

UNITED STATES SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549
FORM 10-K

ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
For the fiscal year ended December 31, 2021

or
 TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
For the transition period from _____ to _____

Commission File Number 1-134
CURTISS-WRIGHT CORPORATION
(Exact name of Registrant as specified in its charter)

Delaware

(State or other jurisdiction of incorporation or organization)

13-0612970

(I.R.S. Employer Identification No.)

130 Harbour Place Drive, Suite 300
Davidson, North Carolina

(Address of principal executive offices)

28036

(Zip Code)

Registrant's telephone number, including area code: (704) 869-4600

Securities registered pursuant to Section 12(b) of the Act:

| Title of each class | Trading Symbol(s) | Name of each exchange on which registered |
|---------------------|-------------------|---|
| Common Stock | CW | New York Stock Exchange |

Securities registered pursuant to Section 12(g) of the Act: None

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act.

Yes No

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act.

Yes No

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

Yes No

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§ 232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files).

Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer,"

“smaller reporting company,” and “emerging growth company” in Rule 12b-2 of the Exchange Act.

| | | | |
|-------------------------|-------------------------------------|---------------------------|--------------------------|
| Large accelerated filer | <input checked="" type="checkbox"/> | Accelerated filer | <input type="checkbox"/> |
| Non-accelerated filer | <input type="checkbox"/> | Smaller reporting company | <input type="checkbox"/> |
| | | Emerging growth company | <input type="checkbox"/> |

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Indicate by check mark whether the registrant has filed a report on and attestation to its management’s assessment of the effectiveness of its internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act (15 U.S.C. 7262(b)) by the registered public accounting firm that prepared or issued its audit report.

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).

Yes No

The aggregate market value of the voting and non-voting Common stock held by non-affiliates of the Registrant as of June 30, 2021 was approximately \$4.8 billion.

The number of shares outstanding of the Registrant’s Common stock as of January 31, 2022:

| Class | Number of shares |
|---------------------------------------|------------------|
| Common stock, par value \$1 per share | 38,440,236 |

DOCUMENTS INCORPORATED BY REFERENCE

Portions of the Proxy Statement of the Registrant with respect to the 2022 Annual Meeting of Stockholders to be held on May 5, 2022 are incorporated by reference into Part III of this Form 10-K.

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PART I

FORWARD-LOOKING STATEMENTS

Except for historical information, this Annual Report on Form 10-K may be deemed to contain “forward-looking statements” within the meaning of the Private Litigation Reform Act of 1995. Examples of forward-looking statements include, but are not limited to: (a) projections of or statements regarding return on investment, future earnings, interest income, sales, volume, other income, earnings or loss per share, growth prospects, capital structure, liquidity requirements, and other financial terms, (b) statements of plans and objectives of management, (c) statements of future economic performance and potential impacts from COVID-19, including the impacts to supply and demand, and measures taken by governments and private industry in response, (d) the effect of laws, rules, regulations, new accounting pronouncements, and outstanding litigation on our business and future performance, and (e) statements of assumptions, such as economic conditions underlying other statements. Such forward-looking statements can be identified by the use of forward-looking terminology such as “anticipates,” “believes,” “continue,” “could,” “estimate,” “expects,” “intend,” “may,” “might,” “outlook,” “potential,” “predict,” “should,” “will,” as well as the negative of any of the foregoing or variations of such terms or comparable terminology, or by discussion of strategy. No assurance may be given that the future results described by the forward-looking statements will be achieved. While we believe these forward-looking statements are reasonable, they are only predictions and are subject to known and unknown risks, uncertainties, and other factors, many of which are beyond our control, which could cause actual results, performance or achievement to differ materially from anticipated future results, performance or achievement expressed or implied by such forward-looking statements. In addition, other risks, uncertainties, assumptions, and factors that could affect our results and prospects are described in this report, including under the heading “Item 1A. Risk Factors” and elsewhere, and may further be described in our prior and future filings with the Securities and Exchange Commission and other written and oral statements made or released by us. Such forward-looking statements in this Annual Report on Form 10-K include, without limitation, those contained in Item 1. Business, Item 7. Management’s Discussion and Analysis of Financial Condition and Results of Operations, and Item 8. Financial Statements and Supplementary Data, including, without limitation, the Notes to Consolidated Financial Statements.

Given these risks and uncertainties, you are cautioned not to place undue reliance on such forward-looking statements. These forward-looking statements speak only as of the date they were made, and we assume no obligation to update forward-looking statements to reflect actual results or changes in or additions to the factors affecting such forward-looking statements.

Item 1. Business.

BUSINESS DESCRIPTION

Curtiss-Wright Corporation and its subsidiaries (we, the Corporation, or the Company) is a global integrated business that provides highly engineered products, solutions, and services mainly to aerospace & defense markets, as well as critical technologies in demanding commercial power, process, and industrial markets. We expect that the diversification and breadth of our portfolio should improve our competitive positions in our core markets, mitigate the impact of business cycle or economic volatility, and allow us to drive growth in new products and markets. We believe we are well positioned in the markets in which we operate as we seek to leverage and build upon our critical mass to expand our global engineering, sales, support and manufacturing footprint.

We believe we are well positioned on high-performance platforms and critical applications that require our technical sophistication and benefit from decades of engineering expertise and knowledge transfer. Our portfolio of highly competitive technologies are relied upon to improve safety, operating efficiency, and reliability, while meeting performance requirements in the most demanding environments. Our ability to provide mission critical, niche products and services on a cost-effective basis is fundamental to our strategy to drive increased value to our customers. We compete globally, primarily based on technology and pricing.

We strive for consistent growth in sales, operating margin, diluted earnings per share and free cash flow, steady reinvestment back into the business, and a disciplined capital deployment strategy consisting of acquisitions and returns to shareholders, to drive long-term shareholder value.

Business Segments

We manage and evaluate our operations based on the products and services we offer and the different markets we serve. Based on this approach, we operate through three reportable segments: Aerospace & Industrial, Defense Electronics, and Naval & Power.

Our principal domestic manufacturing facilities are located in Arizona, California, New York, North Carolina, Ohio, Pennsylvania, and South Carolina, and internationally in Canada, Mexico, and the United Kingdom.

Aerospace & Industrial

Sales in the Aerospace & Industrial segment are primarily generated from the general industrial and commercial aerospace markets and, to a lesser extent, the defense markets. The businesses in this segment provide a diversified offering of highly engineered products and services including: (i.) industrial and specialty vehicle products, such as electronic throttle control devices, joysticks, and transmission shifters, (ii.) sensors, controls, and electro-mechanical actuation components used on commercial and military aircraft, and (iii.) surface technology services, such as shot peening, laser peening, and engineered coatings. Certain industrial businesses within our Aerospace & Industrial segment are impacted primarily by general economic conditions, which may include consumer consumption or commercial construction rates, as the nature of their products and services primarily support global industrial, commercial vehicles, medical, and transportation industries. The commercial aerospace business is primarily impacted by original equipment manufacturers (OEM) production rates of new aircraft, while the defense business is primarily impacted by government funding and spending on new programs, primarily driven by the U.S. Government. The production and service processes rest primarily within material modification, machining, assembly, and testing and inspection at commercial grade specifications. The businesses distribute products through commercial sales and marketing channels.

Defense Electronics

Sales in the Defense Electronics segment are primarily to the defense markets and, to a lesser extent, the commercial aerospace market. The defense businesses in this segment provide a diversified offering of products including: Commercial Off-the-Shelf (COTS) embedded computing board-level modules, data acquisition and flight test instrumentation equipment, integrated subsystems, instrumentation and control systems, tactical communications solutions for battlefield network management, and electronic stabilization products. The defense businesses within our Defense Electronics segment are impacted primarily by government funding and spending, driven primarily by the U.S. Government. Our products typically support government entities in the aerospace defense, ground defense, and naval defense industries. As a result, we have varying degrees of platform-level content on fighter jets, helicopters, unmanned aerial vehicles (UAVs), ground vehicles, and nuclear and non-nuclear surface ships and submarines. Additionally, we provide avionics and electronics, flight test equipment, and aircraft data management solutions to the commercial aerospace market. Our defense businesses supporting government contractors typically utilize more advanced and ruggedized production and service processes compared to our commercial businesses and have more stringent specifications and performance requirements. The businesses in this segment typically market and distribute products through regulated government contracting channels.

Naval & Power

Sales in the Naval & Power segment are primarily to the naval defense and power & process markets. For the naval defense market, we provide naval propulsion and auxiliary equipment, including main coolant pumps, power-dense compact motors, generators, steam turbines, valves, and secondary propulsion systems, primarily to the U.S. Navy. We also provide ship repair and maintenance for the U.S. Navy's Atlantic and Pacific fleets through three service centers. The defense businesses in this segment are primarily impacted by government funding and spending on shipbuilding programs, primarily driven by the U.S. Government. For the power & process markets, we provide a diversified offering of products for commercial nuclear power plants and nuclear equipment manufacturers, including hardware, pumps, valves, fastening systems, specialized containment doors, airlock hatches, and spent fuel management products supporting the continued performance, safety and modernization of operating reactors. We also provide Reactor Coolant Pumps (RCPs) and control rod drive mechanisms for commercial nuclear power plants, most notably to support the Generation III+ Westinghouse AP1000 reactor design. In addition, we furnish specialized and innovative severe-service valve technologies and services, heat exchanger repair, and piping test and isolation products to the oil and gas, chemical, petrochemical and industrial markets worldwide. The businesses in this segment are dependent upon the need for ongoing maintenance, repair and overhaul of existing power plants, as well as the construction of new power plants globally, and typically market and distribute products through regulated or government contracting channels.

OTHER INFORMATION

Certain Financial Information

For information regarding sales by geographic region, see Note 18 to the Consolidated Financial Statements contained in Part II, Item 8, of this Annual Report on Form 10-K.

In 2021, 2020, and 2019, our foreign operations as a percentage of pre-tax earnings were 27%, 28%, and 31%, respectively, adjusted for impairment losses associated with our industrial valves business in Germany in 2021 and 2020.

Government Sales

Our sales to the U.S. Government and foreign government end use represented 55%, 53%, and 43% of total net sales during 2021, 2020, and 2019, respectively.

In accordance with normal U.S. Government business practices, contracts and orders are subject to partial or complete termination at any time at the option of the customer. In the event of a termination for convenience by the government, there generally are provisions for recovery of our allowable incurred costs and a proportionate share of the profit or fee on the work completed, consistent with regulations of the U.S. Government. Fixed-price redeterminable contracts usually provide that we absorb the majority of any cost overrun. In the event that there is a cost underrun, the customer recoups a portion of the underrun based upon a formula in which the customer's portion increases as the underrun exceeds certain established levels.

Generally, long-term contracts with the U.S. Government require us to invest in and carry significant levels of inventory. However, where allowable, we utilize progress payments and other interim billing practices on nearly all of these contracts, thus reducing working capital requirements. It is our policy to seek customary progress payments on certain contracts. Where we obtain such payments under U.S. Government prime contracts or subcontracts, the U.S. Government generally has control of the materials and work in process allocable or chargeable to the respective contracts. (See Notes 1, 5, and 6 to the Consolidated Financial Statements, contained in Part II, Item 8, of this Annual Report on Form 10-K).

Customers

We have hundreds of customers in the various industries that we serve. No commercial customer accounted for more than 10% of our total net sales during 2021, 2020, or 2019.

Approximately 50% of our total net sales for 2021, 47% for 2020, and 38% for 2019 were derived from contracts with agencies of, and prime contractors to, the U.S. Government. Information on our sales to the U.S. Government, including both direct sales as a prime contractor and indirect sales as a subcontractor, is as follows:

| <i>(In thousands)</i> | Year Ended December 31, | | |
|-----------------------------|-------------------------|--------------|------------|
| | 2021 | 2020 | 2019 |
| Aerospace & Industrial | \$ 155,276 | \$ 156,981 | \$ 142,666 |
| Defense Electronics | 600,085 | 470,949 | 367,923 |
| Naval & Power | 499,486 | 491,388 | 426,116 |
| Total U.S. Government sales | \$ 1,254,847 | \$ 1,119,318 | \$ 936,705 |

Patents

We own and license a number of United States and foreign patents and patent applications, which have been obtained or filed over a period of years. We also license intellectual property to and from third parties. Specifically, the U.S. Government receives licenses to our patents that are developed in performance of government contracts, and it may use or authorize others to use the technology covered by such patents for government purposes. Additionally, trade secrets, unpatented research and development, and engineering, some of which have been acquired by the company through business acquisitions, make an important contribution to our business. While our intellectual property rights in the aggregate are important to the operation of our business, we do not consider the success of our business or business segments to be materially dependent upon the timing of expiration or protection of any one or group of patents, patent applications, or patent license agreements under which we now operate.

Executive Officers

| Name | Current Position | Business Experience | Age | Executive Officer Since |
|-----------------------|--|--|-----|-------------------------|
| David C. Adams | Executive Chairman | Executive Chairman of the Board of Directors since January 1, 2021. Prior to this, he served as Chairman and Chief Executive Officer of the Corporation from January 1, 2015 until his resignation from that position on January 1, 2021. He served as President and Chief Executive Officer of the Corporation from August 2013. He also served as President and Chief Operating Officer of the Corporation from October 2012 and as Co-Chief Operating Officer of the Corporation from November 2008. He has been a Director of the Corporation since August 2013. | 67 | 2005 |
| Lynn M. Bamford | President and Chief Executive Officer | President and Chief Executive Officer of the Corporation since January 1, 2021. Prior to this, she served as President of the former Defense and Power segments of the Corporation from January 2020. She also served as Senior Vice President and General Manager of the Company's Defense Solutions and Nuclear divisions from 2018, and Senior Vice President and General Manager of the Defense Solutions division from 2013. She has held various leadership positions in the Corporation since 2004. She has been a Director of the Corporation since January 1, 2021. | 58 | 2021 |
| Kevin M. Rayment | Vice President and Chief Operating Officer | Vice President & Chief Operating Officer of the Corporation since April 1, 2021. Prior to this, he served as President of the Aerospace & Industrial segment (f/k/a Commercial/Industrial) of the Corporation from January 2020. He has held various leadership positions in the Corporation since 2004. | 52 | 2021 |
| K. Christopher Farkas | Vice President and Chief Financial Officer | Vice President and Chief Financial Officer of the Corporation since May 2020. Prior to this, he served as Vice President of Finance from December 2017 and served as Vice President and Corporate Controller of the Corporation from September 2014. He also served as Assistant Corporate Controller of the Corporation from May 2009. | 53 | 2014 |
| Paul J. Ferdenzi | Vice President, General Counsel, and Corporate Secretary | Vice President, General Counsel, and Corporate Secretary of the Corporation since March 2014. Prior to this, he served as Vice President of Human Resources of the Corporation from November 2011 and also served as Associate General Counsel and Assistant Secretary of the Corporation from June 1999 and May 2001, respectively. | 54 | 2011 |
| Robert F. Freda | Vice President and Treasurer | Vice President and Treasurer of the Corporation since January 2021. Prior to this, he served as Assistant Corporate Controller of the Corporation from June 2017 and also served as Director of Finance from September 2006. | 54 | 2021 |
| Gary A. Ogilby | Vice President and Corporate Controller | Vice President and Controller of the Corporation since May 2020. Prior to this, he served as Vice President of Finance and Administration of the Company's Surface Technologies division from November 2016. He also served as Assistant Corporate Controller of the Corporation from 2014. | 40 | 2020 |

Available information

We file annual reports on Form 10-K, quarterly reports on Form 10-Q, current reports on Form 8-K, and proxy statements for our annual stockholders' meetings, as well as any amendments to those reports, with the Securities and Exchange Commission (SEC). The SEC maintains an Internet site at www.sec.gov that contains reports, proxy and information statements, and other information regarding issuers that file electronically with the SEC, including our filings. These reports are also available free of charge through the Investor Relations section of our website at www.curtisswright.com as soon as reasonably practicable after we electronically file.

Human Capital

At the end of 2021, we had approximately 7,800 employees in more than 20 countries, 7% of which are represented by labor unions and covered by collective bargaining agreements.

Set forth below are some of the key aspects of Curtiss-Wright's human capital strategy:

Compensation Programs and Employee Benefits

Our success as an organization is ultimately dependent upon the success of our employees. As a result, we have made significant investments in order to attract, develop, and retain talented personnel, inclusive of competitive pay, equity-based compensation, benefits, training, and professional development opportunities. Notable programs offered include the following:

- Employer 401(k) matching contributions;
- Employee Stock Purchase Plan;
- Employer-sponsored health insurance;
- Tuition reimbursement program; and
- Training and professional development

In addition to the above, we also offer equity-based compensation plans to certain employees through the issuance of performance share units, restricted stock units, and cash-based performance units. Our equity compensation plans ultimately act as a key lever for rewarding and retaining key employees, while also aligning the interests of our key employees and shareholders. See Note 16 to the Consolidated Financial Statements for more information regarding our equity-based compensation plans.

Diversity and Inclusion

Curtiss-Wright believes in a diverse and inclusive workforce, where diverse backgrounds are represented, engaged, and empowered to inspire and innovate. Discrimination is not tolerated at Curtiss-Wright. We are committed to high ethical standards and equal employment opportunities in all personnel actions without regard to race, color, religion, gender, national origin, citizenship status, age, marital status, gender identity or expression, sexual orientation, physical or mental disability, or veteran status. We maintain a Code of Conduct, an anti-harassment policy, and an equal employment opportunity policy, and provide training on these policies annually. We do business in more than 20 countries, and our employees operate across cultures, functions, language barriers, and time zones to solve the technical and logistical challenges presented by its worldwide customer base. To foster a more diverse and inclusive culture, Curtiss-Wright is focused on (1) promoting a culture of diversity and inclusion that leverages the talents of all employees, and (2) implementing practices that attract, recruit, and retain diverse top talent. Our succession plans are geared at retaining and promoting our existing employees to provide equal opportunity and access to promotion within the organization.

Health and Safety

The health and safety of our employees is a top priority for Curtiss-Wright. We take steps to ensure that we comply with applicable legal, regulatory, and other requirements in all material respects related to preventing pollution, injury, and ill health, and employ industry-leading, technologically sound, and economically feasible control mechanisms, procedures, and processes. In addition, we provide training, education, safety monitoring and auditing, and health-awareness programs in our offices and factories. We track total recordable rate (TRR) and days away, restriction and transfer rate (DART) for all sites worldwide. For the year ended December 31, 2021, our TRR and DART rates were 1.49 and 0.99, respectively. For the year ended December 31, 2020, our TRR and DART rates were 0.98 and 0.65, respectively.

In response to the COVID-19 pandemic, we continue to promote the importance of being vaccinated and execute safety measures at all facilities to protect the health and safety of our employees and visitors. We have implemented rigorous hygiene and social distancing practices, inclusive of mask requirements and staggered shifts. Additionally, we implemented requirements regarding mandatory vaccines for U.S. based covered employees, subject to approved exemptions. Furthermore, a significant portion of our non-manufacturing employees are currently working remotely on a hybrid basis, where practicable to do so, in an effort to minimize any potential spread of COVID-19. These working conditions have been designed to allow for the continuation of key business-critical operations and controls.

Ethics and Integrity

Curtiss-Wright is deeply committed to ensuring that all of its employees conduct business with the highest levels of ethics and integrity and to complying with all laws and regulations applicable to Curtiss-Wright's businesses. To support and articulate our commitment and responsibility in this regard, Curtiss-Wright has adopted a Code of Conduct (the "Code"). The Code addresses several topics, including conflicts of interest, safeguarding assets, financial reporting, the protection of confidential information, insider trading, and general adherence to laws and regulations. All employees, including executive officers, must comply with the Code. The Code is available within the Corporate Governance section of the Company's website at <https://investors.curtisswright.com/governance/governance-documents>. In order to enhance understanding of and compliance with the Code, all employees are required to complete a training program annually which details ethical business practices, an inclusive workforce, and respectful treatment of our employees. In addition, the Corporation maintains an ethics-related global hotline through which employees can report any issues of concern. The hotline facilitates the communication of ethical, financial, discrimination, and health and safety concerns and serves as the vehicle through which employees may communicate with the Audit Committee of the Board of Directors confidentially and anonymously regarding any accounting, internal controls, or auditing concerns.

Item 1A. Risk Factors.

We have summarized the known, material risks to our business below. Our business, financial condition, and results of operations and cash flows could be materially and adversely impacted if any of these risks materialize. Additional risk factors not currently known to us or that we believe are immaterial may also impair our business, financial condition, and results of operations and cash flows, and require significant management time and attention. In addition to the risks and uncertainties set forth in section below entitled "Risks Related to the Coronavirus (COVID-19) Pandemic," many of the risks and uncertainties set forth in the other risk factors are exacerbated by the COVID-19 pandemic, corresponding government and business responses, and any further resulting decline in the global business and economic environment, and may be impacted by the extent and speed of the global economic recovery. The risk factors below should be considered together with information included elsewhere in this Annual Report on Form 10-K as well as other required filings by us to the Securities Exchange Commission, such as our Form 10-Q's, Form 8-K's, proxy statements for our annual shareholder meetings, and subsequent amendments, if any.

RISKS RELATED TO THE CORONAVIRUS (COVID-19) PANDEMIC

The COVID-19 pandemic has adversely impacted, and is expected to continue to pose risks to our business, the nature and extent of which are highly uncertain and unpredictable.

In March 2020, the World Health Organization characterized the outbreak of COVID-19 as a pandemic. The COVID-19 pandemic and the associated pandemic-related responses continue to cause significant and volatile disruptions in global economies, in capital markets, and across industries. While we continue to actively monitor the pandemic and take steps to mitigate the risks posed by its spread, there is no guarantee that our efforts will mitigate the adverse impacts of COVID-19 or will be effective.

The pandemic has adversely affected, and is expected to continue to adversely affect, certain elements of our business, including our supply chain and production levels. As of December 31, 2021, all of our manufacturing operations are operational. However, we are unable to predict if there will be additional government-imposed restrictions on our ability to operate in future periods. Additionally, our ability to continue to manufacture products is highly dependent on our ability to maintain the safety and health of our factory employees. The ability of our employees to work may be significantly impacted by the individuals contracting or being exposed to COVID-19 and its variants. While we are following the requirements of governmental authorities and taking preventative and protective measures to prioritize the safety of our employees, these measures are not always successful, and we may be required to temporarily close facilities or take other measures. Potential future directives curtailing in-person operations due to illness, quarantines, government actions, facility closures or other restrictions in connection with the COVID-19 pandemic could change at any time. This could have an adverse effect on the productivity and profitability of such manufacturing facilities, which could in turn adversely impact our business and operations.

The COVID-19 pandemic has disrupted the global supply chain to a certain extent and availability of raw materials, particularly electronic parts. Because we strive to limit the volume of raw materials and component parts on hand, our business could be adversely affected if we were unable to obtain these raw materials and components from our suppliers in the quantities we require or on favorable terms.

We continue to monitor the situation, assessing possible implications on our operations, supply chain, liquidity, cash flow and customer orders, and will continue taking actions in an effort to mitigate adverse consequences. Recognizing the unprecedented

nature, scale and uncertainty associated with this global health crisis, the duration and extent of the ongoing impacts cannot be reasonably estimated at this time.

RISKS RELATED TO OUR OPERATIONS

Intrusion on our systems could damage our business.

We store sensitive data, including intellectual property, proprietary business information, and confidential employee information on our servers and databases. The COVID-19 pandemic has caused us to modify our business practices, including empowering many of our office-based associates to work productively from home on a hybrid basis when appropriate to do so. As a result, we are increasingly dependent upon our information systems to operate our business. Our ability to effectively manage our business depends on the security, reliability, and adequacy of our information systems. In addition, various privacy and securities laws require us to manage and protect sensitive and confidential information, including personal data of our employees, from disclosure. For example, the European Union's General Data Protection Regulation, which became effective in May 2018, extends the scope of the European Union data protection laws to all companies processing data of European Union residents, regardless of the company's location. Despite our implementation of firewalls, switchgear, and other network security measures, our servers, databases, and other systems may be vulnerable to computer hackers, physical or electronic break-ins, sabotage, computer viruses, worms, and similar disruptions from unauthorized tampering with our computer systems. We continue to review and enhance our computer systems as well as provide training to our employees in an attempt to prevent unauthorized and unlawful intrusions, but in the future, it is possible that we may not be able to prevent all intrusions. Such intrusions could result in our network security or computer systems being compromised and possibly result in the misappropriation or corruption of sensitive information or cause disruptions in our services. While we carry cyber insurance, we still may be required to expend significant capital and resources to protect against, remediate, or alleviate problems caused by such intrusions. Any such intrusion could cause us to be non-compliant with applicable laws or regulations, subject us to legal claims or proceedings, disrupt our operations, damage our reputation, and cause a loss of confidence in our products and services, any of which could have a material adverse effect on our business, financial condition, and results of operations.

Potential product liability risks exist from the products that we sell.

We may be exposed to liabilities for personal injury, death, or property damage due to the failure of a product that we have sold. We typically agree to indemnify our customers against certain liabilities resulting from the products we sell, and any third-party indemnification we seek from our suppliers and our liability insurance may not fully cover our indemnification obligations to customers. We may also not be able to maintain insurance coverage in the future at an acceptable cost. Any liability for which third-party indemnification is not available that is not covered by insurance could have a material adverse effect on our business, financial condition, and results of operations.

In addition, an accident caused by one of our products could damage our reputation for selling quality products. We believe that our customers consider safety and reliability as key criteria in selecting our products and believe that our reputation for quality assurance is a significant competitive strength. If an accident were to be caused by one of our products, or if we were to otherwise fail to maintain a satisfactory record of safety and reliability, our ability to retain and attract customers may be materially adversely affected.

We are subject to liability under warranty obligations.

The majority of our contracts contain provisions which expose us to potential liability for warranty claims made by customers or third parties with respect to products that have been designed, manufactured, or serviced by us or our suppliers. Material product warranty obligations could have a material adverse effect on our business, financial condition, and results of operations.

If we fail to satisfy our contractual obligations, our contracts may be terminated and we may incur significant costs or liabilities, including liquidated damages and penalties.

In general, our contracts may be terminated for our failure to satisfy our contractual obligations. In addition, some of our contracts contain substantial liquidated damages provisions and financial penalties related to our failure to satisfy our contractual obligations. Our inability to sufficiently satisfy contractual obligations could have a material adverse effect on our reputation, business, financial condition, results of operations, and cash flows.

Our earnings and margins depend in part on subcontractor performance, as well as raw material and component availability and pricing.

Our businesses depend on suppliers and subcontractors for raw materials and components. At times subcontractors perform services that we provide to our customers. Our supply chain has been and may continue to be impacted by the COVID-19

pandemic. We depend on these subcontractors and suppliers to meet their contractual obligations in full compliance with customer requirements. Nonperformance or underperformance by subcontractors and suppliers could materially impact our ability to perform obligations to our customers, which could result in a customer terminating our contract for default, expose us to liability, and substantially impair our ability to compete for future contracts and orders. Generally, raw materials and purchased components are available from a number of different suppliers, though several suppliers are our sole source of certain components. If a sole-source supplier should cease or otherwise be unable to deliver such components, our operating results could be adversely impacted. In addition, our supply networks can sometimes experience price fluctuations. Our ability to perform our obligations as a prime contractor may be adversely affected if one or more of these suppliers are unable to provide the agreed-upon supplies or perform the agreed-upon services in a timely and cost-effective manner. While we have attempted to mitigate the effects of increased costs through price increases, there are no assurances that higher prices can effectively be passed through to our customers or that we will be able to fully offset the effects of higher raw materials costs through price increases on a timely basis.

Our business involves risks associated with complex manufacturing processes.

Our manufacturing processes depend on certain sophisticated and high-value equipment. Unexpected failures of this equipment may result in production delays, revenue loss, and significant repair costs. In addition, equipment failures could result in injuries to our employees. Moreover, the competitive nature of our businesses requires us to continuously implement process changes intended to achieve product improvements and manufacturing efficiencies. These process changes may at times result in production delays, quality concerns, and increased costs. Any disruption of operations at our facilities due to equipment failures or process interruptions could have a material adverse effect on our business.

RISKS RELATED TO OUR STRATEGY

Implementing our acquisition strategy involves risks, and our failure to successfully implement this strategy could have a material adverse effect on our business.

As part of our capital allocation strategy, we aim to grow our business by selectively pursuing acquisitions and technologies that supplement our organic growth. We are continuing to actively pursue additional acquisition opportunities, some of which may be material to our business and financial performance. Although we have been successful with this strategy in the past, we may not be able to grow our business in the future through acquisitions for several reasons, including:

- Encountering difficulties identifying and executing acquisitions;
- Increased competition for targets, which may increase acquisition costs;
- Consolidation in our industry, reducing the number of acquisition targets;
- Competition laws and regulations preventing us from making certain acquisitions; and
- Acquisition financing not being available on acceptable terms, or at all.

In addition, there are potential risks associated with growing our business through acquisitions, including the failure to successfully integrate and realize the expected benefits of an acquisition, which could be exacerbated by the impact of the COVID-19 pandemic. For example, with any past or future acquisition, there is the possibility that:

- The business culture of the acquired business may not match well with our culture;
- Technological and product synergies, economies of scale, or cost reductions may not occur as expected;
- Management may be distracted from overseeing existing operations by the need to integrate acquired businesses;
- We may acquire or assume unexpected liabilities;
- We may experience unforeseen difficulties in integrating operations and systems;
- We may fail to retain or assimilate employees of the acquired business;
- We may experience problems in retaining customers or integrating customer bases; and
- We may encounter difficulties in entering new markets in which we may have little or no experience.

Failure to successfully implement our acquisition strategy, including successfully integrating acquired businesses, could have a material adverse effect on our business, financial condition, and results of operations.

Our future success will depend, in part, on our ability to develop new technologies.

Virtually all products produced and sold by us are highly engineered and require sophisticated manufacturing and system-integration techniques and capabilities. The commercial and government markets in which we operate are characterized by rapidly changing technologies. The product and program needs of our government and commercial customers change and evolve regularly. Accordingly, our future performance depends in part on our ability to: identify emerging technological trends in our current and target markets; develop and manufacture competitive products, systems, and services; enhance our offerings by adding technological innovations that differentiate our products, systems, and services from those of our competitors; and develop, manufacture, and bring those products, systems, and service to market quickly at cost-effective prices.

We operate in highly competitive markets.

Many of our products and services are sold in highly competitive markets and are affected by varying degrees of competition. We compete against companies that often have higher sales volumes and greater financial, technological, research and development, human, and marketing resources than we have. As a result, they may be better able to withstand the effects of periodic economic downturns, including withstanding the current global pandemic. In addition, some of our largest customers could develop the capability to manufacture products or provide services similar to products that we manufacture or services that we provide. This would result in these customers supplying their own products or services and competing directly with us for sales of these products or services, all of which could significantly reduce our revenues. Furthermore, we are facing increased international competition and cross-border consolidation of competition. Our management believes that the principal points of competition in our markets are technology, product quality, product performance, price, technical expertise, timeliness of delivery, superior customer service and support, and continued certification under customer quality requirements and assurance programs. If we are unable to compete successfully with existing or new competitors in these areas, we may experience a material adverse effect on our business, financial condition, and results of operations.

We may be unable to protect the value of our intellectual property.

Obtaining, maintaining, and enforcing our intellectual property rights and avoiding infringing on the intellectual property rights of others are important factors to the operation of our business. While we take precautionary steps to protect our technological advantages and intellectual property and rely in part on patent, trademark, trade secret, and copyright laws, we cannot assure that the precautionary steps we have taken will completely protect our intellectual property rights. Because patent applications in the United States are maintained in secrecy until either the patent application is published or a patent is issued, we may not be aware of third-party patents, patent applications, and other intellectual property relevant to our products that may block our use of our intellectual property or may be used in third-party products that compete with our products and processes. When others infringe on our intellectual property rights, the value of our products is diminished, and we may incur substantial litigation costs to enforce our rights. Similarly, we may incur substantial litigation costs and the obligation to pay royalties if others claim we infringed on their intellectual property rights. When we develop intellectual property and technologies with funding from U.S. Government contracts, the government has the royalty-free right to use that property.

In addition to our patent rights, we also rely on unpatented technology, trade secrets, and confidential information. Others may independently develop substantially equivalent information and techniques or otherwise gain access to or disclose our technology. We may not be able to protect our rights in unpatented technology, trade secrets, and confidential information effectively. We generally require each of our employees and consultants to execute a confidentiality agreement at the commencement of an employment or consulting relationship with us. There is no guarantee that we will succeed in obtaining and retaining executed agreements from all employees or consultants. Moreover, these agreements may not provide effective protection of our information or, in the event of unauthorized use or disclosure, they may not provide adequate remedies.

RISKS RELATED TO MARKET CONDITIONS

A substantial portion of our revenues and earnings depends upon the continued willingness of the U.S. Government and other customers in the defense industry to buy our products and services.

In 2021, approximately 50% of our total net sales were derived from or related to U.S. defense programs. U.S. defense spending has historically been cyclical, and defense budgets tend to rise when perceived threats to national security increase the level of concern over the country's safety. At other times, spending by the military can decrease. In August 2011, Congress enacted the Budget Control Act of 2011 (BCA), which imposed spending caps and certain reductions in defense spending over a ten-year

period through 2021. These spending caps and reductions, referred to as sequestration, went into effect in March 2013. Through a series of bipartisan agreements, Congress has been able to temporarily lift discretionary spending limits every year through 2019. On August 2, 2019, the Bipartisan Budget Act of 2019 (BBA) was signed into law, which raised the BCA budget caps for both defense and non-defense discretionary spending in 2020 and 2021 and extended the mandatory BCA spending reductions through 2029. Absent additional legislative or other remedial action, the sequestration could require reduced U.S. federal government spending from fiscal 2022 through fiscal 2029. As a result of this uncertainty, a decrease in U.S. Government defense spending or changes in spending allocation could result in one or more of our programs being reduced, delayed, or terminated. In the event that one or more of our programs are reduced, delayed, or terminated for which we provide products and services, we may experience a reduction in our revenues and earnings and a material adverse effect on our business, financial condition, and results of operations.

The BBA also temporarily suspended the public debt limit through July 31, 2021, which Congress temporarily extended through December 3, 2021. However, on December 16, 2021, President Biden signed legislation into law increasing the debt ceiling by \$2.5 trillion, which is expected to allow the U.S. government to cover its debt obligations into fiscal year 2023. Failure by Congress to further suspend or increase the debt ceiling could delay or result in the loss of contracts for the procurement of our products and services, and we may be asked or required to continue to perform for some period of time on certain of our U.S. government contracts, even if the U.S. government is unable to make timely payments.

A downturn in the aircraft market could adversely affect our business.

Our sales to large commercial aircraft manufacturers are cyclical in nature and can be adversely affected by a number of factors, including current and future passenger traffic levels, increasing fuel and labor costs, environmental concerns, inclusive of climate change, intense price competition, the retirement of older aircraft, regulatory changes, outbreak of infectious disease such as the COVID-19 pandemic, terrorist attacks, general economic conditions, worldwide airline profits, and backlog levels, all of which can be unpredictable and are outside our control. For example, the COVID-19 pandemic drastically reduced air traffic as travel restrictions and social distancing measures were implemented to help control the spread of the virus. The reduced air traffic applied financial pressures on airlines, who, in order to preserve cash and liquidity, dramatically reduced flight hours and delayed the purchases of new aircraft. Although U.S. domestic air travel has increased during 2021, international travel has not yet begun to recover at the same pace. Given the uncertain length of this pandemic and associated restrictions to travel long distances, the commercial market may shift away from wide-body aircraft. Furthermore, as companies and employees become accustomed to working remotely, business travel and the associated flight hours may not reach the pre-pandemic levels. Any decrease in demand resulting from a downturn in the aerospace market could adversely affect our business, financial condition, and results of operations.

Our backlog is subject to reduction and cancellation, which could negatively impact our revenues and results of operations.

Backlog represents products or services that our customers have contractually committed to purchase from us. Total backlog includes both funded (unfilled orders for which funding is authorized, appropriated, and contractually obligated by the customer) and unfunded backlog (firm orders for which funding has not been appropriated and/or contractually obligated by the customer). We are a subcontractor to prime contractors for the vast majority of our government business; as such, substantially all amounts in backlog are funded. Backlog excludes unexercised contract options and potential orders under ordering type contracts (e.g. Indefinite Delivery / Indefinite Quantity). Backlog is adjusted for changes in foreign exchange rates and is reduced for contract cancellations and terminations in the period in which they occur. Backlog as of December 31, 2021 was \$2.2 billion. Backlog is subject to fluctuations and is not necessarily indicative of future sales. The timing of backlog may be impacted by project delays. The U.S. Government may unilaterally modify or cancel its contracts. In addition, under certain of our commercial contracts, our customers may unilaterally modify or terminate their orders at any time for their convenience. Accordingly, certain portions of our backlog can be cancelled or reduced at the option of the U.S. Government and commercial customers. We believe that these risks are heightened due to the global economic impact of the COVID-19 pandemic. Our failure to replace cancelled or reduced backlog could negatively impact our results of operations.

RISKS RELATED TO LEGAL AND REGULATORY MATTERS

As a U.S. Government contractor, we are subject to numerous procurement rules and regulations.

We must comply with and are affected by laws and regulations relating to the award, administration, and performance of U.S. Government contracts. Government contract laws and regulations affect how we do business with our customers and, in some instances, impose added costs on our business. A violation of specific laws and regulations could result in the imposition of fines and penalties, the termination of our contracts, or debarment from bidding on contracts. These fines and penalties could be imposed for failing to follow procurement integrity and bidding rules, employing improper billing practices or otherwise failing to follow cost accounting standards, receiving or paying kickbacks, or filing false claims. We have been, and expect to continue to be, subjected to audits and investigations by government agencies. The failure to comply with the terms of our government

contracts could harm our business reputation. It could also result in our progress payments being withheld. In some instances, these laws and regulations impose terms or rights that are more favorable to the government than those typically available to commercial parties in negotiated transactions. For example, the U.S. Government may terminate any of our government contracts and, in general, subcontracts, at its convenience as well as for default based on performance. Upon termination for convenience of a fixed-price type contract, we normally are entitled to receive the purchase price for delivered items, reimbursement for allowable costs for work-in-process, and an allowance for profit on work actually completed on the contract or adjustment for loss if completion of performance would have resulted in a loss. Upon termination for convenience of a cost reimbursement contract, we normally are entitled to reimbursement of allowable costs plus a portion of the fee. Such allowable costs would normally include our cost to terminate agreements with our suppliers and subcontractors. The amount of the fee recovered, if any, is related to the portion of the work accomplished prior to termination and is determined by negotiation.

A termination arising out of our default could have a material adverse effect on our ability to compete for future contracts and orders. In addition, on those contracts for which we are teamed with others and are not the prime contractor, the U.S. Government could terminate a prime contract under which we are a subcontractor, irrespective of the quality of our services as a subcontractor.

Our U.S. Government contracts typically span one or more base years and multiple option years. The U.S. Government generally has the right to not exercise option periods and may not exercise an option period if the agency is not satisfied with our performance on the contract or does not receive funding to continue the program. U.S. Government procurement may adversely affect our cash flow or program profitability.

Furthermore, we are subject to other risks in connection with government contracts, including without limitation:

- the frequent need to bid on programs prior to completing the necessary design, which may result in unforeseen technological difficulties and/or cost overruns;
- the difficulty in forecasting long-term costs and schedules and the potential obsolescence of products related to long-term, fixed price contracts;
- contracts with varying fixed terms that may not be renewed or followed by follow-on contracts upon expiration;
- cancellation of the follow-on production phase of contracts if program requirements are not met in the development phase; and
- the fact that government contract wins can be contested by other contractors.

Our operations are subject to numerous domestic and international laws, regulations, and restrictions. Noncompliance with these laws, regulations, and restrictions could expose us to fines, penalties, suspension, or debarment, which could have a material adverse effect on our profitability and overall financial condition.

We have contracts and operations in many parts of the world subject to United States and foreign laws and regulations, including the False Claims Act, regulations relating to import-export control (including the International Traffic in Arms Regulation promulgated under the Arms Export Control Act), sanctions programs implemented by the Office of Foreign Assets Control of the U.S. Department of Treasury, technology transfer restrictions, repatriation of earnings, exchange controls, the Foreign Corrupt Practices Act, the U.K. Anti-Bribery Act, and the anti-boycott provisions of the U.S. Export Administration Act. Because the COVID-19 pandemic has so negatively impacted local economies, government intervention has increased, which in turn can create elevated risk and opportunity for corruption. Although we have implemented policies and procedures and provided training that we believe are sufficient to address these risks, we cannot guarantee that our operations will always comply with these laws and regulations. From time to time, we may file voluntary disclosure reports with the U.S. Department of State, the Department of Energy, and the Department of Commerce regarding certain violations of U.S. export control laws and regulations discovered by us in the course of our business activities, employee training, or internal reviews and audits. To date, our voluntary disclosures have not resulted in a fine, penalty, or export privilege denial or restriction that has had a material adverse impact on our financial condition or ability to export. Our failure, or failure by our sales representatives or consultants to comply with these laws and regulations could result in administrative, civil, or criminal liabilities and could, in the extreme case, result in suspension or debarment from government contracts or suspension of our export privileges, which could have a material adverse effect on our business.

The airline industry is heavily regulated, and if we fail to comply with applicable requirements, our results of operations could suffer.

Governmental agencies throughout the world, including the U.S. Federal Aviation Administration (FAA) and the European Aviation Safety Agency, prescribe standards and qualification requirements for aircraft components, including virtually all commercial airline and general aviation products. Specific regulations vary from country to country, although compliance with FAA requirements generally satisfies regulatory requirements in other countries. We include documentation with our products sold to aircraft manufacturing customers certifying that each part complies with applicable regulatory requirements and meets applicable standards of airworthiness established by the FAA or the equivalent regulatory agencies in other countries. In order to sell our products, the Corporation as well as the products that we manufacture must also be certified by our individual OEM customers. If any of the material authorizations or approvals qualifying us to supply our products is revoked or suspended, then the sale of such product would be prohibited by law, which would have an adverse effect on our business, financial condition, and results of operations.

From time to time, the FAA or equivalent regulatory agencies in other countries propose new regulations or changes to existing regulations, which are usually more stringent than existing regulations. If these proposed regulations are adopted and enacted, we may incur significant additional costs to achieve compliance, which could have a material adverse effect on our business, financial condition, and results of operations.

We are subject to liability under environmental and health and safety laws and regulations.

Our business and facilities are subject to numerous federal, state, local, and foreign laws and regulations relating to the use, manufacture, storage, handling, and disposal of hazardous materials and other waste products. Environmental laws generally impose liability for investigation, remediation, and removal of hazardous materials and other waste products on property owners and those who dispose of materials at waste sites, whether or not the waste was disposed of legally at the time in question. We are currently addressing environmental remediation at certain current and former facilities, and we have been named as a potentially responsible party along with other organizations in a number of environmental clean-up sites and may be named in connection with future sites. We are required to contribute to the costs of the investigation and remediation and to establish reserves in our financial statements for future costs deemed probable and estimable. Although we have estimated and reserved for future environmental remediation costs, the final resolution of these liabilities may significantly vary from our estimates and could potentially have an adverse effect on our results of operations and financial position. We are also subject to worker health and safety requirements as well as various state and local public health laws, rules, regulations and orders related to COVID-19, including mask and social distancing requirements. While we are in compliance with government health and safety regulations related to COVID-19, the cost of complying, or failing to comply, with these regulations could have an adverse effect on our operating results.

We may be subject to periodic litigation and regulatory proceedings, which may adversely affect our business and financial performance.

From time to time, we are involved in lawsuits and regulatory actions brought or threatened against us in the ordinary course of business. These actions and proceedings may involve claims for, among other things, compensation for alleged personal injury, workers' compensation, employment discrimination, or breach of contract. Due to the inherent uncertainties of litigation, we cannot accurately predict the ultimate outcome of any such actions or proceedings. The outcome of litigation, particularly class action lawsuits and regulatory actions, is difficult to assess or quantify, as plaintiffs may seek recovery of very large or indeterminate amounts in these types of lawsuits, and the magnitude of the potential loss may remain unknown for substantial periods of time. In addition, plaintiffs in many types of actions may seek punitive damages, civil penalties, consequential damages or other losses, or injunctive or declaratory relief. These proceedings could result in substantial cost and may require us to devote substantial resources to defend ourselves. The ultimate resolution of these matters through settlement, mediation, or court judgment could have a material impact on our financial condition, results of operations, and cash flows.

Our business, financial condition, and results of operations could be materially adversely affected by climate change regulations.

Climate change regulations at the federal, state, or local level or in international jurisdictions could require us to limit emissions, change our manufacturing processes, obtain substitute materials which may cost more or be less available, increase our investment in control technology for greenhouse gas emissions, fund offset projects, or undertake other costly activities. These regulations could significantly increase our costs and restrict our manufacturing operations by virtue of requirements for new equipment. New permits may be required for our current operations, or expansions thereof. Failure to timely receive permits could result in fines, suspension of production, or cessation of operations at one or more facilities. In addition, restrictions on carbon dioxide or other greenhouse gas emissions could result in significant costs such as higher energy costs and the passing down of carbon taxes, emission cap and trade programs, and renewable portfolio standards by utility companies. The cost of complying, or of failing to comply, with these and other climate change and emissions regulations could have an adverse effect on our operating results.

Increasing focus on environmental, social, and governance responsibility may impose additional costs on us and expose us to new risks.

Increasing focus on environmental, social, and governance responsibility may impose additional costs on us and expose us to new risks. Regulators, stockholders, and other interested constituencies have focused increasingly on the environmental, social, and governance practices of companies. Our customers may require us to implement environmental, social, or governance responsibility procedures or standards before they continue to do business with us. Additionally, we may face reputational challenges in the event that our environmental, social, or governance responsibility procedures or standards do not meet the standards set by certain constituencies. The occurrence of any of the foregoing could have a material adverse effect on our business, financial condition, and results of operations.

RISKS RELATED TO FINANCIAL MATTERS

Political and economic changes in foreign countries and markets, including foreign currency fluctuations, may have a material effect on our operating results.

During 2021, approximately 26% of our total net sales were to customers outside of the United States. Additionally, we also have operating facilities located in foreign countries. Doing business in foreign countries is subject to numerous risks, including without limitation: political and economic instability and potential for social unrest, the uncertainty of the ability of non-U.S. customers to finance purchases, restrictions on the repatriation of funds, restrictive trade policies, tariff regulations, difficulties in obtaining export and import licenses, government financed competition, changes in the local labor-relations climate, economic conditions in local markets, health concerns (including the COVID-19 pandemic), complying with foreign regulatory and tax requirements that are subject to change, and limitations on our ability to enforce legal rights and remedies. While these factors or the impact of these factors are difficult to predict, any one or more of these factors could adversely affect our operations. To the extent that foreign sales are transacted in foreign currencies and we do not enter into currency hedge transactions, we are exposed to risk of losses due to fluctuations in foreign currency exchange rates, particularly for the British Pound, Euro, and Canadian dollar. Significant fluctuations in the value of the currencies of the countries in which we do business could have an adverse effect on our results of operations.

Unanticipated changes in our tax provisions or exposure to additional income tax liabilities could affect our cash flows and financial condition.

Our business operates in many locations under government jurisdictions that impose income taxes. Changes in domestic or foreign income tax laws and regulations, or their interpretation, could result in higher or lower income tax rates assessed or changes in the taxability of certain revenues or the deductibility of certain expenses, thereby affecting our income tax expense and profitability. The Biden administration announced in 2021 several tax proposals to fund new government investments in infrastructure, healthcare, and education, among others. Certain of these proposals involve an increase in the domestic corporate tax rate, which if implemented could have a material impact on our future results of operations and cash flows. In addition, on March 27, 2020, the Coronavirus Aid, Relief, and Economic Security Act (CARES Act) was enacted in response to the COVID-19 pandemic. The CARES Act, among other things, included certain changes in tax law intended to stimulate the U.S. economy in light of the COVID-19 pandemic, including temporary beneficial changes to the treatment of net operating losses, interest deductibility limitations, and payroll tax matters. The CARES Act is subject to interpretation and implementation guidance by both federal and state tax authorities, as well as amendments and technical corrections. Any or all of these could impact our business unfavorably. Additionally, tax rates in various jurisdictions in which we operate or sell into may increase as a means of funding the significant cost of governmental stimulus measures enacted to assist and protect individuals and businesses impacted by the COVID-19 pandemic. It cannot be predicted whether, when, in what form, or with what effective dates, new tax laws or changes in tax rates may be enacted, or regulations and rulings may be enacted, promulgated or issued under existing or new tax laws, which could result in an increase in our tax liability or require changes in the manner in which we operate in order to minimize or mitigate any adverse effects of changes in tax law or in the interpretation thereof.

Furthermore, the amount of income taxes paid by us is subject to examination by U.S. federal, state, and local tax authorities and by non-U.S. tax authorities. We regularly assess the likelihood of an adverse outcome resulting from such examinations to determine the adequacy of our provision for taxes. There can be no assurance as to the outcome of any such examinations. If the ultimate determination of our taxes owed were for an amount in excess of amounts reserved, our operating results, cash flows, and financial condition could be materially and adversely affected.

We use estimates when accounting for long-term contracts. Changes in estimates could affect our profitability and overall financial position.

Long-term contract accounting requires judgment relative to assessing risks, estimating contract revenues and costs, and making assumptions for schedule and technical issues. Due to the size and nature of many of our contracts, the estimation of total

revenues and costs at completion is complicated and subject to many variables. For example, assumptions have to be made regarding the length of time to complete the contract as costs also include expected increases in wages and prices for materials. Similarly, assumptions have to be made regarding the future impact of efficiency initiatives and cost reduction efforts. Incentives, awards, price escalations, liquidated damages, or penalties related to performance on contracts are considered in estimating revenue and profit rates and are recorded when there is sufficient information to assess anticipated performance. It is possible that materially different amounts could be obtained, because of the significance of the judgments and estimation processes described above, if different assumptions were used or if the underlying circumstances were to change. Changes in underlying assumptions, circumstances, or estimates may have a material adverse effect upon future period financial reporting and performance. See “Critical Accounting Estimates and Policies” in Part II, Item 7 of this Form 10-K.

Our future financial results could be adversely impacted by asset impairment charges.

