candidates based on criteria specified by the Corporate Governance Committee, perform initial screenings of the candidates' resumes, and conduct initial interviews.

The Corporate Governance Committee evaluates stockholder-recommended candidates in the same manner as all other candidates. Any stockholder wishing to submit a recommendation should do so in writing addressed to:

**Chairperson, Corporate Governance Committee
c/o Senior Vice President, General Counsel
and Secretary
Barnes Group Inc.
123 Main Street
Bristol, Connecticut 06010**

Stockholder recommendations must comply with the information requirements of the notice provisions contained in the Company's Bylaws in order to be considered. Letters recommending a director candidate must include, among other things, the stockholder's name, address, and stock ownership information (if the stockholder is not the registered holder of shares, a written statement from the record holder of shares (e.g., a broker or bank) verifying the stockholder's beneficial ownership must be provided); the stockholder's opinion as to whether the recommended candidate meets the definition of "independent" under the Company's Corporate Governance Guidelines and is "financially literate" as contemplated by the NYSE rules; a description of all agreements, arrangements and understandings between the nominee and any other person regarding the nomination by such stockholder, and any direct or indirect interest of such stockholder in any contract with the Company, any affiliate of the Company or any principal competitor of the Company; and the other disclosure requirements set forth in Section 7 of Article II of the Bylaws. The recommendation letter must also include similar information regarding the director candidate and other information, if any, that would be required to be disclosed with regard to a nominee for director in the solicitation of

proxies for election of directors under federal securities laws, and the stockholder must include a completed questionnaire, representation and agreement signed by the candidate (which are provided by the Secretary of the Company upon written request). Stockholder nominations must also comply with the deadlines for submitting director nominations set forth in the Company's Bylaws. A summary of these procedures is set forth below under the caption "Stockholder Proposals for 2017 Annual Meeting" on page 75.

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COMMUNICATION WITH THE BOARD

We have posted our Policy Regarding Reporting of Complaints and Concerns on our website. The policy provides that stockholders and other interested parties may communicate with the Board, a committee of the Board, the independent directors or with an individual director, by any of the following methods:

All complaints and concerns reported by the above methods will be received by a third-party provider, who will forward each complaint or concern to the Office of the General Counsel which is responsible for relaying communications for the Board to them. The Audit Committee Chair receives regular summary reports of all complaints and concerns so reported.

By telephone: 1-800-300-1560
By internet: <https://www.compliance-helpline.com/welcomepagebarnesgroup.jsp>
By regular mail: Barnes Group Corporate Compliance Alertline
P.O. Box PMB 3667
13950 Ballantyne Corporate Place, Ste. 300 Charlotte, NC 28277-2712

BOARD OF DIRECTORS AND COMMITTEES

DIRECTOR ATTENDANCE

Directors are expected to attend our annual meeting of stockholders and all Board meetings and meetings of the committees on which they serve. Our Board held six regular meetings and one special meetings during 2015. Overall attendance at Board and committee meetings during 2015 was 99% for our current directors. All directors attended the 2015 annual meeting.

Our Corporate Governance Guidelines also provide that the Board should generally have no fewer than six and no more than twelve directors. The Board currently has nine directors. Following the 2016 Annual Meeting,

there are expected to be ten directors. Each director is required to resign from the Board no later than the annual meeting of stockholders following his or her 72nd birthday. Each director is also required to advise the Chairman of the Board of any change in his or her status, including a change in employment or service on other boards of directors, or retirement from his or her principal occupation or another board of directors. Mr. T. Barnes, Chairman of the Board, is designated to preside at executive sessions of non-management directors. Mr. Benanav, the Lead Independent Director, is designated to preside at executive sessions of the independent directors.

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We have a standing Audit Committee, Compensation Committee and Corporate Governance Committee. The primary responsibilities for each of these committees are summarized below. The charter for each of these committees is available on the Company's website, *www.BGInc.com*. We also have an Executive Committee.

AUDIT COMMITTEE

The Audit Committee is responsible for overseeing accounting policies and practices, financial reporting and the internal controls structure. The Audit Committee also has responsibility for overseeing legal and regulatory compliance and our independent auditor's qualifications, performance and independence, and for risk oversight of the Company generally. The Audit Committee was established in accordance with Section 3(a)(58)(A) of the Exchange Act. The Board has determined that Mr. Morgan, who qualifies as an independent director under the NYSE listing standards and the Company's Corporate Governance Guidelines, is an audit committee financial expert as defined by the Securities and Exchange Commission (SEC). For additional information about the Audit Committee's oversight of the risks faced by the Company, see Board Role in Risk Oversight above.

Number of Meetings in 2015:

8

Committee Members:

William J. Morgan, Chair

William S. Bristow, Jr.

Hassell H. McClellan

JoAnna L. Sohovich

COMPENSATION AND MANAGEMENT DEVELOPMENT COMMITTEE

The Compensation Committee acts on behalf of the Board to establish the compensation of executive and other key officers and provides oversight of the Company's compensation philosophy and of compensation policies and practices as they relate to risk management. The Compensation Committee also acts as the oversight committee with respect to the Performance-Linked Bonus Plan, the 2014 Barnes Group Inc. Stock and Incentive Award Plan (the Stock and Incentive Award Plan), and other arrangements covering executive officers and other senior management. The Compensation Committee's processes for establishing and overseeing executive compensation can be found in the Compensation Discussion

Number of Meetings in 2015:

4

Committee Members:

Mylle H. Mangum, Chair

and Analysis section below. In overseeing those plans and programs, the Compensation Committee may delegate authority for day-to-day administration and interpretation of the plans, including selection of participants, determination of award levels within plan parameters, and approval of award documents, to officers of the Company or the Company's Benefits Committee. However, the Compensation Committee may not delegate any authority under those plans for matters affecting the compensation and benefits of the key officers.

Gary G. Benanav

Francis J. Kramer

The Compensation Committee also oversees management succession planning programs, including succession plans for the Chief Executive Officer, and reports to the Board at least annually regarding the strengths and weaknesses of the Company's processes for management development and succession planning. Compensation Committee agendas are established in consultation with the Compensation Committee Chair and its independent compensation consultant. The Compensation Committee has sole authority to retain outside advisors to assist in evaluating executive officer compensation, and approve the terms of engagement including the fees of such advisors. The Compensation Committee typically meets in executive session without management present during each meeting.

CORPORATE GOVERNANCE COMMITTEE

The Corporate Governance Committee makes recommendations concerning Board membership, functions and compensation and the Company's overall corporate governance policies and practices. The Corporate Governance Committee serves as the nominating committee for the Board. The process by which the Corporate Governance Committee considers nominees to the Board is described in "Process for Selecting Directors; Stockholder Recommended Director Candidates" above. Additional responsibilities include board succession matters, the annual performance review of the Chairman of the Board, reviewing matters relating to potential director conflicts of interest, overseeing the Company's practices related to political activities, and administering the Company's related person transactions policy.

Number of Meetings in 2015:

3

Committee Members:

Gary G. Benanav, Chair

Francis J. Kramer

William J. Morgan

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GOVERNANCE UPDATE

In February 2016, the Company announced that the Board had unanimously approved an amendment to the Company's Bylaws to require courts in the State of Delaware to serve as the exclusive forum for the adjudication of certain legal actions involving the Company unless the Company consents otherwise.

The Board took this action to avoid the potential inefficiency and cost to the Company of multiple or duplicative lawsuits, in multiple jurisdictions, arising out of the same or similar sets of facts. Further, the Board

sought to assure that Delaware courts would be the courts to apply and interpret the law applicable to the Company Delaware law based on the Company's incorporation in Delaware. Delaware courts are most likely to effectively interpret and apply Delaware law with the requisite expertise. It was important to the Board that this amendment does not abridge stockholder rights because it does not restrict any shareholder from bringing a legal action against the Company.

DIRECTOR COMPENSATION IN 2015

The Corporate Governance Committee reviews and makes recommendations to the Board regarding the form and amount of compensation for non-employee directors. As part of its review, the Corporate Governance Committee periodically obtains competitive market data. The Company's director compensation program is designed to attract and retain highly qualified directors and to reward the time, effort, expertise and accountability required of active

Board membership. In general, the Corporate Governance Committee and the Board believe that annual compensation for non-employee directors should consist of both a cash component, designed to compensate members for their service on the Board and its Committees, and an equity component, designed to align the interests of directors and stockholders and, by vesting over time, to create an incentive for continued service on the Board.