As of December 31, 2021, we had goodwill and other intangible assets, net of accumulated amortization, of approximately \$2.0 billion, which represented approximately 49% of our total assets. Our goodwill is subject to an impairment test on an annual basis and is also tested whenever events and circumstances indicate that goodwill may be impaired. Intangible assets (other than goodwill) are generally amortized over the useful life of such assets. In addition, from time to time, we may acquire or make an investment in a business that will require us to record goodwill based on the purchase price and the value of the acquired assets. We may subsequently experience unforeseen issues with such business that adversely affect the anticipated returns of the business or value of the intangible assets and trigger an evaluation of the recoverability of the recorded goodwill and intangible assets for such business. For example, if the financial performance of such business was to decline significantly, we could incur a material non-cash charge to our income statement for the impairment of goodwill and other intangible assets. Future determinations of significant write-offs of goodwill or intangible assets as a result of an impairment test or any accelerated amortization of other intangible assets could have a material adverse impact on our financial condition and results of operations.

Our current debt, and debt we may incur in the future, could adversely affect our business and financial position.

As of December 31, 2021, we had \$1.0 billion of debt outstanding. Our level of debt could have significant consequences for our business including: requiring us to use our cash flow to pay the principal and interest on our debt; reducing funds available for acquisitions and other investments in our business; making us vulnerable to economic downturns and increases in interest rates; limiting us from obtaining additional debt; and impacting our ability to pay dividends.

We self-insure health benefits and may be adversely impacted by unfavorable claims experience.

We are primarily self-insured for our health benefits. If the number or severity of claims increases, or we are required to accrue or pay additional amounts because the claims prove to be more severe than our original assessment, our operating results would be adversely affected. Our future claims expense might exceed historical levels, which could reduce our earnings. We expect to periodically assess our self-insurance strategy. We are required to periodically evaluate and adjust our claims reserves to reflect our experience. However, ultimate results may differ from our estimates, which could result in losses over our reserved amounts. In addition, because we do not carry “stop loss” insurance, a significant increase in the number of claims that we must cover under our self-insurance retainerage could adversely affect our profitability.

Increasing costs of certain employee and retiree benefits could adversely affect our financial position, results of operations, or cash flows.

Our earnings may be positively or negatively impacted by the amount of income or expense we record for our pension and other postretirement benefit plans. U.S. GAAP requires that we calculate income or expense for the plans using actuarial valuations. These valuations reflect assumptions relating to financial markets and other economic conditions. Changes in key economic indicators can change the assumptions. The most significant year-end assumptions used to estimate pension or other postretirement benefit expense for the following year are the discount rate, the expected long-term rate of return on plan assets, expected future medical cost inflation, and expected compensation increases. In addition, we are required to make an annual measurement of plan assets and liabilities, which may result in a significant change to equity through a reduction or increase to other comprehensive income. For a discussion regarding how our financial statements can be affected by pension and other postretirement benefit plans accounting policies, see “Management’s Discussion and Analysis—Critical Accounting Estimates and Policies—Pension and Other Postretirement Benefits” in Part II, Item 7 of this Form 10-K. Although U.S. GAAP expense and pension or other postretirement contributions are not directly related, the key economic factors that affect U.S. GAAP expense would also likely affect the amount of cash we would contribute to the pension or other postretirement plans. Potential pension contributions include both mandatory amounts required under federal law, Employee Retirement Income Security Act, and discretionary contributions to improve the plans’ funded status. An obligation to make contributions to pension plans could reduce the cash available for working capital and other corporate uses.

GENERAL RISKS

Our future growth and continued success are dependent upon our key personnel.

Our success is dependent upon the efforts of our senior management personnel and our ability to attract and retain other highly qualified management and technical personnel. We face competition for management and qualified technical personnel from other companies and organizations. Additionally, it is particularly difficult to hire new employees during the COVID-19 pandemic as conducting interviews remotely makes it more difficult to ensure that we are recruiting and hiring high-quality employees. Further, the uncertainty created by the COVID-19 pandemic makes it less likely that potential candidates will be willing to leave a stable job to explore a new opportunity. Therefore, we may not be able to retain our existing management and technical personnel or fill new management or technical positions or vacancies created by expansion or turnover at our existing compensation levels. Although we have entered into change of control agreements with some members of senior management, we do not have employment contracts with our key executives. As some of our key executives approach retirement age, we have made a concerted effort to reduce the effect of the loss of our senior management personnel through management succession planning. However, we may be required to devote significant time and resources to identify and integrate key new personnel should key management losses occur earlier than anticipated. The loss of members of our senior management and qualified technical personnel could have a material adverse effect on our business.

On September 9, 2021, President Biden directed the Department of Labor’s Occupational Safety and Health Administration (“OSHA”) to issue an Emergency Temporary Standard (“ETS”) requiring that all employers with at least 100 employees ensure that their employees are fully vaccinated for COVID-19 or obtain a negative COVID-19 test at least once a week. President Biden also issued an Executive Order requiring certain COVID-19 precautions for government contractors and their subcontractors, including mandatory employee vaccination, with exemptions only for medical or religious reasons. On November 4, 2021, the OSHA issued an emergency regulation to carry out this mandate, which was expected to take effect on January 4, 2022. However, the U.S. Supreme Court issued a nationwide stay prohibiting OSHA from enforcing or implementing the ETS. But many states and localities are free to impose vaccine requirements. Despite the previous legal and timing uncertainties relating to these regulations, we implemented requirements regarding mandatory vaccines for U.S. based covered employees, subject to approved exemptions. It is possible that additional vaccine and testing mandates may be announced in other jurisdictions in which we operate our business. While it is not currently possible to predict with any certainty the exact impact any new state, local or foreign vaccine regulations would have on our operations, our suppliers and our customers, the implementation of such state, local or foreign government mandated vaccination or testing mandates may impact our ability to retain current employees, attract new employees, and result in labor disruptions and may have an adverse effect on future profitability. Further, implementation could also have similar consequences for our subcontractors, which may impact their ability to deliver the goods and services we need from them. In addition, any requirement to impose obligations on our suppliers under the Executive Order covering government contractors and their subcontractors could impact the price and continuity of supply of raw materials, whereby our results of operations and financial condition could be adversely affected.

Our business, financial condition, and results of operations could be materially adversely affected if the United States were to withdraw from or materially modify certain international trade agreements, or if tariffs or other restrictions on the foreign-sourced goods that we sell were to increase.

A significant portion of our business activities are conducted in foreign countries, including Mexico and Canada. Our business benefits from free trade agreements such as the United States-Mexico-Canada Trade Agreement (USMCA) and relies on various U.S. corporate tax provisions related to international commerce as we build, market, and sell our products globally. Although there are no immediate effects on our operations with respect to USMCA, we cannot predict future developments in the political climate involving the United States, Mexico and Canada, and thus, these may have an adverse and material impact on our operations and financial growth.

The United States and other countries have levied tariffs and taxes on certain goods (such as those implemented by the United States and China in recent years). Some of our products are included in these tariffs. All of this could lead to increased costs and diminished sales opportunities in the U.S. and abroad. Media and political reactions in the affected countries could potentially exacerbate the impact on our operations in those countries. The imposition of new or increased tariffs, duties, border adjustment taxes or other trade restrictions by the United States could also result in the adoption of new or increased tariffs or other trade restrictions by other countries. The tariffs may in the future increase our cost of materials and may cause us to increase prices to our customers which we believe may reduce demand for our products. Our price increases may not be sufficient to fully offset the impact of the tariffs and result in lowering our margin on products sold. If the U.S. government increases or implements additional tariffs, or if additional tariffs or trade restrictions are implemented by other countries, the resulting trade barriers could have a significant adverse impact on our suppliers, our customers and on our business. We are not able to predict future trade policy of the U.S. or of any foreign countries in which we operate or purchase goods, or the terms of any renegotiated trade agreements, or their impact on our business.

Global economic conditions may adversely affect our business, operating results and financial condition.

Although we currently generate significant operating cash flows, which combined with access to the credit markets provides us with significant discretionary funding capacity, global macroeconomic uncertainty, including the economic downturn caused by the COVID-19 pandemic, the ongoing trade disputes between the United States and China, the United Kingdom's withdrawal from the European Union, and uncertainty regarding the stability of global credit and financial markets could affect our ability to fund our operations. In addition, certain of our customers and suppliers could be affected directly by an economic downturn and could face credit issues or cash flow problems that could give rise to payment delays, increased credit risk, bankruptcies, and other financial hardships, which could impact customer demand for our products as well as our ability to manage normal commercial relationships with our customers and suppliers. Depending on their severity and duration, the effects and consequences of a global economic downturn could have an adverse impact on our results of operations and financial condition.

A percentage of our workforce is employed under collective bargaining agreements.

Approximately 7% of our workforce is employed under collective bargaining agreements, which from time to time are subject to renewal and negotiation. We cannot ensure that we will be successful in negotiating new collective bargaining agreements, that such negotiations will not result in significant increases in the cost of labor, or that a breakdown in such negotiations will not result in the disruption of our operations. Although we have generally enjoyed good relations with both our unionized and non-unionized employees, we may experience an adverse impact on our operating results if we are subject to labor actions.

Future terror attacks, war, natural disasters, climate change-related events, pandemic diseases (including the COVID-19 pandemic), or other events beyond our control could adversely impact our businesses.

Despite our concerted effort to minimize risk to our production capabilities and corporate information systems and to reduce the effect of unforeseen interruptions through insurance or other risk transfer mechanisms, such as our business continuity planning and disaster recovery plans, we could be adversely impacted by terror attacks, war, natural disasters such as hurricanes, floods, tornadoes, climate change-related events, pandemic diseases such as COVID-19, or other events such as strikes by the workforce of a significant customer or supplier. These risks could negatively impact demand for or supply of our products and could also cause disruption to our facilities or systems, which could also interrupt operational processes and adversely impact our ability to manufacture our products and provide services and support to our customers. We operate facilities in areas of the world that are exposed to natural disasters. Financial difficulties of our customers, delays by our customers in production of their products, high fuel prices, the concern of another major terrorist attack, and the overall decreased demand for our products could adversely affect our operating results and financial condition.

Item 1B. Unresolved Staff Comments.

None.

Item 2. Properties.

Our corporate headquarters is located at a leased facility in Davidson, North Carolina. As of December 31, 2021, we had 154 facilities worldwide, including four corporate and shared-services facilities. Approximately 80% of our facilities operate as manufacturing and engineering, metal treatment, or aerospace overhaul plants, while the remaining 20% operate as selling and administrative office facilities. The number and type of facilities utilized by each of our reportable segments are summarized below:

| Owned Facilities Location | Aerospace & Industrial | Defense Electronics | Naval & Power | Total |
|-----------------------------------|-----------------------------------|----------------------------|--------------------------|--------------|
| North America | 8 | 1 | 9 | 18 |
| Europe | 9 | — | 1 | 10 |
| Total | 17 | 1 | 10 | 28 |
| Leased Facilities Location | Aerospace & Industrial | Defense Electronics | Naval & Power | Total |
| North America | 42 | 17 | 24 | 83 |
| Europe | 18 | 5 | 3 | 26 |
| Asia | 10 | 1 | 2 | 13 |
| Total | 70 | 23 | 29 | 122 |

The buildings on the properties referred to in this Item are well maintained, in good condition, and are suitable and adequate for current needs. Management believes that the productive capacity of our properties is adequate to meet our anticipated volume for the foreseeable future.

Item 3. Legal Proceedings.

From time to time, we are involved in legal proceedings that are incidental to the operation of our business. Some of these proceedings allege damages relating to asbestos and environmental exposures, intellectual property matters, copyright infringement, personal injury claims, employment and employee benefit matters, government contract issues, commercial or contractual disputes, and acquisitions or divestitures. We continue to defend vigorously against all claims. Although the ultimate outcome of any legal matter cannot be predicted with certainty, based on present information, including assessment of the merits of the particular claim, as well as current accruals and insurance coverage, we do not believe that the disposition of any of these matters, individually or in the aggregate, will have a material adverse effect on our consolidated financial condition, results of operations, and cash flows.

We have been named in pending lawsuits that allege injury from exposure to asbestos. To date, we have not been found liable or paid any material sum of money in settlement in any asbestos-related case. We believe that the minimal use of asbestos in our past operations and the relatively non-friable condition of asbestos in our products make it unlikely that we will face material liability in any asbestos litigation, whether individually or in the aggregate. We maintain insurance coverage for these potential liabilities and we believe adequate coverage exists to cover any unanticipated asbestos liability.

Item 4. Mine Safety Disclosures.

Not applicable.

PART II

Item 5. Market for the Registrant's Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities.

MARKET INFORMATION

Our common stock is listed and traded on the New York Stock Exchange (NYSE) under the symbol CW. As of January 1, 2022, we had approximately 2,800 registered shareholders of our common stock, \$1.00 par value.

DIVIDENDS

During 2021 and 2020, the Company paid quarterly dividends as follows:

| | 2021 | 2020 |
|---------------------|---------|---------|
| Common Stock | | |
| First Quarter | \$ 0.17 | \$ 0.17 |
| Second Quarter | 0.18 | 0.17 |
| Third Quarter | 0.18 | 0.17 |
| Fourth Quarter | 0.18 | 0.17 |

SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS

The following table sets forth information regarding our equity compensation plans as of December 31, 2021, the end of our most recently completed fiscal year:

| Plan category | Number of securities to be issued under equity compensation plans | Weighted-average fair value of outstanding equity-based awards | Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in the first column) |
|--|---|--|---|
| Equity compensation plans approved by security holders | 421,066 (a) | \$111.54 | 1,942,123 (b) |
| Equity compensation plans not approved by security holders | None | Not applicable | Not applicable |

(a) Consists of 380,479 shares issuable upon vesting of performance share units, restricted shares, restricted stock units, and shares to non-employee directors under the 2005 and 2014 Omnibus Incentive Plan, and 40,587 shares issuable under the Employee Stock Purchase Plan.

(b) Consists of 1,270,665 shares available for share-based awards under the 2014 Omnibus Incentive Plan, and 671,458 shares remaining available for issuance under the Employee Stock Purchase Plan.

Issuer Purchases of Equity Securities

The following table provides information about our repurchases of equity securities that are registered by us pursuant to Section 12 of the Securities Exchange Act of 1934, as amended, during the quarter ended December 31, 2021.

| | Total Number of shares purchased | Average Price Paid per Share | Total Number of Shares Purchased as Part of a Publicly Announced Program | Maximum Dollar amount of shares that may yet be Purchased Under the Program |
|-----------------------------------|-------------------------------------|---------------------------------|---|---|
| October 1 – October 31 | 1,233,989 | \$131.17 | 1,882,840 | \$359,177,280 |
| November 1 – November 30 | 185,346 | 132.54 | 2,068,186 | 334,611,359 |
| December 1 – December 31 | 584,582 | 132.75 | 2,652,768 | 257,008,939 |
| For the quarter ended December 31 | 2,003,917 | \$131.76 | 2,652,768 | \$257,008,939 |

In December 2021, the Corporation adopted two written trading plans in connection with its previously authorized share repurchase program, which allows for the purchase of its outstanding common stock up to \$550 million, of which approximately \$250 million remains available for repurchase. The first trading plan includes share repurchases of \$50 million, to be executed equally throughout the 2022 calendar year. The second trading plan includes opportunistic share repurchases up to \$100 million to be executed through a 10b5-1 program.

The following performance graph does not constitute soliciting material and should not be deemed filed or incorporated by reference into any of our other filings under the Securities Act or the Securities Exchange Act of 1934, except to the extent we specifically incorporate this information by reference therein.

PERFORMANCE GRAPH

The following graph compares the annual change in the cumulative total return on our common stock during the last five fiscal years with the annual change in the cumulative total return of the Russell 2000 Index and the S&P MidCap 400 Index. The graph assumes an investment of \$100 on December 31, 2016 and the reinvestment of all dividends paid during the following five fiscal years.

COMPARISON OF CUMULATIVE FIVE YEAR TOTAL RETURN



| Company / Index | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 |
|----------------------|------|--------|--------|--------|--------|--------|
| Curtiss-Wright Corp | 100 | 124.56 | 104.90 | 145.50 | 121.01 | 145.05 |
| S&P MidCap 400 Index | 100 | 116.24 | 103.36 | 130.44 | 148.26 | 184.97 |
| Russell 2000 | 100 | 114.65 | 102.02 | 128.06 | 153.62 | 176.39 |

Item 6. Selected Financial Data.

[Reserved]

Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations.

Our Management's Discussion and Analysis of Financial Condition and Results of Operations (MD&A) begins with an overview of our company, followed by economic and industry-wide factors impacting our company and the markets we serve, a discussion of the overall results of operations, and finally a more detailed discussion of those results within each of our reportable segments.

COMPANY ORGANIZATION

Curtiss-Wright Corporation and its subsidiaries is a global integrated business that provides highly engineered products, solutions, and services mainly to aerospace & defense markets, as well as critical technologies in demanding commercial power, process, and industrial markets. We report our operations through our Aerospace & Industrial, Defense Electronics, and Naval & Power segments. We are positioned as a market leader, or hold a significant market share position, across a diversified array of niche markets through engineering and technological leadership, precision manufacturing, and strong relationships with our customers.

Impacts of inflation, pricing, and volume

Historically, we have not been significantly impacted by inflation. Increases in raw material costs or payroll costs have generally been offset through lean manufacturing activities or price increases. A portion of our contracts contain terms and conditions that enable us to pass inflationary price increases to our customers. In those cases whereby inflationary increases are not contractually stipulated, we actively negotiate price increases. We have consistently made annual investments in capital that

deliver efficiencies and cost savings. While the historical benefits of these efforts have generally offset the margin impact of competitive pricing conditions in the markets that we serve, there are no assurances that higher prices can effectively be passed through to our customers or that we will be able to fully offset the effects of higher raw materials costs through price increases on a timely basis.

Analytical Definitions

Throughout MD&A, the terms “incremental” and “organic” are used to explain changes from period to period. The term “incremental” is used to highlight the impact that acquisitions and divestitures had on the current year results. The results of operations for acquisitions are incremental for the first twelve months from the date of acquisition. Additionally, the results of operations of divested businesses are removed from the comparable prior year period for purposes of calculating “organic” and “incremental” results. The definition of “organic” also excludes the effects of total restructuring charges, impairment of assets held for sale, and foreign currency translation.

Market Analysis and Economic Factors

Economic Factors Impacting Our Markets

Curtiss-Wright Corporation is a global integrated business that provides highly engineered products, solutions, and services mainly to aerospace & defense markets, as well as critical technologies in demanding commercial power, process, and industrial markets. Many of Curtiss-Wright’s commercial businesses are driven in large part by global economic growth, primarily led by operations in the U.S., Canada, Europe, and China. In March 2020, the World Health Organization characterized the global outbreak of COVID-19 as a pandemic, which resulted in significant disruption to travel, transportation of goods and services, and financial markets globally, and caused adverse and residual impacts to both industry supply chains and production levels. Though the onset of COVID-19 variants continues to cause supply-chain disruptions to global economies, including our business, as well as our customers and suppliers, U.S. economic activity rebounded quite dramatically in 2021, due in part to the availability of vaccines and increased government support to rebuild the country’s infrastructure.

In the last decade, the U.S. economy, as measured by real gross domestic product (GDP), has slowly improved, aided by decreased levels of unemployment, improvements in the housing market, and a low interest rate environment. 2020 U.S. GDP declined 3.4% from the prior year period, principally due to the impact of the COVID-19 pandemic. However, U.S. GDP rebounded sharply in 2021, up 5.7% and at the fastest pace since 1984, according to the most recent estimate, led by an acceleration in industrial activity. In 2022, economists expect growth in the broader U.S. economy to moderate due to concerns about continued supply chain disruptions and rising inflation, with current estimates for U.S. GDP ranging from 3.5% to 4.0% growth.

Similarly, the global environment, which is typically influenced by international trade, economic conditions, and geopolitical uncertainty, had also been greatly impacted by the pandemic in 2020 before dramatically rebounding in 2021. According to the International Monetary Fund’s World Economic Outlook - 2021, global GDP in world economies grew 5.9% in 2021. Looking ahead to the next few years, we remain cautiously optimistic that our economically-sensitive commercial and industrial markets will improve based upon a return to normalized global growth conditions.

Defense

We have a well-diversified portfolio of products and services that supply all branches of the U.S. military, with content on critical high-performance programs and platforms, as well as a growing international defense business. A significant portion of our defense business operations is attributed to the United States market, and characterized by long-term programs and contracts driven primarily by the U.S. Department of Defense (DoD) budgets and funding levels. As such, the U.S. Defense budget serves as a leading indicator of our growth in the defense market.

We derive revenue from the naval defense, aerospace defense, and ground defense markets, which collectively represent more than 50% of our total net sales. In the naval defense market, we expect continued funding for U.S. shipbuilding programs, particularly as it relates to production on the Ford class aircraft carrier, as well as Columbia class and Virginia class submarines, which have received strong bipartisan support from Congress. We have a long legacy of providing products that support nuclear propulsion systems on naval vessels. In addition, through our service centers, we are a critical provider of ship repair and maintenance for the U.S. Navy’s Atlantic and Pacific fleets. In the aerospace defense market, we expect to benefit from increased funding levels on Command, Control, Communications, Computers, Intelligence, Surveillance, and Reconnaissance (C4ISR), electronic warfare, cyber, encryption, unmanned systems, and communications programs. As a supplier of COTS and

COTS+ solutions, we continue to demonstrate that electronics technology will enhance our ability to design and develop future generations of advanced systems and products for high performance applications, while also meeting the military's Size, Weight, and Power considerations. We are also a designer and manufacturer of high-technology data acquisition and comprehensive flight test instrumentation systems. In the ground defense market, we are a supplier of advanced tactical communications solutions for battlefield network management, including COTS-based rugged, small form factor communications systems, and integrated network communications management software. The modernization of the existing U.S. ground vehicle fleet is expected to recover slowly, while international demand should remain strong, particularly for our electronics stabilization systems.

In May 2021, the President's FY22 budget request was released, calling for \$715 billion in defense spending, which represented a 1.6% increase over the FY21 enacted level of \$704 billion. In December 2021, Congress passed the National Defense Authorization Act (NDAA) for FY22, which authorizes a \$25 billion increase to the President's defense budget proposal (\$740 billion vs. \$715 billion) and represents a ~5% increase over FY21 enacted levels. As of the date of filing, the DoD is currently operating under a Continuing Resolution until the FY22 budget is approved by Congress. Looking ahead, in conjunction with the President's FY23 budget request, the DoD is expected to submit the Future Years Defense Program (FYDP), which outlines expectations about its key programs over the next five years. Based on industry research, the FYDP is expected to reflect modest increases in total defense budget funding. Through continued innovation as well as incremental research and development investments, Curtiss-Wright remains aligned with high growth DoD priorities and emerging technological trends, including security, cyber, hypersonics, net-centric connected battlefield, soldier survivability, and Modular Open Systems Approach (MOSA) capabilities.

Commercial Aerospace

Curtiss-Wright derives revenue from the global commercial aerospace market, principally to the commercial jet market, and to a lesser extent the regional jet and commercial helicopter markets. Our primary focus in this market is OEM products and services for commercial jets, which is highly dependent on new aircraft production from our primary customers, Boeing and Airbus. We provide a combination of flight control and utility actuation systems, sensors, and other sophisticated electronics, as well as shot and laser peening services utilized on highly stressed components of turbine engine fan blades, and aircraft structures. In 2020, we exited the build-to-print actuation product line supporting the Boeing 737 MAX program to ensure our long-term positioning and profitability as it applies to the Company's commercial aerospace exposure.

Passenger travel and freight logistics, along with the demand for and delivery of new aircraft, are the key drivers in the commercial aerospace market. Over the prior decade, there was an extended production up-cycle for the commercial aerospace market, which was driven by increases in production by Boeing and Airbus on both legacy and new aircraft, particularly narrow-body aircraft. Additionally, sustained low oil prices contributed to declining fuel prices, which in turn led to cheaper airfares for consumers and increased passenger growth.

In 2020, the onset of the COVID-19 pandemic abruptly halted the industry's growth as fewer and fewer passengers traveled, and business operations were disrupted globally, stunting the production of new aircraft as well as the maintenance of existing aircraft well into 2021. Changes in the propensity for the general public to travel by air as a result of the COVID-19 pandemic will likely be driven by the onset of COVID variants and the availability and implementation of vaccines. According to industry reports, air travel demand based on passenger growth is expected to continue to modestly recover in 2022, with domestic travel recovering faster than international travel, and fully recover by 2025.

While we closely monitor these industry metrics, our success and future growth in the commercial aerospace market is primarily tied to the growth in aircraft production rates, the timing of our order placement, and continued partnering with aerospace original equipment manufacturers on both the current fleet and the next-generation of single aisle programs and engines, as well as more fuel efficient and all-electric aircraft.

Power & Process

In the power market, Curtiss-Wright is a global supplier of nuclear reactor technologies. We derive sales from the commercial nuclear power generation market, whereby we supply a variety of highly engineered products and services, including reactor coolant pumps, control rod drive mechanisms, valves, motors, spent fuel management, containment doors, bolting solutions, enterprise resource planning, plant process controls, and coating services. We provide equipment and services to both the aftermarket and new build markets, and have content on every reactor operating in the U.S. today.

According to the Nuclear Regulatory Commission (NRC), nuclear power comprises approximately 20% of all electric power produced in the United States, with 93 reactors operating across 55 nuclear power plants in 28 states. Our growth opportunities for aftermarket products and services are driven by plant aging, plant closures, requirements for planned outages, plant life extensions (from the end of their original 40-year operating lives to 60-year and now 80-year lives), the levying of regulatory requirements, suppliers abandoning the commercial nuclear market, and plants seeking technology and innovation advances, such as digitalization, that further enable plant modernization.

One of the industry's most significant challenges is electricity market competitiveness, primarily driven by sustained low natural gas prices. In addition, in 2016, the industry was tasked with reassessing operating practices, improving efficiency, and reducing costs to help keep nuclear power competitive in a changing electricity market, which was collectively referred to as "Delivering the Nuclear Promise." U.S. reactor operators were also faced with increased security measures and post-Fukushima regulatory requirements over most of the past decade. All of those factors contributed to plant operators diverting and deferring their typical plant capital expenditure budgets significantly away from planned maintenance. However, since late 2017, as those necessary requirements abated and plant operators resumed a more normalized maintenance schedule, the industry began to turn the corner. As a result, we have experienced and continue to expect increased opportunities for our vast portfolio of advanced nuclear technologies to aid safety, extend the reliability and ensure the ongoing viability of nuclear plants.

Longer term, global commercial nuclear power demand will be driven by the ongoing need for increased capacity especially in developing countries with growing populations but limited power supply, as well as the clean energy transition. In addition, the continued supply constraints and environmental concerns attributed to the current dependence on fossil fuels have led to a greater appreciation of the value of nuclear technology as the most efficient and environmentally friendly source of energy available today. As a result, we expect growth opportunities in this market both domestically and internationally, although the timing of new orders remains uncertain.

We play an important role in the new build market for the Generation III+ Westinghouse AP1000 reactor design, for which we are a supplier of RCPs, and also expect to supply a variety of ancillary plant products and services. Domestically, two new build reactors remain under construction in Georgia utilizing the AP1000 design. On a global basis, nuclear plant construction remains active. Currently, there are 57 new reactors under construction across 19 countries, with 97 planned and 325 proposed over the next several decades according to the World Nuclear Organization. We continue to expect to play a role in new build nuclear plant construction, with our largest opportunities in China, India and throughout eastern Europe, including Ukraine, Poland, Romania, Bulgaria and the Czech Republic. We are also well positioned to take advantage of market opportunities to support the ongoing design and development, and future construction, of next-generation advanced and small modular reactors, driven by support from the U.S. Department of Energy as well as internationally.

In the process market, we service the oil and gas, chemical, and petrochemical industries through numerous industrial valve products, in which the majority of our industrial valve sales are to the downstream markets. We maintain a global maintenance, repair, and overhaul (MRO) business for our pressure-relief valve technologies as refineries opportunistically service or upgrade equipment that has been operating at or near full capacity. We also produce severe service, operation-critical valves for the power and process industries. We also have the opportunity to support the oil exploration industry's need and desire for more reliable subsea pumping systems. Sales in these industries are driven by global supply and demand, crude oil prices, industry regulations, and the natural gas market. Over the long run, we believe improved economic conditions and continued global expansion will be key drivers for future growth of our severe service and operation-critical valves serving the process industry.

General Industrial

Revenue derived from our widely diversified offering to the general industrial market primarily consists of electronic sensors and control systems, electro-mechanical actuation, and surface treatment services. We supply our products and services to OEMs and aftermarket industrial customers, including the transportation, commercial trucking, off-road equipment, agriculture, construction, and automotive industries. Our performance in these markets is typically aligned with the performance of the U.S. and global economies, with changes in global GDP rates and industrial production driving our sales, particularly for our surface treatment services.

One of the key drivers within our general industrial market is our focus on electrification and electrification, where our electronic sensors and controls systems products serve the on-and-off highway, medical mobility, and specialty vehicles markets. Notable products include electronic throttle controls, shift controls, joysticks, power management systems, and traction inverter systems, driving our ability to provide a full suite of in-cab operator control systems to our customers. Increased industry demand for electronic control systems and sensors has been driven by the need for improved operational

efficiency, safety, repeatability, reduced emissions, enhanced functionality, and greater fuel efficiencies to customers worldwide. Key to our future growth is expanding the human-machine interface (HMI) technology portfolio and providing a complete system solution to our customers. Existing and emerging trends in commercial vehicle safety, emissions control, and improved driver efficiency are propelling commercial vehicle OEMs toward higher performance subsystems. These trends are accelerating the evolution from discrete HMI components towards a more integrated vehicle interface architecture. Growth opportunities also exist with a range of intelligent actuators for industrial automation and robotics which help our customers quickly leverage data and utilize analytics within the Internet of Things environment. Meanwhile, our surface treatment services, which include shot and laser peening, engineered coatings, and analytical testing services across an extensive global network, are used to increase the safety, reliability, and longevity of components operating in harsh environments. Sales are primarily driven by global demand from general industrial customers.

RESULTS OF OPERATIONS

The following MD&A is intended to help the reader understand the results of operations and financial condition of the Corporation for the year ended December 31, 2021, as compared to the year ended December 31, 2020. Discussion and analysis of our financial condition and results of operations for the year ended December 31, 2020, as compared to the year ended December 31, 2019, is contained in our 2020 Annual Report on Form 10-K, filed with the SEC on February 25, 2021.

| <i>(In thousands, except percentages)</i> | Year Ended December 31, | | Percent |
|---|-------------------------|--------------|-------------------------|
| | 2021 | 2020 | change 2021 vs. 2020 |
| Sales: | | | |
| Aerospace & Industrial | \$ 786,334 | \$ 805,673 | (2)% |
| Defense Electronics | 724,326 | 608,757 | 19 % |
| Naval & Power | 995,271 | 976,906 | 2 % |
| Total sales | \$ 2,505,931 | \$ 2,391,336 | 5 % |
| Operating income: | | | |
| Aerospace & Industrial | \$ 121,817 | \$ 99,714 | 22 % |
| Defense Electronics | 159,089 | 118,748 | 34 % |
| Naval & Power | 141,660 | 108,151 | 31 % |
| Corporate and eliminations | (39,883) | (37,765) | (6)% |
| Total operating income | \$ 382,683 | \$ 288,848 | 32 % |
| Interest expense | 40,240 | 35,545 | (13)% |
| Other income, net | 12,067 | 9,748 | 24 % |
| Earnings before income taxes | 354,510 | 263,051 | 35 % |
| Provision for income taxes | (87,351) | (61,659) | (42)% |
| Net earnings | \$ 267,159 | \$ 201,392 | 33 % |
| Impairment of assets held for sale | \$ 19,088 | \$ 33,043 | NM |
| Total restructuring charges | \$ — | \$ 42,725 | NM |
| New orders | \$ 2,579,881 | \$ 2,321,481 | 11 % |
| Backlog | \$ 2,228,924 | \$ 2,163,750 | 3 % |

NM - Not meaningful

Components of sales and operating income growth (decrease):

| | 2021 vs. 2020 | |
|------------------------------------|----------------------|---------------------|
| | Sales | Operating Income |
| Organic | (1)% | 11 % |
| Acquisitions | 5 % | 5 % |
| Impairment of assets held for sale | — % | 5 % |
| Restructuring | — % | 14 % |
| Foreign currency | 1 % | (3)% |
| Total | 5 % | 32 % |

Sales for the year increased \$115 million, or 5%, to \$2,506 million, compared with the prior year period. On a segment basis, sales from the Defense Electronics and Naval & Power segments increased \$116 million and \$18 million, respectively, with sales from the Aerospace & Industrial segment decreasing \$19 million. Changes in sales by segment are discussed in further detail in the "Results by Business Segment" section below.

Operating income for the year increased \$94 million, or 32%, to \$383 million, and operating margin increased 320 basis points compared with 2020. In the Aerospace & Industrial segment, increases in operating income and operating margin were primarily due to current year savings recognized as a result of our prior year restructuring initiatives, as well as favorable overhead absorption on higher general industrial sales. Operating income in the Defense Electronics segment increased primarily due to the benefits from our ongoing operational excellence initiatives, the incremental impact of our PacStar acquisition, as well as the absence of first year purchase accounting costs from our 901D acquisition. These increases were partially offset by higher research and development costs and unfavorable foreign currency translation. Operating margin in the Defense Electronics segment was negatively impacted by first year purchase accounting costs from our PacStar acquisition. In the Naval & Power segment, increases in operating income and operating margin were primarily due to current year savings recognized as a result of our prior year restructuring initiatives, as well as lower current period impairment losses on assets held for sale in our German industrial valves business compared to the prior year period.

Non-segment operating expense for the year increased \$2 million, or 6%, to \$40 million, primarily due to higher environmental costs.

Interest expense for the year increased \$5 million, or 13%, to \$40 million, primarily due to the issuance of \$300 million Senior Notes in August 2020.

Other income, net for the year increased \$2 million, or 24%, to \$12 million, primarily due to the prior year recognition of accumulated foreign currency translation losses of \$10 million related to the substantial liquidation of our Norwegian subsidiary. This increase was partially offset by higher pension costs, including one-time pension settlement charges recognized in the current year period related to the retirement of former executives.

The effective tax rate of 24.6% for the year ended December 31, 2021, increased as compared to an effective tax rate of 23.4% in the prior year period. This increase was primarily due to higher current period non-deductible impairment losses related to our held for sale industrial valve business in Germany, as impairment losses recorded during the prior year period were partially offset against deferred tax liabilities.

New orders increased \$258 million, or 11%, from the prior year period to \$2,580 million, primarily due to an increase in new orders for industrial vehicles and sensors and actuation equipment in the Aerospace & Industrial segment, as well as the incremental impact of our PacStar acquisition in the Defense Electronics segment. In the Naval & Power segment, higher demand for industrial valve products was partially offset by the timing of naval defense orders. Changes in new orders by segment are discussed in further detail in the "Results by Business Segment" section below.

Comprehensive income (loss)

Pension and postretirement adjustments within comprehensive income during the year ended December 31, 2021 were a \$131 million gain, compared to a \$27 million loss for the prior year period. The gain in the current period was primarily attributed to higher asset returns and increases in the discount rate. The loss in the prior period was primarily due to decreases in the discount rate, partially offset by higher asset returns.

Foreign currency translation adjustments during the year ended December 31, 2021 resulted in a comprehensive loss of \$11 million, compared to a comprehensive gain of \$41 million in the comparable prior period. The comprehensive loss during the current period was primarily attributed to decreases in the British Pound and Canadian Dollar, with the prior period comprehensive gain primarily attributed to increases in the Euro and British Pound.

RESULTS BY BUSINESS SEGMENT

Aerospace & Industrial

Sales in the Aerospace & Industrial segment are primarily generated from the commercial aerospace and general industrial markets and, to a lesser extent, the defense and power & process markets.

The following tables summarize sales, operating income and margin, total restructuring charges, and new orders within the Aerospace & Industrial segment.

(In thousands, except percentages)

| | Year Ended December 31, | | Percent Change |
|-----------------------------|-------------------------|------------|----------------|
| | 2021 | 2020 | 2021 vs. 2020 |
| Sales | \$ 786,334 | \$ 805,673 | (2) % |
| Operating income | 121,817 | 99,714 | 22 % |
| Operating margin | 15.5 % | 12.4 % | 310 bps |
| Total restructuring charges | \$ — | \$ 16,186 | NM |
| New orders | \$ 853,077 | \$ 651,187 | 31 % |
| Backlog | \$ 338,581 | \$ 277,031 | 22 % |

Components of sales and operating income growth (decrease):

| | 2021 vs. 2020 | |
|------------------|---------------|------------------|
| | Sales | Operating Income |
| Organic | (4) % | 9 % |
| Restructuring | — % | 14 % |
| Foreign currency | 2 % | (1) % |
| Total | (2) % | 22 % |

Sales decreased \$19 million, or 2%, to \$786 million, from the comparable prior year period, as lower sales in the commercial aerospace market were partially offset by sales increases in the general industrial market. In the commercial aerospace market, sales decreased \$72 million primarily due to the exit of our build-to-print product line in the fourth quarter of 2020. These decreases were partially offset by sales increases of \$50 million in the general industrial market, primarily due to higher demand for industrial vehicle products and surface treatment services.

Operating income increased \$22 million, or 22%, to \$122 million, and operating margin increased 310 basis points to 15.5%. The increases in operating income and operating margin were primarily due to current year savings recognized as a result of our prior year restructuring initiatives, as well as favorable overhead absorption on higher sales in the general industrial market.

New orders increased \$202 million as compared to the prior year, primarily due to an increase in new orders for industrial vehicles as well as higher demand for sensors and actuation equipment.

Defense Electronics

Sales in the Defense Electronics segment are primarily to the defense markets and, to a lesser extent, the commercial aerospace market.

The following tables summarize sales, operating income and margin, total restructuring charges, and new orders, within the Defense Electronics segment.

(In thousands, except percentages)

| | Year Ended December 31, | | Percent Change |
|-----------------------------|-------------------------|------------|----------------|
| | 2021 | 2020 | 2021 vs. 2020 |
| Sales | \$ 724,326 | \$ 608,757 | 19 % |
| Operating income | 159,089 | 118,748 | 34 % |
| Operating margin | 22.0 % | 19.5 % | 250 bps |
| Total restructuring charges | \$ — | \$ 3,190 | NM |
| New orders | \$ 743,199 | \$ 704,989 | 5 % |
| Backlog | \$ 667,510 | \$ 652,957 | 2 % |

Components of sales and operating income growth (decrease):

| | 2021 vs. 2020 | |
|------------------|---------------|------------------|
| | Sales | Operating Income |
| Organic | — % | 24 % |
| Acquisitions | 19 % | 12 % |
| Restructuring | — % | 3 % |
| Foreign currency | — % | (5)% |
| Total | 19 % | 34 % |

Sales increased \$116 million, or 19%, to \$724 million, from the comparable prior year period, primarily due to the incremental impact of our PacStar acquisition in the ground defense market, which contributed incremental sales of \$115 million. Higher sales of avionics and test equipment in the commercial aerospace market were more than offset by the timing of sales on embedded computing equipment on various programs in the aerospace defense market.

Operating income increased \$40 million, or 34%, to \$159 million compared with the same period in 2020, while operating margin increased 250 basis points to 22.0%. The increase in operating income was primarily due to the benefits from our ongoing operational excellence initiatives as well as the incremental impact of our PacStar acquisition. Operating income also benefited from the absence of first year purchase accounting costs from our 901D acquisition as well as our prior year restructuring initiatives, partially offset by higher research and development costs and unfavorable foreign currency translation. The increase in operating margin was primarily due to our ongoing operational excellence initiatives as well as the absence of first year purchase accounting costs from our 901D acquisition, partially offset by first year purchase accounting costs from our PacStar acquisition.

New orders increased \$38 million as compared to the prior year, primarily due to the incremental impact of our PacStar acquisition. This increase was partially offset by the timing of naval defense and aerospace defense orders.

Naval & Power

Sales in the Naval & Power segment are primarily to the naval defense and power & process markets.

The following tables summarize sales, operating income and margin, impairment of assets held for sale, total restructuring charges, and new orders, within the Naval & Power segment.

| <i>(In thousands, except percentages)</i> | Year Ended December 31, | | Percent Change |
|---|-------------------------|--------------|----------------|
| | 2021 | 2020 | 2021 vs. 2020 |
| Sales | \$ 995,271 | \$ 976,906 | 2 % |
| Operating income | 141,660 | 108,151 | 31 % |
| Operating margin | 14.2 % | 11.1 % | 310 bps |
| Impairment of assets held for sale | 19,088 | 33,043 | NM |
| Total restructuring charges | \$ — | \$ 23,349 | NM |
| New orders | \$ 983,605 | \$ 965,305 | 2 % |
| Backlog | \$ 1,222,833 | \$ 1,233,762 | (1 %) |

Components of sales and operating income growth (decrease):

| | 2021 vs. 2020 | |
|------------------------------------|---------------|------------------|
| | Sales | Operating Income |
| Organic | 1 % | (3)% |
| Impairment of assets held for sale | — % | 13 % |
| Restructuring | — % | 22 % |
| Foreign currency | 1 % | (1)% |
| Total | 2 % | 31 % |

Sales increased \$18 million, or 2%, to \$995 million, from the comparable prior year period. In the naval defense market, sales increased \$20 million primarily due to increased production on the CVN-81 aircraft carrier program, as well as higher foreign military and service center sales. Sales in the power & process market were essentially flat, as higher demand for industrial valve products was more than offset by the timing of production on the China Direct AP1000 program.

Operating income increased \$34 million, or 31%, to \$142 million and operating margin increased 310 basis points to 14.2%. The increases in operating income and operating margin were primarily due to current year savings recognized as a result of our prior year restructuring initiatives, as well as lower current period impairment losses on assets held for sale in our German industrial valves business compared to the prior year period.

New orders increased \$18 million as compared to the prior year, as higher demand for industrial valve products was partially offset by the timing of naval defense orders.

SUPPLEMENTARY INFORMATION

The table below depicts sales by end market and customer type, as it helps provide an enhanced understanding of our businesses and the markets in which we operate. The table has been included to supplement the discussion of our consolidated operating results.

Net Sales by End Market and Customer Type

| (In thousands, except percentages) | Year Ended December 31, | | Percent change |
|---|-------------------------|--------------|----------------|
| | 2021 | 2020 | 2021 vs. 2020 |
| Aerospace & Defense markets: | | | |
| Aerospace Defense | \$ 452,661 | \$ 463,690 | (2)% |
| Ground Defense | 220,290 | 107,448 | 105 % |
| Naval Defense | 710,688 | 692,152 | 3 % |
| Commercial Aerospace | \$ 267,722 | \$ 325,518 | (18)% |
| Total Aerospace & Defense | \$ 1,651,361 | \$ 1,588,808 | 4 % |
| Commercial markets: | | | |
| Power & Process | 473,489 | 474,842 | — % |
| General Industrial | 381,081 | 327,686 | 16 % |
| Total Commercial | \$ 854,570 | \$ 802,528 | 6 % |
| Total Curtiss-Wright | \$ 2,505,931 | \$ 2,391,336 | 5 % |

Aerospace & Defense Markets

Sales increased \$63 million, or 4%, to \$1,651 million, as compared to the prior year period, primarily due to higher sales in the ground defense and naval defense markets. The ground defense market benefited from the impact of our PacStar acquisition, which contributed incremental sales of \$115 million. Sales in the naval defense market increased primarily due to higher sales of \$27 million on the CVN-81 aircraft carrier program. These increases were partially offset by lower sales in the commercial aerospace market, primarily due to the exit of our build-to-print product line in the fourth quarter of 2020.

Commercial Markets

Commercial sales increased \$52 million, or 6%, to \$855 million, primarily due to increased demand for our industrial vehicle products in the general industrial market, which contributed higher sales of \$50 million. Sales in the power & process market were essentially flat, as higher demand for our industrial valve products was more than offset by the timing of production on the China Direct AP1000 program.

Liquidity and Capital Resources

Sources and Uses of Cash

We derive the majority of our operating cash inflow from receipts on the sale of goods and services and cash outflow for the procurement of materials and labor; cash flow is therefore subject to market fluctuations and conditions. Most of our long-term contracts allow for several billing points (progress or milestone) that provide us with cash receipts as costs are incurred throughout the project rather than upon contract completion, thereby reducing working capital requirements.

Consolidated Statement of Cash Flows

| (In thousands) | Year ended December 31, | |
|--|-------------------------|--------------|
| | 2021 | 2020 |
| Net cash provided by (used in): | | |
| Operating activities | \$ 387,668 | \$ 261,180 |
| Investing activities | (42,403) | (532,530) |
| Financing activities | (369,129) | 82,081 |
| Effect of exchange rates | (3,380) | (3,516) |
| Net increase (decrease) in cash and cash equivalents | \$ (27,244) | \$ (192,785) |

Operating Activities

Cash provided by operating activities increased \$126 million to \$388 million from the comparable prior year period, primarily due to a prior year voluntary pension contribution of \$150 million as well as the timing of advanced cash receipts and lower disbursements in the current period. These increases were partially offset by higher outstanding receivables during the current period.

Investing Activities

Capital Expenditures

Our capital expenditures were \$41 million and \$47 million for 2021 and 2020, respectively. The decrease in capital expenditures was primarily due to lower capital spending during the current period as well as lower current period investment related to the new DRG facility. For 2022, we anticipate capital expenditures of approximately \$50 million to \$60 million.

Divestitures

No material divestitures took place during 2021 or 2020.

Acquisitions

In 2021, we did not complete any acquisitions. In 2020, we acquired three businesses for \$488 million in cash paid.

Future acquisitions will depend, in part, on the availability of financial resources at a cost of capital that meet our stringent criteria. As such, future acquisitions, if any, may be funded through the use of our cash and cash equivalents, through additional financing available under the credit agreement, or through new financing alternatives.

Financing Activities

Debt Issuances and Repayments

There were no debt issuances in 2021.

In the fourth quarter of 2021, we repaid \$100 million of the 2011 Notes that matured on December 1, 2021.

On August 13, 2020, the Corporation issued \$300 million of Senior Notes (the “2020 Notes”), consisting of \$150 million of 3.10% Senior Notes that mature on August 13, 2030 and \$150 million of 3.20% Senior Notes that mature on August 13, 2032.

Revolving Credit Agreement

As of December 31, 2021, the Corporation had \$94 million of borrowings outstanding under the Revolving Credit Agreement (the Credit Agreement or credit facility) and \$21 million in letters of credit supported by the credit facility. The unused credit available under the Credit Agreement as of December 31, 2021 was \$385 million, which could be borrowed in full without violating any of our debt covenants. As of December 31, 2020, the Corporation had no borrowings outstanding under the Credit Agreement.

Repurchase of Common Stock

During 2021, the Company repurchased approximately 2.7 million shares of its common stock for \$343 million. In 2020, the Company repurchased approximately 2.0 million shares of its common stock for \$200 million.

Dividends

The Company made dividend payments of approximately \$29 million and \$28 million during 2021 and 2020, respectively.

Capital Resources

Cash in U.S. and Foreign Jurisdictions

| (In thousands) | As of December 31, | |
|--|--------------------|-------------------|
| | 2021 | 2020 |
| United States of America | \$ 37,361 | \$ 55,391 |
| United Kingdom | 69,732 | 49,258 |
| European Union | 12,154 | 21,156 |
| Canada | 24,019 | 34,795 |
| China | 13,403 | 20,692 |
| Other foreign countries | 14,335 | 16,956 |
| Total cash and cash equivalents | \$ 171,004 | \$ 198,248 |

Cash and cash equivalents as of December 31, 2021 and December 31, 2020 were \$171 million and \$198 million, respectively. The decrease in cash held by U.S. subsidiaries during 2021 as compared to 2020 was primarily due to higher current period share repurchase activity, the principal payment of \$100 million on the 2011 Notes that matured in December 2021, and lower foreign cash repatriation, partially offset by higher net borrowings on our credit facility during the current period. The decrease in cash held by foreign subsidiaries during 2021 as compared to 2020 was primarily due to lower net cash receipts during the current period. There are no legal or economic restrictions on the ability of any of our subsidiaries to transfer funds, absent certain regulatory approvals in China, where approximately \$13 million of our foreign cash resides.

Cash Utilization

Management continually evaluates cash utilization alternatives, including share repurchases, acquisitions, and increased dividends to determine the most beneficial use of available capital resources. We believe that our cash and cash equivalents, cash flow from operations, available borrowings under the credit facility, and ability to raise additional capital through the credit markets are sufficient to meet both the short-term and long-term capital needs of the organization, including the return of capital to shareholders through dividends and share repurchases and growing our business through acquisitions.

Debt Compliance

As of December 31, 2021, we were in compliance with all debt agreements and credit facility covenants, including our most restrictive covenant, which is our debt to capitalization ratio limit of 60%. As of December 31, 2021, we had the ability to incur total additional indebtedness of \$1.6 billion without violating our debt to capitalization covenant.

Future Commitments

Cash generated from operations should be adequate to meet our planned capital expenditures of approximately \$50 million to \$60 million and expected dividend payments of approximately \$29 million in 2022. There can be no assurance, however, that we will continue to generate cash from operations at the current level, or that these projections will remain constant throughout 2022. If cash generated from operations is not sufficient to support these operating requirements and investing activities, we may be required to reduce capital expenditures, borrow from our existing credit line, refinance a portion of our existing debt, or obtain additional financing. While all companies are subject to economic risk, we believe that our cash and cash equivalents, cash flow from operations, and available borrowings are sufficient to meet both the short-term and long-term capital needs of the organization.

The following table quantifies our significant future contractual obligations and commercial commitments as of December 31, 2021:

| (In thousands) | Total | 2022 | 2023 | 2024 | 2025 | 2026 | Thereafter |
|--------------------------------------|---------------------|------------------|-------------------|------------------|-------------------|-------------------|-------------------|
| Debt Principal Repayments | \$ 1,043,900 | \$ — | \$ 296,400 | \$ — | \$ 90,000 | \$ 200,000 | \$ 457,500 |
| Operating Leases | 186,596 | 31,698 | 29,037 | 26,166 | 19,811 | 16,161 | 63,723 |
| Interest Payments on Fixed Rate Debt | 200,621 | 35,320 | 32,698 | 27,828 | 26,615 | 23,821 | 54,339 |
| Total | \$ 1,431,117 | \$ 67,018 | \$ 358,135 | \$ 53,994 | \$ 136,426 | \$ 239,982 | \$ 575,562 |

We do not have material purchase obligations. Most of our raw material purchase commitments are made directly pursuant to specific contract requirements.