Table of Contents**DIRECTOR COMPENSATION**

The following table describes the components of our non-employee director compensation program for 2015:

Compensation Element	Description								
Annual Retainer¹	\$87,500								
Annual Equity Retainer	RSUs valued at approximately \$87,500 that vest one year after grant Accelerated vesting in the event of a change in control, service terminates as a result of death or disability, or retirement before the 1st anniversary of the grant date and after attaining age 72 provided the director signs a covenant not to compete and release of claims Dividend equivalents equal to the dividend per share are paid on each RSU on each dividend payment date								
Annual Chair Retainer¹	<table border="0"> <tr> <td>Chairman of the Board</td> <td>\$100,000</td> </tr> <tr> <td>Audit Committee</td> <td>\$17,500</td> </tr> <tr> <td>Compensation Committee</td> <td>\$15,000</td> </tr> <tr> <td>Corporate Governance Committee</td> <td>\$10,000</td> </tr> </table>	Chairman of the Board	\$100,000	Audit Committee	\$17,500	Compensation Committee	\$15,000	Corporate Governance Committee	\$10,000
Chairman of the Board	\$100,000								
Audit Committee	\$17,500								
Compensation Committee	\$15,000								
Corporate Governance Committee	\$10,000								
Other Fees	Eligible to earn a \$1,500 fee for: Serving on or chairing ad hoc or special committees of the Board Participating in specific Board projects, such as attending meetings with the Company's senior management and interviewing prospective director or senior officer candidates								
Other Benefits	Business travel accident insurance Matching charitable gifts under the Barnes Group Foundation, Inc., the Company's charitable foundation Life insurance and accidental death and dismemberment insurance (only grandfathered for directors who joined before January 1, 2012)								
New Director Award (one-time grant)	RSUs valued at approximately \$50,000 that vest three years after grant date Dividend equivalents equal to the dividend per share are paid on each RSU on each dividend payment date								
Non-Management Director Stock Ownership Requirements	Ownership of five times the annual cash retainer Each of our non-management directors met this requirement as of January 1, 2015, with the exception of our newest directors, Mr. Kramer and Ms. Sohovich, who joined the Board in December 2012 and May 2014, respectively								

¹ All annual retainers are paid quarterly

DEFERRED COMPENSATION

Under the Non-Employee Director Deferred Stock Plan each non-employee director who joined the Board before December 15, 2005 was granted at the time of joining the right to receive 12,000 shares of Common Stock when his or her membership on the Board terminates or, if sooner, when a change in control occurs. The plan also provides for the payment of dividend equivalents equal to one dividend per share for each dividend payment date payable quarterly and in cash.

Under the Directors' Deferred Compensation Plan, as amended and restated, each non-employee director may defer all or a portion of his or her Board retainer and meeting fees, and/or the dividend equivalents paid under this plan. Directors may elect to credit such deferred compensation to a cash account, a phantom stock account, or a combination of the two.

NON-MANAGEMENT DIRECTOR STOCK OWNERSHIP REQUIREMENTS

As reflected above, under our stock ownership requirements, each of our non-management directors is required to accumulate an ownership position in Company Common Stock equal in value to five times the annual cash retainer. Two-thirds of the value of unvested RSUs and all of the shares payable under the Non-Employee Director Deferred Stock Plan count

toward achieving ownership requirements. Directors are required to retain all net after-tax proceeds from Company equity grants until ownership levels are met. Once ownership levels are met, the requirement is converted to a fixed number of shares, subject to increases based on increases to the annual cash retainer.

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Table of Contents**DIRECTOR COMPENSATION****DIRECTOR COMPENSATION TABLE**

The following table sets forth the aggregate amounts of compensation information for the year ended December 31, 2015 for non-management directors.

Name	Year	Fees Earned or Paid in Cash	Changes in Pension			Total
			Stock Awards ¹	Deferred Compensation Earnings ²	All Other Compensation ³	
Thomas O. Barnes	2015	\$ 187,500	\$ 89,496	\$	\$ 84,686	\$ 361,682
Gary G. Benanav	2015	99,000	89,496	4,166	265	192,927
William S. Bristow, Jr.	2015	87,500	89,496		265	177,261
Francis J. Kramer	2015	87,500	89,496			176,996
Mylle H. Mangum	2015	102,500	89,496		265	192,261
Hassell H. McClellan	2015	87,500	89,496		265	177,261
William J. Morgan	2015	105,000	89,496		265	194,761
JoAnna L. Sohovich	2015	87,500	89,496			176,996

¹ Stock Awards represent the aggregate grant date fair value of RSUs granted to directors under the Stock and Incentive Award Plan. The amounts differ from the annual retainer amount of \$87,500 because the number of RSUs subject to the annual equity retainer is calculated using the average closing price of our Common Stock for the first 15 trading days of 2016.

² Mr. Benanav participates in the Barnes Group Inc. Directors' Deferred Compensation Plan, as amended and restated. Interest is credited each quarter, on the amount of deferred director fees and dividends, based upon the rate of interest for prime commercial loans on the first business day of each quarter. Any preferential amount would be determined by calculating the difference between the actual interest credited to Mr. Benanav and the interest that would have been earned using 120% of a ten-year Treasury bill rate. During 2015, there was \$4,166 of preferential interest earned and the aggregate balance of this deferred compensation at December 31, 2015 was \$1,383,721.