We enter into standby letters of credit agreements and guarantees with financial institutions and customers primarily relating to future performance on certain contracts to provide products and services and to secure advance payments we have received from certain international customers. As of December 31, 2021, we had contingent liabilities on outstanding letters of credit due as follows:

| <i>(In thousands)</i> | Total | 2022 | 2023 | 2024 | 2025 | 2026 | Thereafter |
|----------------------------------|--------------|-------------|-------------|-------------|-------------|-------------|-------------------|
| Letters of Credit ⁽¹⁾ | \$ 21,083 | \$ 11,553 | \$ 4,191 | \$ 3,421 | \$ 1,313 | \$ 55 | \$ 550 |

⁽¹⁾ Amounts exclude bank guarantees of approximately \$4.5 million.

Critical Accounting Estimates and Policies

Our consolidated financial statements and accompanying notes are prepared in accordance with accounting principles generally accepted in the United States of America. Preparing consolidated financial statements requires us to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenues, and expenses. These estimates and assumptions are affected by the application of our accounting policies. Critical accounting policies are those that require application of management's most difficult, subjective, or complex judgments, often as a result of the need to make estimates about the effects of matters that are inherently uncertain and may change in subsequent periods. We believe that the following are some of the more critical judgment areas in the application of our accounting policies that affect our financial condition and results of operations:

Revenue Recognition

We account for revenues in accordance with ASC 606, *Revenue from Contracts with Customers*. Under ASC 606, revenue is recognized when control of a promised good and/or service is transferred to a customer at a transaction price that reflects the consideration that we expect to be entitled to in exchange for that good and/or service. The unit of account is a performance obligation whereby a contract's transaction price is allocated to each distinct performance obligation and recognized as revenue when the respective performance obligation is satisfied. In certain instances, the transaction price may include estimated amounts of variable consideration including but not limited to incentives, awards, price escalations, liquidated damages, and penalties, only to the extent that it is probable that a significant reversal of cumulative revenue recognized to date around such variable consideration will not occur. We estimate variable consideration to be included in the transaction price using either the expected value method or most likely amount method, contingent upon the facts and circumstances of the specific arrangement. Variable consideration associated with our respective arrangements is not typically constrained.

Performance obligations are satisfied either at a point-in-time or on an over-time basis. Contracts that qualify for over-time revenue recognition are generally associated with the design, development, and manufacture of highly engineered industrial products used in commercial and defense applications and generally span between 2-5 years in duration. Revenue recognized on an over-time basis for the year ended December 31, 2021 accounted for approximately 50% of total net sales. Typically, over-time revenue recognition is based on the utilization of an input measure used to measure progress, such as costs incurred to date relative to total estimated costs. Application of an over-time revenue recognition method requires the use of reasonable and dependable estimates of future material, labor, and overhead costs that will be incurred as well as a disciplined cost estimating system in which all functions of the business are integrally involved. These estimates are determined based on industry knowledge and experience of our engineers, project managers, and financial staff. Changes in total estimated costs are recognized using the cumulative catch-up method of accounting which recognizes the cumulative effect of the changes on current and prior periods in the current period. During the years ended December 31, 2021, 2020, and 2019, there were no significant changes in estimated contract costs.

If a performance obligation does not qualify for over-time revenue recognition, revenue is then recognized at the point-in-time in which control of the distinct good or service is transferred to the customer, typically based upon the terms of delivery. Revenue recognized at a point-in-time for the year ended December 31, 2021 accounted for approximately 50% of total net sales.

Timing of revenue recognition and cash collection may result in billed receivables, unbilled receivables (contract assets), and deferred revenue (contract liabilities) on the Consolidated Balance Sheet. Contract assets primarily relate to our right to consideration for work completed but not billed as of the reporting date. Contract assets are transferred to billed receivables when the rights to consideration become unconditional. Contract liabilities primarily consist of customer advances received prior to revenue being earned. Contract assets and contract liabilities are reported in the "Receivables, net" and "Deferred revenue" lines, respectively, within the Consolidated Balance Sheet.

Inventory

Inventory costs include materials, direct labor, purchasing, and manufacturing overhead costs, which are stated at the lower of cost or net realizable value. We estimate the net realizable value of our inventories and establish reserves to reduce the carrying amount of these inventories to net realizable value, as necessary. We continually evaluate the adequacy of the inventory reserves by reviewing historical scrap rates, on-hand quantities as compared with historical and projected usage levels, and other anticipated contractual requirements. We generally hold reserved inventory for extended periods before scrapping and disposing of the reserved inventory, which contributes to a higher level of reserved inventory relative to the level of annual inventory write-offs.

We purchase materials for the manufacture of components for sale. The decision to purchase a set quantity of a particular item is influenced by several factors including: current and projected price, future estimated availability, existing and projected contracts to produce certain items, and the estimated needs for our businesses.

Pension and Other Postretirement Benefits

In consultation with our actuaries, we determine the appropriate assumptions for use in determining the liability for future pension and other postretirement benefits. The most significant of these assumptions include the discount rates used to determine plan obligations, the expected return on plan assets, and the number of employees who will receive benefits, their tenure, their salary levels, and their projected mortality. Changes in these assumptions, if significant in future years, may have an effect on our pension and postretirement expense, associated pension and postretirement assets and liabilities, and our annual cash requirements to fund these plans.

The discount rate used to determine the plan benefit obligations as of December 31, 2021, and the annual periodic costs for 2022, was increased from 2.53% to 2.87% for the Curtiss-Wright Pension Plan, and from 2.30% to 2.70% for the nonqualified benefit plan, to reflect current economic conditions. The rates reflect the hypothetical rates at which the projected benefit obligations could be effectively settled or paid out to participants on that date. We determine our discount rates for past service liabilities and service cost by utilizing a select bond yield curve developed by our actuaries, which is based on the rates of return on high-quality, fixed-income corporate bonds available at the measurement date with maturities that match the plan's expected cash outflows for benefit payments. Interest cost is determined by applying the spot rate from the full yield curve to each anticipated benefit payment. The discount rate changes contributed to a decrease in the benefit obligation of \$37 million in the CW plans.

The rate of compensation increase for base pay in the pension plans was unchanged at a weighted average of 3.5% based upon a graded scale of 4.9% to 2.9% that decrements as pay increases, which reflects the experience over past years and the Company's expectation of future salary increases. We also retained our mortality assumptions from prior year utilizing the Pri-2012 tables published by the Society of Actuaries in October 2019, and the MP-2020 projected mortality scale published in October 2020.

The overall expected return on assets assumption is based primarily on the expectations of future performance. Expected future performance is determined by weighting the expected returns for each asset class by the plan's asset allocation. The expected returns are based on long-term capital market assumptions provided by our investment consultants. Based on a review of market trends, actual returns on plan assets, and other factors, the Company's expected long-term rate of return on plan assets was reduced to 5.8% as of December 31, 2021, which will be utilized for determining 2022 pension cost. An expected long-term rate of return of 6.5% was used for determining 2021 expense, with 7.5% used for 2020 pension expense and 8.0% used for 2019 pension expense.

The timing and amount of future pension income or expense to be recognized each year is dependent on the demographics and expected compensation of the plan participants, the expected interest rates in effect in future years, inflation, and the actual and expected investment returns of the assets in the pension trust.

The funded status of the Curtiss-Wright Pension Plan increased by \$153 million in 2021, primarily driven by favorable asset experience due to strong market performance in 2021.

The following table reflects the impact of changes in selected assumptions used to determine the funded status of the Company's U.S. qualified and nonqualified pension plans as of December 31, 2021 (in thousands, except for percentage point change):

| Assumption | Percentage Point Change | Increase in Benefit Obligation | Increase in Expense |
|---------------------------|-------------------------|--------------------------------|---------------------|
| Discount rate | (0.25) % | \$26,059 | \$2,599 |
| Expected return on assets | (0.25) % | — | \$2,268 |

See Note 17 to the Consolidated Financial Statements for further information on our pension and postretirement plans.

Goodwill

We have \$1.5 billion in goodwill as of December 31, 2021. Generally, the largest separately identifiable asset from the businesses that we acquire is the value of their assembled workforces, which includes the additional benefit received from management, administrative, marketing, business development, engineering, and technical employees of the acquired businesses. The success of our acquisitions, including the ability to retain existing business and to successfully compete for and win new business, is based on the additional benefit received from management, administrative, marketing, and business development, scientific, engineering, and technical skills and knowledge of our employees rather than on productive capital (plant and equipment, technology, and intellectual property). Therefore, since intangible assets for assembled workforces are part of goodwill, the substantial majority of the intangible assets for our acquired business acquisitions are recognized as goodwill.

We test for goodwill impairment annually, at the reporting unit level, in the fourth quarter, which coincides with the preparation of our strategic operating plan. Additionally, goodwill is tested for impairment when an event occurs or if circumstances change that would more likely than not reduce the fair value of a reporting unit below its carrying amount.

We perform either a quantitative or qualitative assessment to assess if the fair value of the respective reporting unit exceeds its carrying value. The qualitative goodwill impairment assessment requires evaluating factors to determine whether it is more likely than not that the fair value of a reporting unit is less than its carrying amount. As part of our goodwill qualitative assessment process for each reporting unit, when utilized, we evaluate various factors that are specific to the reporting unit as well as industry and macroeconomic factors in order to determine whether it is reasonably likely to have a material impact on the fair value of our reporting units. Examples of the factors that are considered include the results of the most recent impairment test, current and long-range forecasts, and changes in the strategic outlook or organizational structure of the reporting units. The long-range financial forecasts of the reporting units are compared to the forecasts used in the prior year analysis to determine if management expectations for the business have changed.

Actual results may differ from those estimates. When performing the quantitative assessment to calculate the fair value of a reporting unit, we consider both comparative market multiples as well as estimated discounted cash flows for the reporting unit. The significant estimates and assumptions include, but are not limited to, revenue growth rates, operating margins, and future economic and market conditions. The discount rates are based upon the reporting unit's weighted average cost of capital. As a supplement, we conduct additional sensitivity analysis to assess the risk for potential impairment based upon changes in the key assumptions such as the discount rate, expected long-term growth rate, and cash flow projections. Based upon the completion of our annual test as of October 31, 2021, we determined that there was no impairment of goodwill and that all reporting units' estimated fair values were substantially in excess of their carrying amounts.

Other Intangible Assets

Other intangible assets are generally the result of acquisitions and consist primarily of purchased technology, customer related intangibles, and trademarks. Intangible assets are recorded at their fair values as determined through purchase accounting, based on estimates and judgments regarding expectations for the estimated future after-tax earnings and cash flows arising from follow-on sales. Definite-lived intangible assets are amortized on a straight-line basis over their estimated useful lives, which generally range from 1 to 20 years. Customer-related intangibles primarily consist of customer relationships, which reflect the value of the benefit derived from the incremental revenue and related cash flows as a direct result of the customer relationship. We review the recoverability of all intangible assets, including the related useful lives, whenever events or changes in circumstances indicate that the carrying amount might not be recoverable. We would record any impairment in the reporting period in which it has been identified.

Item 7A. Quantitative and Qualitative Disclosures about Market Risk.

We are exposed to certain market risks from changes in interest rates and foreign currency exchange rates as a result of our global operating and financing activities. We seek to minimize any material risks from foreign currency exchange rate fluctuations through our normal operating and financing activities and, when deemed appropriate, through the use of derivative financial instruments. We used forward foreign currency contracts to manage our currency rate exposures during the year ended December 31, 2021, and, in order to manage our interest rate risk, we may, from time to time, enter into interest rate swaps to balance the ratio of fixed to floating rate debt. We do not use such instruments for trading or other speculative purposes. Information regarding our accounting policy on financial instruments is contained in Note 1 to the Consolidated Financial Statements.

Interest Rates

The market risk for a change in interest rates relates primarily to our debt obligations. Our fixed rate interest exposure was 91% and 100% as of December 31, 2021 and December 31, 2020, respectively. As of December 31, 2021, a change in interest rates of 1% would not have a material impact on consolidated interest expense. Information regarding our Senior Notes and Revolving Credit Agreement is contained in Note 14 to the Consolidated Financial Statements.

Foreign Currency Exchange Rates

Although the majority of our business is transacted in U.S. dollars, we do have market risk exposure to changes in foreign currency exchange rates, primarily as it relates to the value of the U.S. dollar versus the British Pound, Canadian dollar, and Euro. Any significant change against the U.S. dollar in the value of the currencies of those countries in which we do business could have an effect on our business, financial condition, and results of operations. If foreign exchange rates were to collectively weaken or strengthen against the U.S. dollar by 10%, net earnings would have decreased or increased, respectively, by approximately \$11 million as it relates exclusively to foreign currency exchange rate exposures.

Financial instruments expose us to counter-party credit risk for non-performance and to market risk for changes in interest and foreign currency rates. We manage exposure to counter-party credit risk through specific minimum credit standards, diversification of counter-parties, and procedures to monitor concentrations of credit risk. We monitor the impact of market risk on the fair value and cash flows of our investments by investing primarily in investment grade interest-bearing securities, which have short-term maturities. We attempt to minimize possible changes in interest and currency exchange rates to amounts that are not material to our results of operations and cash flows.

Item 8. Financial Statements and Supplementary Data.

CONSOLIDATED STATEMENTS OF EARNINGS

For the years ended December 31,

(In thousands, except per share data)

| | 2021 | 2020 | 2019 |
|--------------------------------------|-------------------|-------------------|-------------------|
| Net sales | | | |
| Product sales | \$ 2,109,617 | \$ 2,041,086 | \$ 2,073,530 |
| Service sales | 396,314 | 350,250 | 414,431 |
| Total net sales | <u>2,505,931</u> | <u>2,391,336</u> | <u>2,487,961</u> |
| Cost of sales | | | |
| Cost of product sales | 1,330,191 | 1,319,562 | 1,329,761 |
| Cost of service sales | 242,384 | 230,547 | 259,455 |
| Total cost of sales | <u>1,572,575</u> | <u>1,550,109</u> | <u>1,589,216</u> |
| Gross profit | 933,356 | 841,227 | 898,745 |
| Research and development expenses | 88,489 | 74,816 | 72,520 |
| Selling expenses | 116,956 | 109,537 | 120,861 |
| General and administrative expenses | 326,140 | 303,288 | 301,411 |
| Impairment of assets held for sale | 19,088 | 33,043 | — |
| Restructuring expenses | — | 31,695 | — |
| Operating income | <u>382,683</u> | <u>288,848</u> | <u>403,953</u> |
| Interest expense | 40,240 | 35,545 | 31,347 |
| Other income, net | 12,067 | 9,748 | 23,856 |
| Earnings before income taxes | <u>354,510</u> | <u>263,051</u> | <u>396,462</u> |
| Provision for income taxes | <u>(87,351)</u> | <u>(61,659)</u> | <u>(88,879)</u> |
| Net earnings | <u>\$ 267,159</u> | <u>\$ 201,392</u> | <u>\$ 307,583</u> |
| Basic earnings per share | \$ 6.61 | \$ 4.83 | \$ 7.20 |
| Diluted earnings per share | \$ 6.58 | \$ 4.80 | \$ 7.15 |
| Dividends per share | \$ 0.71 | \$ 0.68 | \$ 0.66 |
| Weighted average shares outstanding: | | | |
| Basic | 40,417 | 41,738 | 42,739 |
| Diluted | 40,602 | 41,999 | 43,016 |

See notes to consolidated financial statements

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

| <i>(In thousands)</i> | For the years ended December 31, | | |
|---|---|-------------|-------------|
| | 2021 | 2020 | 2019 |
| Net earnings | \$ 267,159 | \$ 201,392 | \$ 307,583 |
| Other comprehensive income | | | |
| Foreign currency translation, net of tax ⁽¹⁾ | (10,829) | 41,282 | 18,447 |
| Pension and postretirement adjustments, net of tax ⁽²⁾ | 131,220 | (26,864) | (29,017) |
| Other comprehensive income (loss), net of tax | 120,391 | 14,418 | (10,570) |
| Comprehensive income | \$ 387,550 | \$ 215,810 | \$ 297,013 |

⁽¹⁾ The tax benefit (expense) included in other comprehensive income for foreign currency translation adjustments for 2021, 2020, and 2019 was immaterial.

⁽²⁾ The tax benefit (expense) included in other comprehensive income for pension and postretirement adjustments for 2021, 2020, and 2019 was (\$42.3) million, \$8.3 million, and \$8.5 million, respectively.

See notes to consolidated financial statements

CONSOLIDATED BALANCE SHEETS

(In thousands, except share data)

| | As of December 31, | |
|---|---------------------------|---------------------|
| | 2021 | 2020 |
| ASSETS | | |
| Current assets: | | |
| Cash and cash equivalents | \$ 171,004 | \$ 198,248 |
| Receivables, net | 647,148 | 588,718 |
| Inventories, net | 411,567 | 428,879 |
| Assets held for sale | 10,988 | 27,584 |
| Other current assets | 67,101 | 57,395 |
| Total current assets | 1,307,808 | 1,300,824 |
| Property, plant, and equipment, net | 360,031 | 378,200 |
| Goodwill | 1,463,026 | 1,455,137 |
| Other intangible assets, net | 538,077 | 609,630 |
| Operating lease right-of-use assets, net | 143,613 | 150,898 |
| Prepaid pension asset | 256,422 | 92,531 |
| Other assets | 34,568 | 34,114 |
| Total assets | <u>\$ 4,103,545</u> | <u>\$ 4,021,334</u> |
| LIABILITIES | | |
| Current liabilities: | | |
| Current portion of long-term and short-term debt | \$ — | \$ 100,000 |
| Accounts payable | 211,640 | 201,237 |
| Accrued expenses | 144,466 | 140,200 |
| Income taxes payable | 3,235 | 6,633 |
| Deferred revenue | 260,157 | 253,411 |
| Liabilities held for sale | 12,655 | 10,141 |
| Other current liabilities | 102,714 | 98,755 |
| Total current liabilities | 734,867 | 810,377 |
| Long-term debt | 1,050,610 | 958,292 |
| Deferred tax liabilities | 147,349 | 115,007 |
| Accrued pension and other postretirement benefit costs | 91,329 | 98,345 |
| Long-term operating lease liability | 127,152 | 133,069 |
| Long-term portion of environmental reserves | 13,656 | 15,422 |
| Other liabilities | 112,092 | 103,248 |
| Total liabilities | 2,277,055 | 2,233,760 |
| Contingencies and Commitments (Notes 10, 14, and 19) | | |
| STOCKHOLDERS' EQUITY | | |
| Common stock, \$1 par value, 100,000,000 shares authorized as of December 31, 2021 and December 31, 2020; 49,187,378 shares issued as of December 31, 2021 and December 31, 2020; outstanding shares were 38,469,778 as of December 31, 2021 and 40,916,429 as of December 31, 2020 | 49,187 | 49,187 |
| Additional paid in capital | 127,104 | 122,535 |
| Retained earnings | 2,908,827 | 2,670,328 |
| Accumulated other comprehensive loss | (190,465) | (310,856) |
| Common treasury stock, at cost (10,717,600 shares as of December 31, 2021 and 8,270,949 shares as of December 31, 2020) | (1,068,163) | (743,620) |
| Total stockholders' equity | 1,826,490 | 1,787,574 |
| Total liabilities and stockholders' equity | <u>\$ 4,103,545</u> | <u>\$ 4,021,334</u> |

See notes to consolidated financial statements

CONSOLIDATED STATEMENTS OF CASH FLOWS

| <i>(In thousands)</i> | For the years ended December 31, | | |
|--|---|-------------|-------------|
| | 2021 | 2020 | 2019 |
| Cash flows from operating activities: | | | |
| Net earnings | \$ 267,159 | \$ 201,392 | \$ 307,583 |
| Adjustments to reconcile net earnings to net cash provided by operating activities: | | | |
| Depreciation and amortization | 114,384 | 115,903 | 102,412 |
| (Gain) on sale/disposal of long-lived assets | (568) | — | (11,054) |
| Deferred income taxes | (10,200) | (7,048) | 40,787 |
| Share-based compensation | 13,450 | 14,437 | 13,669 |
| Impairment of assets held for sale | 19,088 | 33,043 | — |
| Foreign exchange loss on substantial liquidation of subsidiary | — | 9,351 | — |
| Non-cash restructuring charges | — | 15,628 | — |
| Changes in operating assets and liabilities, net of businesses acquired and disposed of: | | | |
| Receivables, net | (59,372) | 71,147 | (12,613) |
| Inventories, net | 15,321 | 15,535 | (3,485) |
| Progress payments | (3,672) | (7,689) | (4,834) |
| Accounts payable and accrued expenses | 17,713 | (55,513) | (18,629) |
| Deferred revenue | 9,584 | (33,179) | 36,134 |
| Income taxes | (12,988) | 15,171 | (15,625) |
| Pension and postretirement, net | (1,236) | (153,375) | (1,310) |
| Other | 19,005 | 26,377 | (11,631) |
| Net cash provided by operating activities | 387,668 | 261,180 | 421,404 |
| Cash flows from investing activities: | | | |
| Proceeds from sales and disposals of long-lived assets | 4,045 | 2,930 | 15,093 |
| Additions to property, plant, and equipment | (41,108) | (47,499) | (69,752) |
| Acquisition of businesses, net of cash acquired | — | (487,944) | (185,209) |
| Additional consideration paid on prior year acquisitions | (5,340) | — | — |
| Other | — | (17) | (172) |
| Net cash used for investing activities | (42,403) | (532,530) | (240,040) |
| Cash flows from financing activities: | | | |
| Borrowings under revolving credit facilities | 455,950 | 570,675 | 37,692 |
| Payment of revolving credit facilities | (362,050) | (570,675) | (37,934) |
| Borrowings of debt | — | 300,000 | — |
| Principal payments on debt | (100,000) | — | — |
| Repurchases of company stock | (343,129) | (200,018) | (50,661) |
| Proceeds from share-based compensation plans | 9,705 | 11,148 | 11,770 |
| Dividends paid | (28,660) | (28,175) | (28,200) |
| Other | (945) | (874) | (812) |
| Net cash provided by (used for) financing activities | (369,129) | 82,081 | (68,145) |
| Effect of exchange-rate changes on cash | (3,380) | (3,516) | 1,748 |
| Net increase (decrease) in cash and cash equivalents | (27,244) | (192,785) | 114,967 |
| Cash and cash equivalents at beginning of year | 198,248 | 391,033 | 276,066 |
| Cash and cash equivalents at end of year | 171,004 | 198,248 | 391,033 |

See notes to consolidated financial statements

CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY

(In thousands)

| | Common Stock | Additional Paid in Capital | Retained Earnings | Accumulated Other Comprehensive Income (Loss) | Treasury Stock |
|--|------------------|----------------------------------|----------------------|---|-----------------------|
| January 1, 2019 | \$ 49,187 | \$ 118,234 | \$ 2,191,471 | \$ (288,447) | \$ (539,664) |
| Cumulative effect from adoption of ASU 2018-02 | — | — | 26,257 | (26,257) | — |
| Net earnings | — | — | 307,583 | — | — |
| Other comprehensive loss, net of tax | — | — | — | (10,570) | — |
| Dividends paid | — | — | (28,200) | — | — |
| Restricted stock | — | (10,483) | — | — | 10,483 |
| Employee stock purchase plan and stock options exercised | — | (4,226) | — | — | 15,996 |
| Share-based compensation | — | 13,264 | — | — | 405 |
| Repurchase of common stock ⁽¹⁾ | — | — | — | — | (50,661) |
| Other | — | (719) | — | — | 719 |
| December 31, 2019 | \$ 49,187 | \$ 116,070 | \$ 2,497,111 | \$ (325,274) | \$ (562,722) |
| Net earnings | — | — | 201,392 | — | — |
| Other comprehensive income, net of tax | — | — | — | 14,418 | — |
| Dividends paid | — | — | (28,175) | — | — |
| Restricted stock | — | (4,115) | — | — | 4,115 |
| Employee stock purchase plan and stock options exercised | — | (3,286) | — | — | 14,434 |
| Share-based compensation | — | 14,383 | — | — | 54 |
| Repurchase of common stock ⁽¹⁾ | — | — | — | — | (200,018) |
| Other | — | (517) | — | — | 517 |
| December 31, 2020 | \$ 49,187 | \$ 122,535 | \$ 2,670,328 | \$ (310,856) | \$ (743,620) |
| Net earnings | — | — | 267,159 | — | — |
| Other comprehensive income, net of tax | — | — | — | 120,391 | — |
| Dividends paid | — | — | (28,660) | — | — |
| Restricted stock | — | (9,007) | — | — | 9,007 |
| Employee stock purchase plan | — | 877 | — | — | 8,828 |
| Share-based compensation | — | 13,296 | — | — | 154 |
| Repurchase of common stock ⁽¹⁾ | — | — | — | — | (343,129) |
| Other | — | (597) | — | — | 597 |
| December 31, 2021 | \$ 49,187 | \$ 127,104 | \$ 2,908,827 | \$ (190,465) | \$ (1,068,163) |

⁽¹⁾ For the years ended December 31, 2021, 2020, and 2019, the Corporation repurchased approximately 2.7 million, 2.0 million, and 0.4 million shares of its common stock, respectively.

See notes to consolidated financial statements

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Operations

Curtiss-Wright Corporation and its subsidiaries (the Corporation or the Company) is a global integrated business that provides highly engineered products, solutions, and services mainly to aerospace & defense markets, as well as critical technologies in demanding commercial power, process, and industrial markets.

Principles of Consolidation

The consolidated financial statements include the accounts of the Corporation and its majority-owned subsidiaries. All intercompany transactions and accounts have been eliminated.

Use of Estimates

The financial statements of the Corporation have been prepared in conformity with accounting principles generally accepted in the United States of America (U.S. GAAP), which requires management to make estimates and judgments that affect the reported amount of assets, liabilities, revenue, and expenses and disclosure of contingent assets and liabilities in the accompanying financial statements. The most significant of these estimates includes the estimate of costs to complete on certain contracts using the over-time revenue recognition accounting method, cash flow estimates used for testing the recoverability of assets, pension plan and postretirement obligation assumptions, estimates for inventory obsolescence, fair value estimates around assets and assumed liabilities from acquisitions, estimates for the valuation and useful lives of intangible assets, legal reserves, and the estimate of future environmental costs. Actual results may differ from these estimates.

Cash and Cash Equivalents

Cash equivalents consist of money market funds and commercial paper that are readily convertible into cash, all with original maturity dates of three months or less.

Inventory

Inventories are stated at lower of cost or net realizable value. Production costs are comprised of direct material and labor and applicable manufacturing overhead.

Progress Payments

Certain long-term contracts provide for interim billings as costs are incurred on the respective contracts. Pursuant to contract provisions, agencies of the U.S. Government and other customers obtain control of promised goods or services to the extent that progress payments are received. Accordingly, these receipts have been reported as a reduction of unbilled receivables as presented in Note 5 to the Consolidated Financial Statements. In the event that progress payments received exceed revenue recognized to date on a specific contract, a contract liability has been established with such amount reported in the "Deferred revenue" line within the Consolidated Balance Sheet.

The Corporation also receives progress payments on development contracts related to certain aerospace and defense programs. Progress payments received on partially funded development contracts have been reported as a reduction of inventories, as presented in Note 6 to the Consolidated Financial Statements.

Property, Plant, and Equipment

Property, plant, and equipment are carried at cost less accumulated depreciation. Major renewals and betterments are capitalized, while maintenance and repairs that do not improve or extend the life of the asset are expensed in the period that they are incurred. Depreciation is computed using the straight-line method over the estimated useful lives of the respective assets.

Average useful lives for property, plant, and equipment are as follows:

| | |
|---------------------------------|---------------|
| Buildings and improvements | 5 to 40 years |
| Machinery, equipment, and other | 3 to 15 years |

See Note 7 to the Consolidated Financial Statements for further information on property, plant, and equipment.

Intangible Assets

Intangible assets are generally the result of acquisitions and consist primarily of purchased technology, customer related intangibles, trademarks, and technology licenses. Intangible assets are amortized on a straight-line basis over their estimated useful lives, which range from 1 to 20 years. See Note 9 to the Consolidated Financial Statements for further information on other intangible assets.

Impairment of Long-Lived Assets

The Corporation reviews the recoverability of all long-lived assets, including the related useful lives, whenever events or changes in circumstances indicate that the carrying amount of a long-lived asset might not be recoverable. If required, the Corporation compares the estimated fair value determined by either the undiscounted future net cash flows or appraised value to the related asset's carrying value to determine whether there has been an impairment. If an asset is considered impaired, the asset is written down to fair value in the period in which the impairment becomes known. The Corporation recognized no significant impairment charges on assets held in use during the years ended December 31, 2021, 2020, and 2019.

Goodwill

Goodwill results from business acquisitions. The Corporation accounts for business acquisitions by allocating the purchase price to the tangible and intangible assets acquired and liabilities assumed. Assets acquired and liabilities assumed are recorded at their fair values, and the excess of the purchase price over the amounts allocated is recorded as goodwill. The recoverability of goodwill is subject to an annual impairment test or whenever an event occurs or circumstances change that would more likely than not result in an impairment. The impairment test is based on the estimated fair value of the underlying businesses. The Corporation's goodwill impairment test is performed annually in the fourth quarter of each year. See Note 8 to the Consolidated Financial Statements for further information on goodwill.

Fair Value of Financial Instruments

Accounting guidance requires certain disclosures regarding the fair value of financial instruments. Due to the short maturities of cash and cash equivalents, accounts receivable, accounts payable, and accrued expenses, the net book value of these financial instruments is deemed to approximate fair value. See Notes 11 and 14 to the Consolidated Financial Statements for further information on the Corporation's financial instruments.

Research and Development

The Corporation funds research and development programs for commercial products and independent research and development and bid and proposal work related to government contracts. Development costs include engineering for new customer requirements. Corporation-sponsored research and development costs are expensed as incurred.

Research and development costs associated with customer-sponsored programs are capitalized to inventory and are recorded in cost of sales when products are delivered or services performed. Funds received under shared development contracts are a reduction of the total development expenditures under the shared contract and are shown net as research and development costs.

Accounting for Share-Based Payments

The Corporation follows the fair value based method of accounting for share-based employee compensation, which requires the Corporation to expense all share-based employee compensation. Share-based employee compensation is a non-cash expense since the Corporation settles these obligations by issuing the shares of Curtiss-Wright Corporation instead of settling such obligations with cash payments.

Compensation expense for performance shares and time-based restricted stock is recognized over the requisite service period for the entire award based on the grant date fair value.

Income Taxes

The Corporation accounts for income taxes using the asset and liability method. Under the asset and liability method, deferred tax assets and liabilities are recognized for future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases. The effect on deferred tax assets and liabilities of a change in tax laws is recognized in the results of operations in the period the new laws are enacted. A valuation allowance is recorded to reduce the carrying amounts of deferred tax assets unless it is more likely than not that such assets will be realized.

The Corporation records amounts related to uncertain income tax positions by 1) prescribing a minimum recognition threshold a tax position is required to meet before being recognized in the financial statements and 2) the measurement of the income tax benefits recognized from such positions. The Corporation's accounting policy is to classify uncertain income tax positions that are not expected to be resolved in one year as a non-current income tax liability and to classify interest and penalties as a component of interest expense and general and administrative expenses, respectively. See Note 13 to the Consolidated Financial Statements for further information.

Foreign Currency

For operations outside the United States of America that prepare financial statements in currencies other than the U.S. dollar, the Corporation translates assets and liabilities at period-end exchange rates and income statement amounts using weighted-average exchange rates for the period. The cumulative effect of translation adjustments is presented as a component of accumulated other comprehensive income (loss) within stockholders' equity. This balance is primarily affected by foreign currency exchange rate fluctuations. Losses from foreign currency transactions are included in general and administrative expenses in the Consolidated Statement of Earnings, which amounted to \$1.8 million, \$3.9 million, and \$7.2 million for the years ended December 31, 2021, 2020, and 2019, respectively.

Derivatives

Forward Foreign Exchange and Currency Option Contracts

The Corporation uses financial instruments, such as forward exchange and currency option contracts, to hedge a portion of existing and anticipated foreign currency denominated transactions. The purpose of the Corporation's foreign currency risk management program is to reduce volatility in earnings caused by exchange rate fluctuations. All derivative financial instruments are recorded at fair value based upon quoted market prices for comparable instruments, with the gain or loss on these transactions recorded into earnings in the period in which they occur. The Corporation does not use derivative financial instruments for trading or speculative purposes.

Interest Rate Risks and Related Strategies

The Corporation's primary interest rate exposure results from changes in U.S. dollar interest rates. The Corporation's policy is to manage interest cost using a mix of fixed and variable rate debt. The Corporation periodically uses interest rate swaps to manage such exposures. Under these interest rate swaps, the Corporation exchanges, at specified intervals, the difference between fixed and floating interest amounts calculated by reference to an agreed-upon notional principal amount.

For interest rate swaps designated as fair value hedges (i.e., hedges against the exposure to changes in the fair value of an asset or a liability or an identified portion thereof that is attributable to a particular risk), changes in the fair value of the interest rate swaps offset changes in the fair value of the fixed rate debt due to changes in market interest rates.

Recently Issued Accounting Standards

Recent accounting standards adopted

ASU 2016-13- Financial Instruments—Credit Losses (Topic 326), Measurement of Credit Losses on Financial Instruments. On January 1, 2020, the Company adopted ASU 2016-13 -Financial Instruments—Credit Losses (Topic 326), Measurement of Credit Losses on Financial Instruments. This ASU added a current expected credit loss impairment model to U.S. GAAP based on expected losses rather than incurred losses. As the Corporation is not subject to material trade credit risk given that a significant portion of its sales are generated from contracts with agencies of or prime contractors to the U.S. Government, the adoption of this standard did not have a material impact on the Corporation's consolidated financial statements as of January 1, 2020. As a result of adoption, the Corporation utilizes current and historical collection data as well as assesses current economic conditions in order to determine expected trade credit losses on a prospective basis.

2. REVENUE

The Corporation accounts for revenues in accordance with ASC 606, *Revenue from Contracts with Customers*. Under ASC 606, revenue is recognized when control of a promised good and/or service is transferred to a customer at a transaction price that reflects the consideration that the Corporation expects to be entitled to in exchange for that good and/or service.

Performance Obligations

The Corporation identifies a performance obligation for each promise in a contract to transfer a distinct good or service to the customer. As part of its assessment, the Corporation considers all goods and/or services promised in the contract, regardless of whether they are explicitly stated or implied by customary business practices. The Corporation's contracts may contain either a single performance obligation, including the promise to transfer individual goods or services that are not separately distinct within the context of the respective contracts, or multiple performance obligations. For contracts with multiple performance obligations, the Corporation allocates the overall transaction price to each performance obligation using standalone selling prices, where available, or utilizes estimates for each distinct good or service in the contract where standalone prices are not available. In certain instances, the transaction price may include estimated amounts of variable consideration including but not limited to incentives, awards, price escalations, liquidated damages, and penalties, only to the extent that it is probable that a significant reversal of cumulative revenue recognized to date around such variable consideration will not occur. The Corporation estimates variable consideration to be included in the transaction price using either the expected value method or most likely amount method, contingent upon the facts and circumstances of the specific arrangement. Variable consideration associated with the Corporation's respective arrangements is not typically constrained.

The Corporation's performance obligations are satisfied either at a point-in-time or on an over-time basis. Typically, over-time revenue recognition is based on the utilization of an input measure used to measure progress, such as costs incurred to date relative to total estimated costs. Changes in total estimated costs are recognized using the cumulative catch-up method of accounting which recognizes the cumulative effect of the changes on current and prior periods in the current period. Accordingly, the effect of the changes on future periods of contract performance is recognized as if the revised estimate had been the original estimate. A significant change in an estimate on one or more contracts could have a material effect on the Corporation's consolidated financial position, results or operations, or cash flows. There were no significant changes in estimated contract costs during 2021, 2020, or 2019. If a performance obligation does not qualify for over-time revenue recognition, revenue is then recognized at the point-in-time in which control of the distinct good or service is transferred to the customer, typically based upon the terms of delivery.

The following table illustrates the approximate percentage of revenue recognized for performance obligations satisfied over-time versus at a point-in-time for the years ended December 31, 2021, 2020, and 2019:

| | Year Ended December 31, | | |
|---------------|----------------------------|------|------|
| | 2021 | 2020 | 2019 |
| Over-time | 50 % | 52 % | 49 % |
| Point-in-time | 50 % | 48 % | 51 % |

Contract backlog represents the remaining performance obligations that have not yet been recognized as revenue. Backlog includes deferred revenue and amounts that will be invoiced and recognized as revenue in future periods. Total backlog was approximately \$2.2 billion as of December 31, 2021, of which the Corporation expects to recognize approximately 87% as net sales over the next 36 months. The remainder will be recognized thereafter.

Disaggregation of Revenue

The following table presents the Corporation's total net sales disaggregated by end market and customer type:

Total Net Sales by End Market and Customer Type

| <i>(In thousands)</i> | Year Ended December 31, | | |
|-------------------------------------|-------------------------|---------------------|---------------------|
| | 2021 | 2020 | 2019 |
| Aerospace & Defense | | | |
| Aerospace Defense | \$ 452,661 | \$ 463,690 | \$ 416,841 |
| Ground Defense | 220,290 | 107,448 | 93,432 |
| Naval Defense | 710,688 | 692,152 | 568,776 |
| Commercial Aerospace | 267,722 | 325,518 | 433,038 |
| Total Aerospace & Defense Customers | \$ 1,651,361 | \$ 1,588,808 | \$ 1,512,087 |
| Commercial | | | |
| Power & Process | \$ 473,489 | \$ 474,842 | \$ 572,950 |
| General Industrial | 381,081 | 327,686 | 402,924 |
| Total Commercial Customers | \$ 854,570 | \$ 802,528 | \$ 975,874 |
| Total | <u>\$ 2,505,931</u> | <u>\$ 2,391,336</u> | <u>\$ 2,487,961</u> |

Contract Balances

Timing of revenue recognition and cash collection may result in billed receivables, unbilled receivables (contract assets), and deferred revenue (contract liabilities) on the Consolidated Balance Sheet. The Corporation's contract assets primarily relate to its rights to consideration for work completed but not billed as of the reporting date. Contract assets are transferred to billed receivables when the rights to consideration become unconditional. This is typical in situations where amounts are billed as work progresses in accordance with agreed-upon contractual terms or upon achievement of contractual milestones. The Corporation's contract liabilities primarily consist of customer advances received prior to revenue being earned. Revenues recognized for the years ended December 31, 2021, 2020, and 2019 included in the contract liabilities balance at the beginning of the respective years were approximately \$210 million, \$224 million, and \$198 million, respectively. Changes in contract assets and contract liabilities as of December 31, 2021 were not materially impacted by any other factors. Contract assets and contract liabilities are reported in the "Receivables, net" and "Deferred revenue" lines, respectively, within the Consolidated Balance Sheet.

3. ACQUISITIONS

The Corporation continually evaluates potential acquisitions that either strategically fit within the Corporation's existing portfolio or expand the Corporation's portfolio into new product lines or adjacent markets. The Corporation has completed numerous acquisitions that have been accounted for as business combinations and have resulted in the recognition of goodwill in the Corporation's financial statements. This goodwill arises because the purchase prices for these businesses reflect the future earnings and cash flow potential in excess of the earnings and cash flows attributable to the current product and customer set at the time of acquisition. Thus, goodwill inherently includes the know-how of the assembled workforce, the ability of the workforce to further improve the technology and product offerings, and the expected cash flows resulting from these efforts. Goodwill may also include expected synergies resulting from the complementary strategic fit these businesses bring to existing operations.

The Corporation allocates the purchase price at the date of acquisition based upon its understanding of the fair value of the acquired assets and assumed liabilities. Only items identified as of the acquisition date are considered for subsequent adjustment. The Corporation will make appropriate adjustments to the purchase price allocation prior to completion of the measurement period, as required.

For the year ended December 31, 2021, the Corporation did not complete any acquisitions. However, the Corporation paid \$5 million during the twelve months ended December 31, 2021 in regard to prior period acquisitions, which included a working capital adjustment on the acquisition of Pacific Star Communications, Inc. (PacStar), as well as a portion of the purchase price on the acquisition of Dyna-Flo Control Valve Services Ltd. (Dyna-Flo), which was initially held back as security for potential indemnification claims against the seller in accordance with the terms of the Purchase Agreement.

For the year ended December 31, 2020, the Corporation acquired three businesses for an aggregate purchase price of \$496 million, net of cash acquired. The Corporation's prior period acquisitions contributed \$40 million of total net sales and \$5 million of net losses for the year ended December 31, 2020 which are included in the Consolidated Statement of Earnings.

The following table summarizes the estimated fair values of the assets acquired and liabilities assumed at the date of acquisition for all acquisitions consummated

| <i>(In thousands)</i> | 2020 |
|--|------------|
| Accounts receivable | \$ 25,488 |
| Inventory | 37,840 |
| Property, plant, and equipment | 5,280 |
| Intangible assets | 204,384 |
| Operating lease right-of-use assets, net | 5,562 |
| Other current and non-current assets | 7,050 |
| Current and non-current liabilities | (75,257) |
| Net tangible and intangible assets | 210,347 |
| Goodwill | 285,200 |
| Total Purchase price | \$ 495,547 |
| Goodwill deductible for tax purposes | \$ 37,234 |

in 2020:

2020 Acquisitions

PacStar

On October 30, 2020, the Corporation acquired 100% of the issued and outstanding stock of PacStar for \$406 million. The Purchase Agreement contains a purchase price adjustment mechanism and representations and warranties customary for a transaction of this type, including a portion of the purchase price deposited in escrow as security for potential indemnification claims against the seller. PacStar is a provider of tactical communications solutions for battlefield network management. The acquired business operates within the Defense Electronics segment.

Interactive Analysis and Display System (IADS)

On April 20, 2020, the Corporation acquired the IADS product line for approximately \$29 million. The Asset Purchase Agreement contains representations and warranties customary for a transaction of this type, including a portion of the purchase price deposited in escrow as security for potential indemnification claims against the seller. IADS is a real-time display and post-test analysis product for flight tests. The acquired product line operates within the Defense Electronics segment.

Dyna-Flo

On February 28, 2020, the Corporation acquired 100% of the issued and outstanding share capital of Dyna-Flo for approximately \$60 million, net of cash acquired. The Purchase Agreement contains representations and warranties customary for a transaction of this type, including a portion of the purchase price held back as security for potential indemnification claims against the seller. Dyna-Flo specializes in control valves, actuators, and control systems for the chemical, petrochemical, and oil and gas markets. The acquired business operates within the Naval & Power segment.

4. ASSETS HELD FOR SALE

During the fourth quarter of 2020, the Corporation committed to a plan to sell its industrial valve business in Germany, which is reported within its Naval & Power segment. The business met the criteria to be classified as held for sale in the fourth quarter of 2020. Accordingly, the assets and liabilities of the business are presented as held for sale in the Corporation's Consolidated Balance Sheet as of December 31, 2021. The aforementioned assets and liabilities classified as held for sale have been measured at the lower of carrying value or fair value less costs to sell, which resulted in impairment losses of \$19 million and \$33 million for the years ended December 31, 2021 and 2020, respectively. Such amounts have been reported in the "Impairment of assets held for sale" caption within the Corporation's Consolidated Statement of Earnings.

The aggregate components of assets and liabilities classified as held for sale as of December 31 are as follows:

| <i>(In thousands)</i> | 2021 | 2020 |
|--|--------------------|--------------------|
| Assets held for sale: | | |
| Receivables, net | \$ 11,038 | \$ 9,902 |
| Inventories, net | 18,373 | 16,401 |
| Other current assets | 1,181 | 1,798 |
| Property, plant, and equipment, net | 4,220 | 4,821 |
| Reserve for assets held for sale | (23,824) | (5,338) |
| Total assets held for sale, current | \$ 10,988 | \$ 27,584 |
| Liabilities held for sale: | | |
| Accounts payable | \$ (4,450) | (2,654) |
| Accrued expenses | (1,165) | (1,375) |
| Other current liabilities | (2,631) | (748) |
| Accrued pension and other postretirement benefit costs | (4,409) | (5,364) |
| Total liabilities held for sale, current | \$ (12,655) | \$ (10,141) |

5. RECEIVABLES

Receivables include current notes, amounts billed to customers, claims, other receivables, and unbilled revenue on long-term contracts, which consists of amounts recognized as sales but not billed. Substantially all amounts of unbilled receivables are expected to be billed and collected in the subsequent year. An immaterial amount of billed receivables are subject to retainage provisions. The amount of claims and unapproved change orders within our receivables balances is immaterial.

The Corporation is either a prime contractor or subcontractor to various agencies of the U.S. Government. Revenues derived directly and indirectly from government sources (primarily the U.S. Government) were 55% and 53% of total net sales in 2021 and 2020, respectively. Total receivables due from government sources (primarily the U.S. Government) were \$401.0 million and \$352.7 million as of December 31, 2021 and 2020, respectively. Government (primarily the U.S. Government) unbilled receivables, net of progress payments, were \$253.5 million and \$198.6 million as of December 31, 2021 and 2020, respectively.

The composition of receivables as of December 31 is as follows:

| <i>(In thousands)</i> | 2021 | 2020 |
|---|-------------------|-------------------|
| Billed receivables: | | |
| Trade and other receivables | \$ 362,007 | \$ 361,460 |
| Unbilled receivables: | | |
| Recoverable costs and estimated earnings not billed | 291,758 | 238,309 |
| Less: Progress payments applied | (1,297) | (3,291) |
| Net unbilled receivables | 290,461 | 235,018 |
| Less: Allowance for doubtful accounts | (5,320) | (7,760) |
| Receivables, net | \$ 647,148 | \$ 588,718 |

6. INVENTORIES

Inventoried costs contain amounts relating to long-term contracts and programs with long production cycles, a portion of which will not be realized within one year. The caption "Inventoried costs related to U.S. Government and other long-term contracts" includes an immaterial amount of claims or other similar items subject to uncertainty concerning their determination or realization. Inventories are valued at the lower of cost or net realizable value.

The composition of inventories as of December 31 is as follows:

| <i>(In thousands)</i> | 2021 | 2020 |
|---|------------|------------|
| Raw materials | \$ 191,066 | \$ 177,828 |
| Work-in-process | 78,221 | 80,729 |
| Finished goods | 98,944 | 120,767 |
| Inventoried costs related to U.S. Government and other long-term contracts ⁽¹⁾ | 48,619 | 56,599 |
| Inventories, net of reserves | 416,850 | 435,923 |
| Less: Progress payments applied | (5,283) | (7,044) |
| Inventories, net | \$ 411,567 | \$ 428,879 |

⁽¹⁾ As of December 31, 2021 and 2020, this caption also includes capitalized development costs of \$25.7 million and \$29.7 million, respectively, related to certain aerospace and defense programs. These capitalized costs will be liquidated as units are produced and sold under contract. As of December 31, 2021 and 2020, capitalized development costs of \$12.1 million and \$13.0 million, respectively, are not currently supported by existing firm orders.

7. PROPERTY, PLANT, AND EQUIPMENT

The composition of property, plant, and equipment as of December 31 is as follows:

| <i>(In thousands)</i> | 2021 | 2020 |
|---|------------|------------|
| Land | \$ 17,615 | \$ 17,660 |
| Buildings and improvements | 239,217 | 236,355 |
| Machinery, equipment, and other | 885,970 | 881,110 |
| Property, plant, and equipment, at cost | 1,142,802 | 1,135,125 |
| Less: Accumulated depreciation | (782,771) | (756,925) |
| Property, plant, and equipment, net | \$ 360,031 | \$ 378,200 |

Depreciation expense for the years ended December 31, 2021, 2020, and 2019 was \$54.8 million, \$55.3 million, and \$57.4 million, respectively.

8. GOODWILL

In connection with the change in reportable segments on January 1, 2021, the Corporation recast its previously reported goodwill balances as of December 31, 2020 and December 31, 2019 on a relative fair value basis. Refer to Note 18 to the Consolidated Financial Statements for additional information on the Corporation's reportable segments.

The changes in the carrying amount of goodwill for 2021 and 2020 are as follows:

| <i>(In thousands)</i> | Aerospace & Industrial | Defense Electronics | Naval & Power | Consolidated |
|---|---------------------------|------------------------|------------------|--------------|
| December 31, 2019 | \$ 314,667 | \$ 441,291 | \$ 410,722 | \$ 1,166,680 |
| Acquisitions | — | 256,733 | 28,467 | 285,200 |
| Impairment on assets held for sale ⁽¹⁾ | — | — | (9,598) | (9,598) |
| Adjustments | — | (1,385) | — | (1,385) |
| Foreign currency translation adjustment | 2,254 | 7,276 | 4,710 | 14,240 |
| December 31, 2020 | \$ 316,921 | \$ 703,915 | \$ 434,301 | \$ 1,455,137 |
| Adjustments ⁽²⁾ | — | 12,943 | — | 12,943 |
| Foreign currency translation adjustment | (774) | (2,844) | (1,436) | (5,054) |
| December 31, 2021 | \$ 316,147 | \$ 714,014 | \$ 432,865 | \$ 1,463,026 |

⁽¹⁾ Amount relates to the Corporation's industrial valves business in Germany, which was classified as held for sale as of December 31, 2020.

⁽²⁾ Amount primarily relates to post-closing adjustments on the Corporation's acquisition of PacStar in October 2020.

The purchase price allocations relating to the businesses acquired are initially based on estimates. The Corporation adjusts these estimates based upon final analysis, including input from third party appraisals when deemed appropriate. The determination of fair value is finalized no later than twelve months from acquisition. Goodwill adjustments represent subsequent adjustments to the purchase price allocation for acquisitions.

The Corporation completed its annual goodwill impairment testing as of October 31, 2021, 2020, and 2019 and concluded that there was no impairment of goodwill.

9. OTHER INTANGIBLE ASSETS, NET

Intangible assets are generally the result of acquisitions and consist primarily of purchased technology, customer related intangibles, and trademarks. Intangible assets are amortized over useful lives that generally range between 1 and 20 years.

The following tables present the cumulative composition of the Corporation's intangible assets as of December 31, 2021 and December 31, 2020, respectively.

| <i>(In thousands)</i> | 2021 | | | 2020 | | |
|---|---------------------|--------------------------|-------------------|---------------------|--------------------------|-------------------|
| | Gross | Accumulated Amortization | Net | Gross | Accumulated Amortization | Net |
| Technology ⁽²⁾ | \$ 274,615 | \$ (164,077) | \$ 110,538 | \$ 280,595 | \$ (148,064) | \$ 132,531 |
| Customer related intangibles ⁽²⁾ | 568,720 | (270,816) | 297,904 | 573,722 | (239,798) | 333,924 |
| Programs ⁽¹⁾ | 144,000 | (27,000) | 117,000 | 144,000 | (19,800) | 124,200 |
| Other intangible assets | 49,559 | (36,924) | 12,635 | 51,493 | (32,518) | 18,975 |
| Total | \$ 1,036,894 | \$ (498,817) | \$ 538,077 | \$ 1,049,810 | \$ (440,180) | \$ 609,630 |

⁽¹⁾ Programs include values assigned to major programs of acquired businesses and represent the aggregate value associated with the customer relationships, contracts, technology, and trademarks underlying the associated program.

⁽²⁾ During the year ended December 31, 2020, the Corporation recognized an impairment loss of \$18 million pertaining to technology and customer-related intangibles of its industrial valve business in Germany, which was classified as held for sale during the fourth quarter of 2020.

During the year ended December 31, 2020, the Corporation acquired intangible assets of \$204.4 million as a result of the Corporation's PacStar, IADS, and Dyna-Flo acquisitions, which included Customer-related intangibles of \$159.9 million, Technology of \$34.6 million, and Other intangible assets of \$9.9 million. The weighted average amortization periods for these aforementioned intangible assets are 16.4 years, 8.9 years, and 7.1 years, respectively. During the year ended December 31, 2021, the Corporation did not acquire any intangible assets. However, as a result of finalizing the purchase price allocation related to the Corporation's acquisition of PacStar, approximately \$12 million of intangible assets were reclassified to goodwill during 2021.

Amortization expense for the years ended December 31, 2021, 2020, and 2019 was \$60 million, \$61 million, and \$45 million, respectively. The estimated future amortization expense of intangible assets over the next five years is as follows:

| <i>(In millions)</i> | |
|----------------------|-------|
| 2022 | \$ 55 |
| 2023 | \$ 52 |
| 2024 | \$ 48 |
| 2025 | \$ 45 |
| 2026 | \$ 44 |

10. LEASES

The Corporation conducts a portion of its operations from leased facilities, which include manufacturing and service facilities, administrative offices, and warehouses. In addition, the Corporation leases vehicles, machinery, and office equipment under operating leases. Our leases have remaining lease terms ranging from approximately 1 year to 15 years, some of which include options for renewals, escalations, or terminations. Rental expenses for all operating leases amounted to \$42 million, \$41 million, and \$37 million for the years ended December 31, 2021, 2020, and 2019, respectively.

Generally, the Corporation's lease contracts do not provide a readily determinable interest rate. Accordingly, the Corporation determines the incremental borrowing rate as of the lease commencement date in order to calculate the present value of its lease payments. The incremental borrowing rate is determined based on information available at the lease commencement date, including the lease term, market rates for the Corporation's outstanding debt, as well as market rates for debt of companies with similar credit ratings.

The components of lease expense were as follows:

| <i>(In thousands)</i> | Year Ended | |
|--------------------------------|-------------------|-------------------|
| | December 31, 2021 | December 31, 2020 |
| Operating lease cost | \$ 41,663 | \$ 40,961 |
| Finance lease cost: | | |
| Depreciation of finance leases | \$ 1,037 | \$ 1,037 |
| Interest on lease liabilities | 431 | 468 |
| Total finance lease cost | \$ 1,468 | \$ 1,505 |

Supplemental cash flow information related to leases was as follows:

| <i>(In thousands)</i> | Year Ended | |
|--|-------------------|-------------------|
| | December 31, 2021 | December 31, 2020 |
| Cash used for operating activities: | | |
| Operating cash flows used for operating leases | \$ (33,352) | \$ (33,842) |
| Operating cash flows used for finance leases | (431) | (468) |
| Non-cash activity: | | |
| Right-of-use assets obtained in exchange for operating lease obligations | \$ 9,040 | \$ 8,714 |

Supplemental balance sheet information related to leases was as follows:

| <i>(In thousands, except lease term and discount rate)</i> | As of December 31, | |
|--|---------------------------|-------------|
| | 2021 | 2020 |
| Operating Leases | | |
| Operating lease right-of-use assets, net | \$ 143,613 | \$ 150,898 |
| Other current liabilities | \$ 25,389 | \$ 27,263 |
| Long-term operating lease liability | 127,152 | 133,069 |
| Total operating lease liabilities | \$ 152,541 | \$ 160,332 |
| Finance Leases | | |
| Property, plant, and equipment | \$ 15,561 | \$ 15,561 |
| Accumulated depreciation | (7,608) | (6,570) |
| Property, plant, and equipment, net | \$ 7,953 | \$ 8,991 |
| Other current liabilities | \$ 1,019 | \$ 945 |
| Other liabilities | 9,022 | 10,041 |
| Total finance lease liabilities | \$ 10,041 | \$ 10,986 |
| Weighted average remaining lease term | | |
| Operating leases | 8.3 years | 8.6 years |
| Finance leases | 7.7 years | 8.7 years |
| Weighted average discount rate | | |
| Operating leases | 3.51 % | 3.67 % |
| Finance leases | 4.05 % | 4.05 % |

Maturities of lease liabilities were as follows:

| <i>(In thousands)</i> | As of December 31, 2021 | |
|------------------------|--------------------------------|-----------------------|
| | Operating Leases | Finance Leases |
| 2022 | \$ 31,698 | \$ 1,410 |
| 2023 | 29,037 | 1,445 |
| 2024 | 26,166 | 1,481 |
| 2025 | 19,811 | 1,518 |
| 2026 | 16,161 | 1,556 |
| Thereafter | 63,723 | 4,337 |
| Total lease payments | 186,596 | 11,747 |
| Less: imputed interest | (34,055) | (1,706) |
| Total | \$ 152,541 | \$ 10,041 |

11. FAIR VALUE OF FINANCIAL INSTRUMENTS

Forward Foreign Exchange and Currency Option Contracts

The Corporation has foreign currency exposure, primarily in the United Kingdom, Canada, and Europe. The Corporation uses financial instruments, such as forward and option contracts, to hedge a portion of existing and anticipated foreign currency denominated transactions. The purpose of the Corporation's foreign currency risk management program is to reduce volatility in earnings caused by exchange rate fluctuations. Guidance on accounting for derivative instruments and hedging activities requires companies to recognize all of the derivative financial instruments as either assets or liabilities at fair value in the Consolidated Balance Sheets.

Interest Rate Risks and Related Strategies

The Corporation's primary interest rate exposure results from changes in U.S. dollar interest rates. The Corporation's policy is to manage interest cost using a mix of fixed and variable rate debt. The Corporation periodically uses interest rate swaps to manage such exposures. Under these interest rate swaps, the Corporation exchanges, at specified intervals, the difference between fixed and floating interest amounts calculated by reference to an agreed-upon notional principal amount. The Corporation's foreign exchange contracts and interest rate swaps are considered Level 2 instruments which are based on market based inputs or unobservable inputs and corroborated by market data such as quoted prices, interest rates, or yield curves.

For interest rate swaps designated as fair value hedges (i.e., hedges against the exposure to changes in the fair value of an asset or a liability or an identified portion thereof that is attributable to a particular risk), changes in the fair value of the interest rate swaps offset changes in the fair value of the fixed rate debt due to changes in market interest rates.

As of December 31, 2021 and December 31, 2020, the Corporation did not have any active interest rate swaps.

Effects on Consolidated Balance Sheet

As of December 31, 2021 and December 31, 2020, the fair values of the asset and liability derivative instruments were immaterial.

Effects on Consolidated Statement of Earnings

Undesignated hedges

The location and amount of (gains) and losses recognized in income on forward exchange derivative contracts not designated for hedge accounting for the years ended December 31, were as follows:

| <i>(In thousands)</i> | 2021 | 2020 | 2019 |
|-------------------------------------|----------|----------|------------|
| Forward exchange contracts: | | | |
| General and administrative expenses | \$ 1,499 | \$ 2,312 | \$ (2,072) |

Debt

The estimated fair value amounts were determined by the Corporation using available market information, which is primarily based on quoted market prices for the same or similar issues as of December 31, 2021. The fair values of our debt instruments are characterized as Level 2 measurements which are based on market-based inputs or unobservable inputs and corroborated by market data such as quoted prices, interest rates, or yield curves. The estimated fair values of the Corporation's fixed rate debt instruments as of December 31, 2021, net of debt issuance costs, totaled \$1,003 million compared to a carrying value, net of debt issuance costs, of \$949 million. The estimated fair values of the Corporation's fixed rate debt instruments as of December 31, 2020, net of debt issuance costs, totaled \$1,122 million compared to a carrying value, net of debt issuance costs, of \$1,049 million.

The fair values described above may not be indicative of net realizable value or reflective of future fair values. Furthermore, the use of different methodologies to determine the fair value of certain financial instruments could result in a different estimate of fair value at the reporting date.

12. ACCRUED EXPENSES AND OTHER CURRENT LIABILITIES

Accrued expenses consist of the following as of December 31:

| <i>(In thousands)</i> | 2021 | 2020 |
|-------------------------------|-------------------|-------------------|
| Accrued compensation | \$ 99,835 | \$ 96,228 |
| Accrued commissions | 5,533 | 6,050 |
| Accrued interest | 13,092 | 13,327 |
| Accrued insurance | 6,202 | 7,215 |
| Other | 19,804 | 17,380 |
| Total accrued expenses | \$ 144,466 | \$ 140,200 |

Other current liabilities consist of the following as of December 31:

| <i>(In thousands)</i> | 2021 | 2020 |
|--|-------------------|------------------|
| Short-term lease liabilities | \$ 25,389 | \$ 27,263 |
| Warranty reserves | 15,268 | 14,491 |
| WEC legal reserve ⁽¹⁾ | 15,000 | 11,600 |
| Pension and other postretirement liabilities | 8,054 | 7,715 |
| Restructuring liability | 279 | 6,944 |
| Other | 38,724 | 30,742 |
| Total other current liabilities | \$ 102,714 | \$ 98,755 |

⁽¹⁾ As of December 31, 2021, the Corporation reclassified prior year amounts associated with its ongoing legal matter with Westinghouse Electric Company (WEC) regarding the AP1000 program. As a result, amounts previously captured within the "warranty reserves" and "other" captions were reclassified into the "WEC legal reserve" caption. See Note 19 to the Consolidated Financial Statements for more information regarding the Corporation's WEC legal reserve.

13. INCOME TAXES

2017 Tax Cuts and Jobs Act

In conjunction with the enactment of the 2017 Tax Cuts and Jobs Act (the Tax Act), the Corporation recorded provisional income tax expense of \$18.2 million for the year ended December 31, 2017 related to the one-time transition tax on certain foreign earnings. The finalized transition tax of \$23.6 million was to be paid over 8 years pursuant to the Tax Act. The transition tax liability, which is expected to be paid in 2024 and 2025, was \$7.4 million and \$9.0 million as of December 31, 2021 and December 31, 2020, respectively.

As of December 31, 2021, the Corporation reassessed its assertion around whether foreign undistributed earnings should continue to no longer be considered permanently reinvested. Based on such assessment, Corporation revised its assertion with respect to prior and current earnings of a foreign subsidiary, which resulted in the reversal of \$2.8 million of tax liabilities previously recorded. The Corporation maintains its previous assertion for all other foreign subsidiaries, and has recorded a liability for withholding taxes that would arise upon distribution of the Corporation's foreign undistributed earnings.

During the fourth quarter of 2020, the Corporation committed to a plan to sell its industrial valve business in Germany. As a result, the tax consequences from those temporary differences resulting from the held for sale designation are no longer considered to be permanently reinvested. However, the Corporation has not recorded any provision, as it expects under tax law to recover the outside basis difference in a tax-free manner. With respect to the sale of the German industrial valves business in January 2022, the Corporation has determined that the global intangible low-taxed income (GILTI)-related impact associated with the sale is immaterial.

Except as noted above, the Corporation remains permanently reinvested to the extent of any outside basis differences in its foreign subsidiaries in excess of the amount of undistributed earnings as it is not practicable to determine the provision impact, if any, due to the complexities associated with this calculation.

Earnings before income taxes for the years ended December 31 consist of:

| <i>(In thousands)</i> | 2021 | 2020 | 2019 |
|------------------------|-------------------|-------------------|-------------------|
| Domestic | \$ 271,694 | \$ 212,613 | \$ 273,036 |
| Foreign ⁽¹⁾ | 82,816 | 50,438 | 123,426 |
| | \$ 354,510 | \$ 263,051 | \$ 396,462 |

⁽¹⁾ The Corporation recognized pre-tax impairment losses of \$19 million in 2021 and \$33 million in 2020 pertaining to its industrial valve business in Germany, which was classified as held for sale during the fourth quarter of 2020.

The provision for income taxes for the years ended December 31 consists of:

| <i>(In thousands)</i> | 2021 | 2020 | 2019 |
|-----------------------------------|------------------|------------------|------------------|
| Current: | | | |
| Federal | \$ 57,910 | \$ 36,793 | \$ 14,195 |
| State | 15,477 | 11,882 | 3,766 |
| Foreign | 22,034 | 21,841 | 24,816 |
| Total current | 95,421 | 70,516 | 42,777 |
| Deferred: | | | |
| Federal | (7,167) | 1,043 | 38,647 |
| State | (477) | (527) | 6,632 |
| Foreign | (426) | (9,373) | 823 |
| Total deferred | (8,070) | (8,857) | 46,102 |
| Provision for income taxes | \$ 87,351 | \$ 61,659 | \$ 88,879 |

The effective tax rate varies from the U.S. federal statutory tax rate for the years ended December 31, principally:

| | 2021 | 2020 | 2019 |
|--|---------------|---------------|---------------|
| U.S. federal statutory tax rate | 21.0 % | 21.0 % | 21.0 % |
| Add (deduct): | | | |
| State and local taxes, net of federal benefit | 3.6 | 3.7 | 2.4 |
| Foreign asset impairment (held for sale) | 1.6 | 1.2 | — |
| Valuation allowance for foreign assets held for sale | 0.2 | 1.3 | — |
| R&D tax credits | (1.3) | (0.9) | (1.2) |
| Foreign earnings ⁽¹⁾ | 0.2 | (0.9) | 1.4 |
| Foreign-derived intangible income | (1.4) | (2.8) | (1.3) |
| All other, net | 0.7 | 0.8 | 0.1 |
| Effective tax rate | 24.6 % | 23.4 % | 22.4 % |

⁽¹⁾ Foreign earnings primarily include the net impact of differences between local statutory rates and the U.S. Federal statutory rate, the cost of repatriating foreign earnings, and the impact of changes to foreign valuation allowances, excluding items related to foreign assets classified as held for sale.

The components of the Corporation's deferred tax assets and liabilities as of December 31 are as follows:

| <i>(In thousands)</i> | 2021 | 2020 |
|--|-------------------|-------------------|
| Deferred tax assets: | | |
| Operating lease liabilities | \$ 32,868 | \$ 33,371 |
| Inventories, net | 17,237 | 16,734 |
| Net operating loss | 5,384 | 5,518 |
| Environmental reserves | 9,262 | 8,698 |
| Incentive compensation | 6,936 | 8,102 |
| Pension and other postretirement liabilities | — | 13,533 |
| Legal reserves | 6,991 | — |
| Other | 32,665 | 33,401 |
| Total deferred tax assets | 111,343 | 119,357 |
| Deferred tax liabilities: | | |
| Goodwill amortization | 98,947 | 90,112 |
| Operating lease right-of-use assets, net | 30,911 | 31,292 |
| Other intangible amortization | 59,056 | 65,549 |
| Depreciation | 13,694 | 22,780 |
| Withholding taxes | 12,776 | 12,549 |
| Pension and other postretirement assets | 29,385 | — |
| Other | 7,149 | 8,757 |
| Total deferred tax liabilities | 251,918 | 231,039 |
| Valuation allowance | 2,625 | 1,240 |
| Net deferred tax liabilities | \$ 143,200 | \$ 112,922 |

Deferred tax assets and liabilities are reflected on the Corporation's consolidated balance sheet as of December 31 as follows:

| <i>(In thousands)</i> | 2021 | 2020 |
|---|-------------------|-------------------|
| Net noncurrent deferred tax assets | \$ 4,149 | \$ 2,085 |
| Net noncurrent deferred tax liabilities | 147,349 | 115,007 |
| Net deferred tax liabilities | \$ 143,200 | \$ 112,922 |

The Corporation has income tax net operating loss carryforwards related to international operations of \$6.1 million, of which \$3.4 million have an indefinite life and \$2.7 million which expire through 2028. The Corporation has federal and state income tax net loss carryforwards of \$61.8 million, all of which are net operating losses that expire through 2040. The Corporation has recorded a deferred tax asset of \$5.4 million, reflecting the benefit of the loss carryforwards related to international and domestic operations.

Management assesses the available positive and negative evidence to estimate if sufficient future taxable income will be generated to utilize the existing deferred tax assets. A significant piece of objective negative evidence evaluated was the cumulative loss incurred over the three-year period ended December 31, 2021 in certain of the Corporation's foreign locations. Such objective evidence limits the ability to consider other subjective evidence, such as projections for future growth. As of December 31, 2021, the Corporation increased its valuation allowance by \$1.4 million to \$2.6 million, in order to measure only the portion of the deferred tax asset that more likely than not will be realized. The amount of the deferred tax asset considered realizable, however, could be adjusted if estimates of future taxable income during the carryforward period are reduced or if objective negative evidence in the form of cumulative losses is no longer present and additional weight may be given to subjective evidence such as projections for growth.

As of December 31, 2021, the Corporation recorded a deferred tax asset of \$4.4 million on net operating losses of \$14.7 million related to the held for sale industrial valve business in Germany. A provision of \$0.7 million was recorded during the year ended December 31, 2021, resulting in a full valuation allowance against the deferred tax asset, as it is more likely than not that the losses will be forfeited.

Income tax payments, net of refunds, of \$107.1 million, \$54.0 million, and \$63.9 million were made in 2021, 2020, and 2019, respectively.

The Corporation has recorded a liability in Other liabilities for interest of \$3.9 million and penalties of \$2.0 million as of December 31, 2021.

A reconciliation of the beginning and ending amount of unrecognized tax benefits is as follows:

| <i>(In thousands)</i> | 2021 | 2020 | 2019 |
|---|-----------|-----------|-----------|
| Balance as of January 1, | \$ 15,585 | \$ 12,676 | \$ 13,563 |
| Additions for tax positions of prior periods | 2,877 | 1,497 | 581 |
| Reductions for tax positions of prior periods | (1,861) | (615) | (2,184) |
| Additions for tax positions related to the current year | 655 | 2,041 | 936 |
| Settlements | (238) | (14) | (220) |
| Balance as of December 31, | \$ 17,018 | \$ 15,585 | \$ 12,676 |

In many cases, the Corporation's uncertain tax positions are related to tax years that remain subject to examination by tax authorities.

The following describes the open tax years, by major tax jurisdiction, as of December 31, 2021:

| | | | |
|--------------------------------|------|---|---------|
| United States (Federal) | 2018 | - | present |
| United States (Various states) | 2010 | - | present |
| United Kingdom | 2020 | - | present |
| Canada | 2018 | - | present |

The Corporation does not expect any significant changes to the estimated amount of liability associated with its uncertain tax positions through the next twelve months. Included in total unrecognized tax benefits as of December 31, 2021, 2020, and 2019 is \$14.1 million, \$13.0 million, and \$10.2 million, respectively, which if recognized, would favorably impact the effective income tax rate.

14. DEBT

Debt consists of the following as of December 31:

| <i>(In thousands)</i> | 2021 | 2021 | 2020 | 2020 |
|--|----------------|----------------------|----------------|----------------------|
| | Carrying Value | Estimated Fair Value | Carrying Value | Estimated Fair Value |
| Revolving credit agreement, due 2023 | \$ 93,900 | \$ 93,900 | \$ — | \$ — |
| 3.84% Senior notes due 2021 | — | — | 100,000 | 102,173 |
| 3.70% Senior notes due 2023 | 202,500 | 208,086 | 202,500 | 211,790 |
| 3.85% Senior notes due 2025 | 90,000 | 95,246 | 90,000 | 97,429 |
| 4.24% Senior notes due 2026 | 200,000 | 218,421 | 200,000 | 224,390 |
| 4.05% Senior notes due 2028 | 67,500 | 73,783 | 67,500 | 75,440 |
| 4.11% Senior notes due 2028 | 90,000 | 98,854 | 90,000 | 101,047 |
| 3.10% Senior notes due 2030 | 150,000 | 154,832 | 150,000 | 155,805 |
| 3.20% Senior notes due 2032 | 150,000 | 154,875 | 150,000 | 155,048 |
| Total debt | 1,043,900 | 1,097,997 | 1,050,000 | 1,123,122 |
| Debt issuance costs, net | (949) | (949) | (1,147) | (1,147) |
| Unamortized interest rate swap proceeds ⁽¹⁾ | 7,659 | 7,659 | 9,439 | 9,439 |
| Total debt, net | 1,050,610 | 1,104,707 | 1,058,292 | 1,131,414 |
| Less: current portion of long-term debt | — | — | 100,000 | 100,000 |
| Total long-term debt | \$ 1,050,610 | \$ 1,104,707 | \$ 958,292 | \$ 1,031,414 |

⁽¹⁾ Represents the gain from termination of the Corporation's interest rate swap agreements on its 3.85% and 4.24% Senior Notes in February 2016, which will be amortized into interest expense over the remaining terms of the respective notes.

The weighted-average interest rate of the Corporation's Revolving Credit Agreement in 2021 and 2020 was 1.0% and 1.4%, respectively.

The Corporation's total debt outstanding had a weighted-average interest rate of 3.4% in both 2021 and 2020.

Aggregate maturities of debt are as follows:

| <i>(In thousands)</i> | |
|-----------------------|--------------|
| 2022 | \$ — |
| 2023 | 296,400 |
| 2024 | — |
| 2025 | 90,000 |
| 2026 | 200,000 |
| Thereafter | 457,500 |
| Total | \$ 1,043,900 |

Interest payments of \$40 million, \$31 million, and \$30 million were made in 2021, 2020, and 2019, respectively.

Revolving Credit Agreement

In October 2018, the Corporation amended the terms of its existing Credit Agreement (Credit Agreement) with a syndicate of financial institutions, led by Bank of America N.A., Wells Fargo, N.A., and JP Morgan Chase Bank, N.A.. The amended agreement, which provides the Corporation with a borrowing capacity of \$500 million, extended the maturity date from November 2019 to October 2023 and expanded the accordion feature from \$100 million to \$200 million. The proceeds available under the Credit Agreement are to be used for working capital, internal growth initiatives, funding of future acquisitions, and general corporate purposes. As of December 31, 2021, the Corporation had \$21 million in letters of credit supported by the credit facility and \$94 million borrowings outstanding under the credit facility. The unused credit available under the credit facility as of December 31, 2021 was \$385 million, which the Corporation had the ability to borrow in full without violating its debt to capitalization covenant.

The Credit Agreement contains covenants that the Corporation considers usual and customary for an agreement of this type for comparable commercial borrowers, including a maximum consolidated debt to capitalization ratio of 60%. The Credit Agreement has customary events of default, such as non-payment of principal when due; nonpayment of interest, fees, or other amounts; cross-payment default and cross-acceleration.

Borrowings under the credit agreement accrue interest based on (i) Libor or (ii) a base rate of the highest of (a) the federal funds rate plus 0.5%, (b) BofA's announced prime rate, or (c) the Eurocurrency rate plus 1%, plus a margin. The interest rate and level of facility fees are dependent on certain financial ratios, as defined in the Credit Agreement. The Credit Agreement also provides customary fees, including administrative agent and commitment fees. In connection with the Credit Agreement, the Corporation paid customary transaction fees that have been deferred and are being amortized over the term of the Credit Agreement.

Senior Notes

On August 13, 2020, the Corporation issued \$300 million of Senior Notes (the "2020 Notes"), consisting of \$150 million of 3.10% Senior Notes that mature on August 13, 2030 and \$150 million of 3.20% Senior Notes that mature on August 13, 2032. The 2020 Notes are senior unsecured obligations, equal in right of payment to the Corporation's existing senior indebtedness. The Corporation, at its option, can prepay at any time all or any part of the 2020 Notes, subject to a make-whole payment in accordance with the terms of the Note Purchase Agreement. In connection with the issuance of the 2020 Notes, the Corporation paid customary fees that have been deferred and are being amortized over the term of the 2020 Notes. Under the terms of the Note Purchase Agreements, the Corporation is required to maintain certain financial ratios, the most restrictive of which are a debt to capitalization limit of 60% and an interest coverage ratio of less than 3 to 1. The debt to capitalization ratio (as defined per the Notes Purchase Agreement and Credit Agreement) is calculated using the same formula for all of the Corporation's debt agreements and is a measure of the Corporation's indebtedness to capitalization, where capitalization equals debt plus equity. The 2020 Notes also contain a cross default provision with respect to the Corporation's other senior indebtedness.

On February 26, 2013, the Corporation issued \$500 million of Senior Notes (the "2013 Notes"). The 2013 Notes consisted of \$225 million of 3.70% Senior Notes that mature on February 26, 2023, \$100 million of 3.85% Senior Notes that mature on February 26, 2025, and \$75 million of 4.05% Senior Notes that mature on February 26, 2028. \$100 million of additional 4.11% Senior Notes were deferred and subsequently issued on September 26, 2013 that mature on September 26, 2028. On October 15, 2018, the Corporation made a discretionary \$50 million prepayment on the \$500 million 2013 Notes. The 2013 Notes are senior unsecured obligations, equal in right of payment to the Corporation's existing senior indebtedness. The Corporation, at its option, can prepay at any time all or any part of the 2013 Notes, subject to a make-whole payment in

accordance with the terms of the Note Purchase Agreement. In connection with the issuance of the 2013 Notes, the Corporation paid customary fees that have been deferred and are being amortized over the term of the 2013 Notes. The 2013 Notes also contain a cross default provision with respect to the Corporation's other senior indebtedness.

On December 8, 2011, the Corporation issued \$300 million of Senior Notes (the "2011 Notes"). The 2011 Notes consist of \$100 million of 3.84% Senior Notes that matured on December 1, 2021 and \$200 million of 4.24% Senior Series Notes that mature on December 1, 2026. The 2011 Notes are senior unsecured obligations, equal in right of payment to our existing senior indebtedness. The Corporation, at its option, can prepay at any time all or any part of our 2011 Notes, subject to a make-whole payment in accordance with the terms of the Note Purchase Agreement. In connection with the 2011 Notes, the Corporation paid customary fees that have been deferred and are being amortized over the term of the 2011 Notes. Under the Note Purchase Agreement, the Corporation is required to maintain certain financial ratios, the most restrictive of which is a debt to capitalization limit of 60%. The 2011 Notes also contain a cross default provision with our other senior indebtedness.

As of December 31, 2021, the Corporation had the ability to borrow additional debt of \$1.6 billion without violating our debt to capitalization covenant.

15. EARNINGS PER SHARE

The Corporation is required to report both basic earnings per share (EPS), based on the weighted-average number of common shares outstanding, and diluted earnings per share, based on the basic EPS adjusted for all potentially dilutive shares issuable.

As of December 31, 2021, 2020 and 2019, there were no anti-dilutive equity-based awards excluded from the calculation of diluted earnings per share.

Earnings per share calculations for the years ended December 31, 2021, 2020, and 2019, were as follows:

| <i>(In thousands, except per share data)</i> | Net Earnings | Weighted-Average Shares Outstanding | Earnings per Share |
|--|--------------|-------------------------------------|--------------------|
| 2021 | | | |
| Basic earnings per share | \$ 267,159 | 40,417 | \$ 6.61 |
| Dilutive effect of deferred stock compensation | | 185 | |
| Diluted earnings per share | \$ 267,159 | 40,602 | \$ 6.58 |
| 2020 | | | |
| Basic earnings per share | \$ 201,392 | 41,738 | \$ 4.83 |
| Dilutive effect of stock options and deferred stock compensation | | 261 | |
| Diluted earnings per share | \$ 201,392 | 41,999 | \$ 4.80 |
| 2019 | | | |
| Basic earnings per share | \$ 307,583 | 42,739 | \$ 7.20 |
| Dilutive effect of stock options and deferred stock compensation | | 277 | |
| Diluted earnings per share | \$ 307,583 | 43,016 | \$ 7.15 |

16. SHARE-BASED COMPENSATION PLANS

In May 2014, the Corporation adopted the Curtiss-Wright 2014 Omnibus Incentive Plan (the "2014 Omnibus Plan"). The plan replaced the Corporation's existing 2005 Long Term Incentive Plan and the 2005 Stock Plan for Non-Employee Directors (collectively the "2005 Stock Plans"). Beginning in May 2014, all awards were granted under the 2014 Omnibus Plan. The maximum aggregate number of shares of common stock that may be issued under the 2014 Omnibus Plan are 2,400,000 less one share of common stock for every one share of common stock granted under any prior plan after December 31, 2013 and prior to the effective date of the 2014 Omnibus Plan. In addition, any awards that were previously granted under any prior plan that terminate without issuance of shares shall be eligible for issuance under the 2014 Omnibus Plan. Awards under the 2014 Omnibus Plan may be in the form of stock options, stock appreciation rights, restricted stock units (RSU), other stock-based awards, performance share units (PSU), or cash-based performance units (PU).

During 2021, the Corporation granted share-based awards in the form of RSUs and PSUs. Previous grants under the 2005 Stock Plans included non-qualified stock options. Under our employee benefit program, the Corporation also provides an Employee

Stock Purchase Plan (ESPP) to most active employees. Certain awards provide for accelerated vesting if there is a change in control.

The compensation cost for employee and non-employee director share-based compensation programs during 2021, 2020, and 2019 is as follows:

| <i>(In thousands)</i> | 2021 | 2020 | 2019 |
|---|------------------|------------------|------------------|
| Employee Stock Purchase Plan | \$ 1,710 | \$ 1,625 | \$ 1,585 |
| Performance Share Units | 4,850 | 4,909 | 4,853 |
| Restricted Share Units | 5,661 | 6,978 | 6,061 |
| Other share-based payments | 1,229 | 925 | 1,170 |
| Total share-based compensation expense before income taxes | \$ 13,450 | \$ 14,437 | \$ 13,669 |

Other share-based grants include service-based restricted stock awards to non-employee directors, who are treated as employees as prescribed by the accounting guidance on share-based payments. The compensation cost recognized follows the cost of the employee, which is primarily reflected as general and administrative expense in the Consolidated Statement of Earnings. No share-based compensation costs were capitalized during 2021, 2020, or 2019.

The following table summarizes the cash received from share-based awards on share-based compensation:

| <i>(In thousands)</i> | 2021 | 2020 | 2019 |
|---------------------------------------|----------|-----------|-----------|
| Cash received from share-based awards | \$ 9,705 | \$ 11,148 | \$ 11,770 |

Stock Options

As of December 31, 2021, the Corporation's did not have any stock options outstanding. The total intrinsic value of stock options exercised during 2020 and 2019 was \$5.2 million, and \$8.7 million, respectively.

Performance Share Units

The Corporation has granted performance share units to certain employees, whose three year cliff vesting is contingent upon the Corporation's total shareholder return over the three-year term beginning at the start of the fiscal year following the date of grant. Performance is measured by determining the percentile rank of the total shareholder return of the Corporation's common stock in relation to the total shareholder return of the S&P Midcap 400 Index (for awards granted in 2020 through 2021) or compared to a self-constructed peer group (for awards granted in 2019). The non-vested shares are subject to forfeiture if established performance goals are not met or employment is terminated other than due to death, disability, or retirement. Share plans are denominated in share-based units based on the fair market value of the Corporation's common stock on the date of grant. The performance share unit's compensation cost is amortized to expense on a straight-line basis over the three-year requisite service period.

Restricted Share Units

Restricted share units cliff vest at the end of the awards' vesting period. The restricted share units are service-based and thus compensation cost is amortized to expense on a straight-line basis over the requisite service period, which is typically three years. The non-vested restricted units are subject to forfeiture if employment is terminated other than due to death, disability, or retirement.

A summary of the Corporation's 2021 activity related to performance share units and restricted share units are as follows:

| | Performance Share Units (PSUs) | | Restricted Share Units (RSUs) | |
|--|--------------------------------|------------------------------------|-------------------------------|------------------------------------|
| | Shares/Units (000's) | Weighted- Average Fair Value | Shares/Units (000's) | Weighted- Average Fair Value |
| Nonvested as of December 31, 2020 | 107 | \$ 138.37 | 227 | \$ 97.24 |
| Granted | 34 | 150.23 | 74 | 123.34 |
| Vested | (27) | 197.19 | (72) | 95.13 |
| Forfeited | (1) | 103.86 | (6) | 105.70 |
| Nonvested as of December 31, 2021 | 113 | \$ 128.05 | 223 | \$ 106.34 |
| Expected to vest as of December 31, 2021 | 113 | \$ 128.05 | 223 | \$ 106.34 |

Nonvested PSUs had an intrinsic value of \$15.7 million and unrecognized compensation costs of \$5.0 million as of December 31, 2021. Nonvested RSUs had an intrinsic value of \$31.0 million and unrecognized compensation costs of \$10.7 million as of December 31, 2021. Unrecognized compensation costs related to PSUs and RSUs are expected to be recognized over 1.7 years and 2.6 years, respectively.

Employee Stock Purchase Plan

The Corporation's ESPP enables eligible employees to purchase the Corporation's common stock at a price per share equal to 85% of the fair market value at the end of each offering period. Each offering period of the ESPP lasts six months, commencing on January 1st and July 1st of each year. Compensation cost is recognized on a straight-line basis over the six-month vesting period during which employees perform related services.

17. PENSION AND OTHER POSTRETIREMENT BENEFIT PLANS

The Corporation maintains ten separate and distinct pension and other post-retirement defined benefit plans, consisting of three domestic plans and seven separate foreign pension plans. The domestic plans include a qualified pension plan, a non-qualified pension plan, and a postretirement health-benefits plan. The foreign plans consist of one defined benefit pension plan each in the United Kingdom, Canada, and Switzerland, two in Germany, and two in Mexico.

Domestic Plans

Qualified Pension Plan

The Corporation maintains a defined benefit pension plan (the "CW Pension Plan") covering certain employee populations under six benefit formulas: a non-contributory non-union and union formula for certain Curtiss-Wright (CW) employees, a contributory union and non-union benefit formula for employees at the EMD business unit, and two benefit formulas providing annuity benefits for participants in the former Williams Controls salaried and union plans.

CW non-union employees hired prior to February 1, 2010 receive a "traditional" benefit based on years of credited service, using the five highest consecutive years' compensation during the last ten years of service. These employees became participants under the CW Pension Plan after one year of service and were vested after three years of service. CW non-union employees hired on or after the effective date were eligible for a cash balance benefit through December 31, 2013, and were transitioned to the new defined contribution plan, further described below. CW union employees who have negotiated a benefit under the CW Pension Plan are entitled to a benefit based on years of service multiplied by a monthly pension rate.

The formula for EMD employees covers both union and non-union employees and is designed to satisfy the requirements of relevant collective bargaining agreements. Employee contributions are withheld each pay period and are equal to 1.5% of salary. The benefits for the EMD employees are based on years of service and compensation. On December 31, 2012, the Corporation amended the CW Pension Plan to close the benefit to EMD employees hired after January 1, 2014.

Participants of the former Williams Controls Retirement Income Plan for salaried employees are either deferred vested participants or currently receiving benefits, as benefit accruals under the plan were frozen to future accruals effective January 1, 2003. Benefits in the salaried plan are based on average compensation and years of service.

Participants of the former Williams Controls UAW Local 492 Plan for union employees are entitled to a benefit based on years of service multiplied by a monthly pension rate, and may be eligible for supplemental benefits based upon attainment of certain age and service requirements.

Effective January 1, 2014, all active non-union employees participating in the final and career average pay formulas in the defined benefit plan will cease accruals 15 years from the effective date of the amendment. In addition to the sunset provision, cash balance benefit accruals for non-union participants ceased as of January 1, 2014. Non-union employees who were not currently receiving final or career average pay benefits became eligible to participate in a new defined contribution plan which provides both employer match and non-elective contribution components. Subsequent to the original amendment, the Corporation successfully negotiated the sunset provision into the bargaining agreements for all represented employees that received benefits through this plan.

As of December 31, 2021, and 2020, the Corporation had a noncurrent pension asset of \$233.8 million and \$80.8 million, respectively. The change in balance was primarily due to a higher return on plan assets during 2021.

Nonqualified Pension Plan

The Corporation also maintains a non-qualified restoration plan (the "CW Restoration Plan") covering those employees of CW and EMD whose compensation or benefits exceed the IRS limitation for pension benefits. Benefits under the CW Restoration Plan are not funded, and, as such, the Corporation had an accrued pension liability of \$69.1 million and \$71.8 million as of December 31, 2021 and 2020, respectively. The Corporation's contributions to the CW Restoration Plan are expected to be \$5.9 million in 2022.

Other Post-Employment Benefits (OPEB) Plan

The Corporation provides post-employment benefits consisting of retiree health and life insurance to three distinct groups of employees/retirees: the CW Grandfathered plan, and plans assumed in the acquisitions of EMD and Williams Controls.

The Corporation also provides retiree health and life insurance benefits for substantially all Curtiss-Wright EMD employees. The plan provides basic health and welfare coverage for pre-65 participants based on years of service and are subject to certain caps. Effective January 1, 2011, the Corporation modified the benefit design for post-65 retirees by introducing Retiree Reimbursement Accounts (RRAs) to participants in lieu of the traditional benefit delivery. Participant accounts are funded a set amount annually that can be used to purchase supplemental coverage on the open market, effectively capping the benefit.

The plan also provides retiree health and life insurance benefits for certain retirees of the Williams Controls salaried and union pension plans. Effective August 31, 2013, the Corporation modified the benefit design for post-65 retirees by introducing RRAs to align with the EMD delivery model.

The Corporation had an accrued postretirement benefit liability as of December 31, 2021 and 2020 of \$25.2 million and \$25.7 million, respectively. The Corporation expects to contribute \$2.1 million to the plan during 2022.

Foreign Plans

As of December 31, 2021 and 2020, the total projected benefit obligation related to all foreign plans was \$107.2 million and \$115.5 million, respectively. As of December 31, 2021 the Corporation had a net pension asset of \$12.9 million. As of December 31, 2020, the Corporation had a net pension liability of \$2.6 million. The Corporation's contributions to the foreign plans are expected to be \$2.4 million in 2022.

Components of net periodic benefit expense

The net pension and net postretirement benefit costs consisted of the following:

| <i>(In thousands)</i> | Pension Benefits | | | Postretirement Benefits | | |
|--------------------------------------|------------------|-----------------|-----------------|-------------------------|---------------|---------------|
| | 2021 | 2020 | 2019 | 2021 | 2020 | 2019 |
| Service cost | \$ 26,735 | \$ 26,013 | \$ 23,664 | \$ 472 | \$ 506 | \$ 432 |
| Interest cost | 17,419 | 23,847 | 29,019 | 426 | 609 | 796 |
| Expected return on plan assets | (60,286) | (67,217) | (59,153) | — | — | — |
| Amortization of prior service cost | (251) | (269) | (283) | (304) | (657) | (656) |
| Recognized net actuarial loss/(gain) | 28,905 | 23,062 | 9,310 | — | (5) | (198) |
| Special termination benefits | 52 | — | — | 367 | — | — |
| Cost of settlements/curtailments | 3,310 | 2,395 | — | — | — | — |
| Net periodic benefit cost | <u>\$ 15,884</u> | <u>\$ 7,831</u> | <u>\$ 2,557</u> | <u>\$ 961</u> | <u>\$ 453</u> | <u>\$ 374</u> |

The cost of settlements/curtailments indicated above represents events that are accounted for under guidance on employers' accounting for settlements and curtailments of defined benefit pension plans. In 2021, special termination benefits were recognized as a result of early retirement benefits offered to employees in the US and Switzerland. In addition, the Company recognized settlement charges in 2021 related to the retirement of former executives. In 2020, settlement charges were incurred in Mexico and Switzerland. In addition, a curtailment was recognized in Mexico in 2020 as a result of the Corporation's restructuring initiatives.

The following table outlines the Corporation's consolidated disclosure of the pension benefits and postretirement benefits information described previously. The Corporation had no foreign postretirement plans. All plans were valued using a December 31, 2021 measurement date.

| <i>(In thousands)</i> | Pension Benefits | | Postretirement Benefits | |
|--------------------------------------|---------------------|---------------------|-------------------------|--------------------|
| | 2021 | 2020 | 2021 | 2020 |
| Change in benefit obligation: | | | | |
| Beginning of year | \$ 1,044,035 | \$ 945,187 | \$ 25,670 | \$ 23,566 |
| Service cost | 26,735 | 26,013 | 472 | 506 |
| Interest cost | 17,419 | 23,847 | 426 | 609 |
| Plan participants' contributions | 1,304 | 1,366 | 294 | 331 |
| Amendments | (477) | — | 309 | — |
| Actuarial (gain) loss | (37,825) | 92,596 | (41) | 3,048 |
| Benefits paid | (68,965) | (46,607) | (2,303) | (2,390) |
| Special Termination Benefits | 52 | — | 367 | — |
| Actual expenses | (1,491) | (1,526) | — | — |
| Curtailments | — | 1,636 | — | — |
| Settlements | — | (3,867) | — | — |
| Currency translation adjustments | (1,717) | 5,390 | — | — |
| End of year | \$ 979,070 | \$ 1,044,035 | \$ 25,194 | \$ 25,670 |
| Change in plan assets: | | | | |
| Beginning of year | \$ 1,050,509 | \$ 835,139 | \$ — | \$ — |
| Actual return on plan assets | 163,881 | 105,810 | — | — |
| Employer contribution | 12,766 | 155,359 | 2,009 | 2,059 |
| Plan participants' contributions | 1,304 | 1,366 | 294 | 331 |
| Benefits paid | (68,965) | (46,607) | (2,303) | (2,390) |
| Actual expenses | (1,491) | (1,526) | — | — |
| Settlements | — | (3,867) | — | — |
| Currency translation adjustments | (1,388) | 4,835 | — | — |
| End of year | \$ 1,156,616 | \$ 1,050,509 | \$ — | \$ — |
| Funded status | \$ 177,546 | \$ 6,474 | \$ (25,194) | \$ (25,670) |

| (In thousands) | Pension Benefits | | Postretirement Benefits | |
|---|-------------------|-------------------|-------------------------|--------------------|
| | 2021 | 2020 | 2021 | 2020 |
| Amounts recognized on the balance sheet | | | | |
| Noncurrent assets | \$ 256,422 | \$ 92,554 | \$ — | \$ — |
| Current liabilities | (6,257) | (6,444) | (2,076) | (1,596) |
| Noncurrent liabilities ⁽¹⁾ | (72,619) | (79,636) | (23,118) | (24,074) |
| Total | \$ 177,546 | \$ 6,474 | \$ (25,194) | \$ (25,670) |
| Amounts recognized in accumulated other comprehensive income (AOCI) | | | | |
| Net actuarial loss (gain) | \$ 120,676 | \$ 294,545 | \$ 584 | \$ 624 |
| Prior service cost | (544) | (321) | (135) | (747) |
| Total | \$ 120,132 | \$ 294,224 | \$ 449 | \$ (123) |
| Information for plans with an accumulated benefit obligation in excess of plan assets: | | | | |
| Projected benefit obligation | \$ 101,667 | \$ 114,297 | \$ 25,193 | N/A |
| Accumulated benefit obligation | 95,755 | 111,807 | 25,193 | N/A |
| Fair value of plan assets | 22,792 | 28,217 | — | N/A |

⁽¹⁾ As of December 31, 2021 and 2020, this caption includes accrued pension and other postretirement benefit costs of \$4.4 million and \$5.4 million, respectively, reflected in the "Liabilities held for sale" caption within the Consolidated Balance Sheet.

Plan Assumptions

| | Pension Benefits | | Postretirement Benefits | |
|--|------------------|--------|-------------------------|--------|
| | 2021 | 2020 | 2021 | 2020 |
| Weighted-average assumptions in determination of benefit obligation: | | | | |
| Discount rate | 2.72 % | 2.36 % | 2.79 % | 2.43 % |
| Rate of compensation increase | 3.40 % | 3.41 % | N/A | N/A |
| Health care cost trends: | | | | |
| Rate assumed for subsequent year | N/A | N/A | 7.00 % | 7.25 % |
| Ultimate rate reached in 2032 | N/A | N/A | 4.50 % | 4.50 % |
| Weighted-average assumptions in determination of net periodic benefit cost: | | | | |
| Discount rate | 2.36 % | 3.05 % | 2.43 % | 3.15 % |
| Expected return on plan assets | 6.18 % | 7.11 % | N/A | N/A |
| Rate of compensation increase | 3.41 % | 3.46 % | N/A | N/A |
| Health care cost trends: | | | | |
| Rate assumed for subsequent year | N/A | N/A | 7.25 % | 7.50 % |
| Ultimate rate reached in 2032 | N/A | N/A | 4.50 % | 4.50 % |

The Corporation applies the spot rate, or full yield curve, approach for developing discount rates. The discount rate for each plan's past service liabilities and service cost is determined by discounting the plan's expected future benefit payments using a yield curve developed from high quality bonds that are rated Aa or better by Moody's as of the measurement date. The yield curve calculation matches the notional cash inflows of the hypothetical bond portfolio with the expected benefit payments to arrive at one effective rate for these components. Interest cost is determined by applying the spot rate from the full yield curve to each anticipated benefit payment, based on the anticipated optional form elections.

The overall expected return on assets assumption is based on a combination of historical performance of the pension fund and expectations of future performance. Expected future performance is determined by weighting the expected returns for each asset class by the plan's asset allocation. The expected returns are based on long-term capital market assumptions utilizing a ten-year time horizon through consultation with investment advisors. While consideration is given to recent performance and historical returns, the assumption represents a long-term prospective return.

Pension Plan Assets

The overall objective for plan assets is to earn a rate of return over time to meet anticipated benefit payments in accordance with plan provisions. The long-term investment objective of the domestic retirement plans is to achieve a total rate of return, net of fees, which exceeds the actuarial overall expected return on asset assumptions used for funding purposes and which provides an appropriate premium over inflation. The intermediate-term objective of the domestic retirement plans, defined as three to five years, is to outperform each of the capital markets in which assets are invested, net of fees. During periods of extreme market volatility, preservation of capital takes a higher precedence than outperforming the capital markets.

The Finance Committee of the Corporation's Board of Directors is responsible for formulating investment policies, developing investment manager guidelines and objectives, and approving and managing qualified advisors and investment managers. The guidelines established define permitted investments within each asset class and apply certain restrictions such as limits on concentrated holdings, and prohibits selling securities short, buying on margin, and the purchase of any securities issued by the Corporation.

The Corporation maintains the funds of the CW Pension Plan under a trust that is diversified across investment classes and among investment managers to achieve an optimal balance between risk and return. As a part of its diversification strategy, the Corporation has established target allocations for each of the following assets classes: domestic equity securities, international equity securities, and debt securities. Below are the Corporation's actual and established target allocations for the CW Pension Plan, representing 90% of consolidated assets:

| Asset class | As of December 31, | | Target Exposure | Expected Range |
|------------------------|--------------------|------|-----------------|----------------|
| | 2021 | 2020 | | |
| Domestic equities | 56% | 54% | 50% | 40%-60% |
| International equities | 15% | 15% | 15% | 10%-20% |
| Total equity | 71% | 69% | 65% | 55%-75% |
| Fixed income | 29% | 31% | 35% | 25%-45% |

As of December 31, 2021 and 2020, cash funds in the CW Pension Plan represented approximately 3% and 2% of portfolio assets, respectively.

Foreign plan assets represent 10% of consolidated plan assets, with most of the assets supporting the U.K. plan. Generally, the foreign plans follow a similar asset allocation strategy and are more heavily weighted in fixed income resulting in a weighted expected return on assets assumption of 3% for all foreign plans.

The Corporation may from time to time require the reallocation of assets in order to bring the retirement plans into conformity with these ranges. The Corporation may also authorize alterations or deviations from these ranges where appropriate for achieving the objectives of the retirement plans.

Fair Value Measurements

The following table presents consolidated plan assets (in thousands) using the fair value hierarchy as of December 31, 2021.

| Asset Category | Total | Quoted Prices in Active Markets for Identical Assets (Level 1) | Significant Observable Inputs (Level 2) | Significant Unobservable Inputs (Level 3) |
|---|---------------------|---|--|--|
| Cash and cash equivalents | \$ 16,710 | \$ 1,376 | \$ 15,334 | \$ — |
| Equity securities- Mutual funds ⁽¹⁾ | 688,257 | 570,293 | 117,964 | — |
| Bond funds ⁽²⁾ | 341,140 | 242,627 | 98,513 | — |
| Other ⁽³⁾ | 4,402 | — | — | 4,402 |
| December 31, 2020 | \$ 1,050,509 | \$ 814,296 | \$ 231,811 | \$ 4,402 |
| Cash and cash equivalents | \$ 36,788 | \$ 3,632 | \$ 33,156 | \$ — |
| Equity securities - Mutual funds ⁽¹⁾ | 771,655 | 655,995 | 115,660 | — |
| Bond funds ⁽²⁾ | 343,630 | 229,973 | 113,657 | — |
| Other ⁽³⁾ | 4,543 | — | — | 4,543 |
| December 31, 2021 | \$ 1,156,616 | \$ 889,600 | \$ 262,473 | \$ 4,543 |

⁽¹⁾ This category consists of domestic and international equity securities. It is comprised of U.S. securities benchmarked against the S&P 500 index and Russell 2000 index, international mutual funds benchmarked against the MSCI EAFE index, global equity index mutual funds associated with our U.K. based pension plans and balanced funds associated with the U.K. and Canadian based pension plans.

⁽²⁾ This category consists of domestic and international bonds. The domestic fixed income securities are benchmarked against the Bloomberg Barclays Capital Aggregate Bond index, actively-managed bond mutual funds comprised of domestic investment grade debt, fixed income derivatives, and below investment-grade issues, U.S. mortgage backed securities, asset backed securities, municipal bonds, and convertible debt. International bonds consist of bond mutual funds for institutional investors associated with the CW Pension Plan, Switzerland, and U.K. based pension plans.

⁽³⁾ This category consists primarily of real estate investment trusts in Switzerland.

Valuation

Equity securities and exchange-traded equity and bond mutual funds are valued using a market approach based on the quoted market prices of identical instruments. Pooled institutional funds are valued at their net asset values and are calculated by the sponsor of the fund.

Fixed income securities are primarily valued using a market approach utilizing various underlying pricing sources and methodologies. Real estate investment trusts are priced at net asset value based on valuations of the underlying real estate holdings using inputs such as discounted cash flows, independent appraisals, and market-based comparable data.

Cash balances in the United States are held in a pooled fund and classified as a Level 2 asset. Non-U.S. cash is valued using a market approach based on quoted market prices of identical instruments.