³ The compensation represented by the amounts for 2015 set forth in the All Other Compensation column for the directors is detailed in the following table:

**Taxes Paid
on**

All Other Life Insurance

Name	Year	Compensation ^a	Premium ^b	Other ^c	Total
Thomas O. Barnes	2015	\$ 22,602	\$ 58,989	\$ 3,095	\$ 84,686
Gary G. Benanav	2015			265	265
William S. Bristow, Jr.	2015			265	265
Francis J. Kramer	2015				
Mylle H. Mangum	2015			265	265
Hassell H. McClellan	2015			265	265
William J. Morgan	2015			265	265
JoAnna L. Sohovich	2015				

^a Includes taxes paid pursuant to the terms of the SEELIP, under which the Company pays the policy premiums, and pays the income tax liability arising from its payment of the premiums and taxes. As previously disclosed, the SEELIP was closed to new participants effective April 1, 2011. The amount reflected is based on the maximum tax rates of the director's jurisdiction.

^b At December 31, 2015, the aggregate balance included \$35,877 of life insurance premiums paid on behalf of Mr. T. Barnes under the SEELIP and \$23,112 of income related to a split dollar life insurance policy. The compensation associated with the split dollar life insurance agreement was calculated by determining Mr. T. Barnes' current share in the policy and multiplying that by an estimated term life insurance rate based upon certain factors such as the age of the insured and the amount of the policy.

^c Included in Other are matching contributions made by the Company under the Barnes Group Inc. Retirement Savings Plan for Mr. T. Barnes, life and accidental death and dismemberment insurance premiums paid by the Company for the benefit of Messrs. Benanav, Bristow, McClellan and Morgan and Ms. Mangum; and spousal travel to a Company event for Mr. T. Barnes.

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COMPENSATION DISCUSSION AND ANALYSIS

PROPOSAL 2 - ADVISORY VOTE TO APPROVE THE COMPANY'S EXECUTIVE COMPENSATION

We seek our stockholders' advisory (non-binding) vote to approve the compensation of our named executive officers as described in the Compensation Discussion and Analysis (CD&A), the executive compensation tables, and the accompanying narrative disclosure regarding named executive officer compensation. This advisory proposal, known as a "say-on-pay" vote, gives stockholders the opportunity to vote whether or not to approve the compensation of our named executive officers as described in this proxy statement.

We recognize the interest our stockholders have in the Company's executive compensation program. As such, we currently hold an annual say-on-pay vote. Our next say-on-pay vote will occur at our 2017 annual meeting.

The Company's executive compensation programs are designed to attract, engage and retain highly qualified executive officers. The Company has a strong pay for performance philosophy and, as a result, the compensation paid to our named executive officers is

closely aligned with the Company's performance. We encourage stockholders to review the CD&A for a detailed description of our executive compensation program. The Board recommends that stockholders vote FOR the following resolution:

RESOLVED, that the stockholders approve, on an advisory basis, the compensation paid to the Company's named executive officers as disclosed in this proxy statement, including the Compensation Discussion and Analysis, the accompanying executive compensation tables and the related narrative discussion.

This vote is advisory, which means that it is not binding on the Board or the Compensation Committee, nor will it affect any compensation paid or awarded to any named executive officer. However, the Board and the Compensation Committee will review and consider the voting results when evaluating our future executive compensation arrangements.

The Board recommends a vote FOR the advisory vote to approve the Company's executive compensation.

This Compensation Discussion and Analysis provides a detailed discussion of our executive compensation philosophy and programs, the compensation decisions that the Compensation Committee has made under those programs and the factors considered in making those decisions. We also provide details regarding the

individual components of our executive compensation programs and explain how and why the Compensation Committee makes decisions to establish executive compensation at particular levels. Our named executive officers (NEOs) for 2015 were:

NEO	Title
Patrick J. Dempsey	President and Chief Executive Officer
Christopher J. Stephens, Jr.	Senior Vice President, Finance and Chief Financial Officer
Scott A. Mayo	Senior Vice President, Barnes Group Inc. and President, Barnes Industrial
Richard R. Barnhart	Senior Vice President, Barnes Group Inc. and President, Barnes Aerospace
Dawn N. Edwards	Senior Vice President, Human Resources

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COMPENSATION DISCUSSION AND ANALYSIS

EXECUTIVE SUMMARY

During 2015, we continued to transform the Company towards becoming a global provider of highly-engineered products and differentiated industrial technologies. We made substantial progress executing this transformation by enhancing our business portfolio through strategic acquisitions and driving operational excellence initiatives deeper into our operations through our Barnes Enterprise System.