The following table presents a reconciliation of Level 3 assets held during the years ended December 31, 2021 and 2020:

| <i>(In thousands)</i> | Insurance Contracts | Real Estate | Other | Total |
|---|------------------------|----------------|-------|----------|
| December 31, 2019 | \$ — | \$ 4,224 | \$ — | \$ 4,224 |
| Actual return on plan assets: | | | | |
| Relating to assets still held at the reporting date | 5 | (20) | — | (15) |
| Relating to assets sold during the period | — | (58) | — | (58) |
| Purchases, sales, and settlements | 523 | (680) | — | (157) |
| Foreign currency translation adjustment | 49 | 359 | — | 408 |
| December 31, 2020 | 577 | 3,825 | — | 4,402 |
| Actual return on plan assets: | | | | |
| Relating to assets still held at the reporting date | — | 125 | 16 | 141 |
| Relating to assets sold during the period | 32 | — | — | 32 |
| Purchases, sales, and settlements | (592) | 226 | 464 | 98 |
| Foreign currency translation adjustment | (17) | (102) | (11) | (130) |
| December 31, 2021 | — | 4,074 | 469 | 4,543 |

Benefit Payments

The following benefit payments, which reflect expected future service, as appropriate, are expected to be paid from the plans:

| <i>(In thousands)</i> | Pension Plans | Postretirement Plans | Total |
|-----------------------|------------------|-------------------------|-----------|
| 2022 | \$ 55,062 | \$ 2,076 | \$ 57,138 |
| 2023 | 55,349 | 1,699 | 57,048 |
| 2024 | 60,035 | 1,645 | 61,680 |
| 2025 | 55,531 | 1,602 | 57,133 |
| 2026 | 56,269 | 1,532 | 57,801 |
| 2027 — 2031 | 285,666 | 7,065 | 292,731 |

Defined Contribution Retirement Plans

The Corporation offers all of its full-time domestic employees the opportunity to participate in a defined contribution plan. Effective January 1, 2014, all non-union employees who were not currently receiving final or career average pay benefits became eligible to receive employer contributions in the Corporation's sponsored 401(k) plan. The employer contributions include both employer match and non-elective contribution components, up to a maximum employer contribution of 7% of eligible compensation. During the year ended December 31, 2021, the expense relating to the plan was \$18.7 million, consisting of \$10.0 million in matching contributions to the plan in 2021, and \$8.7 million in non-elective contributions, primarily paid in January 2022. Cumulative contributions of approximately \$100 million are expected to be made from 2022 through 2026.

In addition, the Corporation had foreign pension costs under various defined contribution plans of \$5.4 million in 2021, and \$5.3 million in both 2020 and 2019.

18. SEGMENT INFORMATION

Prior to the first quarter of 2021, the Corporation reported its results of operations through three reportable segments: Commercial/Industrial, Defense, and Power. On January 1, 2021, the Corporation implemented an organizational change to simplify its reportable segments and align its product sales with its end market structure. As a result, the Corporation now reports its results of operations through the following reportable segments: Aerospace & Industrial, Defense Electronics, and Naval & Power. While this organizational change resulted in the recasting of previously reported amounts across all reportable segments, it did not impact the Corporation's previously reported consolidated financial statements.

The Aerospace & Industrial reportable segment is comprised of businesses that provide a diversified offering of highly engineered products and services supporting critical applications primarily across the commercial aerospace and general industrial markets. The products offered include electronic throttle control devices and transmission shifters, electro-mechanical actuation control components, and surface technology services such as shot peening, laser peening and engineered coatings.

The Defense Electronics reportable segment is comprised of businesses that primarily provide products to the defense markets and to a lesser extent the commercial aerospace market. The products offered include commercial off-the-shelf (COTS) embedded computing board level modules, integrated subsystems, turret aiming and stabilization products, weapons handling systems, avionics and electronics, flight test equipment, and aircraft data management solutions.

The Naval & Power reportable segment is comprised of businesses that provide products to the naval defense market and to a lesser extent the power & process markets. The products offered include main coolant pumps, power-dense compact motors, generators, secondary propulsion systems, pumps, pump seals, valves, control rod drive mechanisms, fastening systems, specialized containment doors, airlock hatches, spent fuel management products, and fluid sealing products.

The Corporation's measure of segment profit or loss is operating income. Interest expense and income taxes are not reported on an operating segment basis as they are not considered in the segments' performance evaluation by the Corporation's chief operating decision-maker, its Chief Executive Officer.

Operating results by reportable segment are as follows:

| | Year Ended December 31, | | |
|--|-------------------------|---------------------|---------------------|
| <i>(In thousands)</i> | 2021 | 2020 | 2019 |
| Net sales | | | |
| Aerospace & Industrial | \$ 789,054 | \$ 807,144 | \$ 963,649 |
| Defense Electronics | 727,828 | 610,413 | 525,393 |
| Naval & Power | 995,509 | 977,109 | 1,001,662 |
| Less: Intersegment Revenues | (6,460) | (3,330) | (2,743) |
| Total Consolidated | \$ 2,505,931 | \$ 2,391,336 | \$ 2,487,961 |
| | 2021 | 2020 | 2019 |
| Operating income (expense) | | | |
| Aerospace & Industrial | \$ 121,817 | \$ 99,714 | \$ 149,135 |
| Defense Electronics | 159,089 | 118,748 | 119,044 |
| Naval & Power | 141,660 | 108,151 | 170,883 |
| Corporate and Eliminations ⁽¹⁾ | (39,883) | (37,765) | (35,109) |
| Total Consolidated | \$ 382,683 | \$ 288,848 | \$ 403,953 |
| Depreciation and amortization expense | | | |
| Aerospace & Industrial | \$ 36,999 | \$ 37,690 | \$ 39,526 |
| Defense Electronics | 38,136 | 36,188 | 19,872 |
| Naval & Power | 35,937 | 37,894 | 38,914 |
| Corporate | 3,312 | 4,131 | 4,100 |
| Total Consolidated | \$ 114,384 | \$ 115,903 | \$ 102,412 |
| Segment assets | | | |
| Aerospace & Industrial | \$ 991,508 | \$ 1,019,203 | \$ 1,078,324 |
| Defense Electronics | 1,536,369 | 1,542,686 | 1,102,821 |
| Naval & Power | 1,270,099 | 1,256,416 | 1,277,880 |
| Corporate | 294,581 | 175,445 | 305,236 |
| Assets held for sale | 10,988 | 27,584 | — |
| Total Consolidated | \$ 4,103,545 | \$ 4,021,334 | \$ 3,764,261 |

| Capital expenditures | | | |
|-----------------------------|----|--------|---------------------|
| Aerospace & Industrial | \$ | 16,799 | \$ 20,025 \$ 26,679 |
| Defense Electronics | | 3,922 | 3,317 3,385 |
| Naval & Power | | 18,106 | 21,283 36,098 |
| Corporate | | 2,281 | 2,874 3,590 |
| Total Consolidated | \$ | 41,108 | \$ 47,499 \$ 69,752 |

⁽¹⁾ Corporate and Eliminations includes pension expense, environmental remediation and administrative expenses, legal, foreign currency transactional gains and losses, and other expenses.

Reconciliations

| <i>(In thousands)</i> | Year Ended December 31, | | |
|---|-------------------------|----------|-----------------------|
| | 2021 | 2020 | 2019 |
| Earnings before taxes: | | | |
| Total reportable segment operating income | \$ | 422,566 | \$ 326,613 \$ 439,062 |
| Corporate and Eliminations | | (39,883) | (37,765) (35,109) |
| Interest expense | | 40,240 | 35,545 31,347 |
| Other income, net | | 12,067 | 9,748 23,856 |
| Total consolidated earnings before tax | \$ | 354,510 | \$ 263,051 \$ 396,462 |

| <i>(In thousands)</i> | As of December 31, | | |
|--------------------------------------|--------------------|-----------|---------------------------|
| | 2021 | 2020 | 2019 |
| Assets: | | | |
| Total assets for reportable segments | \$ | 3,797,976 | \$ 3,818,305 \$ 3,459,025 |
| Assets held for sale | | 10,988 | 27,584 — |
| Non-segment cash | | 7,537 | 49,157 235,260 |
| Other assets | | 287,044 | 126,288 69,976 |
| Total consolidated assets | \$ | 4,103,545 | \$ 4,021,334 \$ 3,764,261 |

Geographic Information

| <i>(In thousands)</i> | Year Ended December 31, | | |
|--------------------------|-------------------------|-----------|---------------------------|
| | 2021 | 2020 | 2019 |
| Revenues | | | |
| United States of America | \$ | 1,856,997 | \$ 1,758,424 \$ 1,710,371 |
| United Kingdom | | 93,154 | 90,628 120,297 |
| Other foreign countries | | 555,780 | 542,284 657,293 |
| Consolidated total | \$ | 2,505,931 | \$ 2,391,336 \$ 2,487,961 |

| <i>(In thousands)</i> | As of December 31, | | |
|--|--------------------|---------|-----------------------|
| | 2021 | 2020 | 2019 |
| Long-Lived Assets - Property, plant, and equipment, net | | | |
| United States of America | \$ | 261,658 | \$ 271,299 \$ 271,609 |
| United Kingdom | | 31,594 | 34,221 34,228 |
| Other foreign countries | | 66,779 | 72,680 79,756 |
| Consolidated total | \$ | 360,031 | \$ 378,200 \$ 385,593 |

19. CONTINGENCIES AND COMMITMENTS

From time to time, the Corporation and its subsidiaries are involved in legal proceedings that are incidental to the operation of our business. Some of these proceedings allege damages relating to asbestos and environmental exposures, intellectual property matters, copyright infringement, personal injury claims, employment and employee benefit matters, government contract issues, commercial or contractual disputes, and acquisitions or divestitures. The Corporation continues to defend vigorously against all claims. Although the ultimate outcome of any legal matter cannot be predicted with certainty, based on present information, including assessment of the merits of the particular claim, as well as current accruals and insurance coverage, the Corporation does not believe that the disposition of any of these matters, individually or in the aggregate, will have a material adverse effect on its consolidated financial condition, results of operations, and cash flows.

Legal Proceedings

The Corporation has been named in a number of lawsuits that allege injury from exposure to asbestos. To date, the Corporation has not been found liable for or paid any material sum of money in settlement in any asbestos-related case. The Corporation believes its minimal use of asbestos in its past operations and the relatively non-friable condition of asbestos in its products make it unlikely that it will face material liability in any asbestos litigation, whether individually or in the aggregate. The Corporation maintains insurance coverage for these potential liabilities and believes adequate coverage exists to cover any unanticipated asbestos liability. The Corporation is party to a number of other legal actions and claims, none of which individually or in the aggregate, in the opinion of management, are expected to have a material effect on the Corporation's results of operations or financial position.

Letters of Credit and Other Arrangements

The Corporation enters into standby letters of credit agreements and guarantees with financial institutions and customers primarily relating to guarantees of repayment, future performance on certain contracts to provide products and services, and to secure advance payments from certain international customers. There were \$21.1 million of stand-by letters of credit outstanding for both December 31, 2021 and 2020. As of December 31, 2021 and 2020 there were \$4.5 million and \$5.6 million of bank guarantees outstanding, respectively.

The Corporation, through its Electro-Mechanical Division (EMD) business unit, has three Pennsylvania Department of Environmental Protection (PADEP) radioactive materials licenses that are utilized in the continued operation of the EMD business. In connection with these licenses, the Corporation has known conditional asset retirement obligations related to asset decommissioning activities to be performed in the future, when the Corporation terminates these licenses. For two of the three licenses, the Corporation has recorded an asset retirement obligation of approximately \$7.7 million. For its third license, the Corporation has not recorded an asset retirement obligation as it is not reasonably estimable due to insufficient information about the timing and method of settlement of the obligation. Accordingly, this obligation has not been recorded in the Consolidated Financial Statements. A liability for this obligation will be recorded in the period when sufficient information regarding timing and method of settlement becomes available to make a reasonable estimate of the liability's fair value. The Corporation is required to provide the Nuclear Regulatory Commission financial assurance demonstrating its ability to cover the cost of decommissioning its Cheswick, Pennsylvania facility upon closure, though the Corporation does not intend to close this facility. The Corporation has provided this financial assurance in the form of a \$45.6 million surety bond.

AP1000 Program

Within the Corporation's Naval & Power segment, Electro-Mechanical Division (EMD) is the reactor coolant pump (RCP) supplier for the Westinghouse Electric Company (WEC) AP1000 nuclear power plants in China and the United States. The terms of the AP1000 U.S. and China contracts include liquidated damage provisions for failure to meet contractual delivery dates if the Corporation caused the delay and the delay was not excusable. While the Corporation did not meet certain contractual delivery dates under its AP1000 U.S. and China contracts, there are significant counterclaims and uncertainties as to which parties are responsible for the delay.

In February 2022, the Corporation and WEC reached an agreement to settle all open claims and counterclaims under the AP1000 U.S. and China contracts. The settlement agreement requires the Corporation to pay WEC \$15 million during the first quarter of 2022 and \$10 million during the first quarter of 2023 in exchange for the Corporation's full release from all open claims under such contracts, whether known or unknown, as well as negotiating and executing a right of first refusal for all future AP1000 projects. As a result of the settlement, the Corporation recorded charges of \$13 million related to this matter for the year ended December 31, 2021.

20. ACCUMULATED OTHER COMPREHENSIVE INCOME (LOSS)

The total cumulative balance of each component of accumulated other comprehensive income (loss), net of tax, is as follows:

| <i>(In thousands)</i> | Foreign currency translation adjustments, net | Total pension and postretirement adjustments, net | Accumulated other comprehensive income (loss) |
|---|---|---|---|
| December 31, 2019 | \$ (130,019) | \$ (195,255) | \$ (325,274) |
| Other comprehensive loss before reclassifications ⁽¹⁾ | 41,282 | (44,513) | (3,231) |
| Amounts reclassified from accumulated other comprehensive income ⁽¹⁾ | — | 17,649 | 17,649 |
| Net current period other comprehensive income (loss) | 41,282 | (26,864) | 14,418 |
| December 31, 2020 | \$ (88,737) | \$ (222,119) | \$ (310,856) |
| Other comprehensive loss before reclassifications ⁽¹⁾ | (10,829) | 107,211 | 96,382 |
| Amounts reclassified from accumulated other comprehensive income ⁽¹⁾ | — | 24,009 | 24,009 |
| Net current period other comprehensive income (loss) | (10,829) | 131,220 | 120,391 |
| December 31, 2021 | \$ (99,566) | \$ (90,899) | \$ (190,465) |

⁽¹⁾ All amounts are after tax.

Details of amounts reclassified from accumulated other comprehensive income (loss) are below:

| <i>(In thousands)</i> | Amount reclassified from Accumulated other comprehensive income (loss) | | Affected line item in the Consolidated Statement of Earnings |
|--|---|--------------------|---|
| | 2021 | 2020 | |
| Defined benefit pension and postretirement plans | | | |
| Amortization of prior service costs | \$ 555 | \$ 926 | Other income, net |
| Recognized net actuarial losses | (28,905) | (23,057) | Other income, net |
| Settlements | (3,310) | (1,086) | Other income, net |
| | <u>(31,660)</u> | <u>(23,217)</u> | Earnings before income taxes |
| | <u>7,651</u> | <u>5,568</u> | Provision for income taxes |
| Total reclassifications | <u>\$ (24,009)</u> | <u>\$ (17,649)</u> | Net earnings |

21. RESTRUCTURING COSTS

During the year ended December 31, 2020, the Corporation executed restructuring activities across all of its segments to support its ongoing effort of improving capacity utilization and operating efficiency. These restructuring activities, which included workforce reductions and consolidation of facilities, were substantially completed as of December 31, 2021. As of December 31, 2021 and 2020, the restructuring liability associated with these restructuring activities was \$0.3 million and \$6.9 million, respectively. This balance is reported within Other Current Liabilities on the Consolidated Balance Sheet.

22. SUBSEQUENT EVENTS

On January 21, 2022, the Corporation announced that it has entered into an agreement to acquire the assets that comprise the Safran Aerosystems Arresting Company ("SAA") for \$240 million in cash. SAA is a designer and manufacturer of aircraft emergency arresting systems with more than 5,000 systems worldwide. For the year ended December 31, 2021, SAA generated sales of approximately \$70 million. The acquisition is expected to close in the third quarter of 2022, subject to regulatory approval and other closing conditions. Upon close, the acquired business will operate within the Corporation's Naval & Power segment.

On January 28, 2022, the Corporation completed the sale of its industrial valve business in Germany, which was classified as held for sale as of December 31, 2021, for approximately \$3 million of gross cash proceeds.

* * * * *

Report of the Corporation

The Consolidated Financial Statements appearing in Item 8 of this Annual Report on Form 10-K have been prepared by the Corporation in conformity with accounting principles generally accepted in the United States of America. The financial statements necessarily include some amounts that are based on the best estimates and judgments of the Corporation. Other financial information in this Annual Report on Form 10-K is consistent with that in the Consolidated Financial Statements.

The Corporation maintains accounting systems, procedures, and internal accounting controls designed to provide reasonable assurance that assets are safeguarded and that transactions are executed in accordance with the appropriate corporate authorization and are properly recorded. The accounting systems and internal accounting controls are augmented by written policies and procedures, organizational structure providing for a division of responsibilities, selection and training of qualified personnel, and an internal audit program. Management of the Corporation has completed an assessment of the Corporation's internal controls over financial reporting and has included "Management's Annual Report on Internal Control Over Financial Reporting" in Item 9A of this Annual Report on Form 10-K.

Deloitte & Touche LLP, our independent registered public accounting firm, performed an integrated audit of the Corporation's Consolidated Financial Statements that also included forming an opinion on the internal controls over financial reporting of the Corporation for the year ended December 31, 2021. An audit includes examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. The objective of their audit is the expression of an opinion on the Corporation's Consolidated Financial Statements in conformity with accounting principles generally accepted in the United States of America, in all material respects, and on the internal controls over financial reporting as of December 31, 2021.

The Audit Committee of the Board of Directors, composed entirely of directors who are independent of the Corporation, appoints the independent registered public accounting firm for ratification by stockholders and, among other things, considers the scope of the independent registered public accounting firm's examination, the audit results, and the adequacy of internal accounting controls of the Corporation. The independent registered public accounting firm and the internal auditor have direct access to the Audit Committee, and they meet with the committee from time to time, with and without management present, to discuss accounting, auditing, non-audit consulting services, internal control, and financial reporting matters.

Report of Independent Registered Public Accounting Firm

To the shareholders and the Board of Directors of Curtiss-Wright Corporation

Opinion on the Financial Statements

We have audited the accompanying consolidated balance sheets of Curtiss-Wright Corporation and subsidiaries (the "Company") as of December 31, 2021 and 2020, the related consolidated statements of earnings, comprehensive income, cash flows and shareholders' equity, for each of the three years in the period ended December 31, 2021, and the related notes and the schedule listed in the Index at Item 15 (collectively referred to as the "financial statements"). In our opinion, the financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2021 and 2020, and the results of its operations and its cash flows for each of the three years in the period ended December 31, 2021, in conformity with accounting principles generally accepted in the United States of America.

We have also audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the Company's internal control over financial reporting as of December 31, 2021, based on criteria established in *Internal Control — Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission and our report dated February 24, 2022, expressed an unqualified opinion on the Company's internal control over financial reporting.

Basis for Opinion

These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the Company's financial statements based on our audits. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audits provide a reasonable basis for our opinion.

Critical Audit Matter

The critical audit matters communicated below are matters arising from the current-period audit of the financial statements that were communicated or required to be communicated to the audit committee and that (1) relate to accounts or disclosures that are material to the financial statements and (2) involved our especially challenging, subjective, or complex judgments. The communication of critical audit matters does not alter in any way our opinion on the financial statements, taken as a whole, and we are not, by communicating the critical audit matters below, providing separate opinions on the critical audit matters or on the accounts or disclosures to which they relate.

Revenue – Over-Time Basis – Refer to Note 2 to the financial statements

Critical Audit Matter Description

The Company recognizes revenue when control of a promised good and/or service is transferred to a customer. The Company identifies a performance obligation for each promise in a contract to transfer a distinct good or service to the customer. Contracts that qualify for over-time revenue recognition are generally associated with the design, development, and manufacture of highly engineered industrial products used in commercial and defense applications and generally span between 2-5 years in duration. The Company uses over-time revenue recognition based on the utilization of an input measure used to measure progress of performance obligations, such as costs incurred to date relative to total estimated costs.

Application of an over-time revenue recognition method requires the use of reasonable and dependable estimates of costs that will be incurred to complete production of goods or provision of services. As of December 31, 2021, revenue was \$2.506 billion, of which 50% relates to over-time revenue.

Certain of the Company's contracts have limited amount of historical data available requiring the Company to make judgments to estimate future costs that will be incurred for these contracts. Related to these contracts, auditing these estimates required both extensive audit effort due to a high degree of auditor judgment, especially given the limited historical data for certain contracts, when performing audit procedures and evaluating the results of those procedures.

How the Critical Audit Matter Was Addressed in the Audit

Our audit procedures related to management's estimates of total costs that will be incurred for certain of the contracts (as discussed above) included the following:

- We tested the effectiveness of controls over the long-term contract revenue, including those over the estimates of total costs for the performance obligation.
- We performed the following:
 - Evaluated the appropriateness and consistency of the methods and assumptions used by management to develop the estimates of future costs that will be incurred for contracts with limited historical experience.
 - Evaluated management's ability to achieve the estimates of costs that will be incurred by performing corroborating inquiries with the Company's project managers and engineers, and comparing the estimates to management's work plans, engineering specifications, and supplier contracts.
 - Tested the accuracy and completeness of the costs incurred to date.
 - Compared the actual costs incurred to date to management's estimated costs to be incurred to date.
 - Due to the limited historical data available for certain contracts, we tested changes in management's total cost estimates.
 - Tested the mathematical accuracy of management's estimates of future costs to be incurred.
 - Tested the mathematical accuracy of management's calculation of revenue for the contract.

/s/ Deloitte & Touche LLP

Parsippany, New Jersey
February 24, 2022

We have served as the Company's auditor since 2003.

Report of Independent Registered Public Accounting Firm

To the shareholders and the Board of Directors of Curtiss-Wright Corporation

Opinion on Internal Control over Financial Reporting

We have audited the internal control over financial reporting of Curtiss-Wright Corporation and subsidiaries (the “Company”) as of December 31, 2021, based on criteria established in *Internal Control — Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). In our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as of December 31, 2021, based on criteria established in *Internal Control — Integrated Framework (2013)* issued by COSO.

We have also audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the consolidated financial statements as of and for the year ended December 31, 2021, of the Company and our report dated February 24, 2022, expressed an unqualified opinion on those financial statements.

Basis for Opinion

The Company’s management is responsible for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting, included in the accompanying Management’s Annual Report on Internal Control Over Financial Reporting. Our responsibility is to express an opinion on the Company’s internal control over financial reporting based on our audit. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audit in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects. Our audit included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, testing and evaluating the design and operating effectiveness of internal control based on the assessed risk, and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

Definition and Limitations of Internal Control over Financial Reporting

A company’s internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company’s internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company’s assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

/s/ Deloitte & Touche LLP

Parsippany, New Jersey
February 24, 2022

Item 9. Changes in and Disagreements with Accountants on Accounting and Financial Disclosure.

None.

Item 9A. Controls and Procedures.

Disclosure Controls and Procedures

As of December 31, 2021, the Corporation's management, including the Corporation's Chief Executive Officer and Chief Financial Officer, conducted an evaluation of the Corporation's disclosure controls and procedures, as such term is defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934, as amended (the "Exchange Act"). Based on such evaluation, the Corporation's Chief Executive Officer and Chief Financial Officer concluded that the Corporation's disclosure controls and procedures are effective as of December 31, 2021 insofar as they are designed to ensure that information required to be disclosed by us in the reports that we file or submit under the Exchange Act is recorded, processed, summarized and reported, within the time periods specified in the Commission's rules and forms, and they include, without limitation, controls and procedures designed to ensure that information required to be disclosed by us in the reports we file or submit under the Exchange Act is accumulated and communicated to our management, including our principal executive and principal financial officers, or persons performing similar functions, as appropriate to allow timely decisions regarding required disclosure.

Management's Annual Report On Internal Control Over Financial Reporting

The Corporation's management is responsible for establishing and maintaining adequate internal control over financial reporting, as defined in Rules 13a-15(f) and 15d-15(f) under the Securities Exchange Act of 1934, as amended.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of the future effectiveness of controls currently deemed effective are subject to the risk that controls may become inadequate because of changes in conditions or deterioration in the degree of compliance with the policies or procedures.

The Corporation's management assessed the effectiveness of the Corporation's internal control over financial reporting as of December 31, 2021. In making this assessment, the Corporation's management used the criteria established in *Internal Control - Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission. Based on management's assessment, management believes that as of December 31, 2021, the Corporation's internal control over financial reporting is effective based on the established criteria.

The Corporation's internal controls over financial reporting as of December 31, 2021 have been audited by Deloitte & Touche LLP (PCAOB ID No. 34), an independent registered public accounting firm, and their report thereon is included in Item 8 of this Annual Report on Form 10-K.

Changes in Internal Control over Financial Reporting

There were no changes in our internal control over financial reporting during the quarter ended December 31, 2021 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

Item 9B. Other Information.

None.

PART III

The information required by Items 10, 11, 12, 13, and 14 of Part III of this Annual Report on Form 10-K, to the extent not set forth herein, is incorporated herein by reference from the registrant's definitive proxy statement relating to the annual meeting of stockholders to be held on May 5, 2022 which definitive proxy statement shall be filed with the Securities and Exchange Commission within 120 days after the end of the fiscal year to which this report relates. Information required by Item 401(b) of Regulation S-K is included in Part I of this report under the caption "Executive Officers" and information required by Item 201(d) of Regulation S-K is included in Part II of this report under the caption "Securities Authorized For Issuance Under Equity Compensation Plans."

PART IV

Item 15. Exhibits, Financial Statement Schedule.

| | | |
|-----|------------------------------------|------|
| (a) | Financial Statements and Footnotes | Page |
|-----|------------------------------------|------|

| | | |
|----|--|--------------------|
| 1. | The following are documents filed as part of this report in Part II, Item 8: | |
| | Consolidated Statements of Earnings | 39 |
| | Consolidated Statements of Comprehensive Income | 40 |
| | Consolidated Balance Sheets | 41 |
| | Consolidated Statements of Cash Flows | 42 |
| | Consolidated Statements of Stockholders' Equity | 43 |
| | Notes to Consolidated Financial Statements | 44 |
| 2. | Financial Statement Schedule | |
| | Schedule II-Valuation and Qualifying Accounts | 84 |
| | All other financial statement schedules have been omitted because they are either not required, not applicable or the required information is shown in the Consolidated Financial Statements or Notes thereto. | |

(b) Exhibits

| Exhibit No. | Exhibit Description | Incorporated by Reference | | Filed Herewith |
|-------------|--|---------------------------|-------------------|----------------|
| | | Form | Filing Date | |
| 2.1 | Agreement and Plan of Merger and Recapitalization, dated as of February 1, 2005, by and between the Registrant and CW Merger Sub, Inc. | 8-K | February 3, 2005 | |
| 3.1 | Amended and Restated Certificate of Incorporation | 8-A12B/A | May 24, 2005 | |
| 3.2 | Amended and Restated By-Laws | 8-K | May 18, 2015 | |
| 4.1 | Form of stock certificate for Common Stock | 8-A12B/A | May 24, 2005 | |
| 4.2 | Description of Registrant's Securities | DEF 14A | May 24, 2005 | |
| 10.1 | Form of Long Term Incentive Award Agreement, between the Registrant and the executive officers of the Registrant* | 10-K | March 7, 2006 | |
| 10.2 | Revised Standard Employment Severance Agreement with Senior Management of the Registrant* | 10-K | February 25, 2021 | |
| 10.3 | Amended and Restated Retirement Benefits Restoration Plan as amended January 1, 2009.* | 10-K | February 25, 2011 | |
| 10.4 | Instrument of Amendment No. 1 to Amended and Restated Retirement Benefits Restoration Plan as amended January 1, 2009* | 10-K | February 24, 2012 | |
| 10.5 | Instrument of Amendment No. 2 to Amended and Restated Retirement Benefits Restoration Plan as amended January 1, 2009* | 10-K | February 19, 2015 | |
| 10.6 | Instrument of Amendment No. 3 to Amended and Restated Retirement Benefits Restoration Plan as amended January 1, 2009* | 10-K | February 19, 2015 | |
| 10.7 | Instrument of Amendment No. 4 to Amended and Restated Retirement Benefits Restoration Plan as amended January 1, 2009* | 10-K | February 25, 2016 | |

| | | | | | |
|-------|---|------|-------------------|--|---|
| 10.8 | <u>Curtiss-Wright Corporation Retirement Plan, as Amended and Restated effective January 1, 2019*</u> | | | | X |
| 10.9 | <u>Instrument of Amendment No. 1 to Curtiss-Wright Corporation Retirement Plan, as Amended and Restated effective January 1, 2019*</u> | | | | X |
| 10.10 | <u>Curtiss-Wright Corporation Savings and Investment Plan, as Amended and Restated effective as of January 1, 2015*</u> | 10-K | February 25, 2016 | | |
| 10.11 | <u>Instrument of Amendment No. 1 to the Curtiss-Wright Corporation Savings and Investment Plan, as Amended and Restated effective January 1, 2015*</u> | 10-K | February 25, 2016 | | |
| 10.12 | <u>Instrument of Amendment No. 2 to the Curtiss-Wright Corporation Savings and Investment Plan, as Amended and Restated effective January 1, 2015*</u> | 10-K | February 21, 2017 | | |
| 10.13 | <u>Instrument of Amendment No. 3 to the Curtiss-Wright Corporation Savings and Investment Plan, as Amended and Restated effective January 1, 2015*</u> | 10-K | February 21, 2017 | | |
| 10.14 | <u>Instrument of Amendment No. 4 to the Curtiss-Wright Corporation Savings and Investment Plan, as Amended and Restated effective January 1, 2015*</u> | 10-K | February 21, 2017 | | |
| 10.15 | <u>Instrument of Amendment No. 5 to the Curtiss-Wright Corporation Savings and Investment Plan, as Amended and Restated effective January 1, 2015*</u> | 10-K | February 22, 2018 | | |
| 10.16 | <u>Instrument of Amendment No. 6 to the Curtiss-Wright Corporation Savings and Investment Plan, as Amended and Restated effective January 1, 2015*</u> | 10-K | February 22, 2018 | | |
| 10.17 | <u>Instrument of Amendment No. 7 to the Curtiss-Wright Corporation Savings and Investment Plan, as Amended and Restated effective January 1, 2015*</u> | 10-K | February 27, 2019 | | |
| 10.18 | <u>Instrument of Amendment No. 8 to the Curtiss-Wright Corporation Savings and Investment Plan, as Amended and Restated effective January 1, 2015*</u> | 10-K | February 27, 2019 | | |
| 10.19 | <u>Instrument of Amendment No. 9 to the Curtiss-Wright Corporation Savings and Investment Plan, as Amended and Restated effective January 1, 2015*</u> | 10-K | February 27, 2019 | | |
| 10.20 | <u>Instrument of Amendment No. 10 to the Curtiss-Wright Corporation Savings and Investment Plan, as Amended and Restated effective January 1, 2015*</u> | 10-Q | August 1, 2019 | | |
| 10.21 | <u>Instrument of Amendment No. 11 to the Curtiss-Wright Corporation Savings and Investment Plan, as Amended and Restated effective January 1, 2015*</u> | 10-Q | August 1, 2019 | | |
| 10.22 | <u>Instrument of Amendment No. 12 to the Curtiss-Wright Corporation Savings and Investment Plan, as Amended and Restated effective January 1, 2015*</u> | 10-K | February 27, 2020 | | |
| 10.23 | <u>Instrument of Amendment No. 13 to the Curtiss-Wright Corporation Savings and Investment Plan, as Amended and Restated effective January 1, 2015*</u> | 10-K | February 25, 2021 | | |
| 10.24 | <u>Instrument of Amendment No. 14 to the Curtiss-Wright Corporation Savings and Investment Plan, as Amended and Restated effective January 1, 2015*</u> | | | | X |
| 10.25 | <u>Instrument of Amendment No. 15 to the Curtiss-Wright Corporation Savings and Investment Plan, as Amended and Restated effective January 1, 2015*</u> | | | | X |
| 10.26 | <u>Curtiss-Wright Corporation 2014 Omnibus Incentive Plan*</u> | 14A | March 21, 2014 | | |
| 10.27 | <u>Curtiss-Wright Corporation Retirement Savings Restoration Plan*</u> | 10-K | February 19, 2015 | | |

| | | | | |
|-------|---|------|-------------------|---|
| 10.28 | Instrument of Amendment No. 1 to the Curtiss-Wright Corporation Retirement Savings Restoration Plan* | 10-K | February 25, 2016 | |
| 10.29 | Form of indemnification Agreement entered into by the Registrant with each of its directors | 10-Q | May 7, 2012 | |
| 10.30 | Amended and Restated Curtiss-Wright Electro-Mechanical Corporation Savings Plan, dated January 1, 2010* | 10-K | February 25, 2011 | |
| 10.31 | Instrument of Amendment No.1 to the Amended and Restated Curtiss-Wright Electro-Mechanical Corporation Savings Plan, dated January 1, 2010* | 10-K | February 24, 2012 | |
| 10.32 | Instrument of Amendment No. 2 to the Amended and Restated Curtiss-Wright Electro-Mechanical Corporation Savings Plan, dated January 1, 2010* | 10-K | February 21, 2013 | |
| 10.33 | Instrument of Amendment No.3 to the Amended and Restated Curtiss-Wright Electro-Mechanical Corporation Savings Plan, dated January 1, 2010* | 10-K | February 21, 2013 | |
| 10.34 | Instrument of Amendment No.4 to the Amended and Restated Curtiss-Wright Electro-Mechanical Corporation Savings Plan, dated January 1, 2010* | 10-K | February 21, 2014 | |
| 10.35 | Curtiss-Wright Corporation 2005 Stock Plan for Non-Employee Directors* | 14A | April 5, 2005 | |
| 10.36 | Amended and Revised Curtiss-Wright Corporation Executive Deferred Compensation Plan, as amended November 2006* | 10-K | February 27, 2007 | |
| 10.37 | Instrument of Amendment No. 1 to the Amended and Revised Curtiss-Wright Corporation Executive Deferred Compensation Plan, as amended August 29, 2008* | 10-K | February 24, 2012 | |
| 10.38 | Instrument of Amendment No. 2 to the Amended and Revised Curtiss-Wright Corporation Executive Deferred Compensation Plan, as amended August 29, 2008* | 10-K | February 19, 2015 | |
| 10.39 | Instrument of Amendment No. 3 to the Amended and Revised Curtiss-Wright Corporation Executive Deferred Compensation Plan, as amended August 29, 2008* | 10-K | February 25, 2016 | |
| 10.40 | Standard Change In Control Severance Protection Agreement, dated February 16, 2021, between the Registrant and Key Executives of the Registrant* | 10-K | February 25, 2021 | |
| 10.41 | Curtiss-Wright Corporation Employee Stock Purchase Plan, as amended May 10, 2018* | 14A | March 23, 2018 | |
| 10.42 | Incentive Compensation Plan, as amended November 15, 2010* | 14A | March 24, 2011 | |
| 10.43 | Restricted Stock Unit Agreement, dated February 6, 2019, by and between the Registrant and Lynn M. Bamford* | | | X |
| 10.44 | Restricted Stock Unit Agreement, dated February 6, 2019, by and between the Registrant and Kevin M. Rayment* | | | X |
| 10.45 | Restricted Stock Unit Agreement, dated December 16, 2021, by and between the Registrant and K. Christopher Farkas* | | | X |
| 10.46 | Restricted Stock Unit Agreement, dated December 16, 2021, by and between the Registrant and Paul J. Ferdenzi* | | | X |
| 10.47 | Restricted Stock Unit Agreement, dated December 16, 2021, by and between the Registrant and Gary A. Ogilby* | | | X |

| | | | | |
|-------|---|------|-------------------|---|
| 10.48 | Restricted Stock Unit Agreement, dated December 16, 2021, by and between the Registrant and Robert F. Freda* | | | X |
| 10.49 | Trust Agreement, dated January 20, 1998, between the Registrant and PNC Bank, National Association | 10-Q | May 13, 1998 | |
| 10.50 | Note Purchase Agreement between the Registrant and certain Institutional Investors, dated December 8, 2011 | 8-K | December 13, 2011 | |
| 10.51 | Restrictive Legends on Notes subject to Note Purchase Agreement between the Registrant and certain Institutional Investors, dated December 8, 2011 | 8-K | December 13, 2011 | |
| 10.52 | Note Purchase Agreement between the Registrant and certain Institutional Investors, dated February 26, 2013 | 8-K | February 27, 2013 | |
| 10.53 | Restrictive Legends on Notes subject to Note Purchase Agreement between the Registrant and certain Institutional Investors, dated February 26, 2013 | 8-K | February 27, 2013 | |
| 10.54 | Fourth Amended and Restated Credit Agreement dated as of October 17, 2018 among the Company and Certain Subsidiaries as Borrowers; the Lenders party thereto; Bank of America N.A., as Administrative Agent, Swingline Lender, and L/C Issuer; Merrill Lynch, Pierce, Fenner & Smith Incorporated, JPMorgan Chase Bank, N.A., and Wells Fargo Securities, LLC, as Joint Lead Arrangers and Joint Bookrunners; JPMorgan Chase Bank, N.A., and Wells Fargo, N.A., as Syndication Agents; and Citizens Bank, N.A., as Documentation Agents | 8-K | October 17, 2018 | |
| 10.55 | Note Purchase Agreement between the Registrant and certain Institutional Investors, dated August 13, 2020 | 8-K | August 19, 2020 | |
| 10.56 | Restrictive Legends on Notes subject to Note Purchase Agreement between the Registrant and certain Institutional Investors, dated August 13, 2020 | 8-K | August 19, 2020 | |
| 21.00 | Subsidiaries of the Registrant | | | X |
| 23.00 | Consent of Independent Registered Public Accounting Firm | | | X |
| 31.10 | Certification of Lynn M. Bamford, President and CEO, Pursuant to Rule 13a - 14(a) | | | X |
| 31.20 | Certification of K. Christopher Farkas, Chief Financial Officer, Pursuant to Rule 13a - 14(a) | | | X |
| 32.00 | Certification of Lynn M. Bamford, President and CEO, and K. Christopher Farkas, Chief Financial Officer, Pursuant to 18 U.S.C. Section 1350 | | | X |

* Indicates contract or compensatory plan or arrangement

| | |
|---------|---|
| 101.INS | XBRL Instance Document |
| 101.SCH | XBRL Taxonomy Extension Schema Document |
| 101.CAL | XBRL Taxonomy Extension Calculation Linkbase Document |
| 101.DEF | XBRL Taxonomy Extension Definition Linkbase Document |

101.LAB XBRL Taxonomy Extension Label Linkbase Document
101.PRE XBRL Taxonomy Extension Presentation Linkbase Document

CURTISS-WRIGHT CORPORATION and SUBSIDIARIES
SCHEDULE II – VALUATION and QUALIFYING ACCOUNTS
for the years ended December 31, 2021, 2020, and 2019
(In thousands)

| Description | Balance at Beginning of Period | Additions | | Deductions | Balance at End of Period |
|---|--------------------------------|-------------------------------|---------------------------|----------------------|--------------------------|
| | | Charged to Costs and Expenses | Charged to Other Accounts | | |
| Deducted from assets to which they apply: | | | | | |
| December 31, 2021 | | | | | |
| Tax valuation allowance | 1,240 | 1,864 | (22) ⁽¹⁾ | 457 | 2,625 |
| Total | \$ 1,240 | \$ 1,864 | \$ (22) | \$ 457 | \$ 2,625 |
| December 31, 2020 | | | | | |
| Tax valuation allowance | 3,386 | 3,439 | 50 ⁽¹⁾ | 5,635 ⁽²⁾ | 1,240 |
| Total | \$ 3,386 | \$ 3,439 | \$ 50 | \$ 5,635 | \$ 1,240 |
| December 31, 2019 | | | | | |
| Tax valuation allowance | 11,646 | 1,305 | (22) ⁽¹⁾ | 9,543 ⁽³⁾ | 3,386 |
| Total | \$ 11,646 | \$ 1,305 | \$ (22) | \$ 9,543 | \$ 3,386 |

⁽¹⁾ Primarily foreign currency translation adjustments.

⁽²⁾ \$3.8 million relates to net operating losses reclassified as held for sale.

⁽³⁾ \$5.7 million relates to the capital loss carryforward expiration from the sale of the Downstream oil and gas business.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

CURTISS-WRIGHT CORPORATION
(Registrant)

Date: February 24, 2022 By: /s/ Lynn M. Bamford
Lynn M. Bamford
President and Chief Executive Officer

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the Registrant and in the capacities and on the dates indicated.

Date: February 24, 2022 By: /s/ K. Christopher Farkas
K. Christopher Farkas
Vice President and Chief Financial Officer

Date: February 24, 2022 By: /s/ Gary A. Ogilby
Gary A. Ogilby
Vice President and Corporate Controller

Date: February 24, 2022 By: /s/ David C. Adams
David C. Adams
Executive Chairman

Date: February 24, 2022 By: /s/ Dean M. Flatt
Dean M. Flatt
Director

Date: February 24, 2022 By: /s/ S. Marce Fuller
S. Marce Fuller
Director

Date: February 24, 2022 By: /s/ Bruce D. Hoechner
Bruce D. Hoechner
Director

Date: February 24, 2022 By: /s/ Glenda J. Minor
Glenda J. Minor
Director

Date: February 24, 2022 By: /s/ Anthony J. Moraco
Anthony J. Moraco
Director

Date: February 24, 2022 By: /s/ John B. Nathman
John B. Nathman
Director

Date: February 24, 2022 By: /s/ Robert J. Rivet
Robert J. Rivet
Director

Date: February 24, 2022 By: /s/ Peter C. Wallace
Peter C. Wallace
Director

**CURTISS-WRIGHT CORPORATION
RETIREMENT PLAN**

**AMENDED AND RESTATED,
effective as of JANUARY 1, 2019,
except as otherwise specified**

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**CURTISS-WRIGHT CORPORATION RETIREMENT PLAN
AS AMENDED AND RESTATED EFFECTIVE JANUARY 1, 2019,
except as otherwise specified**

PREAMBLE

The Curtiss-Wright Contributory Retirement Plan (the "Prior Plan"), a defined benefit pension plan, was established effective May 1, 1953 for eligible non-union Employees of the Curtiss-Wright Corporation (the "Company"). The benefits under the Prior Plan were also available to the Company's union employees whose collective bargaining units negotiated for these benefits.

Effective December 31, 1991, the Curtiss-Wright Pension Plan was merged into the Prior Plan. The Prior Plan was in full force and operation through August 31, 1994.

Effective September 1, 1994, the Prior Plan was renamed the Curtiss-Wright Corporation Retirement Plan (the "Plan") and was amended and restated in its entirety (the "September 1, 1994 Restatement"). Also effective September 1, 1994, the Metal Improvement Company, Inc. Retirement Income Plan and the Curtiss-Wright Flight Systems/Shelby, Inc. Contributory Retirement Plan were merged into the Plan. The September 1, 1994 Restatement included special effective dates for certain provisions thereof, in accordance with the requirements of the Tax Reform Act of 1986, the Omnibus Budget Reconciliation Act of 1986, the Omnibus Budget Reconciliation Act of 1987, the Technical and Miscellaneous Revenue Act of 1988, the Omnibus Budget Reconciliation Act of 1989, the Unemployment Compensation Amendments of 1992, the Omnibus Budget Reconciliation Act of 1993 and regulations and rulings thereunder. Subsequent to the September 1, 1994 Restatement, the Plan was amended from time to time.

Effective January 1, 2001, the Plan was amended and restated in its entirety (the "January 1, 2001 Restatement"), and included special effective dates for certain provisions thereof, in accordance with the requirements of the Uruguay Round Agreements Act, the Uniformed Services Employment and Reemployment Rights Act of 1994, the Small Business Job Protection Act of 1996, the Taxpayer Relief Act of 1997, the Internal Revenue Service Restructuring and Reform Act of 1998, the Community Renewal Tax Relief Act of 2000, or the Economic Growth and Tax Relief Reconciliation Act of 2001 and regulations and rulings thereunder. Subsequent to the January 1, 2001 Restatement, the Plan has been amended from time to time.

Effective January 1, 2007 the Curtiss Wright Electro-Mechanical Division Pension Plan was merged into the Plan, and is now designated as the EMD Component of the Plan.

The Plan was most recently amended and restated in its entirety as of January 1, 2015 ("the January 1, 2015 Restatement"), which restatement also reflected provisions that became effective on dates later than the initial effective date thereof. Subsequent to the January 1, 2015 Restatement, the Plan has been amended to maintain compliance with applicable law and regulations and for other purposes. This Amendment and Restatement of the Plan as of January 1, 2019 incorporates amendments heretofore made to the Plan and makes additional amendments to the Plan. The amendments hereby made to the January 1, 2015 Restatement, as heretofore amended, are effective as of January 1, 2019, except as otherwise specified herein, provided, however, that the effective date of any provision or provisions of the Plan shall, to the extent required by specific provisions of the Plan, be any such earlier or other effective date required by the Plan.

Until the applicable effective dates of the provisions of the Plan as hereby amended and restated, the January 1, 2015 Restatement shall continue in full force and effect and its

provisions shall be amended and restated as of the applicable effective dates described herein, without any termination or gap or lapse in time or effect.

The amount of benefits, forms of benefit, benefits payable upon a Participant's death, and commencement of benefits for Participants who are non-union employees are set forth in Articles 4, 5, 6, 7, and 8. The amount of benefits, benefits payable upon death, and commencement of benefits for Participants who are union employees are set forth in Article 9.

Effective as of December 31, 2014, the Plan was merged with and into the Williams Controls, Inc. Retirement Income Plan, which immediately thereafter was renamed the Curtiss-Wright Corporation Retirement Plan (the "Merged Plan"). Subsequent to such merger, the rights and benefits of any Employee or Participant previously governed by the terms of this Plan represented by the provisions of this document continue to be governed by the terms of this document, which comprises a component part of the plan formerly known as the Williams Controls, Inc. Retirement Income Plan. The rights and benefits of other participants in the Merged Plan are governed by one of three separate instruments, which comprise other component parts of the plan formerly known as the Williams Controls, Inc. Retirement Income Plan. Each of such instruments and the Plan represented by the provisions of this document together constitute the Merged Plan document.

ARTICLE 1: DEFINITIONS

Wherever used herein, the following terms shall have the following meanings unless the context otherwise requires:

- 1.01 "Actuarial Equivalent"** means the value determined on the basis of applicable factors set forth below, or as otherwise specifically set forth in the Plan.
- (a) All lump sums other than those attributable to the Cash Balance Account that are paid to participants after age fifty-five (55), regardless of whether the participant terminated prior to age fifty-five (55), will use an immediate annuity factor times the early retirement factor at that age. All lump sums other than those attributable to the Cash Balance Account paid before age fifty-five (55) will use a deferred annuity factor deferred to age sixty-five (65). For calculating the Cash Balance Account, the Escalating Annuity Benefit is adjusted to payment age as described in Articles 4.07(b) and (c), multiplied by the complete expectation of life of the Participant, at the date of determination, based on the IRS Mortality Table.
 - (b) For a non-escalating annuity that commences prior to Early Retirement Date, the 1983 GAM table for Males and Females with an eighty percent (80%) weighting on the male table's q and a twenty percent (20%) weighting on the female table's q. The interest rate is six percent (6%). The early retirement reduction factor will be based on benefit payments that would have commenced at age sixty-five (65), reduced without subsidy to an age below fifty-five (55).
 - (c) For calculating Joint & Survivor reduction factors which are applied to a Life Annuity benefit, the applicable mortality table and interest rate shall be the mortality table derived by using a fixed blend of fifty percent (50%) of the male mortality rates and fifty percent (50%) of the female mortality rates from the 1983 Group Annuity Mortality Table with ages set forward two (2) years for participants and ages set back one (1) year for beneficiaries and an interest rate of seven percent (7%).
 - (d) For calculating lump sum factors for benefits other than escalating benefits, converting the Cash Balance Account into an immediate level annuity, deriving the employee annuity associated with employee contributions with interest at a specified date, the applicable mortality table and interest rate shall be the IRS Mortality Table and the IRS Interest Rate.
 - (e) All lump sums that are paid to participants will use an immediate annuity factor times the early retirement factor at that age. The early retirement factor for benefits commencing prior to age 55 for the non-escalating annuity benefit is actuarially reduced from age 65 using the IRS Interest Rate and the IRS Mortality Table. For the escalating annuity benefit, early retirement factors for all ages are actuarially reduced, as described in Article 4.07(b) and (c).
 - (f) For converting an amount payable as an escalating annuity to a lump sum, the amount of the annuity shall be multiplied by the complete expectation of life of the Participant, at the date of determination, based on the IRS Mortality Table. For converting an amount payable as an escalating annuity to any other form of benefit, the amount shall first be converted to a lump sum as above, the lump sum shall be converted to an immediate single life annuity using whatever factors are then otherwise used in the Plan to convert annuities to lump sums, and the single life annuity will be converted to any other form of annuity using whatever factors are otherwise used in the Plan to convert single life annuities to other forms of annuities.
-

(g) Notwithstanding the foregoing, in calculating the amount of a lump sum payment with an Annuity Starting Date on or after January 1, 2008, in no event shall the lump sum payment be less than the lump sum amount determined on the basis of the IRS Interest Rate and the IRS Mortality Table in accordance with the terms of the Plan as in effect on December 31, 2007.

- 1.02 "Administrative Committee"** shall mean the person(s) appointed by the Company to act on behalf of the Company as the sponsor and "named fiduciary" (within the meaning of Section 402(a)(2) of ERISA), as appropriate, with respect to Plan administrative matters. When performing any activity or exercising any authority under the provisions of the Plan, the Administrative Committee shall be deemed to act solely on behalf of the Company, and not in an individual capacity.
- 1.03 "Affiliated Company"** means any company not participating in the Plan which is a member of a controlled group of corporations, as defined in Section 414(b) of the Code, which also includes as a member the Company; any trade or business under common control, as defined in Section 414(c) of the Code, with the Company; any organization, whether or not incorporated, which is a member of an affiliated service group, as defined in Section 414(m) of the Code, which includes the Company; and any other entity required to be aggregated with the Company pursuant to regulations under Section 414(o) of the Code. Notwithstanding the foregoing sentence, for purposes of Article 6.10 and Article 1.25, the definitions in Sections 414(b) and (c) of the Code shall be modified as provided in Section 415(h) of the Code.
- 1.04 "Age"** means the age attained by a Participant, expressed in years and months.
- 1.05 "Annuity Starting Date"** means the first day of the period for which an amount is payable as an annuity or, if a benefit is not payable in the form of an annuity, the first day on which all events have occurred which entitle the Participant to such benefit. The Annuity Starting Date for a Participant receiving payments under the provisions of Article 9.02(c) shall be his Normal Retirement Date.
- 1.06 "Average Compensation"** means the average of a Participant's Compensation over the sixty (60) consecutive months within the last one hundred twenty (120) months which produces the highest average. If the Participant has less than sixty (60) months of Service, Compensation is averaged over the Participant's months of Service from the date of his employment to his date of termination of employment. Average Compensation shall be determined in accordance with such uniform rules uniformly applicable to all employees similarly situated as shall be prescribed by the Administrative Committee.