We acquired two new companies in the plastic injection molding industry in 2015: Thermoplay, a leader in the design, development and manufacturing of hot runner solutions for plastic injection molding applications; and Priamus Systems Technologies, a technology leader in the development of advanced process control systems for plastic injection molding.

The Company's annual compensation program closely links compensation to Company performance and results. Short term non-equity incentive compensation in 2015 was 78%-92% lower than in 2014, reflecting the Company's lower than expected financial performance, notwithstanding the Company's strategic accomplishments described above.

The Company's executive compensation programs for 2015 remained relatively unchanged from 2014, with the exception of two key changes to our annual and long-term compensation performance measures. For our annual incentive program, we replaced operating margin (Operating Margin or OM) as a performance measure with days working capital (DWC) to incentivize management to improve cash generation. For our long-term compensation program, we replaced the

diluted earnings per share (EPS) growth relative to the Russell 2000 measure with return on invested capital (ROIC) based on an absolute internal measure. These changes are consistent with our growth strategy that requires focus on effective capital management and prioritizing cash generation.

For our 2015 annual compensation program, we continued to use Company-wide consolidated revenue (Revenue) and diluted EPS, plus our new measure, DWC. These three corporate measures applied to Messrs. Dempsey and Stephens and Ms. Edwards. Messrs. Mayo and Barnhart were each measured 40% on these corporate measures and 60% on the performance of the Industrial segment and Aerospace segment, respectively. Overall, this combination of performance measures is designed to emphasize profitability and productivity, and drive sales growth.

Results under our 2015 annual compensation program are determined first according to GAAP but then may be adjusted to include or exclude certain unusual, non-recurring, or other adjustments such as foreign exchange fluctuations relative to internal planned rate and pension lump sum settlement charges all in accordance with Section 162(m) of the Internal Revenue Code and as provided under our stockholder approved Performance-Linked Bonus Plan (PLBP). The Compensation Committee also retains negative discretion in accordance with Section 162(m) of the Internal Revenue Code to further reduce, but not increase, actual awards paid to NEOs under the PLBP. The adjusted financial performance results certified by the Compensation Committee under the PLBP are non-GAAP financial measures.

For Messrs. Dempsey and Stephens and Ms. Edwards, we calculated annual incentive compensation using the following corporate measures and weighting (resulting in a payout of 45% of target):

Corporate Performance Measures	Weighting (%)	As Certified 2015 Results*	Comparison to Target
Diluted EPS	60%	\$ 2.39	\$0.05 below target
Revenue (in millions)	20%	\$ 1,200	\$98 below target
Days Working Capital (DWC)	20%	127	6 days above target

For Mr. Mayo, we calculated annual incentive compensation using the above corporate measures and weighting, and the following measures and weighting for the Industrial segment (resulting in a payout of 24% of target):

Industrial Segment Performance Measures	Weighting (%)	As Certified 2015 Results*	Comparison to Target
Operating Profit (in millions)	60%	\$ 120	\$20 below target
Revenue (in millions)	20%	\$ 797	\$28 below target
Days Working Capital (DWC)	20%	114	4 days above target

Table of Contents**COMPENSATION DISCUSSION AND ANALYSIS**

For Mr. Barnhart, we calculated annual incentive compensation using the above corporate measures and weighting, and the following measures and weighting for the Aerospace segment (resulting in a payout of 0% of target):

Aerospace Segment Performance Measures	Weighting (%)	As Certified 2015 Results*	Comparison to Target
Operating Profit (in millions)	60%	\$ 36	\$19 below target
Revenue (in millions)	20%	\$ 365	\$79 below target
Days Working Capital (DWC)	20%	142	14 above target

* Detailed descriptions of the measures and process used to determine adjustments can be found below in the Annual Cash Incentive Awards section on page 24.

Long-term incentive awards are the largest component of our NEOs annual compensation opportunity. The program consists of performance share awards (PSAs) that are earned based on key performance criteria; restricted stock units (RSUs); and stock options. Our 2015 measures and weightings are shown below:

The performance share award component of our long-term program for 2015 measures the Company's relative performance over a three-year period against the performance of Russell 2000 Index companies for Total Shareholder Return (TSR) and EBITDA growth and three-year ROIC performance against an absolute internal goal. The grants made in 2015 cover the 2015 to 2017 performance period. Payouts, if any, under the 2015 grants will be made in 2018.