With respect to any Participant who is rehired by the Company after January 31, 2010, the Average Compensation of such Participant for purposes of calculating his or her Normal Retirement Benefit in accordance with Article 6.01 shall be frozen as of his or her previous termination of employment date. Notwithstanding the preceding sentence, a rehired Participant's Compensation earned after rehire after January 31, 2010 will be taken into considerations when calculated his or her pay based credits in accordance with Article 4.02.

Notwithstanding the foregoing provisions of this Article 1.06, for purposes of Article 6.01(b) a Participant's Average Compensation shall not include any amount paid on or after January 1, 2029.

- 1.07 "Beneficiary"** means the individual or entity designated as such by a Participant pursuant to the Plan or otherwise entitled to receive any payment pursuant to the Plan upon the death of the Participant. If with respect to any payment no individual or entity has been designated by a Participant, or no designated Beneficiary survives the
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Participant, the Participant's Beneficiary shall be (a) the Participant's surviving Spouse, if living at the time of such payment; or in default thereof (b) the Participant's estate.

1.08 "Board of Directors" means the Board of Directors of the Company.

1.09 "Casual Employee" means an Employee who, under the Company's generally applicable payroll and human resources practices,

(a) is hired for an assignment of a limited nature and duration, which shall not exceed 90 days; and

(b) is classified as being in inactive status upon the completion of an assignment, subject to recall for another assignment of limited nature and duration.

1.10 "Code" means the Internal Revenue Code of 1986, as amended from time to time, and the corresponding provisions of any subsequently enacted Federal tax laws.

1.11 "Company" means Curtiss-Wright Corporation, including any affiliate or subsidiary of the Company which shall adopt this Plan for its employees, with the approval of the Company, and any other corporation, partnership, business association or proprietorship which shall have assumed in writing the obligations of the Plan and Trust, with the approval of the Company, including any successor as a result of a statutory merger, purchase of assets or any other form of reorganization of the business of the Company.

1.12 "Compensation" means, except as defined in Article 6.12(b), all of each Participant's regular or base salary or wages, including overtime pay, commissions and payments under the Company's incentive compensation plans or bonus plans; provided, however, that, effective for the period beginning on January 1, 2016, and ending on December 31, 2017, only 70% of the annual award under the Company's Long-Term Incentive Compensation Plan shall be so included (30% of such annual award in the case of a Participant for whom the cash portion of the most recent annual award equals that percentage).

Compensation shall include only that Compensation which is actually paid to the Participant during the applicable period, provided, however, payments under the Company's cash based incentive compensation plans and for accrued vacation pay shall be taken into account in the periods to which such payments relate and payments under the Company's bonus plans for Participants who have terminated Service prior to receipt of such payments shall be taken into account only in the last calendar month of the period to which such payments relate provided that the Participant does not terminate Service prior to the last business day of such calendar month. Except as provided elsewhere in this Plan, the applicable period shall be the Plan Year. Effective January 1, 2009, Compensation shall also include "differential wage payments" pursuant to the Heroes Earnings Assistance and Relief Tax Act of 2008.

Compensation shall also include any amount which is contributed by the Company pursuant to a salary reduction agreement and which is not includable in the gross income of the Employee under a "qualified cash or deferred arrangement," as defined in Section 401(k) of the Code, or under a "cafeteria plan," as defined in Section 125 of the Code, or under a qualified transportation fringe as defined in Section 132(f) of the Code. Compensation shall also include any amount that would have been payable to the Employee but for a deferral election made by the Employee under the Curtiss-Wright Corporation Executive Deferred Compensation Plan, which amount shall be deemed to have been paid at the time at which it would have been paid in the absence of such election, provided, however, that no amount shall be included in an Employee's Compensation pursuant to this sentence if the inclusion of such amount would cause the Plan to fail to comply with any nondiscrimination provision of the Code.

For Plan Years beginning on or after January 1, 2002, the annual compensation of each Participant taken into account under the Plan shall not exceed \$200,000, as adjusted for cost-of-living increases in accordance with Section 401(a)(17)(B) of the Code. In determining benefit accruals in Plan Years beginning on or after January 1, 2002, the annual compensation limit described in this paragraph shall be taken into account, for determination periods beginning before January 1, 2002.

For Plan Years beginning on or after January 1, 1994 and prior to January 1, 2002, the annual Compensation of each Employee taken into account under the Plan shall not exceed the OBRA '93 annual compensation limit. The OBRA '93 annual compensation limit is \$150,000, as adjusted by the Commissioner for increases in the cost of living in accordance with Section 401(a)(17)(B) of the Code. The cost-of-living adjustment in effect for a calendar year applies to any period, not exceeding twelve (12) months, over which compensation is determined (determination period) beginning in such calendar year.

For Plan Years beginning on or after January 1, 1994 and prior to January 1, 2002, (i) any reference in this Plan to the limitation under Section 401(a)(17) of the Code shall mean the OBRA '93 annual compensation limit set forth in this provision; and (ii) if Compensation for any Plan Year beginning before January 1, 1994 is taken into account in determining an Employee's contributions or benefits for the current year, the compensation for such prior year is subject to the applicable annual compensation limit in effect for that prior year.

Effective on and after January 1, 1989 and before January 1, 1994, Compensation taken into account for any purpose under the Plan, including the determination of Average Compensation, shall not exceed \$200,000 per year. As of January 1 of each calendar year on and after January 1, 1990 and before January 1, 1994, the applicable limitation as determined by the Commissioner of Internal Revenue for that calendar year shall become effective as the limitation on Compensation to be taken into account under the Plan for such calendar year and all prior calendar years, in lieu of the \$200,000 limitation set forth above, or as previously adjusted.

Special Provisions applicable under Prior Plan:

- (a) Notwithstanding any provision in this Plan to the contrary, however, subject to any limitations imposed under Section 401(a)(17) of the Code, effective for periods prior to September 1, 1994, Compensation shall mean:
- (i) for each calendar month prior to July 1, 1970, 1/12th of his basic salary (on an annual basis) in effect at the beginning of each Plan Year; and
 - (ii) for each calendar month after June 30, 1970, 1/12th of the sum of his basic salary (on an annual basis) in effect at the beginning of each Plan Year, plus any cash payments he received in the prior Plan Year under the Company's Modified Incentive Compensation Plan;

and shall remain constant throughout each particular Plan Year (except for the effect on the last half of the 1970 Plan Year of cash payments received in 1969 under the Company's Modified Incentive Compensation Plan) regardless of increases or decreases in actual salary. In the case of an Employee not eligible to participate under the Plan at the beginning of a Plan Year, his Compensation for the remaining months of that Plan Year shall be 1/12th of his basic salary (on an annual basis) in effect on his eligibility date.

- (b) For purposes only of subparagraphs 3(c)(i)(B) of Article III of the Prior Plan, Compensation means:
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- (i) prior to July 1, 1970, the basic salary or basic wages actually paid to the Employee in the particular Plan Year;
- (ii) after June 30, 1970, the basic salary or basic wages plus cash payments under the Company's Modified Incentive Compensation Plan actually paid to the Employee in the particular Plan Year; and
- (iii) after July 1, 1982, basic salary, basic wages or compensation received under either the Company's Modified Incentive Compensation Plan or the Metal Improvement Company bonus plan shall not be considered under this Plan as reduced on account of any deferral or contribution which is made pursuant to the Curtiss-Wright Corporation Deferred Compensation Plan (a tax qualified defined contribution plan, subsequently renamed the Curtiss-Wright Corporation Savings and Investment Plan, herein, "the Savings Plan"). Basic salary, basic wages or Compensation received under either the Company's Modified Incentive Compensation Plan or the Metal Improvement Company bonus plan shall be calculated as if no deferral or contributions were made to the Savings Plan.

"Basic salary or basic wages" of an Employee means his basic salary or basic wages only, and shall in no case include any amounts paid to him as overtime, bonuses, deferred compensation or additional compensation of any sort.

1.13 "Covered Compensation" means, for any Participant, the average of the taxable wage bases in effect under Section 230 of the Social Security Act for each year in the 35-year period ending with the year in which the Participant attains his Social Security Retirement Age. No increase in Covered Compensation shall decrease a Participant's Accrued Benefit under the Plan. In determining a Participant's Covered Compensation for any Plan Year, the taxable wage base for the current Plan Year and any subsequent Plan Year shall be assumed to be the same as the taxable wage base in effect as of the beginning of the Plan Year for which the determination is made. The Covered Compensation of a Participant for any Plan Year beginning after December 31, 2028 shall be determined in accordance with the tables published in the Revenue Ruling issued by the Internal Revenue Service that provides such tables for the 2028 Plan Year.

1.14 "Credited Service" means completed years and calendar months of employment and shall include the following:

- (a) All periods of employment of an Employee with the Company, and periods of employment with an Affiliated Company while such Affiliated Company is a participating employer in the Plan.
- (b) A period of Leave of Absence recognized under Article 2.03.
- (c) For periods on or after May 1, 1966 and before December 31, 1991, Credited Service of an Employee eligible to participate in this Plan shall include Service which would be creditable under the Curtiss-Wright Pension Plan for any periods of his employment not included as Credited Service under paragraphs (a) and (b) above.
- (d) For a continuous period up to two years while an Employee is in receipt of Disability Payments as provided in Article 2.03(b).

Notwithstanding any provision in this Plan to the contrary, for purposes of determining Credited Service, an Employee shall be credited with a calendar month of Service for a month in which such Participant completes one (1) Hour of Service. This provision shall apply only in the month of hire and the month of separation of Service.

Special Provisions applicable under Prior Plan

For purposes of determining Credited Service for the Prior Plan, the following provisions shall apply:

- (i) Only Employees who were participants under the terms of the Prior Plan shall be entitled to Credited Service.
- (ii) Credited Service shall mean completed years and calendar months of employment, including periods of employment with the Company or an Affiliated Company following his most recent date of hire preceding December 31, 1991.

Special Provisions applicable to Employees of Acquired Entities

The Credited Service of Employees who were formerly employed by entities that were acquired by the Company shall be subject to the special rules set forth in Schedule J.

1.15 "Disability Payments" means payments received under the Company's long-term or short-term disability plans, payments received under the workers' compensation law (excluding statutory payments for loss of any physical or bodily member such as a leg, arm or finger), or solely with respect to an Employee who is not covered by the Company's long-term disability plan, payments of a Social Security disability pension received on account of a disability incurred while an Employee.

1.16 "Early Retirement Date" means the date on which a Participant has attained at least age fifty-five (55) and completed at least five (5) Years of Credited Service, or three (3) Years of Credited Service, effective January 1, 2008.

A Participant who terminates employment after satisfying the service requirement for Early Retirement and who thereafter reaches the age requirement contained herein shall be entitled to receive his benefits pursuant to Article 6.03 of the Plan.

1.17 "Effective Date" The original effective date of the Prior Plan was May 1, 1953. The effective date of this amendment and restatement of the Plan is January 1, 2019, except as otherwise provided herein, or as required by applicable law.

1.18 "Employee" means any person employed by the Company who receives compensation other than a pension, severance pay, retainer, or fee under contract but excluding:

- (a) Any Leased Employee; and
- (b) Any person deemed to be an independent contractor by the Company and paid by the Company in accordance with its practices for the payment of independent contractors, including the provision of tax reporting on Internal Revenue Service Form 1099, notwithstanding any subsequent reclassification of such person for any purpose under the Code, whether agreed to by the Company or adjudicated under applicable law.

The term "employee," as used in the Plan, means any individual who is employed by the Company or an Affiliated Company as a common law employee of the Company or an Affiliated Company, regardless of whether the individual is an "Employee," and any Leased Employee.

- 1.19 "ERISA"** means the Employee Retirement Income Security Act of 1974, as amended from time to time, and the corresponding provisions of any subsequently enacted pension laws.
- 1.20 "Fiduciary"** means any person that exercises any discretionary authority or discretionary control respecting the management or disposition of Plan assets or renders any investment advice for a fee or other compensation or exercises any discretionary authority or responsibility for the administration of the Plan.
- 1.21 "Highly Compensated Employee"** means, for a Plan Year, any employee of the Company or an Affiliated Company (whether or not eligible for membership in the Plan) who:
- (a) was a 5 percent owner of the Company (as defined in Section 416(i) of the Code) for such Plan Year or the prior Plan Year, or
 - (b) for the preceding Plan Year received remuneration (as defined in Article 6.10(b)) in excess of \$120,000, and, pursuant to the Company's top-paid group election, was among the highest 20 percent of employees of the Company for the preceding Plan Year when ranked by remuneration paid for that year and excluding, for the purpose of such determination, employees described in Section 414(q)(5) of the Code. The \$120,000 dollar amount in the preceding sentence shall be adjusted from time to time for cost of living in accordance with Section 414(q) of the Code.

Notwithstanding the foregoing, employees who are nonresident aliens and who receive no earned income from the Company or an Affiliated Company which constitutes income from sources within the United States shall be disregarded for all purposes of this Article 1.21.

The Company's top-paid group election, shall be used consistently in determining Highly Compensated Employees for determination years of all employee benefit plans of the Company and Affiliated Companies for which Section 414(q) of the Code applies (other than a multiemployer plan) that begin with or within the same calendar year, until such election is changed by Plan amendment in accordance with IRS requirements.

The provisions of this Article 1.21 shall be further subject to such additional requirements as shall be described in Section 414(q) of the Code and its applicable regulations, which shall override any aspects of this Article 1.21 inconsistent therewith.

"Highly Compensated Former Employee" means for a Plan Year any former employee of the Company or an Affiliated Company who had terminated employment prior to the Plan Year and who was a Highly Compensated Employee for either the year of termination or any Plan Year ending on or after the employee's 55th birthday.

- 1.22 "Hour of Service"** means:
- (a) Each hour for which an Employee is paid, or entitled to payment, for the performance of duties for the Company. These hours will be credited to the Employee for the computation period in which the duties are performed; and
 - (b) Each hour for which an Employee is paid, or entitled to payment, by the Company on account of a period of time during which no duties are performed (irrespective of whether the employment relationship has terminated) due to vacation, holiday, illness, incapacity (including disability), layoff, jury duty, military duty, or Leave of Absence. No more than five hundred one (501) Hours of Service will be credited under this paragraph for any single continuous period (whether or not such period occurs in a single computation period); and
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- (c) Each hour for which back pay, irrespective of mitigation of damages, is either awarded or agreed to by the Company. The same Hours of Service will not be credited both under paragraph (a) or paragraph (b), as the case may be, and under this paragraph (c). These hours will be credited to the Employee for the computation period or periods to which the award or agreement pertains rather than the computation period in which the award, agreement or payment is made.

Hours of Service will also be credited for any individual considered an Employee for purposes of this Plan under Section 414(n) or (o) of the Code and the regulations thereunder.

Notwithstanding any provision in this Plan to the contrary, Hours of Service shall not be credited for severance pay.

The Hours of Service credited shall be determined as required by Section 2530.200b-2(b) and (c) of the Labor Regulations.

To the extent that Schedule J provides for recognizing service with an acquired entity prior to an acquisition, hours of service with the acquired entity shall be credited as Hours of Service for purposes of this Section 1.22. Effective for acquisitions occurring on or after January 1, 2011, in the event that an Employee's actual hours of service prior to the acquisition date cannot be determined on the basis of records maintained by the acquired entity, the Employee's Hours of Service shall be determined by multiplying his scheduled work hours for the acquired entity times the number of full and partial pay periods completed during the relevant period.

1.23 "IRS Interest Rate" means, effective January 1, 2011, the annual rate of interest prescribed under Section 417(e)(3)(C) of the Code as determined for the fifth full calendar month preceding the applicable Stability Period, except as otherwise provided in paragraph (a) or (b) below.

- (a) For purposes of determining the amount of any lump sum payment with an Annuity Starting Date between January 1, 2011 and December 31, 2011, the IRS Interest Rate shall not be less than the annual rate of interest prescribed under Section 417(e)(3)(C) of the Code for December 2010.
- (b) For purposes of determining the annuity equivalent under Section 1.01(d) of either the Cash Balance Account or employee contributions plus interest for an Annuity Starting Date on or after January 1, 2011, the annuity benefit shall not be less than an amount calculated by converting the applicable lump sum amount as of December 31, 2010, plus interest credits (as determined pursuant to Section 4.03 or 6.06) up to the Annuity Starting Date, into an annuity by using the IRS Mortality Table and annual rate of interest prescribed under Section 417(e)(3)(C) of the Code for the first full calendar month preceding the applicable Stability Period.

1.24 "IRS Mortality Table" means, effective January 1, 2008, the mortality table prescribed in Section 417(e)(3)(B) of the Code (as in effect on and after the first day of the 2008 Plan Year). However, when determining the amount of a benefit with an Annuity Starting Date prior to January 1, 2008 and on or after December 31, 2002, the IRS Mortality Table means the mortality table prescribed by Revenue Ruling 2001-62.

1.25 "Leased Employee" means any person (other than a common law employee of the Company) who, pursuant to an agreement between the Company and any other person ("leasing organization"), has performed services for the Company or any related persons determined in accordance with Section 414(n)(6) of the Code on a substantially full-time basis for a period of at least one year and such services are performed under the

primary direction of or control by the Company. In the case of any person who is a Leased Employee before or after a period of service as an Employee, the period during which he has performed services as a Leased Employee for the Company or Affiliated Company shall be counted solely for purposes of determining eligibility to participate in the Plan and vesting in the Plan to the extent such service would be recognized for other Employees; however, the Leased Employee shall not, by reason of that status, become a Participant in the Plan or accrue any benefit under the plan for the period during which he was a Leased Employee.

- 1.26 "Leave of Absence"** means any leave of absence which may be granted by the Company in accordance with reasonable standards and policies uniformly observed and consistently applied and may include, by way of illustration and not limitation, leaves of absence granted because of illness of the Employee or of his family members, but shall specifically exclude any period during which the Employee is in receipt of Disability Payments.
- 1.27 "Life Annuity"** means, for other than the Escalating Annuity Benefit, a benefit payable in equal monthly amounts for the life of the annuitant and ceasing with the payment made on the first day of the month in which the annuitant dies, or, for the Escalating Annuity Benefit, the benefit form described in the second paragraph of Article 4.01.
- 1.28 "Limitation Year"** means the Plan Year.
- 1.29 "Maternity/Paternity Leave"** means a temporary cessation from active employment with the Company or with any Affiliated Company, for any of the following reasons:
- (a) the pregnancy of the Employee;
 - (b) the birth of a child of the Employee;
 - (c) the placement of a child with the Employee in connection with the adoption of such child by the Employee; or
 - (d) the caring for such child for a period beginning immediately following such birth or placement; provided, however, that in order for an Employee's absence to qualify as a Maternity/Paternity Leave of Absence, the Employee must furnish the Administrative Committee in a timely manner, with such information and documentation as the Administrative Committee may reasonably request to establish that the absence from work is for reasons referred to above and the number of days for which there was such absence.
- 1.30 "Normal Retirement Age"** means the later of:
- (a) the date a Participant attains age sixty-five (65); or
 - (b) the fifth (5th) anniversary (the third (3rd) anniversary effective January 1, 2008) of the date as of which the Participant commenced employment.
- A Participant shall become fully vested in his Normal Retirement Benefit upon attaining his Normal Retirement Age.
- 1.31 "Normal Retirement Date"** means the first day of the month coinciding with or next following the Participant's Normal Retirement Age.
- 1.32 "Participant"** means a person who meets the requirements of Article 2, 9 or 10 for participation in the Plan, including a former Participant.
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- 1.33 "Plan"** means the Curtiss-Wright Corporation Retirement Plan, as set forth herein and as it may be amended.
- 1.34 "Plan Year"** means the calendar year:
- 1.35 "Prior Plan"** means Curtiss-Wright Contributory Retirement Plan, established on May 1, 1953, and which was in full force and operation through August 31, 1994.
- 1.36 "Qualified Joint and Survivor Annuity"** means an immediate annuity for the life of the Participant with a survivor annuity for the life of the Spouse, which is equal to one-half of the amount which is payable during the joint lives of the Participant and the Spouse, and which is the amount of benefit which can be purchased with the actuarial equivalent of the Participant's vested retirement benefit.
- 1.37 "Service"** means all periods of employment with the Company. The period of employment begins when a Participant first completes one (1) Hour of Service and ends on the earlier of the date the Employee resigns, is discharged, retires, dies or, if the Employee is absent for any other reason, on the first anniversary of the first day of such absence (with or without pay) from the Company. If an Employee is absent for any reason and returns to the employ of the Company before incurring a One-Year Break in Service, he will receive credit for his period of absence up to a maximum of twelve (12) months. Service subsequent to a One-Year Break in Service will be credited as a separate period of employment.
- 1.38 "Social Security Retirement Age"** means age 65 with respect to a Participant who was born before January 1, 1938; age 66 with respect to a Participant who was born after December 31, 1937 and before January 1, 1955; and age 67 with respect to a Participant who was born after December 31, 1954.
- 1.39 "Spouse"** means the individual to whom the Participant is lawfully married (whether of the same or opposite sex) in accordance with the laws of the jurisdiction in which the marriage ceremony was performed, and any former Spouse to the extent provided under a qualified domestic relations order as described in Section 414(p) of the Code ("QDRO"). Prior to June 26, 2013, an individual had to be the Participant's husband or wife as provided in the Defense of Marriage Act of 1996 to be treated as a Spouse under the Plan. On and after June 26, 2013, and on and before September 15, 2013, an individual of the same sex as the Participant was treated as a Spouse under the Plan only if the couple had entered into a relationship denominated as a legal marriage under the laws of the jurisdiction in which the Participant maintained his legal residence during such period. No individual, whether of the same or opposite sex, shall be a Participant's Spouse on account of the fact that such individual has entered into a domestic partnership, civil union or other formal or informal relationship with the Participant that is not denominated as a legal marriage under the laws of a jurisdiction, even if those laws provide similar rights, protections and benefits to persons in those relationships as they do to married persons. In all cases, the marriage must be recognized for purposes of the Code's provisions applicable to qualified plans pursuant to regulatory guidance issued thereunder. The Administrative Committee may require the Participant and/or Spouse to submit evidence to prove such legal relationship.
- 1.40 "Stability Period"** means the Plan Year in which occurs the Annuity Starting Date for the distribution.
- 1.41 "Temporary Employee"** means an Employee who, under the Company's generally applicable payroll and human resources practices,
- (a) is hired for a specific assignment of limited scope that will have a duration of at least 90 days; and
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(b) is hired subject to the condition that he will be terminated upon completion of such specific assignment.

- 1.42 "Trust"** means the trust created by the Trust Agreement.
- 1.43 "Trust Agreement"** means the agreement entered into with a bank or trust company establishing the Trust under the Plan for the purpose of holding contributions under the Plan and for the payment of benefits under the Plan, as such agreement may be amended from time to time.
- 1.44 "Trust Fund"** means the assets of the Trust.
- 1.45 "Trustee"** means the person or persons acting as trustee or trustees hereunder at any time or from time to time. A Trustee shall be deemed to be a "named fiduciary" pursuant to Section 402(a)(1) of ERISA.
- 1.46 "Vesting Year of Service"** means any Plan Year during which the Employee is credited with at least one thousand (1,000) Hours of Service. Vesting Years of Service shall include all Years of Service determined as of August 31, 1994, for which such Employee received a Year of Service for vesting purposes under the terms of the Prior Plan, or under the terms of either the Metal Improvement Company Retirement Income Plan or the Curtiss-Wright Flight Systems/Shelby, Inc. Retirement Plan. If the Company maintains the Plan of a predecessor employer, Service with such employer will be treated as Service for the Company.

Special Provisions applicable to Employees of Acquired Entities

The Vesting Years of Service of Employees who were formerly employed by entities that were acquired by the Company shall be subject to the special provisions set forth in Schedule J.

In any case where an Employee's prior service with an acquired entity is included for purposes of determining his Vesting Years of Service, the Employee shall be credited with a Vesting Year of Service for each applicable calendar year (as defined below) in which he is credited with 1,000 or more Hours of Service with the acquired entity (as determined pursuant to Section 1.22). If any such Employee does not earn at least 1,000 Hours of Service in the acquisition year (as defined below) after the acquisition date, the Employee shall also be credited with Hours of Service with the acquired entity for purposes of determining whether the Employee has earned a Vesting Year of Service for the acquisition year. In no event shall an Employee be credited with more than one Vesting Year of Service for any calendar year.

For purposes of this Section 1.46, the "acquisition year" means the calendar year in which the acquisition of the acquired entity occurs, and an "applicable calendar year" means the acquisition year and each prior calendar year that includes or follows the Employee's most recent date of hire by the acquired entity.

- 1.47 "Year of Eligibility Service"** means, with respect to any Employee, the 12-month period of employment with the Company or any Affiliated Company, whether or not as an Employee, beginning on the date he first completes an Hour of Service upon hire or rehire, or any Plan Year beginning after that date, in which he first completes at least 1,000 Hours of Service. In any case where an Employee's prior service with an acquired entity is included for purposes of determining whether he has completed a Year of Eligibility Service, the Employee shall be credited with Hours of Service with the acquired entity (as determined pursuant to Section 1.22).
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- 1.48 **"Year of Credited Service"** means each year with the Company with respect to which benefits are treated as accruing on behalf of the Participant for such year pursuant to Article 1.14 of the Plan.
- 1.49 **"Year of Service"** means, unless otherwise indicated, twelve (12) consecutive months of Service.
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ARTICLE 2: ELIGIBILITY

2.01 Eligibility for Participation.

- (a) Any nonrepresented Employee and any represented Employee whose union has negotiated a benefit under this Plan, not described in this paragraph (a), shall be eligible to participate in the Plan as of the date he completes his Year of Eligibility Service, provided that he then satisfies the following eligibility requirements:
 - (i) He shall be a salaried or hourly Employee; and
 - (ii) He shall either be employed by the Company in the United States, or, if he is in the employ of a participating subsidiary and/or constituent corporation now or hereafter organized under the laws of a country, or political subdivision thereof, foreign to the United States of America, he shall be a citizen of the United States of America. Notwithstanding the foregoing, an Employee shall not be eligible to participate in this Plan during any period when he participates in a retirement plan or program sponsored by the Company or an Affiliated Company mainly for the purpose of providing retirement benefits to individuals employed outside the United States of America.

Notwithstanding any provision hereof to the contrary, an Employee who is hired or rehired after January 31, 2010 (or any Employee acquired by the Company or an Affiliated Company after January 31, 2010) shall not be eligible to accrue benefits under Article 6 of the Plan. Such Employee shall be eligible to accrue benefits under Article 4 of the Plan, and any other benefits not specifically excluded in the preceding sentence.

Notwithstanding any provision hereof to the contrary, no Employee shall become eligible to accrue benefits under Article 4 of the Plan on or after January 1, 2014.

- (b) In addition to the above, any nonrepresented Employee and any represented Employee whose union had negotiated a benefit under this Plan, employed by the Company as of September 1, 1994, became a Participant under this Plan as of September 1, 1994.
 - (c) Special Provisions applicable to Employees of Acquired Entities: The eligibility of Employees who were formerly employed by entities that were acquired by the Company and Employees who are employed at facilities or operations that were acquired by the Company subsequent to the acquisition thereof, and the Vesting Years of Service of Employees who were formerly employed by entities that were acquired by the Company shall be subject to the special rules set forth in Schedule J.
 - (d) Notwithstanding any provision hereof to the contrary, an Employee who is classified as a Casual Employee or as a Temporary Employee shall not be eligible to become a Participant in the Plan even in the event that such Casual Employee or Temporary Employee shall work 1,000 hours for the Company.
 - (e) Notwithstanding any provision herein foregoing, effective February 1, 2010, any Employee who was (1) a Participant in the Plan; (2) accruing benefits under the provisions of Article 6; and (3) was on an approved Leave of Absence before February 1, 2010 shall continue to be eligible to accrue benefits under the provisions of Article 6 if he or she returns from an approved Leave of Absence after January 31, 2010 and satisfies either (i) or (ii) below:
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- (i) if the Leave of Absence was as a result of military service, the Employee must return to the Company while his reemployment rights were protected by law.
- (ii) if the Leave of Absence was not covered under (i) above, the Employee must return to the employ of the Company on or before the expiration of the Leave of Absence.

If the Employee does not satisfy either (i) or (ii) above, he or she will not be eligible to accrue benefits under Article 6 of the Plan. He or she shall be eligible to accrue benefits under Article 4 of the Plan and any other benefits not specifically excluded in the preceding sentence.

- (f) An Employee who has transferred from an eligible to an ineligible location under the provisions of Article 16(d)(i) will continue to accrue benefits under the provisions of Article 6, even if such Employee subsequently transfers to another location after January 31, 2010.
- (g) An Employee who has transferred from a represented position to a nonrepresented position under the provisions of Article 16(d)(iii) after January 31, 2010 shall not be eligible to accrue benefits in accordance with the provisions of Article 6 on or after the date of such transfer.
- (h) Notwithstanding paragraph (a), an Employee who transfers to a non-U.S. Affiliated Company shall be eligible to accrue benefits under Article 6 if:
 - (i) he is accruing benefits under Article 6 as of the transfer date; and
 - (ii) after January 31, 2010 and without any break in service, he transfers from the non-U.S. Affiliated Company to a position with the Company in which he is eligible to accrue benefits under the Plan.

Benefit accruals for any such Employee based on the period of employment after he again becomes an Employee shall be subject to the provisions of Article 16(e).

- (i) An Employee who has transferred from a nonrepresented position to a position represented by a union that has not negotiated a benefit under this Plan pursuant to the provisions of Article 16(d)(i)(A) after December 31, 2013 shall not be eligible to accrue benefits in accordance with the provisions of Article 6 on or after the date of such transfer.

2.02 Break in Service.

There are no Breaks in Service under the terms of this Plan. All periods of employment shall be aggregated for the purpose of determining whether an Employee has satisfied the requirements of Section 2.01.

2.03 Treatment of Periods of Military Service, Disability and other Leaves of Absence.

- (a) Notwithstanding any provision hereof, a Participant's Service, as taken into account under the Plan for purposes of vesting and for purposes of determining eligibility for and the amount of his retirement benefits hereunder, in accordance with Articles 4, 6 and 9, shall include, to the extent required by law, any period of absence from service with the Company due to a period of service in the uniformed services of the United States which occurs after the date the Participant meets the eligibility requirements for membership in the Plan. If he shall have returned to the service of the Company after having applied to return
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while his reemployment rights were protected by law, the Participant shall be deemed to have earned Compensation during the period of absence at the rate he would have received had he remained employed as an Employee for that period or, if such rate is not reasonably certain, on the basis of the Participant's rate of compensation during the 12-month period immediately preceding such period of absence (or if shorter, the period of employment immediately preceding such period).

- (b) In the event a Participant incurs a disability while an Employee and becomes entitled to Disability Payments on account of such disability, the Participant shall continue to accrue benefits under the provisions of Articles 4 and 6 and shall continue to be credited with Vesting Years of Service for the period he is in receipt of the Disability Payments, up to a maximum continuous period of twenty-four months (including any applicable waiting period for such Disability Payments provided that after the expiration of such waiting period the Participant becomes entitled to Disability Payments). For purposes of computing the benefit accrued by a Participant under this paragraph (b), a Participant shall be deemed to have earned Compensation during the period he is accruing a benefit under this paragraph (b) at the rate of Compensation he was receiving immediately prior to the date he ceased active employment on account of the disability. A Participant who is entitled to Disability Payments and who is credited with at least five Vesting Years of Service (three Vesting Years of Service effective January 1, 2008) may elect at any time by written advance application to the Administrative Committee to cease further accruals under the provisions of this paragraph (b) and in lieu thereof to commence receipt of payments under the applicable provisions of the Plan.

A Participant who made the election in the preceding sentence after January 31, 2010 shall not be eligible to accrue benefits determined in accordance with Article 6 if he or she is rehired after January 31, 2010. A Participant, who is entitled to Disability Payments and is rehired after January 31, 2010 with the Company, before the end of the twenty-four month period described above, shall continue to be eligible to accrue benefits under the Provisions of Article 6. A Participant who is rehired after January 31, 2010, and after the end of the twenty-four month period described above shall not be eligible to accrue benefits under Article 6 of the Plan on or after such rehire date. He or she shall be eligible to accrue benefits under Article 4 of the Plan and any other benefits not specifically excluded in the preceding sentence.

- (c) Notwithstanding any provision of the Plan to the contrary and except as otherwise provided in this paragraph, an Employee's period of Leave of Absence not otherwise included under paragraph (a) or (b) above shall be included for purposes of determining the Employee's Vesting Years of Service and Years of Eligibility Service and the amount of his retirement benefits hereunder in accordance with Articles 4, 6, and 9, provided that the Employee returns to the employ of the Company at or before the expiration of the Leave of Absence. If the Employee receives credit for service under the preceding sentence, the Employee shall be deemed to have earned Compensation during the Leave of Absence at the rate of pay he was receiving immediately prior to his Leave of Absence. Notwithstanding the foregoing, in the case of an Employee whose employment is not covered by a collective bargaining agreement, any period of leave beginning on or after January 1, 2011 that is classified by the Company as a personal leave of absence shall not be included for purposes of determining the amount of the Employee's retirement benefits, and the Employee shall not be deemed to have earned any Compensation for such period of leave.
- (d) Notwithstanding any provisions of the Plan to the contrary, an Employee who dies or incurs a disability on or after January 1, 2007 while performing qualified
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military service shall be treated as if he returned to the service of the Company on the day preceding his death or disability and terminated employment the following day.

ARTICLE 3: COMPANY CONTRIBUTIONS

3.01 Amount.

Effective September 1, 1994, no contribution shall be required of any Participant as a condition of his participation in the Plan. The Company shall contribute to the Plan, for each Plan Year at least the amount, if any, necessary to satisfy the minimum funding requirements of the Code for such Plan Year.

3.02 Payment.

Company contributions for any Plan Year shall be paid in cash to the Trustee no later than the date prescribed by Section 412 of the Code and the regulations thereunder for meeting the minimum funding requirements for such Plan Year.

3.03 Forfeitures.

Any forfeitures arising under the Plan shall be used to reduce the Company's contribution.

3.04 Return of Company Contributions.

A contribution made by the Company may be returned to the Company if:

- (a) the contribution is made by the reason of a mistake of fact, provided such contribution is returned within one year of the mistaken payment; or
- (b) the contribution is conditioned on its deductibility for Federal income tax purposes and such deduction is disallowed, provided such contribution is returned within one year of the disallowance of the deduction for Federal income tax purposes and provided further that each contribution shall be deemed to be conditioned on its deductibility, unless otherwise stated in writing by the Company); or
- (c) the contribution is made prior to the receipt of a determination letter from the Internal Revenue Service as to the initial qualification of the Plan under Section 401(a) of the Code and no favorable determination letter is received; provided that any contribution made incident to that initial qualification must be returned to the Company within one year after the initial qualification is denied, but only if the application for qualification is made by the time prescribed by law for filing the Company's return for the taxable year in which the Plan is adopted, or such later date as the Secretary of the Treasury may prescribe.

The amount of any contribution which may be returned shall be reduced to reflect its proportionate share of any net investment loss in the Trust Fund. In the event paragraph (c) applies, the returned contribution may include any net investment earnings or gains in the Trust Fund.

ARTICLE 4: CASH BALANCE ACCOUNT

4.01 Escalating Annuity Benefit and Cash Balance Account.

Effective September 1, 1994, an Escalating Annuity Benefit shall be established and maintained for each Participant to which credits shall be made pursuant to the provisions of this Article 4. The amount of Escalating Annuity Benefit credited to any Participant shall be in addition to any other benefits credited under this Plan. The lump sum value of a Participant's Escalating Annuity Benefit, determined in accordance with Article 1.01, shall be referred to as his Cash Balance Account.

The normal form of retirement benefit for the Escalating Annuity Benefit is a life annuity payable monthly, commencing at Normal Retirement Date, under which the monthly benefit is automatically increased at the beginning of each calendar year after benefit commencement. The percentage of increase, or escalator, applicable to a calendar year is (i) for increases prior to 1997, the applicable rate from Article 4.03(a), and (ii) for increases after 1996, the 30-year Treasury Bond rate for December of the prior year.

4.02 Pay Based Credits.

For each Plan Year beginning on or before January 1, 2013 during which an Escalating Annuity Benefit is in effect, there shall be credited to the Cash Balance Account of each Participant three percent (3%) of the Participant's Compensation earned during that Plan Year, such amount being credited as of the first day of the Plan Year. In no event shall any amount be credited to the Cash Balance Account of a Participant for any Plan Year beginning on or after January 1, 2014.

4.03 Cost of Living Adjustment.

For each Participant who has not commenced to receive his Escalating Annuity Benefit, such benefit shall be increased in the manner described in paragraph (b) below by a Cost of Living Adjustment determined in accordance with paragraph (a) below, except that for active Participants beyond Normal Retirement Age, (a) and (b) below will not apply and (c) below will apply:

- (a) The Cost of Living Adjustments shall be as follows:
 - (i) 6.880% for calendar year 1994; however, for the period from September 1, 1994 to December 31, 1994, the equivalent rate of 2.24266% is credited.
 - (ii) 8.688% for calendar year 1995.
 - (iii) 6.230% for calendar year 1996.
 - (iv) 6.550% for calendar year 1997.
 - (v) for years subsequent to 1997, the 30-year Treasury Bond rate for December of the prior year.
 - (b) The Participant's Escalating Annuity Benefit shall be increased at the end of each Plan Year described in (a) above by an amount equal to the Cost of Living Adjustment for such year multiplied by the Participant's Escalating Annuity Benefit on the first day of such year inclusive of the Pay Based Credits allocated to such year under 4.02 above.
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The amount of a Participant's Escalating Annuity Benefit at any date shall be the amount of the Benefit on the first day of the month containing such date. The value of a Participant's Escalating Annuity Benefit on the first day of a month shall be determined by increasing the value of the Benefit as of the first day of the Plan Year containing such month by any Pay Based Credits earned in such year and then by multiplying the sum by a Cost of Living Factor based on (a) above and the number of months from the beginning of the year to the first day of the month of determination.

- (c) Participants who remain active employees beyond Normal Retirement Age will not receive Cost of Living Adjustments in accordance with (a) and (b) above, but will instead have their Escalating Annuity Benefits increased at the end of each Plan Year by the 30-year Treasury Bond rate for December of the prior year. If the amount of an Escalating Annuity Benefit is to be determined as of a date other than the beginning or end of a Plan Year, the rules of the second paragraph of (b) above shall be applied but using the 30-year Treasury Bond rate for December of the prior year in lieu of the rates set forth in (a) above. Such increase will be in addition to any Pay Based Credits earned under Article 4.02 above.

4.04 Vesting.

The interest of a Participant in his Escalating Annuity Benefit shall be vested in accordance with Article 5 of this Plan.

4.05 Distribution of Escalating Annuity Benefit and Cash Balance Account.

- (a) A Participant shall be entitled to commence distribution of his Escalating Annuity Benefit upon (i) retirement on his Normal Retirement Date or Early Retirement Date, as the case may be, or (ii) the date he separates from Service with the Company with a vested benefit.
- (b) A Participant's Escalating Annuity Benefit shall be distributable pursuant to a form of payment permissible under Article 7 as elected by the Participant.

4.06 Death Benefit.

- (a) If a Participant who has an Escalating Annuity Benefit dies before commencement of the payment of such Benefit, the Participant's Beneficiary shall receive an annuity that is the Actuarial Equivalent of the Escalating Annuity Benefit, payable for the life of the Beneficiary. Payment of the annuity shall commence on what would have been the Participant's Normal Retirement Date (or the first day of the month following his date of death, if later), unless the Beneficiary elects earlier commencement.
 - (b) In lieu of the annuity described in Article 4.06(a), a Beneficiary may elect to receive the Participant's Cash Balance Account in a single sum. Payment shall be made at such time as the Beneficiary elects. In the event the Beneficiary is the Participant's estate, the death benefit shall automatically be paid to the estate in one lump sum.
 - (c) Subject to the spousal consent requirements of Article 8.01 of the Plan, the Participant may, by written designation filed with the Administrative Committee, designate one Beneficiary to receive payment under this Article 4 and may rescind or change any such designation. In the event that a Participant has designated more than one Beneficiary to receive payment under this Article 4 and no election described in Article 4.06(b) has been made, payment of the
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Participant's Cash Balance Account shall be made in a lump sum to the Beneficiaries in the proportion that the annuity described in Article 4.06(a) would have been paid to such Beneficiaries.

- (d) In the absence of spousal consent under Article 8.01, the Actuarial Equivalent of any vested Escalating Annuity Benefit shall be paid to the surviving Spouse as a single life annuity over the Spouse's life. In no event shall the amount of the annuity payable to the surviving Spouse be less than the amount that would be payable under Article 8.01.

4.07 Amount of Escalating Annuity Benefits.

- (a) A Participant's accrued benefit under this Article 4 as of any date is his Escalating Annuity Benefit as of such date.
- (b) If the Participant's benefit commences prior to Normal Retirement Date, the amount of Escalating Annuity commencing at any earlier benefit commencement date shall be the amount of his accrued Escalating Annuity Benefit multiplied by an early retirement factor. For the purpose of this Article 4.07 the early retirement factor shall be the ratio of 18.75 to the complete expectation of life at the Participant's age at benefit commencement, such expectation being calculated using the IRS Mortality Table.
- (c) If the Participant's benefit commences on or after Normal Retirement Date, the amount of Escalating Annuity commencing at any such benefit commencement date shall be the amount of his accrued Escalating Annuity Benefit multiplied by a late retirement factor. For the purpose of this Article 4.07 the late retirement factor shall be the ratio of 18.75 to the complete expectation of life at the Participant's age at benefit commencement, such expectation being calculated using the IRS Mortality Table.
- (d) The lump sum value of the Escalating Annuity Benefit described in (b) or (c) above shall be the Actuarial Equivalent of such Escalating Annuity Benefit and any other form of annuity benefit shall be the Actuarial Equivalent of the lump sum so determined.

4.08 Supplemental Credits.

- (a) Supplemental Credits shall be provided in accordance with the provisions of Schedule K 1.
 - (b) For purposes of Article 4.03(b), the Supplemental Credits added to a Participant's Escalating Annuity Benefit in accordance with this Article 4.08 shall be treated in the same manner as the Pay Based Credits earned by the Participant during the year in which such supplemental credits were added.
 - (c) The supplemental credits added to a Participant's Escalating Annuity Benefit in accordance with this Article 4.08 shall be payable in the same manner and under the same conditions as amounts credited to his Escalating Annuity Benefit under Article 4.02.
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ARTICLE 5: VESTING

5.01 Vesting Schedule.

(a) Normal Retirement Benefit determined under Article 6.01.

Effective January 1, 2008, upon termination of Service prior to Normal Retirement Date, the interest of a Participant in that portion of his Normal Retirement Benefit that is determined in accordance with Article 6.01 shall be vested in accordance with the following schedule, based on the number of Vesting Years of Service of the Participant on the date of his termination of employment:

| <i>Vesting Years of Service as of Date of Termination:</i> | <i>Nonforfeitable Percentage:</i> |
|--|-----------------------------------|
| Less than 3 | 0% |
| 3 or more | 100% |

Prior to January 1, 2008, upon termination of Service prior to Normal Retirement Date, the interest of a Participant in that portion of his Normal Retirement Benefit that is determined in accordance with Article 6.01 shall be vested in accordance with the following schedule, based on the number of Vesting Years of Service of the Participant on the date of his termination of employment:

| <i>Vesting Years of Service as of Date of Termination:</i> | <i>Nonforfeitable Percentage:</i> |
|--|-----------------------------------|
| 4 or less | 0% |
| 5 or more | 100% |

(b) Normal Retirement Benefit derived from Cash Balance Account as determined under Article 4.

(i) Vesting Schedule Effective January 1, 2008

Upon termination of Service prior to attaining his Normal Retirement Age, the interest of a Participant in the portion of his Normal Retirement Benefit that is derived from his Cash Balance Account, as determined in accordance with Article 4 shall be vested in accordance with the following schedule based on the number of Vesting Years of Service of the Participant on the date of his termination of Service:

| <i>Vesting Years of Service as of Date of Termination:</i> | <i>Nonforfeitable Percentage:</i> |
|--|-----------------------------------|
| Less than 3 | 0% |
| 3 or more | 100% |

(ii) Participant not employed prior to June 1, 1997:

Upon termination of Service prior to attaining his Normal Retirement Age, the interest of a Participant who commenced employment with the Company or an Affiliated Company on or after June 1, 1997 in the portion of his Normal Retirement Benefit that is derived from his Cash Balance Account, as determined

in accordance with Article 4 shall be vested in accordance with the following schedule based on the number of Vesting Years of Service of the Participant on the date of his termination of Service:

| <i>Vesting Years of Service as of Date of Termination:</i> | <i>Nonforfeitable Percentage:</i> |
|--|-----------------------------------|
| 4 or less | 0% |
| 5 or more | 100% |

(iii) Participant employed prior to June 1, 1997:

Upon termination of Service prior to attaining his Normal Retirement Age, the interest of a Participant who commenced employment with the Company or an Affiliated Company prior to June 1, 1997 in the portion of his Normal Retirement Benefit that is derived from his Cash Balance Account, as determined in accordance with Article 4 shall be vested in accordance with the following schedule based on the number of Vesting Years of Service of the Participant on the date of his termination of Service:

| <i>Vesting Years of Service as of Date of Termination:</i> | <i>Nonforfeitable Percentage:</i> |
|--|-----------------------------------|
| 1 | 20% |
| 2 | 40% |
| 3 | 60% |
| 4 | 80% |
| 5 | 100% |

(c) Special Provision for Reductions in Force.

The provisions of paragraphs (a) and (b) above shall be subject to the provisions of Schedule K 2, if and to the extent applicable, with respect to Participants whose employment with the Company is terminated on account of a reduction in force.

(d) Special Provision for Reductions in Force.

The provisions of paragraphs (a) and (b) above shall be subject to the provisions of Schedule K 2, if and to the extent applicable, with respect to Participants whose employment with the Company is terminated on account of a reduction in force.

5.02 Break in Service.

There are no Breaks in Service under the terms of this Plan. All periods of employment shall be aggregated for the purpose of determining a Participant's Vesting Years of Service and for the purpose of determining whether a Participant's nonforfeitable percentage in accordance with Article 5.01.

5.03 Forfeiture and Restoration of Vesting Years of Service and Credited Service.

- (a) In the case of a termination of a Participant's employment from the Company for any reason, if as of the date of such termination the Participant was not fully

vested in his retirement benefit, the Participant may elect, subject to the limitations of Articles 4, 6 and 7 and to the provisions of paragraph (d) below, to receive a distribution of the entire vested portion of such retirement benefit and the nonvested portion will be treated as a forfeiture.

- (b) If a Participant received a distribution from the Plan and subsequently resumes covered employment under the Plan, the following shall apply:
- (i) The Participant's Vesting Years of Service shall be restored.
 - (ii) Repayment of any distribution from the Plan shall not be permitted.
 - (iii) If the Participant had less than three Vesting Years of Service at the time of his termination (five years prior to January 1, 2008), his Years of Credited Service shall also be restored, and the forfeited portion of his Company-derived retirement benefit, determined as of the time of his termination, shall be restored to him, without interest from the time of the distribution to the date the Participant resumes covered employment, but subject to the provisions of Article 4.07.
 - (iv) If the Participant had three or more Vesting Years of Service at the time of his termination (five years prior to January 1, 2008) received a distribution representing less than his entire Company-derived retirement benefit, all of his Years of Credited Service shall be restored.
 - (v) If the Participant had three or more Vesting Years of Service at the time of his termination (five years prior to January 1, 2008), and received a single sum representing all of his retirement benefit, his Years of Credited Service shall not be restored to him.
 - (vi) If a Participant's Credited Service is restored in accordance with subparagraph (b)(iii), or (b)(iv), then, upon subsequent retirement or termination of employment, the Participant's retirement benefit shall be reduced by the Actuarial Equivalent value of any benefit previously distributed to him.
 - (vii) For Participants who terminate employment after January 1, 2008, three Years of Vesting Service shall be substituted for five Years of Vesting Service in subparagraphs (i), (iii), (iv) and (v) above.
- (c) If a Participant terminated employment from the Company, but did not receive a distribution from the Plan in accordance with paragraph (a) above, and subsequently resumes covered employment under the Plan, the following shall apply;
- (i) The Participant's Vesting Years of Service shall be restored.
 - (ii) The Participant's Credited Service shall be restored.
- (d) If the present value of a Participant's vested retirement benefit derived from Company and Participant contributions exceeds \$5,000, and the retirement benefit is immediately distributable, the Participant and the Participant's Spouse (or where either the Participant or the Spouse has died, the survivor) must consent to any distribution of such retirement benefit. The consent of the Participant and the Participant's Spouse shall be obtained in writing within the ninety (90) day period ending on the Annuity Starting Date. The Plan Administrator shall notify the Participant and the Participant's Spouse of the right to defer any distribution until the Participant's retirement benefit is no longer
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immediately distributable. Such notification shall include a general description of the material features, the consequences of failing to defer distribution, and an explanation of the relative values of, the optional forms of benefit available under the Plan in a manner that would satisfy the notice requirements of Sections 411(a)(11) and 417(a)(3) of the Code, and shall be provided no less than thirty (30) days and no more than ninety (90) days prior to the Annuity Starting Date.

Notwithstanding the foregoing, only the Participant need consent to the commencement of a distribution in the form of a Qualified Joint and Survivor Annuity while the retirement benefit is immediately distributable. Neither the consent of the Participant nor the Participant's Spouse shall be required to the extent that a distribution is required to satisfy Section 401(a)(9) or Section 415 of the Code.

For purposes of this Article 5.03, a retirement benefit is immediately distributable if any part of the retirement benefit could be distributed to the Participant (or surviving Spouse) before the Participant attains (or would have attained if not deceased) the Normal Retirement Age.