In 2015, the 2012 grant of Relative Measure PSAs (renamed the PSA program in 2015) paid out at 134% of target (50th percentile), based on the following certified performance results:

Performance Measure	3 Year Growth	Relative Performance Level
TSR	57%	48 th ile
EBITDA Growth (in millions)	46%	65 th ile
Basic EPS Growth	43%	68 th ile

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SAY-ON-PAY VOTE

The Compensation Committee believes that our executive compensation programs are consistent with our pay-for-performance philosophy. Each year, we evaluate our programs in light of market conditions, stockholder views (including the results of our annual say-on-pay resolution), and governance considerations, and make changes deemed appropriate for our business. At the 2015 annual stockholders meeting, we had relatively strong support from our stockholders with respect to the compensation of our NEOs, with over 78% of the votes cast in favor of our say-on-pay resolution. We continue to evaluate our compensation programs by taking into account the voting results, other investor feedback through our annual outreach efforts, and other factors used in assessing our executive compensation programs as discussed in this CD&A.

As part of our annual outreach efforts in 2015, we met with 8 select institutional shareholders (representing approximately 21% of our holdings) to better understand specific concerns related to our executive compensation programs. While we generally received positive feedback on our current structure, we also heard general concerns regarding the special equity awards granted to our NEOs in 2014 that were provided to incentivize and ensure the execution of our transformation strategy. Based on this feedback, we have not made significant changes to our structure but we have limited our use of special equity awards over the last two grant cycles.

EXECUTIVE COMPENSATION PHILOSOPHY

We believe that executive compensation should support and reinforce the company's pay-for-performance philosophy. Consequently, our NEO compensation is closely aligned with the Company's performance on both a short and long-term basis. We tie a significant portion of the compensation opportunity for our NEOs directly to the Company's stock performance and other objectives that we believe influence and affect stockholder value. As a result, if the Company's performance meets or exceeds pre-established performance targets, including achieving performance levels at or above the 50th percentile compared to Russell 2000 Index companies, and/or our stock price increases, the NEOs can realize significant compensation in the form of annual cash incentive payouts and long-term equity payouts. If the Company's performance does not meet pre-established performance targets, such as performance below the 50th percentile compared to Russell 2000

Index companies or other performance targets, and/or our stock price declines, the NEOs have significant downside financial risk.

The Company aims to provide our NEOs with total direct compensation targeted in a range around the median compared to a defined peer group of companies (the Peer Group). Individual executive compensation may be above or

below the target range based on the individual's performance, experience, skill set and responsibilities. We also use survey data to inform the Compensation Committee about the external market value of our executive roles. We believe that targeting the median range for total direct compensation provides appropriate compensation levels that will attract high quality executives, provide the proper incentives to our NEOs for achievement of our strategic objectives and retain our NEOs over the long-term.

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COMPENSATION DISCUSSION AND ANALYSIS

TOTAL DIRECT COMPENSATION IN 2015

Total direct compensation includes the following three elements: annual base salary; annual cash incentive awards; and long-term incentive awards. The Compensation Committee can vary the performance measures from year to year as needed to reinforce strategic priorities. In addition, our NEOs are eligible for change in control and severance benefits; defined benefit or defined contribution program benefits; retirement and executive life insurance programs; and certain limited perquisites.

Performance-based compensation in the form of annual and long-term incentives constituted over 80% of 2015 total direct compensation at target for our CEO and, on average, over 60% of 2015 total direct compensation at target for our other NEOs. The actual mix of compensation for our CEO and other NEOs is shown below.

The Summary Compensation Table on page 37 provides details regarding actual compensation for each NEO.

KEY EXECUTIVE COMPENSATION CHANGE FOR 2016

In 2016, we are changing the number of long-term compensation performance measures from three to two. For the three year period from January 1, 2016 - December 31, 2018, we will measure Total Shareholder Return (TSR) and Return on Invested Capital (ROIC),

each with a 50% equal weighting. TSR will continue to be measured relative to the Russell 2000 Index and ROIC will continue to be measured on an absolute basis against pre-established targets as set by the Compensation Committee.

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EXECUTIVE COMPENSATION GENERAL OBJECTIVES AND PROCESS

The primary objective of the Company's executive compensation program is to support our long-term strategic business goals of building lasting stockholder value and achieving sustainable profitable growth. To support these goals, our compensation programs for our NEOs are designed to:

Provide appropriate incentives by linking and balancing significant short- and long-term compensation opportunities to Company performance and TSR;

Reward NEOs who contribute meaningfully to achieving our strategic objectives;

Require NEOs to hold a significant equity investment in our Company so that they manage the business from the perspective of stockholders;

Align our compensation policies with stockholders' long-term interests by assigning a significant portion of potential compensation to performance-based pay elements that depend on achieving the Company's goals, but that do not encourage excessive risk-taking;

Attract, retain and engage highly qualified individuals by offering competitive, balanced compensation arrangements based upon clear goals that vest on continued employment; and

Maximize the tax effectiveness of the total compensation and benefits package, and minimize potentially adverse tax and accounting consequences, in each case to the extent practicable.