5.04 Applicability of Prior Vesting Schedule.

- (a) Notwithstanding the vesting schedules set forth in Article 5.01, the vested percentage of a Participant's retirement benefit shall not be less than the vested percentage attained under the terms of the Prior Plan as of August 31, 1994.
- (b) A Participant with at least three (3) Years of Service as of September 1, 1994 may elect to have his nonforfeitable percentage computed under the Prior Plan. For Plan Years beginning before December 31, 1988, or with respect to Participants who fail to complete at least one Hour of Service in a Plan Year beginning after December 31, 1988, five (5) shall be substituted for three (3) in the preceding sentence. If a Participant fails to make such election, then such Participant shall be subject to the vesting schedules set forth in Article 5.01. The Participant's election period shall commence on the effective date of Article 5.01 as amended and shall end sixty (60) days after the latest of:
 - (i) the adoption date of such amendment,
 - (ii) the effective date of such amendment, or
 - (iii) the date the Participant receives written notice of such amendment from the Company or Plan Administrator.

Notwithstanding the foregoing, any Employee who was a Participant as of the effective date of the amendment of Article 5.01 and who completed three (3) Years of Service shall be subject to the vesting schedule determined without regard to such amendment, provided that such schedule provides, in all circumstances, a nonforfeitable percentage that is no less than the percentage determined under Article 5.01 as amended. For Plan Years beginning before December 31, 1988, or with respect to Employees who fail to complete at least one Hour of Service in a Plan Year beginning after December 31, 1988, five (5) shall be substituted for three (3) in the preceding sentence.

This election herein above shall also be applicable when a Top-Heavy Plan reverts to non-Top-Heavy status.

ARTICLE 6: AMOUNT AND COMMENCEMENT OF RETIREMENT BENEFIT

6.01 Normal Retirement.

In addition to the portion of his Normal Retirement benefit that is determined in accordance with Article 4, a Participant who retires on his Normal Retirement Date shall be entitled to a Normal Retirement Benefit determined in accordance with this Article 6.01 and subject to the minimum benefit provisions of Article 6.02. The Participant shall be entitled to receive a Normal Retirement Benefit, the Actuarial Equivalent of which is equal to the sum of (a) and (b) below:

(a) Service Before September 1, 1994.

- (i) For Participants in covered employment on or after September 1, 1994, the Normal Retirement Benefit attributable to Service before September 1, 1994 shall be the amount determined in subparagraph (a)(ii). For Participants in covered employment on or after September 1, 1994 and who remain in covered employment on or after January 1, 1997, the Normal Retirement Benefit attributable to Service before September 1, 1994 shall be the greater of the amount determined in subparagraph (a)(ii) or the amount determined in subparagraph (a)(iii).
- (ii) The amount determined in this subparagraph (a)(ii) shall be the product of the Participant's accrued benefit under the Prior Plan as of August 31, 1994 and a fraction, the numerator of which is the amount determined in (A) and the denominator of which is the amount determined in (B), as follows:
 - (A) The greater of (I) the Participant's Average Compensation as of August 31, 1994 or (II) the Participant's Average Compensation at retirement.
 - (B) The Participant's Average Compensation as of August 31, 1994,

With respect to a Participant with a "frozen Section 401(a)(17) benefit", within the meaning of Article 6.02(b), the amount shall be determined by adjusting the frozen December 31, 1993 accrued benefit and the frozen accrued benefit for the period from January 1, 1994 to August 31, 1994 separately, using in the denominator, the Participant's Average Final Compensation as of December 31, 1993 and August 31, 1994 respectively, in each case, as limited by Section 401(a)(17).

If a Participant elects pursuant to Article 6.07(c) to receive a distribution of his employee contributions to the Plan, prior to his Annuity Starting Date, the accrued benefit under the Prior Plan as of August 31, 1994, adjusted as provided in this subparagraph, shall be reduced by the Actuarial Equivalent of the amount actually distributed to the Participant.

- (iii) The amount determined in this subparagraph shall be the portion of Participant's accrued benefit under the Prior Plan, as of August 31, 1994, that is attributable only to employer contributions, with the portion of the accrued benefit attributable to employer contributions under the Prior Plan, multiplied by the fraction described in subparagraphs (ii)(A) and (B), increased by the Actuarial Equivalent value of the Participant's contributions, provided, however, that this increase shall not apply, if the Participant elects pursuant to Article 6.07(c) to receive a distribution of his employee contributions to the Plan, prior to his Annuity Starting Date.
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(b) Service After August 31, 1994.

The Normal Retirement Benefit attributable to Service after August 31, 1994 shall be equal to one and one-half (1½%) percent of Average Compensation in excess of Covered Compensation multiplied by the Participant's total number of Years of Credited Service after August 31, 1994, and on or before December 31, 2028, up to a maximum of 35 years, plus one percent (1%) of Average Compensation up to Covered Compensation multiplied by the Participant's total number of Years of Credited Service after August 31, 1994, and on or before December 31, 2028, up to a maximum of 35 years. In no event shall any Years of Credited Service be credited for purposes of this paragraph (b) for any period of employment on or after January 1, 2029.

(c) Effective January 1, 1997, in addition to the benefits described in Article 4.02 and paragraphs (a) and (b) above, the Normal Retirement Benefit of certain participants shall be increased. Participants described in Part A of Schedule I shall receive the increase set forth in subparagraphs (c)(i) through (c)(iii) herein. Participants described in Part B of Schedule I shall receive the increase set forth in subparagraph (c)(iv) herein, adjusted for optional form of payment as provided in Article 7.02.

(i) The benefit described in Article 6.01(a) shall be increased by the sum of (A) and (B) below:

- (A) the applicable factor in Schedule I 1 multiplied by the employer accrued benefit under Article 6.01(a), as of the date of determination, but in no event later than December 31, 2000,
- (B) the applicable factor in Schedule I 1 multiplied by the employer accrued benefit under Article 6.01(a) as of the date of determination, but in no event later than December 31, 2000, multiplied by a Participant's Years of Credited Service after December 31, 1997 and before January 1, 2001.

(ii) The benefit described in Article 6.01(b) shall be increased by the sum of (A) and (B) below:

- (A) the product of the applicable factor in Schedule I 1, multiplied by the fraction 10/3, multiplied by the sum of:
 - (I) one and one-half percent (1½%) of Average Compensation in excess of Covered Compensation, with Average Compensation determined as of the date of determination, but in no event later than December 31, 2000, and Covered Compensation determined as of December 31, 1997, plus
 - (II) one percent (1%) of Average Compensation, as determined in accordance with subparagraph (A)(I) above, up to Covered Compensation, with Covered Compensation determined as of December 31, 1997.
 - (B) the product of the applicable factor in Schedule I 1, multiplied by a Participant's Years of Credited Service after December 31, 1997 and before January 1, 2001, multiplied by the sum of:
 - (I) one and one-half percent (1½%) of Average Compensation in excess of Covered Compensation, with Average
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Compensation and Covered Compensation determined as of the date of determination, but in no event later than December 31, 2000, plus

- (II) one percent (1%) of Average Compensation up to Covered Compensation, with Covered Compensation and Average Compensation determined in accordance with subparagraph (B)(I) above.
- (iii) The benefit described in Article 4.02 shall be increased by the sum of (A) to (D) below:
 - (A) the applicable factor described in Schedule I 1 multiplied by the Participant's Cash Balance Account as of December 31, 1997.
 - (B) the applicable factor described in Schedule I 1 multiplied by the credit to the Participant's Cash Balance Account for the 1998 Plan Year.
 - (C) the applicable factor described in Schedule I 1 multiplied by the credit to the Participant's Cash Balance Account for the 1999 Plan Year.
 - (D) the applicable factor described in Schedule I 1 multiplied by the credit to the Participant's Cash Balance Account for the 2000 Plan Year.
 - (iv) The additional benefits set forth in Part B of Schedule I 1.
 - (v) In the event the limitation on Compensation in Section 401(a)(17) of the Code is increased at any time by statute or regulation, but not by application of the cost-of-living adjustment factor in Section 401(a)(17)(b) of the Code, all accruals under this Article 6.01(c) shall cease as of the effective date of said increase.
- (d) Effective January 1, 2000, in addition to the benefit described in Article 4.02 and paragraphs (a), (b) and (c) above, the Normal Retirement Benefit of certain participants shall be increased. Participants described in Schedule I 2 shall receive the increase set forth in subparagraphs (d)(i) through (d)(iii) herein.
- (i) The sum of the benefits described in Article 6.01(a) and 6.01(c)(i) shall be increased by the sum of (A) and (B) below:
 - (A) the applicable factor in Schedule I 2 multiplied by the employer accrued benefit under Article 6.01(a) and 6.01(c)(i) as of the date of determination, but in no event later than December 31, 2003,
 - (B) the applicable factor in Schedule I 2 multiplied by the employer accrued benefit under Article 6.01(a) and 6.01(c)(i) as of the date of determination, but in no event later than December 31, 2003, multiplied by a Participant's Years of Credited Service after December 31, 2000 and before January 1, 2004.
 - (ii) The benefit described in Article 6.01(b) and 6.01(c)(ii) shall be increased by the sum of (A) and (B) below:
 - (A) the product of the applicable factor in Schedule I 2, multiplied by three (3.0), multiplied by the sum of:
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- (I) one and one-half percent of Average Compensation in excess of Covered Compensation, with Average Compensation determined as of the date of determination, but in no event later than December 31, 2003, and Covered Compensation determined as of December 31, 2000, plus
 - (II) one percent of Average Compensation, as determined in accordance with subparagraph (A) (I) above, up to Covered Compensation, with Covered Compensation determined as of December 31, 2000, plus
 - (III) the accrued benefit provided under Article 6.01(c)(ii)(A) and 6.01(c)(ii)(B).
- (B) the product of the applicable factor in Schedule I 2, multiplied by a Participant's Years of Credited Service after December 31, 2000 and before January 1, 2004, multiplied by the sum of:
- (I) one and one-half percent (1½%) of Average Compensation in excess of Covered Compensation, with Average Compensation and Covered Compensation determined as of the date of determination, but in no event later than December 31, 2003, plus
 - (II) one percent (1%) of Average Compensation up to Covered Compensation, with Covered Compensation and Average Compensation determined in accordance with subparagraph (I) above.
- (iii) The benefit described in Article 4.02 and 6.01(c)(iii) shall be increased by the sum of (A) to (D) below:
- (A) the applicable factor described in Schedule I 2, multiplied by the Participant's Cash Balance Account as of December 31, 2000.
 - (B) the applicable factor described in Schedule I 2, multiplied by the credit to the Participant's Cash Balance Account for the 2001 Plan Year.
 - (C) The applicable factor described in Schedule I 2, multiplied by the credit to the Participant's Cash Balance Account for the 2002 Plan Year.
 - (D) The applicable factor described in Schedule I 2, multiplied by the credit to the Participant's Cash Balance Account for the 2003 Plan Year.
- (iv) If the Internal Revenue Service, upon timely application, determines that this Article 6.01(d) causes the Plan to lose its status as a qualified plan under Section 401(a) of the Code, then this paragraph (d) shall be void *ab initio*.
- (e) Effective January 1, 2004, in addition to the benefit described in Article 4.02 and paragraphs (a), (b), (c) and (d) above, the Normal Retirement Benefit of certain participants shall be increased. Participants described in Part A of Schedule I 3 shall receive the increase set forth in subparagraphs (e)(i) through (e)(iii) herein.
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Participants described in Part B of Schedule I 3 shall receive the increase set forth in subparagraph (e)(iv) herein, adjusted for optional form of payment as provided in Article 7.02.

- (i) The sum of the benefits described in Article 6.01(a), 6.01(c)(i) and 6.01(d)(i) shall be increased by the sum of (A) and (B) below:
 - (A) the applicable factor in Schedule I 3, multiplied by the employer accrued benefit under Article 6.01(a), 6.01(c)(i) and 6.01(d)(i) as of the date of determination, but in no event later than December 31, 2006,
 - (B) the applicable factor in Schedule I 3, multiplied by the employer accrued benefit under Article 6.01(a), 6.01(c)(i) and 6.01(d)(i) as of the date of determination, but in no event later than December 31, 2006, multiplied by a Participant's Years of Credited Service after December 31, 2003 and before January 1, 2007.
 - (ii) The benefit described in Article 6.01(b), 6.01(c)(ii) and 6.01(d)(ii) shall be increased by the sum of (A) and (B) below:
 - (A) the product of the applicable factor in Schedule I 3, multiplied by three (3.0), multiplied by the sum of:
 - (I) one and one-half percent (1½%) of Average Compensation in excess of Covered Compensation, with Average Compensation determined as of the date of determination, but in no event later than December 31, 2006, and Covered Compensation determined as of December 31, 2003, plus
 - (II) one percent (1%) of Average Compensation, as determined in accordance with subparagraph (I) above, up to Covered Compensation, with Covered Compensation determined as of December 31, 2003, plus
 - (III) the accrued benefit provided under Article 6.01(c)(ii)(A), 6.01(c)(ii)(B), 6.01(d)(ii)(A) and 6.01(d)(ii)(B).
 - (B) the product of the applicable factor in Schedule I 3, multiplied by a Participant's Years of Credited Service after December 31, 2003 and before January 1, 2007, multiplied by the sum of:
 - (I) one and one-half percent (1½%) of Average Compensation in excess of Covered Compensation, with Average Compensation and Covered Compensation determined as of the date of determination, but in no event later than December 31, 2006, plus
 - (II) one percent (1%) of Average Compensation up to Covered Compensation, with Covered Compensation and Average Compensation determined in accordance with subparagraph (I) above.
 - (iii) The benefit described in Article 4.02, 6.01(c)(iii) and 6.01(d)(iii) shall be increased by the sum of (A) to (D) below:
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- (A) the applicable factor described in Schedule I 3, multiplied by the Participant's Cash Balance Account as of December 31, 2003.
 - (B) the applicable factor described in Schedule I 3, multiplied by the credit to the Participant's Cash Balance Account for the 2004 Plan Year.
 - (C) the applicable factor described in Schedule I 3, multiplied by the credit to the Participant's Cash Balance Account for the 2005 Plan Year.
 - (D) the applicable factor described in Schedule I 3, multiplied by the credit to the Participant's Cash Balance Account for the 2006 Plan Year.
- (iv) The additional benefits set forth in Part B of Schedule I 3.
 - (v) In the event the limitation on Compensation in Section 401(a)(17) of the Code is increased at any time by statute or regulation (but not by application of the cost-of-living adjustment factor in Section 401(a)(17)(B) of the Code), all accruals under this Article 6.01(e) shall cease as of the effective date of said increase.
 - (vi) If the Internal Revenue Service, upon timely application, determines that this Article 6.01(e) causes the Plan to lose its status as a qualified plan under Section 401(a) of the Code, then this paragraph (e) shall be void *ab initio*.
- (f) Effective January 1, 2007, in addition to the benefit described in Article 4.02 and paragraphs (a), (b), (c), (d) and (e) above, the Normal Retirement Benefit of certain participants shall be increased. Participants described in Schedule I 4 shall receive the increase set forth in subparagraphs (f)(i) through (f)(iii) herein.
- (i) The sum of the benefits described in Article 6.01(a), 6.01(c)(i) 6.01(d)(i), and 6.01(e)(i) shall be increased by the sum of (A) and (B) below:
 - (A) the applicable factor in Schedule I 4, multiplied by the employer accrued benefit under Article 6.01(a), 6.01(c)(i), 6.01(d)(i) and 6.01(e)(i) as of the date of determination, but in no event later than December 31, 2009,
 - (B) the applicable factor in Schedule I 4, multiplied by the employer accrued benefit under Article 6.01(a), 6.01(c)(i), 6.01(d)(i) and 6.01(e)(i) as of the date of determination, but in no event later than December 31, 2009, multiplied by a Participant's Years of Credited Service after December 31, 2006 and before January 1, 2010.
 - (ii) The benefit described in Article 6.01(b), 6.01(c)(ii), 6.01(d)(ii) and 6.01(e)(ii) shall be increased by the sum of (A) and (B) below:
 - (A) the product of the applicable factor in Schedule I 4, multiplied by three (3.0), multiplied by the sum of:
 - (I) one and one-half percent (1½%) of Average Compensation in excess of Covered Compensation, with Average Compensation determined as of the date of determination, but in no event later than December 31, 2009, and
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Covered Compensation determined as of December 31, 2006, plus

- (II) one percent (1%) of Average Compensation, as determined in accordance with subparagraph (I) above, up to Covered Compensation, with Covered Compensation determined as of December 31, 2006, plus
 - (III) the accrued benefit provided under Article 6.01(c)(ii)(A), 6.01(c)(ii)(B), 6.01(d)(ii)(A), 6.01(d)(ii)(B), 6.01(e)(ii)(A) and 6.01(e)(ii)(B).
- (B) the product of the applicable factor in Schedule I 3, multiplied by a Participant's Years of Credited Service after December 31, 2006 and before January 1, 2010, multiplied by the sum of:
- (I) one and one-half percent (1½%) of Average Compensation in excess of Covered Compensation, with Average Compensation and Covered Compensation determined as of the date of determination, but in no event later than December 31, 2009, plus
 - (II) one percent (1%) of Average Compensation up to Covered Compensation, with Covered Compensation and Average Compensation determined in accordance with subparagraph (I) above.
- (iii) The benefit described in Article 4.02, 6.01(c)(iii), 6.01(d)(iii) and 6.01(e)(iii) shall be increased by the sum of (A) to (D) below:
- (A) the applicable factor described in Schedule I 4, multiplied by the Participant's Cash Balance Account as of December 31, 2006.
 - (B) the applicable factor described in Schedule I 4, multiplied by the credit to the Participant's Cash Balance Account for the 2007 Plan Year.
 - (C) the applicable factor described in Schedule I 4, multiplied by the credit to the Participant's Cash Balance Account for the 2008 Plan Year.
 - (D) the applicable factor described in Schedule I 4, multiplied by the credit to the Participant's Cash Balance Account for the 2009 Plan Year.
- (iv) In the event the limitation on Compensation in Section 401(a)(17) of the Code is increased at any time by statute or regulation (but not by application of the cost-of-living adjustment factor in Section 401(a)(17)(B) of the Code), all accruals under this Article 6.01(f) shall cease as of the effective date of said increase.
- (v) If the Internal Revenue Service, upon timely application, determines that this Article 6.01(f) causes the Plan to lose its status as a qualified plan under Section 401(a) of the Code, then this paragraph (f) shall be void *ab initio*.
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6.02 Minimum Retirement Benefits.

- (a) A minimum retirement benefit equal to the greater of (i) or (ii) below shall be provided for "contributing participants" as such term is defined under the Prior Plan, who attained age fifty-five (55) with sixty (60) months of contributory Service ending on August 31, 1994:
 - (i) the Normal Retirement Benefit under the Plan; or
 - (ii) the Participant's Prior Plan Benefit determined pursuant to Article 6.11.
- (b) Notwithstanding any provision of the Plan to the contrary, the annual normal retirement benefit of a Participant who is affected by the imposition of the OBRA '93 annual compensation limit, as described in Article 1.12, shall be equal to the greater of:
 - (i) the Participant's retirement benefit calculated under the provisions of the Plan as determined with regard to such limitation, or
 - (ii) a retirement benefit equal to the Participant's accrued benefit determined as of December 31, 1993, plus the Participant's accrued benefit based solely on service after such date under the provisions of the Plan as determined with regard to such imposition.

For purposes of this Article 6.02, the accrued benefit determined as of December 31, 1993 shall be equal to the greater of (A) the Participant's accrued benefit determined as of December 31, 1993, as determined with regard to the limitation on Compensation as in effect prior to the imposition of the OBRA '93 annual compensation limit, or (B) the Participant's accrued benefit determined as of December 31, 1988, plus the Participant's accrued benefit based solely on service after such date under the provisions of the Plan as determined with regard to such limitation, and such amount shall be deemed to the "frozen Section 401(a)(17) benefit" for purposes of Article 6.01(a).

6.03 Early Retirement.

If a Participant's Service terminates on or after the Participant's Early Retirement Date, the Participant shall be entitled to receive his Normal Retirement Benefit determined as of the date on which the Participant terminated Service; provided, however, that in no event shall the Normal Retirement Benefit of any Participant who continues to perform Service after the Early Retirement Date be reduced as a result of such continued Service. Should the Participant elect to receive his Normal Retirement Benefit prior to the Normal Retirement Age, the Participant shall be entitled to a retirement benefit that is equal to his Normal Retirement Benefit multiplied by the applicable Early Retirement Factor set forth in Schedule A 1. The Early Retirement Benefit shall be payable in one of the forms provided in Article 7 of the Plan and shall commence on the first day of the month following the date on which the Participant terminates Service, unless the Participant elects a later commencement date, which commencement date shall not be later than his Normal Retirement Date.

6.04 Deferred Retirement.

If a Participant should continue Service beyond his Normal Retirement Age, the Participant shall continue his accrual of benefits in accordance with Article 6.01 of the Plan and the benefit payable upon his retirement shall be subject to the provisions of Article 6.09.

6.05 Termination of Service After August 31, 1994.

A Participant who separates from Service shall be entitled to receive a distribution equal to the Actuarial Equivalent of his nonforfeitable interest, determined in accordance with Article 5.01(a), in the portion of his Normal Retirement Benefit determined under this Article 6. In the event of such an election, the vested retirement benefit shall commence as soon as administratively practicable following the Participant's separation from Service. The vested retirement benefit shall be payable in one of the forms provided in Article 7 of the Plan.

6.06 Employee Contributions.

- (a) Effective September 1, 1994, no contribution shall be required of any Participant as a condition of his participation in the Plan. The provisions of the Prior Plan shall govern mandated employee contributions required before September 1, 1994.
- (b) For periods on or after January 1, 1988, interest on the employee contributions shall be calculated pursuant to Section 411(c)(2)(C)(iii)(I) of the Code. For the period from January 1, 1976 to January 1, 1988, interest shall be equal to 5%. Prior to January 1, 1976, interest shall be equal to the rate in effect under the terms of the Prior Plan.
- (c) A Participant may request a distribution of his employee contributions plus accrued interest thereon at any time, in writing, on a form or forms prescribed by the Administrative Committee. Such distribution shall be in a lump sum cash payment equal to the aggregate of his employee contributions plus accrued interest thereon. The distribution shall reduce the Participant's retirement benefit under Article 6.01(a)(i) by the Actuarial Equivalent of the amount distributed.
- (d) If a Participant is employed on or after January 1, 1997, employee contributions that have not been returned to the Participant as of his Annuity Starting Date shall be converted into an additional benefit of Actuarial Equivalent value in the application of Article 6.01(a)(ii) in the form of benefit selected by the Participant in accordance with Article 7.02.

6.07 Deferred Commencement of Benefits.

- (a) Subject to Article 7.03 of the Plan, a Participant may elect, in the form and manner prescribed by the Administrative Committee, to defer payment of his nonforfeitable interest, determined in accordance with Article 5.01, in that portion of his Normal Retirement Benefit determined in accordance with Article 6.01 to a date specified by the Participant.
- (b) If payment of the Participant's vested Normal Retirement Benefit commences after the Participant's Normal Retirement Date, the Participant shall be entitled to a retirement benefit that is equal to his Normal Retirement Benefit multiplied by the applicable Deferred Retirement Factor determined in accordance with Schedule A 2.

6.08 Deductions for Disability Benefits.

In determining benefits payable to any Participant, a deduction shall be made equivalent to all or any part of the following benefits payable to such pensioner by reason of any law of the United States, or any political subdivision thereof, which has been or shall be enacted, provided that such deduction shall be to the extent that such benefits have been provided by premiums, taxes or other payments paid by or at the expense of the Company:

- (a) Disability benefits, other than a Primary Insurance Amount payable under the Federal Social Security Act as now in effect or as hereafter amended.
- (b) Workers' Compensation (including hearing, pulmonary, ocular, and other occupational diseases and accident claims but excluding statutory payments for loss of any physical or bodily members such as leg, arm or finger) for Workers' Compensation awards granted subsequent to March 1, 1978, for Wood-Ridge and Nuclear facilities; January 9, 1978 for Curtiss-Wright Flight Systems, Inc.; May 5, 1978 for Target Rock Corp.; July 28, 1987 for Buffalo facility; and March 1, 1978 for the Corporate Office.

6.09 Mandatory Commencement of Benefits.

Unless a Participant elects otherwise, in accordance with the provisions of Article 7, payment of the Participant's vested retirement benefit must commence not later than the sixtieth (60th) day after the close of the Plan Year in which occurs the latest of:

- (a) the Participant attains the earlier of age sixty-five (65) and the Normal Retirement Age,
- (b) the date the Participant's Service terminates or
- (c) the tenth (10th) anniversary of the year in which the Participant commenced Plan participation.

6.10 Maximum Retirement Benefit.

- (a) Subject to the following provisions and the limitations set forth in Section 415 of the Code, any regulations or rulings thereunder and notwithstanding any provision of the Plan to the contrary, the maximum annual Pension payable to a Participant under the Plan in the form of a single life annuity, when added to any pension attributable to contributions of the Company or an Affiliated Company provided to the Participant under any other qualified defined benefit plan, shall be equal to the lesser of (1) the dollar limitation described in Section 415(b)(1)(A) of the Code or (2) the Participant's average annual remuneration during the three consecutive calendar years of his service with the Company or Affiliated Company affording the highest such average or during all of the years of such service if less than three years.
- (b) For purposes of this Article 6.10, the term "remuneration" with respect to any Participant shall mean the wages, salaries, and other amounts paid in respect of such Participant by the Company or an Affiliated Company for personal services actually rendered and shall include, but not by way of limitation, bonuses, overtime payments, and commissions and shall exclude deferred compensation, stock options, and other distributions which receive special tax benefits under the Code. Remuneration shall also include any pre-tax contributions under a "qualified cash or deferred arrangement" (as defined under Section 401(k) of the Code and its applicable regulations) or under a "cafeteria plan" (as defined under Section 125 of the Code and its applicable regulations) or under a "qualified transportation fringe" (as defined under Section 132(f) of the Code and its applicable regulations).

Effective January 1, 2008, remuneration shall also include amounts required to be recognized under the provisions of Section 1.415(c)-2(e) of the Treasury Regulations. Remuneration shall not exceed the limitation on compensation under Section 401(a)(17) of the Code.

- (c) Notwithstanding the provisions of paragraph (a) above, the maximum annual pension payable to a Participant who has a "freeze date" shall not be less than
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his "old law benefit." A Participant's "old law benefit" at any date is the maximum benefit he would be entitled to receive at such date, determined without regard to any changes in the terms and conditions of the Plan after December 8, 1994, without regard to any benefits that accrue under the Plan after his freeze date, and without regard to any cost of living changes that become effective after his freeze date. The "freeze date" of a Participant whose pension commences on or after January 1, 1995, and before January 1, 2000 shall be December 31, 1999.

- (d) In the case of a Participant of the Plan whose benefits have not yet commenced as of January 1, 2001, the benefit payable to the Spouse under a Qualified Joint and Survivor Annuity or under a qualified preretirement survivor annuity shall be subject to the dollar limitation which would apply if the benefits were payable to the Participant in the form of a life annuity. The amount of the benefit payable to the Spouse, and which is subject to the preceding sentence, shall be computed from the Participant's accrued benefit, determined in accordance with Article 4 and Article 6, and before application of this Article 6.10.
- (e) If the benefit is payable neither as a life annuity nor as a Qualified Joint and Survivor Annuity, the maximum limitation shall be the Actuarial Equivalent of the maximum limitation otherwise applicable. Actuarial Equivalent for purposes of this paragraph shall be determined in accordance with Section 415(b) of the Code and the regulations or rulings issued thereunder and using the Plan's optional form of payment factors, or, if less, using factors calculated from the IRS Mortality Table, if applicable, and either:
 - (i) if the benefit is not subject to the provisions of Section 417(e)(3) of the Code, an interest rate of 5 percent, or
 - (ii) if the benefit is subject to the provisions of Section 417(e)(3) of the Code:
 - (A) an interest rate of 5.5 percent for distributions made in Plan Years beginning in 2004 and 2005; and
 - (B) the IRS Interest Rate for distributions made in Plan Years beginning in 2006 or any subsequent Plan Year.

However, in the case of a Participant or Beneficiary whose Annuity Starting date occurs during calendar year 2004, the amount payable under any form of payment subject to the provisions of Section 417(e)(3) of the Code and subject to adjustment under the preceding paragraph shall not be less than the amount that would have been payable had the amount payable been determined using the IRS Interest Rate in effect on December 31, 2003.

- (f) Notwithstanding anything hereinabove to the contrary, the limitations, adjustments and other requirements prescribed in this Article 6.10 shall at all times comply with the provisions of Section 415 of the Code and the regulations thereunder, the terms of which are specifically incorporated herein by reference.

6.11 Prior Plan Benefit.

(a) Applicability of Prior Plan Benefit

The provisions of this Article 6.11 shall be applicable to:

- (i) any Participant who terminated from employment with the Company prior to September 1, 1994 and who was fully vested in his benefits under the Prior Plan; and
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- (ii) any Participant who attained age fifty-five (55) and had completed sixty (60) continuous months of contributory active service as of August 31, 1994, and who remained in employment with the Company subsequent to that date.

(b) Normal Retirement Benefit.

- (i) A Participant who retires on his Normal Retirement Date shall be entitled to his Normal Retirement Benefit calculated as of the date he retires. The Normal Retirement Benefit of a Participant shall be an annual annuity benefit, payable in monthly installments, equal to the sum of the following:
 - (A) a Past Service Benefit, if he (i) became an active Participant as of May 1, 1953, (ii) remained a continuous Participant, whether active or suspended, during the period of his employment on and after May 1, 1953, and made contributions while an active Participant during such period; plus
 - (B) a Future Service Benefit, if he made contributions while an active Participant; plus
 - (C) a Supplemental Benefit, if made contributions while an active Participant; plus
 - (D) a Pension Equivalent Benefit; and minus
 - (E) the value of contributions that the Participant would have made, from September 1, 1994 to the Participant's retirement date, assuming, for this purpose that the provisions of the Prior Plan remained in effect for such period and the Participant had elected to make contributions in accordance with such provisions.
 - (ii) The amounts taken into account for purposes of subparagraph (b)(i) shall be determined as follows:
 - (A) The Past Service Benefit of a Participant eligible therefor shall be equal to three-quarters of one percent (3/4%) of his "annual earnings" as of May 1, 1953, multiplied by the number of his Years of Credited Service prior to May 1, 1953.
 - (B) The Future Service Benefit of a Participant eligible therefor shall be one percent (1%) of his annual earnings for each year of active participation during which he made contributions under the Prior Plan.
 - (C) The "Supplemental Benefit" of a Participant eligible therefor shall be the benefit calculated under either (I) or (II) below, whichever shall be applicable:
 - (I) If the Participant shall have been a continuous Participant, whether active or suspended, for the period from his eligibility date to his Normal Retirement Date and made contributions at all times while an active Participant under the Prior Plan during such period, two percent (2%) of his "final average earnings" in excess of \$3,600 as determined below, multiplied by the sum of his years of Credited Service (not in excess of fifteen (15) years). For purposes
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of the preceding sentence, "final average annual earnings in excess of \$3,600" means:

- (1) for an Employee with five (5) or more years of active participation, the average of the excess of his annual earnings over \$3,600 for the five (5) consecutive years of his active participation during his final years of active participation, but not in excess of ten (10), which produce the highest such average, or
 - (2) for an Employee with less than five (5) years of active participation, the average of his annual earnings in excess of \$3,600 actually paid to him for the period of his service, not in excess of five (5) years, ending with his last year of active participation.
- (II) If the Participant shall not have been a continuous Participant, whether active or suspended, for the period from his eligibility date to his Normal Retirement Date, or did not make contributions at all times while an active Participant under the Prior Plan during such period, an amount calculated under (I) above, as if the Participant had, in fact, been a continuous Participant for such period and made contributions at all times under the Prior Plan, while an active Participant therein, multiplied by a fraction, the numerator of which shall be the sum of his Years of Credited Service (not limited to fifteen (15) years) on the basis of which the Participant shall actually accrue a Past and/or Future Service Benefit under the Plan, and the denominator of which shall be the sum of his Years of Service, whether or not regarded as Credited Service for purposes of the Plan and not limited to fifteen (15) years, on the basis of which the Participant would have been entitled to accrue a Past and/or Future Service Benefit under the Plan if he had, in fact, been a continuous Participant for such period and made contributions while an active Participant therein.
- (D) The "Pension Equivalent Benefit" of a Participant eligible therefor shall be the monthly pension benefit in accordance with Schedule B; provided, however, that the portion, if any, of such Pension Equivalent Benefit which shall have been based upon Years of Credited Service for which the Participant also is entitled to Past and/or Future Service Benefits under this Article 6.11 shall be reduced by the amount of such Past and/or Future Service Benefits.

(c) Death Benefit.

In the event an inactive Participant to whom this Article 6.11 is applicable shall die before retirement, a death benefit shall be payable to his beneficiary equal to the aggregate of his contributions, plus interest, and any applicable annuity.

(d) Severance of Employment Benefit.

(i) After Vesting Date.

If the employment of a Participant who has made contributions while an active Participant shall be severed after he shall have completed five (5) Years of Credited Service, and before he has reached his Early Retirement Date, he shall be entitled to a Severance of Employment Benefit which shall be an annual annuity benefit commencing as of the first of the month next following his sixty-fifth (65th) birthday, which shall be equal to his Normal Retirement Benefit, determined in accordance with paragraph (b) above based upon his Years of Credited Service and years of active participation on the date of his severance of employment. In the calculation of the Supplemental Benefit of a Participant who severs his employment under this paragraph (d)(i), the denominator of the fraction referred to in subparagraph (b)(ii)(C)(II) shall include Years of Service the Participant would have had at his Normal Retirement Date, if he had remained in the employ of the Company until such date. Such Participant may elect, by filing a written request therefor with the Administrative Committee on such form and on such terms and conditions as the Administrative Committee may prescribe, to receive an annual annuity benefit commencing as of the first of any month following his fifty-fifth (55th) birthday, in which event such annual annuity benefit shall be the actuarial equivalent benefit calculated under the preceding sentences of this subparagraph (d)(i), based upon the early retirement reduction factors set forth Schedule C. The first payment of a benefit under this subparagraph (d)(i) will commence the first of the month next following receipt by the Administrative Committee of all completed necessary forms and documentation. On or after January 1, 1976, one (1) Year of Service toward eligibility for a vested benefit in accordance with this paragraph will be credited for any Participant who works at least one thousand (1,000) hours in any calendar year.

In lieu of the foregoing annuity benefits, the Participant may elect, by filing a written request therefor with the Administrative Committee on such form and on such terms and conditions as the Administrative Committee may prescribe, at any time after the date of his severance of employment and prior to the commencement of said annuity benefit, to receive in a lump sum cash payment the aggregate of his contributions, plus interest, and a deferred pension benefit equal to the benefit hereto paid for solely through Company Contributions. In the event that the Participant makes the election described in the foregoing sentence and further elects to commence receipt of such benefit prior to his Normal Retirement Date, such benefit will be reduced in accordance with the factors set forth in Schedule D.

(ii) Prior to Vesting Date.

If the employment of a Participant who has made contributions while an active Participant shall be severed prior to satisfying the applicable age and service conditions prescribed in paragraph (d)(i) above, he shall be entitled, without request therefor, to a Severance of Employment Benefit equal to the aggregate of his contributions plus interest.

(e) Optional Survivor Benefit.

The Participant's fifty-five percent (55%) optional survivor benefit and/or contingent annuitant benefit shall be reduced by a percentage as set forth below for each full month or fraction thereof in effect for such Participant.

The appropriate percentages are:

| <i><u>For Coverage While The Participant's Age Is</u></i> | <i><u>Monthly Percentage</u></i> |
|---|----------------------------------|
| under 35 | 0.01% |
| 35 – 45 | 0.02% |
| 45 – 54 and 11 months | 0.04% |

Any reduction for the optional survivor benefit and/or contingent annuitant option provided by the terms of the Plan as of January 1, 2006 shall be eliminated with respect to any Participant or surviving Spouse whose Annuity Starting Date had not occurred as of December 31, 2005.

(f) Optional Annuity Benefits for Deferred Vested Participant.

A Deferred Vested Participant may elect, by filing a written request therefor with the Administrative Committee on such form and on such terms and conditions as the Administrative Committee may prescribe to receive his deferred vested benefit in either of the following optional annuity forms:

- (i) A benefit with a survivor benefit adjustment, under which his surviving Spouse will receive fifty-five percent (55%) of such annuity benefit after the death of the Participant. For a Participant receiving a benefit with a survivor benefit adjustment, the reduced amount of his monthly benefit shall be equal to an amount determined by multiplying the monthly benefit otherwise payable to the Participant by ninety percent (90%) if the Participant's age and his designated Spouse's age are the same; or, if such ages are not the same, such percentage shall be increased by one-half of one percent (1/2%), up to a maximum of one hundred percent (100%) for each year that the designated Spouse's age exceeds the Participant's age and shall be decreased by one-half of one percent (1/2%) for each year that the designated Spouse's age is less than the Participant's age.
- (ii) A "Contingent Annuity Option" of seventy-five percent (75%) or one hundred percent (100%) with respect to the total of the Supplemental Benefit amount included within his annuity benefit, under which an annuity, on such terms as the Administrative Committee may prescribe, shall be payable for the Participant's life and continue after his death, in the same or lesser amount, to and for the life of a selected contingent annuitant; provided, however, that if such selected contingent annuitant is other than the Participant's Spouse or physically or mentally disabled child, the amount payable under the option shall be adjusted, if necessary, so that the reduction in the Supplemental Benefit otherwise payable to the Participant on account of the option does not exceed forty percent (40%). Such annuity shall be the actuarial equivalent of the aforesaid Supplemental Benefit amount, determined in accordance with Schedule E. Election of a seventy-five (75%) percent or one hundred percent (100%) option shall ordinarily be made at least one year prior to the commencement date of the Participant's annuity benefit which includes a Supplemental Benefit; otherwise, the Administrative Committee may require evidence satisfactory to it of the Participant's good health.
- (g) For purposes of determining a Participant's minimum benefit in accordance with this Article 6.11, the following definitions shall apply:
 - (i) Credited Service. The term "credited service" shall have the following meanings:

- (A) Service Prior to May 31, 1953. Only Employees who become contributing active Participants as of May 31, 1953 shall be entitled to "credited service" under this paragraph (f)(i) for any periods prior to May 31, 1953. Such "credited service" shall mean completed years and calendar months of employment prior to May 31, 1953, including the following periods:
- (I) the period of employment of an Employee with the Company, following his most recent date of hire preceding May 31, 1953 and prior to his sixty-eighth (68th) birthday;
 - (II) the period of employment of an Employee with the Company receding his most recent date of hire and prior to his sixty-eighth (68th) birthday; provided, however, that the period of his employment preceding a break in employment, except a break in employment of any duration during the interval commencing August 1, 1945, and ending on or before December 31, 1949, of two (2) or more years shall not be taken into account;
 - (III) any periods of approved Leave of Absence or military leave during the period(s) defined in (I) and/or (II) above.
- (B) Service Commencing on or After May 31, 1953. "Credited service" after May 31, 1953 shall mean completed years and calendar months of employment commencing on or after May 31, 1953 and shall include the following periods:
- (I) the periods of employment of an Employee with the Company while eligible to participate under the Plan following his most recent date of hire and prior to the earlier of his retirement or termination of employment;
 - (II) the period of employment of an Employee with the Company preceding his most recent date of hire; provided, however, that the period of his employment preceding a break in employment, except a break in employment of any duration of two (2) or more years shall not be taken into account;
 - (III) any periods of leave of absence approved by the Company in writing, or military leave during the period defined in (I) and (II) above.
- (C) Pension Plan Equivalent Service. On and after May 1, 1966, "credited service" of an Employee eligible to participate in this Plan shall include Service which would be creditable under the Curtiss-Wright Pension Plan for any period(s) of his employment not included as Credited Service under subparagraphs (I) and (II) above.
- (ii) Years of Participation. The term "years of participation" shall be Years of Credited Service while a continuous Participant; "years of active participation" shall mean Years of Credited Service while an active Participant, whether or not interrupted by a period or periods of suspended participation; and "years of contributory active participation" shall mean Years of Credited Service while (a) an active Participant prior
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to May 1, 1966 and (b) a contributing active Participant after May 1, 1966, whether or not interrupted by a period or periods of suspended participation.

- (iii) "Annual Earnings" for periods prior to September 1, 1994 shall mean:
 - (A) for each calendar month prior to July 1, 1970, one-twelfth (1/12) of his basic salary, on an annual basis, in effect at the beginning of each Plan Year; and
 - (B) for each calendar month after June 30, 1970, one-twelfth (1/12) of the sum of his basic salary, on an annual basis, in effect at the beginning of each Plan Year, plus any cash payments he received in the prior Plan Year under the Company's incentive compensation plan;
- (iv) "Interest" for deferred vested Participants who terminated employment prior to September 1, 1994 means interest calculated from the first day of the Plan Year next following the Participant's contribution, compounded annually to the first of any month in which (A) there shall occur an event under the Plan calling for the distribution of an amount plus interest or (B) the Participant's retirement, whichever first occurs. Interest to May 1, 1966 shall be calculated at the rate of two percent (2%) compounded annually; interest from May 1, 1966 to January 1, 1971 shall be calculated at the rate of three and one-half percent (3½%) compounded annually; and interest from January 1, 1971 to December 31, 1975 shall be calculated at the rate of four and one-half percent (4½%) compounded annually. Interest from January 1, 1976 to December 31, 1987 shall be calculated at the rate of five percent (5%) compounded annually; and interest from January 1, 1988 at one hundred twenty percent (120%) of the Federal mid-term rate as at the beginning of the Plan Year compounded annually.

6.12 Supplemental Benefit.

- (a) The Board of Directors shall have the authority to cause a benefit, calculated in accordance with paragraph (b) below, to be paid to any one or more of the individuals identified in Schedule H. The supplemental benefit shall be in addition to any benefit payable under the Plan.
 - (b) The supplemental benefit shall be as specified herein for the individuals listed in Schedule H. Such payment shall be payable either in the form of an annuity described in paragraph (c) below, payable beginning at normal retirement date, or, at the election of the Participant, with spousal consent if necessary, in the form of a lump sum payment on the first day of any month following the sale of the Corporation's Buffalo facility and the completion of the applicable forms and waiting period as specified in Article 7.09. In lieu of lump sum payment as described above, the Participant may elect to commence his annuity at the same time the lump sum would have been payable.
 - (c) The supplemental benefit shall be paid in accordance with Article 7.01(a) for an unmarried Participant or Article 7.01(b) for a married Participant, unless the Participant elects the following optional form of payment: cash lump sum. In order to derive the life annuity described by Article 7.01(a), the lump sum listed in Schedule H will be divided by a deferred annuity factor, using the PBGC interest rates - as described in Article 1.01. Article 7.01(b) annuities are derived by using the basis stipulated in Article 1.01. Early retirement annuities are the actuarial
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equivalent of normal retirement annuities using the immediate PBGC interest rate and the P 84 (0) mortality table as stated in Article 1.01.

6.13 Payment of Benefits Upon Reemployment or Employment After Normal Retirement Age.

Notwithstanding any provisions of the Plan to the contrary, in the event a Participant who is in receipt of annuity payments is reemployed by the Company or an Affiliated Company, payment of such benefit payments shall continue. Upon the Participant's subsequent termination of employment with the Company and all Affiliated Companies, the Participant shall be entitled to an additional benefit based on the formula then in effect and his Years of Credited Service and Compensation earned after his date of reemployment, and such additional benefit shall be subject to and payable in accordance with the provisions of Article 7. In the event a Participant dies while in active service, the additional benefit shall be payable in accordance with Article 4.06 or Article 8 or 9, as applicable.

If any Participant continues to be employed by the Company or an Affiliated Company after his Normal Retirement Age, the following provisions shall apply, except with respect to the benefit determined in accordance with Article 4.

- (a) No benefits shall be paid for any month in which the Participant is credited with 40 or more Hours of Service.
 - (b) Department of Labor Regulation section 2530.203-3, including the notice procedures referred to in that section, shall be followed for any period beginning on or after the Participant's Normal Retirement Age in which the Participant is credited with 40 or more Hours of Service.
 - (c) Benefits shall be subject to and payable in accordance with the provisions of Article 7.
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ARTICLE 7: FORM OF BENEFIT PAYMENT

7.01 Normal Form of Payment.

Unless a Participant has elected pursuant to Article 7.02 of the Plan that his vested Normal Retirement Benefit be paid in another form or to a Beneficiary other than his surviving Spouse, a Participant's vested Normal Retirement Benefit shall be paid in whichever of the following forms is applicable:

- (a) If the Participant does not have a Spouse at the time payment of his vested Normal Retirement Benefit commences, the vested Normal Retirement Benefit shall be payable in the form of a Life Annuity.
- (b) If the Participant has a Spouse at the time payment of the vested Normal Retirement Benefit commences, and the Participant terminates Service after attaining the earlier of his Normal Retirement Age or his Early Retirement Date, the Participant's vested Normal Retirement Benefit shall be payable in the form of a Qualified Joint and Survivor Annuity which is the Actuarial Equivalent of the vested Normal Retirement Benefit payable to the Participant as a Life Annuity.

Effective January 1, 2008, notwithstanding any provision hereof to the contrary, if a Participant is permitted, in accordance with Article 7.02, to elect to receive a benefit in the form of a lump sum payment, then in no event shall a Participant's benefit, as payable in the normal form determined in accordance with this Article 7.01, be less than the Actuarial Equivalent of the lump sum amount payable to the Participant in accordance with Article 7.02(b).

7.02 Optional Forms of Payment for All Benefits.

- (a) In lieu of the form of payment provided in Article 7.01, a Participant may elect in the manner prescribed by the Administrative Committee and during the election period described in paragraph (c) below of, a form of benefit payment provided under paragraph (b) below; provided, however, that any election, made by a Participant who has a Spouse, not to have payment of the Participant's benefits made in the form of a Qualified Joint and Survivor Annuity under Article 7.01(b), shall not be effective unless:
 - (i) The Spouse of the Participant consents in writing to the election; the election designates a specific Beneficiary, including any class of beneficiaries or any contingent beneficiaries, which may not be changed without spousal consent (or the Spouse expressly permits designations by the Participant without any further spousal consent); and the Spouse's consent acknowledges the effect of such election and is witnessed by a member of the Administrative Committee or a Notary Public. Additionally, a Participant's waiver of the Qualified Joint and Survivor Annuity shall not be effective unless the election designates a form of benefit payment which may not be changed without spousal consent (or the Spouse expressly permits designations by the Participant without any further spousal consent).
 - (ii) If it is established to the satisfaction of the Administrative Committee that the required consent may not be obtained because there is no Spouse, because the Spouse cannot be located, or because of such other circumstances as provided in Treasury Regulations under the applicable provisions of the Code, a waiver will be deemed a qualified election.
 - (iii) The Participant elects an annuity form under paragraph (b)(ii) below with his Spouse as Beneficiary.
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Any consent by a Spouse (or establishment that the consent of a Spouse may not be obtained) shall be effective only with respect to such Spouse. At any time during the election period described in Article 7.02(c), a Participant may, without the consent of the Participant's Spouse, revoke an election to have payment of the retirement benefit made in a form other than a Qualified Joint and Survivor Annuity.

- (b) In the event an election is validly made and in effect pursuant to paragraph (a) of the Plan not to receive payment of benefits in the normal form provided in Article 7.01, then the benefit payable to a Participant shall be the Actuarial Equivalent of the retirement benefit otherwise payable to the Participant in the form of a Life Annuity. A Participant may, in the form and manner prescribed by the Administrative Committee, elect any one of the following optional forms of payment:
- (i) a Life Annuity payable monthly to the Participant;
 - (ii) an immediate joint and survivor annuity commencing on or after the Participant's Early Retirement Date, or date of termination of employment, if later, that provides a reduced monthly benefit payable to the participant for life and to a surviving named contingent annuitant for the lifetime of the contingent annuitant in an amount equal to 50 percent, 75 percent, or 100 percent (as elected by the Participant) of the amount payable during the Participant's lifetime;
 - (iii) a 20-year certain and life annuity, as described in paragraph (d);
 - (iv) a joint and survivor annuity with a 20-year certain and life guarantee, as described in paragraph (e);
 - (v) a lump sum payment; provided the amount of the lump sum payment at the Annuity Starting Date exceeds \$5,000; or
 - (vi) one-half (1/2) as a lump sum payment and one-half (1/2) as a Life Annuity or a joint and survivor annuity available under (ii).

A Participant may make separate elections of an optional form of benefit with respect to the portion of his benefit payable under Article 4 and the benefit payable under Article 6. However, both benefits together, as provided under Articles 4 and 6, must commence simultaneously.

- (c) Any election not to receive payment of benefits under the Plan in the normal form provided in Article 7.01 of the Plan shall be made at any time during the election period in writing. Any such election may be revoked in writing, and a new election made, at any time during the election period. The election period shall be the ninety (90) day period ending on the Annuity Starting Date.
- (d) A 20-year certain and life annuity is a reduced monthly benefit payable for the life of the Participant, and if he dies before receiving 240 monthly payments, payments shall continue to the Participant's designated Beneficiary until a total of 240 monthly payments have been made.
- (i) If a Beneficiary dies after payments begin to the Beneficiary, but before a total of 240 payments have been made to the Participant and the Beneficiary, the Actuarial Equivalent value of the remaining payments shall be paid in a single lump sum to the Beneficiary's estate.
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- (ii) If the Participant dies before receiving 240 monthly payments and there is no surviving designated Beneficiary, the Actuarial Equivalent value of the remaining payments shall be paid in a single lump sum to the Participant's estate.

In no event shall a Participant be entitled to elect a 20-year certain and life annuity if the guaranteed payment period exceeds the maximum period allowed under Treasury Regulation section 1.401(a)(9)-6.

- (e) A joint and survivor annuity with a 20-year certain and life guarantee is a reduced monthly benefit payable to the Participant for life and to a surviving named contingent annuitant for the lifetime of the contingent annuitant in an amount equal to 50 percent, 75 percent, or 100 percent (as elected by the Participant) of the amount payable during the Participant's lifetime. If the Participant and contingent annuitant both die before a total of 240 monthly payments have been made, the Plan shall pay a benefit equal to the Actuarial Equivalent value of the monthly survivor benefit payable to the contingent annuitant for a period equal to 240 minus the total number of monthly payment made to the Participant and the joint annuitant. This benefit shall be paid in a single lump sum to:
 - (i) one or more Beneficiaries designated by the Participant; or
 - (ii) if there is no surviving designated Beneficiary, the estate of the Participant or contingent annuitant, whoever is the last to die.