The Compensation Committee is responsible for determining the types and amounts of compensation paid to our NEOs. The Compensation Committee uses several tools to make these determinations, including external consultants and peer group analysis.

External Consultants

Consistent with prior years, we outsourced certain executive compensation analysis services to Mercer, a wholly-owned subsidiary of Marsh & McLennan Companies, Inc. (Mercer). As part of these services in 2015, Mercer compiled annual competitive compensation data and reviewed the Company's compensation practices in terms of competitiveness, appropriateness and alignment with our performance, as well as the mix of pay.

The Compensation Committee directly retains a consulting firm, Meridian Compensation Partners, LLC (Meridian), to assist in its oversight of the executive compensation program, which includes reviewing and assessing information provided by management, including the analysis furnished by Mercer. The fees for Meridian are negotiated directly by the Compensation Committee and paid by the Company at the Compensation Committee's request. Meridian did not provide any services to the Company in 2015 other than advice on executive compensation.

Meridian regularly participates in Compensation Committee meetings, both with and without Company management, and advises the Compensation Committee on compensation trends and best practices, plan design, pay and performance alignment and the process used to determine the reasonableness of individual compensation awards. The Compensation Committee believes that using a separate consultant helps ensure that the Company's executive compensation program is reasonable and consistent with Company goals and evolving governance considerations. In addition, the Compensation Committee from time to time directly retains its own outside legal counsel.

Before retaining a compensation consultant or any other external advisor, the Compensation Committee evaluates the independence of such advisors. In 2015, the Compensation Committee assessed Meridian's independence, taking into account SEC Rule 10C-1(b)(4) and the corresponding NYSE independence factors regarding compensation advisor independence. Based on this assessment, the Compensation Committee believes that there is no conflict of interest and that its advisors are able to independently advise the Compensation Committee.

Peer Group Analysis

A primary data source used in setting NEO compensation is the information publicly disclosed by our Peer Group. The Peer Group is reviewed periodically and updated as appropriate to take into account changes in the size, scope, financial performance, ownership structure and business focus of the Company and the peer institutions.

In 2013, the Compensation Committee requested a complete review of the Peer Group given the changes to our business with the sale of the Barnes Distribution North America business in 2013 and the acquisition of

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the Synventive Molding Solutions business in 2012. With the assistance of our former compensation consultant, Frederic W. Cook & Company, Inc. (Cook), management recommended a preliminary Peer Group. In developing this Peer Group, Cook considered companies: with revenue ranging from about one-half to two times the Company's revenue; that operated in one of the same industries as the Company; and that used the same distribution channels as the Company. Companies with a significant concentration of ownership by one party were removed from consideration. In addition to the factors described above, Cook reviewed the following additional criteria to evaluate potential peer companies:

Primarily focused on manufacturing

Multiple lines of business
Involved with specialty products

Similar customer base

Derives at least 25% of its revenue from outside the United States

Included in the Peer Group assigned to the Company by at least one of the major proxy advisory firms

Includes the Company in its peer group

Based on this review, the Compensation Committee approved a new Peer Group in October 2013 which has not changed and was used in evaluating 2015 NEO compensation. When establishing the Peer Group, the Compensation Committee reviewed the rankings of the Company compared to the Peer Group in a variety of categories, including Revenue Growth, EBITDA Growth, Net Income Growth, Basic EPS Growth, Return on Average Invested Capital, and TSR.

Our 2015 Peer Group includes the following 24 companies, all of which were part of our 2014 Peer Group:

2015 Peer Group	
Actuant Corporation	Esterline Technologies Corporation
Altra Holdings Inc.	Franklin Electric Company

B/E Aerospace, Inc.	Graco Inc.
Chart Industries	Hexcel Corp.
Circor International, Inc.	IDEX Corporation
Clarcor, Inc.	Kennametal Inc.
Columbus McKinnon Corporation	Nordson Corporation
Crane Company	Standex International Corp.
Curtiss-Wright Corporation	TriMas Corporation
Donaldson Company, Inc.	Valmont Industries Inc.
Enpro Industries Inc.	Watts Water Technologies, Inc.
Esco Technologies Inc.	Woodward, Inc.

For executive positions where public proxy data from our peers is not available, survey data representing similarly sized companies in manufacturing is used for benchmarking purposes. In addition, in connection with our annual compensation review process, in July 2015 the Compensation Committee reviewed tally sheets for each NEO that provided total compensation information, including direct compensation and benefits, as well as possible payments under various termination scenarios.

The Role of Executive Officers

Our President and Chief Executive Officer provides the Compensation Committee with a performance assessment for each of the other NEOs. In 2015, Mr. Dempsey provided the Compensation Committee with his assessments of NEO performance and recommendations on salary changes and annual equity grants. The Compensation Committee uses these assessments, along with other information, to determine NEO compensation. Mr. Dempsey and

Ms. Edwards, Senior Vice President, Human Resources, regularly attend Compensation Committee meetings at the request of the Compensation Committee, but are not present for any discussion of their own compensation. In addition, Mr. Stephens, Senior Vice President, Finance, and Chief Financial Officer, provides financial information used by the Compensation Committee to make decisions regarding incentive compensation targets and related payouts.

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COMPONENTS OF OUR EXECUTIVE COMPENSATION PROGRAM

For 2015, compensation for our NEOs included:

Base salary;

Annual cash incentive awards;

Long-term incentive awards;

Change in control and severance benefits;

Defined benefit or defined contribution, retirement and executive life insurance programs; and

Limited perquisites.

Base salary, annual cash incentive awards and long-term incentive awards are taken into account to set the target total direct compensation opportunity for each NEO. Based on competitive compensation data compiled by Mercer and presented to the Compensation Committee in December 2014, 2015 target total direct compensation for Messrs. Dempsey, Stephens, Mayo and Barnhart was at the market median range compared to our Peer Group. Target total direct compensation for Ms. Edwards was at the 75th percentile of the market based on survey data (as robust Head of Human Resources data is not available in public proxy filings). In setting the target total direct compensation for our NEOs, the Compensation Committee may make decisions that vary from the Peer Group or competitive compensation survey data based on NEO experience, performance, retention considerations, range of responsibilities, and the nature and complexity of each NEO's role.

Base Salary

Base salaries for executive officers are determined by the Compensation Committee and reviewed annually. They are typically increased at periodic intervals, often at the time of a change in position or assumption of

new responsibilities. Base salary increases usually take effect on or around April 1st of each year, but may be made at other times if the Compensation Committee deems it appropriate based on internal and external considerations.

In determining whether to award merit-based salary increases to our NEOs, the Compensation Committee considered a number of factors, including:

Peer Group data and external market information;

Individual performance;

The level of responsibility assumed and the nature and complexity of each NEO's role (including the number of years in the position, any recent promotion or change in responsibility or impact as a member of management, and the amount, timing and percentage of the last base salary increase);

The leadership demonstrated to create and promote a day-to-day working environment of unwavering integrity, compliance with applicable laws and the Company's ethics policies, and global responsibility; and

The desire to retain NEOs capable of driving achievement of the Company's strategic objectives and the marketability and criticality of retention of NEOs.

In 2015, the Compensation Committee continued to focus on performance-based compensation and did not increase the base salary of any NEO other than Mr. Dempsey. Mr. Dempsey's base salary was increased effective April 1, 2015 by \$25,000, from \$775,000 to \$800,000, a 3.13% increase, reflecting competitive market information and a desire by the Compensation Committee to reward Mr. Dempsey for his performance and continued growth as CEO.

NEO Base Salary Levels 2014 - 2015

NEO	Base Salary	Base Salary	Change in	Change in
	Effective	Effective	Annual Base	Annual Base
	December 31, 2014	December 31, 2015	Salary (\$)	Salary (%)
P. Dempsey	\$ 775,000	\$ 800,000	\$ 25,000	3.13%
C. Stephens, Jr.	\$ 461,000	\$ 461,000	\$ 0	0%
S. Mayo	\$ 425,000	\$ 425,000	\$ 0	0%
R. Barnhart	\$ 375,000	\$ 375,000	\$ 0	0%
D. Edwards	\$ 296,000	\$ 296,000	\$ 0	0%

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Annual Cash Incentive Awards

We pay annual cash incentive awards to reward the performance of our NEOs. Except in circumstances of retirement, death, or disability, or certain instances of involuntary termination by the Company on or after November 1st of an award period, an NEO generally must be employed by us on the payment date to receive an annual cash incentive award. In 2015, all NEOs participated in the PLBP.

Under the PLBP, each NEO is assigned an award opportunity expressed as a percentage of his or her

base salary, which varies by the NEO's role. Each NEO's annual cash incentive payout is generally determined based on our achievement of Company performance objectives.

The chart below details the cash incentive award opportunities available to each NEO for 2015 under the PLBP expressed as a percentage of base salary. Where performance falls between the threshold, target or maximum performance levels, the cash incentive award opportunity is