In no event shall a Participant be entitled to elect a joint and survivor annuity with a 20-year certain and life guarantee if the guaranteed payment period exceeds the maximum period allowed under Treasury Regulation section 1.401(a)(9)-6.

7.03 Minimum Distributions and Limitation on Optional Forms of Payment.

- (a) Notwithstanding any other Plan provision, all distributions required under this Article 7.03 shall be determined and made in accordance with Sections 1.401(a)(9)-2 through 1.401(a)(9)-9 of the Treasury Regulations issued under Section 401(a)(9) of the Code, including the incidental death benefit provisions of Section 401(a)(9)(G) of the Code. Further, such regulations shall override any Plan provision that is inconsistent with Section 401(a)(9) of the Code. If a Participant dies after payments have commenced, any payments continuing on to his Spouse or Beneficiary shall be distributed at least as rapidly as under the method of distribution being used as of the Participant's date of death.
 - (b) The following rules shall apply to all distributions:
 - (i) Any additional benefits accruing to a Participant in a calendar year after the first distribution calendar year will be distributed beginning with the first payment interval ending in the calendar year immediately following the calendar year in which such amount accrues.
 - (ii) If the Participant's benefit is being distributed in the form of a joint and survivor annuity for the joint lives of the Participant and non-spouse Beneficiary, annuity payments to be made on or after the Participant's required beginning date to the designated beneficiary after the Participant's death must not at any time exceed the applicable percentage of the annuity payment for such period that would have been payable to the Participant using the table set forth in Q&A-2 of Section 1.401(a)(9)-6 of the Treasury Regulations. If the form of distribution combines a joint and survivor annuity for the joint lives of the Participant and a non-spouse Beneficiary and a period certain annuity, the requirement in the preceding
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sentence will apply to annuity payments to be made to the designated beneficiary after the expiration of the period certain. If the Annuity Starting Date occurs in a calendar year which precedes the calendar year in which the Participant reaches age 70, in determining the applicable percentage, the Participant/Beneficiary's age difference is reduced by the number of years that the Participant is younger than age 70 on the employee's birthday in the calendar year that contains the Annuity Starting Date.

- (iii) If the Participant's benefit is being distributed in the form of a period certain and life annuity option, the period certain may not exceed the applicable distribution period for the Participant under the Uniform Lifetime Table set forth in Section 1.401(a)(9)-9 of the Treasury Regulations for the calendar year that contains the Annuity Starting Date. If the Annuity Starting Date precedes the year in which the Participant reaches age 70, the applicable distribution period for the Participant is the distribution period for age 70 under the Uniform Lifetime Table set forth in Section 1.401(a)(9)-9 of the Treasury Regulations plus the excess of 70 over the age of the Participant as of the Participant's birthday in the year that contains the Annuity Starting Date.
- (iv) For purposes of this Article, the following definitions shall apply:
 - (A) Designated beneficiary. The individual who is designated as the beneficiary under Article 1.07 is the designated beneficiary under Section 401(a)(9) of the Code and Section 1.401(a)(9)-4, Q&A-1, of the Treasury Regulations.
 - (B) Distribution calendar year. A calendar year for which a minimum distribution is required. For distributions beginning before the Participant's death, the first distribution calendar year is the calendar year immediately preceding the calendar year which contains the Participant's required beginning date.
 - (C) Life Expectancy. Life expectancy as computed using the Single Life Table in Section 1.401(a)(9)-(9) of the Treasury Regulations.
 - (D) Required beginning date. With respect to a Participant who is a 5-percent owner as defined in Section 416(i) of the Code, the April 1 of the calendar year following the calendar year in which the Participant attains age 70½ and, with respect to a Participant who is not a 5-percent owner, the April 1 following the later of the calendar year in which the Participant attains age 70½ or the calendar year in which the Participant retires.

7.04 Notice to Married Participants.

No less than thirty (30) days and no more than ninety (90) days prior to the Annuity Starting Date, the Administrative Committee shall furnish any Participant who has a Spouse, by mail or personal delivery, with a written explanation of (a) the terms and conditions of the Qualified Joint and Survivor Annuity provided in Article 7.01 of the Plan, (b) the Participant's right to make, and the effect of, an election to waive the Qualified Joint and Survivor Annuity form of benefit, (c) the rights of the Participant's Spouse under Article 7.02(b) of the Plan to consent to a waiver of the Qualified Joint and Survivor Annuity form, and (d) the right to make, and the effect of, a revocation of an election to waive payment in the form of a Qualified Joint and Survivor Annuity. Within thirty (30) days following receipt by the Administrative Committee of a Participant's written request, the Participant shall be furnished an additional written explanation, in terms of dollar amounts, of the financial effect of an election not to receive the Qualified Joint and

Survivor Annuity. For notices given in Plan Years beginning after December 31, 2006, such notification shall also include a description of how much larger benefits may be if the commencement of distributions is deferred. The Administrative Committee shall not be required to comply with more than one such request.

7.05 Mandatory Cashout of Small Benefits.

Notwithstanding any provision of the Plan to the contrary, in any case, a lump sum payment of Actuarial Equivalent value shall be made in lieu of all benefits in the event the present value of the Participant's benefit determined as of his Annuity Starting Date amounts to \$5,000 or less.

In determining the amount of a lump sum payment payable under this paragraph, Actuarial Equivalent value shall mean a benefit, in the case of a lump sum benefit payable prior to a Participant's Normal Retirement Date, of equivalent value to the benefit which would otherwise have been provided commencing at the Participant's Normal Retirement Date, or if larger, the benefit which would otherwise have been provided commencing at the earliest date he could have commenced payment. In the event the present value of a benefit exceeds \$5,000 upon its initial determination as to its present value, the present value of the benefit shall be re-determined annually as of the first day of each subsequent Plan Year. The determination as to whether a lump sum payment is due shall be made as soon as practicable following the Participant's termination of service. Any lump sum benefit payable shall be made as soon as practicable following the determination that the amount qualifies for distribution under the provisions of this paragraph. In no event shall a lump sum payment be made following the date pension payments have commenced as an annuity.

Notwithstanding any provision of the Plan to the contrary, in the event that the Participant's Annuity Starting Date occurs prior to his Normal Retirement Date and the present value of his benefit determined as of his Annuity Starting Date amounts to greater than \$1,000 but not greater than \$5,000, if such Participant does not elect to have his distribution paid directly to an "eligible retirement plan" (as defined in Article 7.08(b)(ii)) specified by the Participant in a "direct rollover" (as defined in Article 7.08(b)(iv)) or to receive such distribution directly in accordance with the provisions of this Article 7, then the Plan Administrator will pay such distribution in a direct rollover to an individual retirement account or annuity described in Section 408(a) or (b) of the Code designated by the Plan Administrator.

7.06 Annuity Contract Nontransferable.

Any annuity contract distributed herefrom must be nontransferable.

7.07 Conflicts With Annuity Contracts.

The terms of any annuity contract purchased and distributed by the Plan to a Participant, Spouse or Beneficiary shall comply with the requirements of this Plan.

7.08 Rollovers.

- (a) Notwithstanding any provision of the Plan to the contrary that would otherwise limit a distributee's election under this Article 7.08, a distributee may elect, at the time and in the manner prescribed by the Plan Administrator, to have any portion of an eligible rollover distribution paid directly to an eligible retirement plan specified by the distributee in a direct rollover.
 - (b) The following definitions apply to the terms used in this Article 7.08:
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- (i) An "eligible rollover distribution" is any distribution of all or any portion of the balance to the credit of the distributee, except that an eligible rollover distribution does not include: any distribution that is one of a series of substantially equal periodic payments (not less frequently than annually) made for the life (or life expectancy) of the distributee or the joint lives (or joint life expectancies) of the distributee and the distributee's designated beneficiary, or for a specified period of ten years or more; any distribution to the extent such distribution is required under Section 401(a)(9) of the Code; and the portion of any distribution that is not includible in gross income (determined without regard to the exclusion for net unrealized appreciation with respect to employer securities) and any distribution where all otherwise eligible distributions are expected to total less than \$200;

A portion of a distribution shall not fail to be an eligible rollover distribution merely because the portion consists of after-tax employee contributions which are not includible in gross income. However, such portion may be transferred only to (1) an individual retirement account or annuity described in Section 408(a) or (b) of the Code; (2) for taxable years beginning after December 31, 2001 and before January 1, 2007; to a qualified trust which is part of a defined contribution plan that agrees to separately account for amounts so transferred, including separately accounting for the portion of such distribution which is includible in gross income and the portion of such distribution which is not so includible; or (3) for taxable years beginning after December 31, 2006, to a qualified trust or to an annuity contract described in Section 403(b) of the Code, if such trust or contract provides for separate accounting for amounts so transferred (including interest thereon), including separately accounting for the portion of such distribution which is includible in gross income and the portion of such distribution which is not so includible;

- (ii) An "eligible retirement plan" is an individual retirement account described in Section 408(a) of the Code, an individual retirement annuity described in Section 408(b) of the Code, an annuity plan described in Section 403(a) of the Code, a Roth individual retirement account described in Section 408A of the Code (effective January 1, 2008), a qualified trust described in Section 401(a) of the Code, an annuity contract described in Section 403(b) of the Code, or an eligible plan under Section 457(b) of the Code which is maintained by a state, political subdivision of a state, or any agency or instrumentality of a state or political subdivision of a state and which agrees to separately account for amounts transferred into such plan from this Plan;
 - (iii) A "distributee" includes an Employee or former Employee. In addition, the Employee's or former Employee's surviving spouse and the Employee's or former Employee's spouse or former spouse who is the alternate payee under a qualified domestic relations order, as defined in Section 414(p) of the Code, are distributees with regard to the interest of the spouse or former spouse; and
 - (iv) A "direct rollover" is a payment by the Plan to the eligible retirement plan specified by the distributee.
- (c) Effective April 1, 2007, a distributee also includes a non-spouse Beneficiary. In the case of a nonspouse beneficiary, the direct rollover may be made only to an individual retirement account or annuity described in Sections 408(a) or 408(b) of the Code ("IRA") that is established on behalf of the designated beneficiary and that will be treated as an inherited IRA pursuant to the provisions of Section
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402(c)(11) of the Code. Also, in this case, the determination of any required minimum distribution under Section 401(a)(9) of the Code that is ineligible for rollover shall be made in accordance with Notice 2007-7, Q&A 17 and 18, 2007-5 I.R.B. 395.

In the event that the provisions of this Article or any part thereof cease to be required by law as a result of subsequent legislation or otherwise, this Article or any applicable part thereof shall be ineffective without the necessity of further amendments to the Plan.

7.09 Waiver of Thirty (30) Day Notice Period.

The notice required by Section 1.411(a)-11(c) of the Treasury Regulations must be provided to a Participant no less than thirty (30) days and no more than ninety (90) days before the Annuity Starting Date.

A Participant may, after receiving the notice required under Sections 411 and 417 of the Code, affirmatively elect to have his benefit commence sooner than 30 days following his receipt of the required notice, provided all of the following requirements are met:

- (i) the Plan Administrator clearly informs the Participant that he has a period of at least 30 days after receiving the notice to decide when to have his benefit begin, and if applicable, to choose a particular optional form of payment;
- (ii) the Participant affirmatively elects a date for benefits to begin, and if applicable, an optional form of payment, after receiving the notice;
- (iii) the Participant is permitted to revoke his election until the later of his Annuity Starting Date or seven (7) days following the day he received the notice;
- (iv) the Participant's Annuity Starting Date is after the date the notice is provided; and
- (v) payment does not commence less than seven (7) days following the day after the notice is received by the Participant.

7.10 Delayed Commencement of Normal Retirement Benefit.

- (a) Notwithstanding any provision hereof to the contrary, in the event a Participant's pension otherwise required to commence on the Participant's Normal Retirement Date is delayed because the Administrative Committee is unable to locate the Participant or for any other reason, the Administrative Committee shall commence payment within 90 days after the date the Participant is located. Unless the Participant elects an optional form of payment in accordance with the provisions of Article 7.02, payment shall be in the normal (automatic) form set forth in Article 7.01(a) or 7.01(b), as applicable to the Participant on his Annuity Starting Date. The pension payable to the Participant as of his Annuity Starting Date shall be of Actuarial Equivalent to the pension otherwise payable to the Participant on his Normal Retirement Date.

In the event a Participant whose pension is delayed beyond his Normal Retirement Date as described in the foregoing paragraph dies prior to his Annuity Starting Date, and is survived by a Spouse, the Spouse shall be entitled to receive a survivor annuity under the provisions of Article 7.01(b), computed as Actuarial Equivalent of the pension otherwise payable to the Participant on his Normal Retirement Date.

For purposes of this paragraph (a), Actuarial Equivalent shall be determined in the same manner as provided in Article 6.07(b).

- (b) In lieu of the pension otherwise payable under paragraph (a) above, a Participant described in paragraph (a) above may elect to receive his pension as of his Normal Retirement Date in accordance with subparagraph (b)(i) or subparagraph (b)(ii) below:
- (i) Annuity with Partial Lump Sum. A Participant may elect to receive a pension payable in the amount that would have been payable to the Participant if payments had commenced on the Participant's Normal Retirement Date ("retroactive Annuity Starting Date") in the form elected by the Participant; plus one lump sum payment equal to the sum of the monthly payments the Participant would have received during the period beginning on his Normal Retirement Date and ending with the month preceding his Annuity Starting Date, together with interest at the annual rate specified in Article 4.03(a)(v), compounded annually. The amount of such monthly payments shall be determined as of the Participant's Normal Retirement Date on the basis of the actual form of payment in which the Participant's pension is payable under Article 7.01 or 7.02, as applicable. The lump sum shall be paid on or as soon as practicable following the date the Participant's pension commences. An election under this subparagraph (b)(i) shall be subject to the following requirements:
- (A) The Participant's benefit, including any interest adjustment, must satisfy the provisions of Section 415 of the Code, both at the retroactive Annuity Starting Date and at the actual commencement date, except that if payments commence within 12 months of the retroactive Annuity Starting Date, the provisions of Section 415 of the Code need only be satisfied as of the retroactive Annuity Starting Date.
- (B) Spousal Consent to the retroactive Annuity Starting Date is required unless:
- (1) the amount of the survivor annuity payable to the spouse determined as of the retroactive Annuity Starting Date under the form elected by the Participant is no less than the amount the spouse would receive under the Qualified Joint and Survivor Annuity on the actual commencement date; or
- (2) the Participant's spouse on his retroactive Annuity Starting Date is not his spouse on his actual commencement date and is not treated as his spouse under a qualified domestic relations order.
- (C) The Participant may not elect the lump sum optional form of payment under Article 7.02.
- (ii) Lump Sum Payment. A Participant shall receive payment of his pension in the form of one lump sum payment determined as if his Normal Retirement Date was his Annuity Starting Date ("retroactive Annuity Starting Date"). Such election shall be subject to the following requirements:
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- (A) the Participant's benefit, including any interest adjustment, must satisfy the provisions of Sections 415 of the Code, both at the retroactive Annuity Starting Date and at the actual commencement date;
- (B) the lump sum payment shall not be less than the amount that would have been payable on the retroactive Annuity Starting Date if the lump sum amount had been calculated using the IRS Interest Rate and IRS Mortality Table in effect on the date of distribution;
- (C) the lump sum payment shall be increased by an amount of interest credited at the annual rate specified in Article 4.03(a)(v) from the Participant's Normal Retirement Date to his actual commencement date; and
- (D) Spousal Consent to the retroactive Annuity Starting Date is required unless the Participant's spouse on his retroactive Annuity Starting Date is not his spouse on his actual commencement date and is not treated as his spouse under a qualified domestic relations order.

A Participant may make an election under this paragraph (b) in accordance with such administrative rules as shall be prescribed by the Administrative Committee.

7.11 Limitation on Benefits In the Event of a Liquidity Shortfall.

Notwithstanding any provisions of the Plan to the contrary, in the event the Plan has a liquidity shortfall within the meaning of Section 401(a)(32) of the Code, the Trustee shall, as directed by the Administrative Committee, cease payment during the period of such liquidity shortfall of (a) any payment in excess of the monthly amount payable under a single life annuity (plus any social security supplements described in Section 411(a)(9) of the Code) to any Participant or Beneficiary whose Annuity Starting Date occurs during such period, (b) any payment for the purchase of an irrevocable commitment from an insurer to pay benefits, or (c) any other payment specified in regulations promulgated under Section 401(a)(32) of the Code.

7.12 Limitations Based on Funded Status of the Plan.

Notwithstanding any provision of the Plan to the contrary, the following provisions shall apply as required by Section 436 of the Code effective for Plan Years beginning on or after January 1, 2010:

- (a) Limitations Applicable if Plan's Adjusted Funding Target Attainment Percentage Is Less than 80%, but Not Less Than 60%. Notwithstanding any other provisions of the Plan, if the Plan's adjusted funding target attainment percentage for a Plan Year is less than 80% (or would be less than 80% to the extent described in subparagraph (ii) below) but is not less than 60%, then the limitations set forth in this Article 7.12 apply.
 - (i) 50% Limitation on Single Sum Payments, Other Accelerated Forms of Distribution, and Other Prohibited Payments. A Participant or Beneficiary is not permitted to elect, and the Plan shall not pay, a single sum payment or other optional form of benefit that includes a prohibited payment with an annuity starting date on or after the applicable section 436 measurement date, and the Plan shall not make any payment for the purchase of an irrevocable commitment from an insurer to pay benefits or any other payment or transfer that is a prohibited payment, unless the
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present value of the portion of the benefit that is being paid in a prohibited payment does not exceed the lesser of:

- (A) 50% of the present value of the benefit payable in the optional form of benefit that includes the prohibited payment; or
- (B) 100% of the PBGC maximum benefit guarantee amount (as defined in Treasury Regulations Section 1.436-1(d)(3)(iii)(C)).

The limitation set forth in this subparagraph (i) does not apply to any payment of a benefit which under Code Section 411(a)(11) may be immediately distributed without the consent of the Participant.

If an optional form of benefit that is otherwise available under the terms of the Plan is not available to a Participant or Beneficiary as of the annuity starting date because of the application of the requirement of this subparagraph (i), the Participant or Beneficiary is permitted to elect to bifurcate the benefit into unrestricted and restricted portions (as described in Treasury Regulations Section 1.436-1(d)(3)(iii)(D)). The Participant or Beneficiary may also elect any other optional form of benefit otherwise available under the Plan at that annuity starting date that would satisfy the 50%/PBGC maximum benefit guarantee amount limitation described in this subparagraph (i), or may elect to defer the entire benefit in accordance with any general right defer commencement of benefits under the Plan.

- (ii) Plan Amendments Increasing Liability for Benefits. No amendment to the Plan that has the effect of increasing liabilities of the Plan by reason of increases in benefits, establishment of new benefits, changing the rate of benefit accrual, or changing the rate at which benefits become nonforfeitable shall take effect in a Plan Year if the adjusted funding target attainment percentage for the Plan Year is:

- (A) Less than 80%; or
- (B) 80% or more, but would be less than 80% if the benefits attributable to the amendment were taken into account in determining the adjusted funding target attainment percentage.

The limitation set forth in this subparagraph (ii) does not apply to any Plan amendment that provides a benefit increase under a Plan formula that is not based on compensation, provided that the rate of such increase does not exceed the contemporaneous rate of increase in the average wages of Participants covered by the amendment.

- (b) Limitations Applicable if Plan's Adjusted Funding Target Attainment Percentage Is Less than 60%. Notwithstanding any other provisions of the Plan, if the Plan's adjusted funding target attainment percentage for a Plan Year is less than 60% (or would be less than 60% to the extent described in subparagraph (ii) below), then the limitations in this paragraph (b) apply.

- (i) Single Sums, Other Accelerated Forms of Distribution, and Other Prohibited Payments Not Permitted. A Participant or Beneficiary is not permitted to elect, and the Plan shall not pay, a single sum payment or other optional form of benefit that includes a prohibited payment with an annuity starting date on or after the applicable section 436 measurement date, and the Plan shall not make any payment for the purchase of an irrevocable commitment from an insurer to pay benefits or any other
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payment or transfer that is a prohibited payment. The limitation set forth in this subparagraph (i) does not apply to any payment of a benefit which under Code Section 411(a)(11) may be immediately distributed without the consent of the Participant.

- (ii) Shutdown Benefits and Other Unpredictable Contingent Event Benefits Not Permitted to Be Paid. An unpredictable contingent event benefit with respect to an unpredictable contingent event occurring during a Plan Year shall not be paid if the adjusted funding target attainment percent for the Plan Year is:
 - (A) Less than 60%; or
 - (B) 60% or more, but would be less than 60% if the adjusted funding target attainment percentage were redetermined applying an actuarial assumption that the likelihood of occurrence of the unpredictable contingent event during the Plan Year is 100%.
 - (iii) Benefit Accruals Frozen. Benefit accruals under the Plan shall cease as of the applicable section 436 measurement date. In addition, if the Plan is required to cease benefit accruals under this subparagraph (iii), then the Plan is not permitted to be amended in a manner that would increase the liabilities of the Plan by reason of an increase in benefits or establishment of new benefits.
- (c) Limitations Applicable if the Plan Sponsor Is in Bankruptcy. Notwithstanding any other provisions of the Plan, a Participant or Beneficiary is not permitted to elect, and the Plan shall not pay, a single sum payment or other optional form of benefits that includes a prohibited payment with an annuity starting date that occurs during any period in which the Plan sponsor is a debtor in a case under Title 11 of the United States Code, or similar federal or state law, except for payments made within a Plan Year with an annuity starting date that occurs on or after the date on which the enrolled actuary certifies that the Plan's adjusted funding target attainment percentage for that Plan Year is not less than 100%. In addition, during such period in which the Plan sponsor is a debtor, the Plan shall not make any payment for the purchase of an irrevocable commitment from an insurer to pay benefits or any other payment or transfer that is a prohibited payment, except for payments that occur on a date within a Plan Year that is on or after the date on which the enrolled actuary certifies that the Plan's adjusted funding target attainment percentage for that Plan Year is not less than 100%. The limitation set forth in this paragraph (c) does not apply to any payment of a benefit which under Code Section 411(a)(11) may be immediately distributed without the consent of the Participant.
- (d) Provisions Applicable after Limitations Cease to Apply.
- (i) Resumption of Prohibited Payments. If a limitation on prohibited payments under paragraph (a)(i), (b)(i), or (c) applied to the Plan as of a section 436 measurement date, but that limit no longer applies to the Plan as of a later section 436 measurement date, then that limitation does not apply to benefits with annuity starting dates that are on or after that later section 436 measurement date.
 - (ii) Resumption of Benefit Accruals. If a limitation on benefit accruals under paragraph (b)(iii) applied to the Plan as of a section 436 measurement date, but that limitation no longer applies to the Plan as of a later section 436 measurement date, then benefit accruals shall resume prospectively and that limitation does not apply to benefit accruals that are based on
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service on or after that later section 436 measurement date, except as otherwise provided under the Plan. The Plan shall comply with the rules relating to partial years of participation and the prohibition on double proration under Department of Labor regulations Sections 2530.204-2(c) and 2530.204-2(d).

- (iii) Shutdown and Other Unpredictable Contingent Event Benefits. If an unpredictable contingent event benefit with respect to an unpredictable contingent event that occurs during the Plan Year is not permitted to be paid after the occurrence of the event because of the limitation of paragraph (b)(ii) above, but is permitted to be paid later in the same Plan Year (as a result of additional contributions or pursuant to the enrolled actuary's certification of the adjusted funding target attainment percentage for the Plan Year that meets the requirements of Treasury Regulations Section 1.436-1(g)(5)(ii)(B)), then that unpredictable contingent event benefit shall be paid, retroactive to the period that benefit would have been payable under the terms of the Plan (determined without regard to paragraph (b)(ii) above). If the unpredictable contingent event benefit does not become payable during the Plan Year in accordance with the preceding sentence, then the Plan is treated as if it does not provide for that benefit and, thus, no unpredictable contingent event benefit shall be payable.
 - (iv) Treatment of Plan Amendments that Do Not Take Effect. If a Plan amendment does not take effect as of the effective date of the amendment because of the limitation of paragraphs (a)(ii) or (b)(iii), but is permitted to take effect later in the same Plan Year (as a result of additional contributions or pursuant to the enrolled actuary's certification of the adjusted funding target attainment percentage for the Plan Year that meets the requirements of Treasury Regulations Section 1.436-1(g)(5)(ii)(C)), then the Plan amendment must automatically take effect as of the first day of the Plan Year (or, if later, the original effective date of the amendment). If the Plan amendment cannot take effect during the same Plan Year, then it shall be treated as if it were never adopted, unless the Plan amendment provides otherwise.
 - (e) Notice Requirement. The Administrative Committee, as the Plan administrator, shall comply with ERISA Section 101(j) regarding the requirement that the Plan administrator provide a written notice to participants and Beneficiaries within 30 days after certain specified dates if the Plan has become subject to a limitation described in paragraphs (a)(i), (b), or (c) above.
 - (f) Methods to Avoid or Terminate Benefit Limitations. Curtiss-Wright Corporation, as the Plan sponsor, shall comply with Code Sections 436(b)(2), (c)(2), (e)(2), and (f), and Treasury Regulations Section 1.436-1(f), regarding employer contributions and other methods to avoid or terminate the application of the limitations set forth in paragraphs (a) through (c) above for a Plan Year. In general, the methods a Plan sponsor may use to avoid or terminate one or more of the benefit limitations under paragraphs (a) through (c) above for a Plan Year include employer contributions and elections to increase the amount of Plan assets which are taken into account in determining the adjusted funding target attainment percentage, making an employer contribution that is specifically designated as a current year contribution that is made to avoid or termination application of certain of the benefit limitations, or providing security to the Plan.
 - (g) Special Rules.
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(i) Rules of Operation for Periods Prior to and after Certification of Plan's Adjusted Funding Target Attainment Percentage.

(A) In General. Code Section 436 and Treasury Regulations Section 1.436-1(h) set forth a series of presumptions that apply for purposes of this Article 7.12:

- (I) Before the enrolled actuary issues a certification of the Plan's adjusted funding target attainment percentage for the Plan Year; and
- (II) If the enrolled actuary does not issue a certification of the Plan's adjusted funding target attainment percentage for the Plan Year before the first day of the tenth month of the Plan Year (or if the enrolled actuary issues a range certification for the Plan Year pursuant to Treasury Regulations Section 1.436-1(h)(4)(ii) but does not issue a certification of the specific adjusted funding target attainment percentage for the Plan by the last day of the Plan Year).

For any period during which a presumption under Code Section 436(h) and Treasury Regulations Section 1.436-1(h) applies to the Plan, the limitations under paragraphs (a) through (c) above are applied to the Plan as if the adjusted funding target attainment percentage for the Plan Year were the presumed adjusted funding target attainment percentage determined under the rules of Code Section 436(h) and Treasury Regulations Section 1.436-1(h)(1), (2), or (3). These presumptions are set forth in subparagraphs (B) through (D) below.

(B) Presumption of Continued Underfunding Beginning First Day of Plan Year. If a limitation under paragraphs (a), (b), or (c) above applied to the Plan on the last day of the preceding Plan Year, then, commencing on the first day of the current Plan Year and continuing until the enrolled actuary issues a certification of the adjusted funding target attainment percentage for the Plan for the current Plan Year, or, if earlier, the date subparagraphs (C) or (D) below apply to the Plan:

- (I) The adjusted funding target attainment percentage of the Plan for the current Plan Year is presumed to be the adjusted funding target attainment percentage in effect on the last day of the preceding Plan Year; and
- (II) the first day of the current Plan Year is a section 436 measurement date.

(C) Presumption of Underfunding Beginning First Day of Fourth Month. If the enrolled actuary has not issued a certification of the adjusted funding target attainment percentage for the Plan Year before the first day of the fourth month of the Plan Year and the Plan's adjusted funding target attainment percentage for the preceding Plan Year was either at least 60% but less than 70%, or at least 80% but less than 90%, or is described in Treasury Regulations Section 1.436-1(h)(2)(ii), then, commencing on the first day of the fourth month of the current Plan Year and continuing until the enrolled actuary issues a certification of the

adjusted funding target attainment percentage for the Plan for the current Plan Year, or, if earlier, the date subparagraph (D) below applies to the Plan:

- (I) The adjusted funding target attainment percentage of the Plan for the current Plan Year is presumed to be the Plan's adjusted funding target attainment percentage for the preceding Plan Year reduced by 10 percentage points; and
 - (II) The first day of the fourth month of the current Plan Year is a section 436 measurement date.
- (D) Presumption of Underfunding on and after First Day of Tenth Month. If the enrolled actuary has not issued a certification of the adjusted funding target attainment percentage for the Plan Year before the first day of the tenth month of the Plan Year (or if the enrolled actuary has issued a range certification for the Plan Year pursuant to Treasury Regulations Section 1.436-1(h)(4)(ii) but has not issued a certification of the specific adjusted funding target attainment percentage for the Plan by the last day of the Plan Year), then, commencing on the first day of the tenth month of the current Plan Year and continuing through the end of the Plan Year:
- (I) The adjusted funding target attainment percentage of the Plan for the current Plan Year is presumed to be less than 60%; and
 - (II) The first day of the tenth month of the current Plan Year is a section 436 measurement date.
- (ii) New Plans, Plan Termination, Certain Frozen Plans, and Other Special Rules.
- (A) First Five Plan Years. The limitations in paragraphs (a)(ii), (b)(ii), and (b)(iii) do not apply to a new plan for the first five Plan Year of the plan, determined under the rules of Code Section 436(i) and Treasury Regulations Section 1.436-1(a)(3)(i).
 - (B) Plan Termination. The limitations on prohibited payments in paragraphs (a)(i), (b)(i), and (c) do not apply to prohibited payments that are made to carry out the termination of the Plan in accordance with applicable law. Any other limitations under this Article 7.12 do not cease to apply as a result of termination of the Plan.
 - (C) Exception to Limitations on Prohibited Payments under Certain Frozen Plans. The limitations on prohibited payments set forth in paragraphs (a)(i), (b)(i), and (c) do not apply for a Plan Year if the terms of the Plan, as in effect for the period beginning on September 1, 2005, and continuing through the end of the Plan Year, provide for no benefit accruals with respect to any Participant. This subparagraph (C) shall cease to apply as of the date any benefits accrue under the Plan or the date on which a Plan amendment that increases benefits takes effect.
 - (D) Special Rules Relating to Unpredictable Contingent Event Benefits and Plan Amendments Increasing Benefit Liability. During any period in which none of the presumptions under paragraph (g)(i)
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apply to the Plan and the enrolled actuary has not yet issued a certification of the Plan's adjusted funding target attainment percentage for the Plan Year, the limitations under paragraphs (a)(ii) and (b)(ii) shall be based on the inclusive presumed adjusted funding target attainment percentage for the Plan, calculated in accordance with the rules of Treasury Regulations Section 1.436-1(g)(2)(iii).

- (iii) Special Rules under Preservation of Access to Care for Medicare Beneficiaries and Pension Relief Act of 2010 ("PRA 2010").
 - (A) Payments under Social Security Leveling Options. For purposes of determining whether the limitations under paragraphs (a)(i) or (b)(i) apply to payments under a Social Security leveling option, within the meaning of Code Section 436(j)(3)(C)(i), the adjusted funding target attainment percentage for a Plan Year shall be determined in accordance with the "Special Rule for Certain Years" under Code Section 436(j)(3) and any Treasury Regulations or other published guidance thereunder issued by the Internal Revenue Service.
 - (B) Limitation on Benefit Accruals. For purposes of determining whether the accrual limitation under paragraph (b)(iii) applies to the Plan, the adjusted funding target attainment percentage for a Plan Year shall be determined in accordance with the "Special Rule for Certain Years" under Code Section 436(j)(3) (except as provided under Section 203(b) of PRA 2010, if applicable).
 - (iv) Interpretation of Provisions. The limitations imposed by this Article 7.12 shall be interpreted and administered in accordance with Code Section 436 and Treasury Regulations under Section 1.436-1.
 - (h) Definitions. The definitions in the following Treasury Regulations apply for purposes of paragraphs (a) through (g).
 - (i) Section 1.436-1(j)(1), defining adjusted funding target attainment percentage;
 - (ii) Section 1.436-1(j)(2), defining annuity starting date;
 - (iii) Section 1.436-1(j)(6), defining prohibited payment;
 - (iv) Section 1.436-1(j)(8), defining section 436 measurement date; and
 - (v) Section 1.436-1(j)(9), defining an unpredictable contingent event and an unpredictable contingent event benefit.
 - (i) Effective Date. The rules in this Article 7.12 are effective for Plan Years beginning after December 31, 2009. The requirements of Code Section 436 are hereby incorporated by reference in the Plan for earlier Plan Years beginning after December 31, 2007.
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ARTICLE 8: DEATH BENEFITS

8.01 Pre-Retirement Death Benefit.

- (a) If a Participant who has a vested interest in his retirement benefit dies before payment of his benefit commences, then his Beneficiary shall be entitled to receive a pre-retirement death benefit. For a Participant who was an Employee in active employment at the time of his death, the benefit shall be equal to the amount the Participant would have received pursuant to Article 6.01(a) and Article 6.01(b), if the benefit to which the Participant had been entitled at his date of death had commenced in the form of a one hundred percent (100%) joint and survivor annuity in the month next following the month in which his Normal Retirement Date had occurred (or next following the month in which his date of death occurred, if later); for a Participant who was not an Employee in active employment at the time of his death (including a Participant who was accruing benefits or receiving payments under Article 6.05), the benefit shall be equal to the amount the Participant would have received pursuant to Article 6.01(a) and Article 6.01(b), if the benefit to which the Participant had been entitled at his date of death had commenced in the form of a fifty percent (50%) joint and survivor annuity in the month next following the month in which his Normal Retirement Date had occurred (or next following the month in which his date of death occurred, if later). The benefit payable to the Beneficiary shall be reduced in accordance with Schedule A 1 to reflect its commencement prior to the Participant's Normal Retirement Date and on or after the Participant's 55th birthday if the Beneficiary elects early commencement. The benefit payable hereunder shall commence as of the first day of the month following the month in which the Participant's Normal Retirement Date would have occurred. However, the Participant's Beneficiary may elect to begin receiving payments as of the first day of any month following the Participant's death. If the Beneficiary elects to commence receipt of payment prior to the Participant's 55th birthday, the reduction for early commencement shall be the Actuarial Equivalent from age 65.
 - (b) The death benefit payable in accordance with this Article 8.01 shall be in addition to any death benefit payable in accordance with Article 4.06.
 - (c) Notwithstanding paragraphs (a) and (b) above, a lump sum payment of Actuarial Equivalent value shall be paid to the Beneficiary, without his or her consent, in lieu of the monthly benefit if the present value of the benefit payable as of the date payments commence to the Beneficiary amounts to \$5,000 or less. In the event the present value of a Beneficiary's benefit exceeds \$5,000 upon an initial determination as to its present value and distribution of the benefit is deferred, the present value of the Beneficiary's benefit shall be re-determined annually as of the first day of each subsequent Plan Year. The lump sum payment shall be made as soon as practicable following the Participant's date of death or such later date that a determination is made that the amount qualifies for distribution under this paragraph. In no event shall a lump sum payment be made following the date benefit payments have commenced to the Beneficiary as an annuity.
 - (d) In the event a Participant entitled to a death benefit under paragraph (a) dies with his estate as his Beneficiary, the death benefit shall be calculated assuming the Beneficiary is the same age as the Participant and, in lieu of the annuity form of payment, the death benefit shall be paid in one lump sum under Article 8.03.
 - (e) Notwithstanding any provision to the contrary, if a Participant who has a vested interest in his retirement benefit dies after January 1, 2007 while performing qualified military service pursuant to the Heroes Earnings Assistance and Tax
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Relief Act of 2008 and before payment of his benefit commences, then that Participant shall be treated as an Employee in active service for purposes of this Article.

- (f) Notwithstanding paragraphs (a) and (b) above, in the event that a Participant has designated more than one Beneficiary to receive a pre-retirement death benefit, a lump sum payment of Actuarial Equivalent value shall be paid to the Beneficiaries, without their consent, in lieu of the monthly benefit in the proportion that such monthly benefit would have been paid to such Beneficiaries.

8.02 Post-Retirement Death Benefit.

Upon the death after retirement of a Participant who contributed for sixty (60) consecutive months ending August 31, 1994, and attained age fifty-five (55) on or before August 31, 1994, his Death Benefit shall be equal to:

- (a) \$1,000; plus
- (b) the greater of (i) his Compensation (on an annual basis) in effect on the January 1 next preceding his retirement date, reduced by 1/60th of such amount on the first day of each month following his retirement date, and (ii) \$2,000; less
- (c) Any amounts under a Group Life Insurance Plan of the Company which were paid to such Participant during his lifetime or are payable by reason of his death.

8.03 Payment to Beneficiary.

Subject to Article 8.04, the Beneficiary entitled to a benefit pursuant to Article 8.01(a) may elect to receive the benefit in a lump sum, payable at the election of the Beneficiary, at any time following the Participant's death. In the event the Beneficiary is the Participant's estate or any other legal entity other than an individual, the death benefit shall automatically be paid in one lump sum.

The death benefit payable to a Beneficiary pursuant to Article 8.02 shall be paid in a lump sum as soon as practicable after the date of the Participant's death.

8.04 Required Distributions.

- (a) If a Participant dies after distribution of his interest in the Plan has commenced in accordance with Article 7 of the Plan, the remaining portion of the Participant's interest in the Plan shall be distributed at least as rapidly as the method of distribution being used as of the date of the Participant's death pursuant to Article 7 of the Plan.
- (b) If the Participant dies before distribution of his interest in the Plan has commenced, the Participant's entire interest in the Plan shall be distributed no later than five (5) years after the date of the Participant's death except to the extent provided in paragraphs (i) or (ii) below:
- (i) if any portion of the Participant's interest in the Plan is payable to (or for the benefit of) a designated Beneficiary, distribution of the Participant's interest in the Plan may be made over the life of such designated Beneficiary (or over a period not extending beyond the life expectancy of such designated Beneficiary), commencing no later than one year after the date of such Participant's death or such later date as may be provided in Treasury Regulations under the applicable provisions of the Code; and

- (ii) if the designated Beneficiary is the Participant's surviving Spouse, the date on which the distributions are required to begin in accordance with paragraph (i) immediately above shall not be earlier than the date on which the Participant would have attained age seventy and one-half (70 1/2), and if the surviving Spouse dies before the distributions to such Spouse begin, subsequent distributions shall be made as if the surviving Spouse were the Participant.
- (c) For purposes of this Article 8.04:
 - (i) the life expectancy of the Participant and, if applicable, the Participant's Spouse (other than in the case of a Life Annuity) may be determined but not more frequently than annually, and
 - (ii) any amount paid to a child shall be treated as if it had been paid to the surviving Spouse if such amount will become payable to the surviving Spouse when such child reaches the age of majority (or such other designated event permitted under Treasury Regulations).

8.05 Return of Contributions.

- (a) Upon receipt of proof, satisfactory to the Administrative Committee, of the death of a Participant, provided no other benefit is payable under the Plan on his account except as set forth in Article 8.05(b) below, the amount of his employee contributions at the time of the Participant's death which have not been distributed to the Participant shall be payable in one sum to his Beneficiary, if living.
 - (b) If the Participant's Beneficiary is the Participant's Spouse, the Spouse shall receive the amount of employee contributions which have not been distributed in one sum, in addition to, and without any reduction for, any other benefit the spouse is entitled to receive under any other provision of this Plan.
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ARTICLE 9: RETIREMENT BENEFITS UNDER COLLECTIVE BARGAINING AGREEMENTS

9.01 Eligibility for Employees Subject to a Collective Bargaining Agreement.

- (a) Each Employee whose employment is covered by a collective bargaining agreement to which the Company is a party and which provides for coverage under the Plan, who, on or after September 15, 1952, shall have attained the age of sixty-five (65), shall have completed ten (10) or more Years of Credited Service and shall have ceased active Service shall be a Participant and shall be entitled to receive a pension determined under this Article 9.
- (b) Effective January 1, 1976, an Employee to whom paragraph (a) applies and who begins employment with the Company five (5) or more years before the Normal Retirement Age shall be a Participant in the Plan and entitled to a benefit after reaching Normal Retirement Age based upon actual Years of Credited Service.
- (c) Effective January 1, 1989, each Employee to whom paragraph (a) applies who, on or after September 15, 1952, shall have completed five (5) or more Years of Credited Service shall be a Participant, and after ceasing active Service, shall be entitled to receive a pension benefit under the Plan regardless of the number of years of participation before retirement age.
- (d) Effective January 1, 2008, each Employee to whom paragraph (a) applies who, on or after September 15, 1952, shall have completed three (3) or more Years of Credited Service shall be a Participant, and after ceasing active Service, shall be entitled to receive a pension benefit under the Plan regardless of the number of years of participation before retirement age.
- (e) Notwithstanding any provision of this Plan to the contrary, an Employee whose employment is covered by a collective bargaining agreement to which the Company is a party and which provides for coverage under the Plan and who is hired or rehired by, or transferred to, the Company's Target Rock operations after December 31, 2013, shall not be eligible to participate in and accrue any benefits under the Plan while employed at such operations.

9.02 Amount, Form, and Commencement of Retirement Benefit.

The monthly amount of pension payable to a pensioner retired pursuant to the provisions of Article 9.01 of the Plan shall be as follows:

(a) Normal Retirement.

(i) Wood-Ridge and Nuclear Facilities.

With respect to any such pensioner whose Credited Service was with the Wood-Ridge and Nuclear Facilities:

- (A) With benefits payable commencing prior to October 1, 1962, \$6.00 multiplied by his Years of Credited Service for any pension payments due for months commencing on and after October 1, 1974 but prior to October 1, 1976, and \$6.25 multiplied by his Years of Credited Service for any pension payments due for months commencing on and after October 1, 1976.
 - (B) With benefits payable commencing on and after October 1, 1962 and prior to October 1, 1965, \$6.25 multiplied by his Years of
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Credited Service for any pension payments due for months commencing on and after October 1, 1974 but prior to October 1, 1976, and \$6.50 multiplied by his Years of Credited Service for any pension payments due for months commencing on and after October 1, 1976.

- (C) With benefits payable commencing on and after October 1, 1965 and prior to October 1, 1968, \$6.50 multiplied by his Years of Credited Service for any pension payments due for months commencing on and after October 1, 1974 but prior to October 1, 1976, and \$6.75 multiplied by his Years of Credited Service for any pension payments due for months commencing on and after October 1, 1976.
- (D) With benefits payable commencing on and after October 1, 1968 and prior to October 1, 1971, \$7.50 multiplied by his Years of Credited Service for any pension payments due for months commencing on and after October 1, 1974 but prior to October 1, 1976, and \$7.75 multiplied by his Years of Credited Service for any pension payments due for months commencing on and after October 1, 1976.
- (E) With benefits payable commencing on and after October 1, 1971 and prior to October 1, 1974, \$8.25 multiplied by his Years of Credited Service for any pension payments due for months commencing on and after October 1, 1974 but prior to October 1, 1976, and \$8.50 multiplied by his Years of Credited Service for any pension payments due for months commencing on and after October 1, 1976.
- (F) With benefits payable commencing on and after October 1, 1974 and prior to October 1, 1976, \$9.00 multiplied by his Years of Credited Service for any pension payments due for months commencing on and after October 1, 1974.
- (G) With benefits payable commencing on and after October 1, 1976, \$10.00 multiplied by his Years of Credited Service for any pension payments due for months commencing on and after October 1, 1976.

(ii) Buffalo Facility.

With respect to any such pensioner whose Credited Service was with the Buffalo Facility:

- (A) With benefits payable commencing prior to October 1, 1962, \$4.75 multiplied by his Years of Credited Service for any pension payments due for months commencing on and after October 1, 1969.
 - (B) With benefits payable commencing on or after October 1, 1962 and prior to October 1, 1965, \$5.00 multiplied by his Years of Credited Service for any pension payments due for months commencing on and after October 1, 1969.
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- (C) With benefits payable commencing on or after October 1, 1965 and prior to October 1, 1968, \$5.25 multiplied by his Years of Credited Service for any pension payments due for months commencing on and after October 1, 1969.
 - (D) With benefits payable commencing on or after October 1, 1968 and prior to October 1, 1971, \$6.25 multiplied by his Years of Credited Service for any pension payments due for months commencing on and after October 1, 1970.
 - (E) With benefits payable commencing on or after October 1, 1971 and prior to October 1, 1973, \$6.25 multiplied by his Years of Credited Service for benefit payments due prior to February 1, 1972, becoming the sum of \$6.25 multiplied by his Years of Credited Service prior to January 1, 1972 and \$7.00 multiplied by his Years of Credited Service on and after January 1, 1972, for benefit payments due on and after February 1, 1972.
 - (F) With benefits payable commencing on or after October 1, 1973, the sum of \$6.50 multiplied by his Years of Credited Service prior to January 1, 1972 and \$7.00 multiplied by his Years of Credited Service on and after January 1, 1972.
 - (G) With benefits payable commencing on or after October 1, 1974, the sum of \$8.00 multiplied by his Years of Credited Service prior to January 1, 1972 and \$7.00 multiplied by his Years of Credited Service on and after January 1, 1972 for payments due on and after October 1, 1974.
 - (H) With benefits payable commencing on or after October 1, 1975, \$8.00 multiplied by his Years of Credited Service for payments due on and after October 1, 1975.
 - (I) With benefits payable commencing on or after November 1, 1977 and prior to November 1, 1978, the sum of \$8.00 multiplied by his Years of Credited Service prior to January 1, 1978 and \$9.00 multiplied by his Years of Credited Service on and after January 1, 1978.
 - (J) With benefits payable commencing on or after November 1, 1978, the sum of \$8.00 multiplied by his Years of Credited Service prior to January 1, 1978 and \$10.00 multiplied by his Years of Credited Service on and after January 1, 1978.
 - (K) With benefits payable commencing on or after November 2, 1980, the sum of:
 - (1) \$8.00 multiplied by his Years of Credited Service prior to January 1, 1978,
 - (2) \$10.00 multiplied by his Years of Credited Service from January 1, 1978 through November 1, 1980,
 - (3) \$11.00 multiplied by his Years of Credited Service from November 2, 1980 through November 1, 1981,
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- (4) \$12.00 multiplied by his Years of Credited Service on and after November 2, 1981 through May 4, 1985,
- (5) \$13.00 multiplied by his Years of Credited Service on and after May 4, 1985 through July 23, 1993, and
- (6) \$17.00 multiplied by his Years of Credited Service on and after July 24, 1993.

(iii) Curtiss-Wright Flight Systems, Inc. Facility.

With respect to any such pensioner whose Credited Service was with the Curtiss-Wright Flight Systems, Inc. Facility:

- (A) With benefits payable commencing prior to October 1, 1962, \$4.75 multiplied by his Years of Credited Service for any pension payments due for months commencing on and after October 1, 1969.
- (B) With benefits payable commencing on or after October 1, 1962 and prior to October 1, 1965, \$5.00 multiplied by his Years of Credited Service for any pension payments due for months commencing on and after October 1, 1969.
- (C) With benefits payable commencing on or after October 1, 1965 and prior to October 1, 1968, \$5.25 multiplied by his Years of Credited Service for any pension payments due for months commencing on and after October 1, 1969.
- (D) With benefits payable commencing on or after October 1, 1968, \$6.25 multiplied by his Years of Credited Service.

(iv) Marquette Metal Products Company.

With respect to any such pensioner whose Credited Service was with The Marquette Metal Products Company:

- (A) With benefits payable commencing prior to October 1, 1962, \$4.75 multiplied by his Years of Credited Service for any pension payments due for months commencing on and after October 1, 1969.
 - (B) With benefits payable commencing on or after October 1, 1962 and prior to October 1, 1965, \$5.00 multiplied by his Years of Credited Service for any pension payments due for months commencing on and after October 1, 1969.
 - (C) With benefits payable commencing on or after October 1, 1965 and prior to October 1, 1968, \$5.25 multiplied by his Years of Credited Service for any pension payments due for months commencing on and after October 1, 1969.
 - (D) With benefits payable commencing on or after October 1, 1968 and prior to October 1, 1971, \$6.25 multiplied by his Years of Credited Service for any pension payments due for months commencing on and after October 1, 1970.
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- (E) With benefits payable commencing on or after October 1, 1971 and prior to October 1, 1973, \$6.25 multiplied by his Years of Credited Service for benefit payments due prior to February 1, 1972, becoming the sum of \$6.25 multiplied by his Years of Credited Service prior to October 1, 1971 and \$7.00 multiplied by his Years of Credited Service on and after October 1, 1971 for benefit payments due on and after February 1, 1972.
- (F) With benefits payable commencing on or after October 1, 1973, the sum of \$6.50 multiplied by his Years of Credited Service prior to October 1, 1971 and \$7.00 multiplied by his Years of Credited Service on and after October 1, 1971.
- (G) With benefits payable commencing on or after October 1, 1974, the sum of \$7.50 multiplied by his Years of Credited Service prior to October 1, 1971 and \$7.50 multiplied by his Years of Credited Service on and after October 1, 1971.
- (H) With benefits payable commencing on or after October 1, 1975, the sum of \$7.50 multiplied by his Years of Credited Service prior to October 1, 1971 and \$8.00 multiplied by his Years of Credited Service on and after October 1, 1971.
- (I) With benefits payable commencing on or after October 1, 1976, the sum of \$7.50 multiplied by his Years of Credited Service prior to October 1, 1971 and \$9.00 multiplied by his Years of Credited Service on and after October 1, 1971 and \$10.00 multiplied by his Years of Credited Service on and after November 1, 1979.

(v) Target Rock Corporation.

With respect to any such pensioner whose Credited Service was with Target Rock Corporation, subsequently known as Curtiss-Wright Flow Control Corporation, and except as otherwise provided in Article 9.01(e):

- (A) With benefits commencing on or after June 1, 1967 and prior to October 1, 1968, \$6.25 multiplied by his Years of Credited Service, for any pension payments due for months commencing on and after February 1, 1972.
 - (B) With benefits payable commencing on or after October 1, 1968 and prior to October 1, 1971, \$7.25 multiplied by his Years of Credited Service, for any pension payments due for months commencing on and after February 1, 1972.
 - (C) With benefits payable commencing on or after October 1, 1971 and prior to June 1, 1975, his Years of Credited Service multiplied by \$6.25 for any pension payments due for months commencing on and after October 1, 1971 but prior to February 1, 1972 and by \$8.00 for any pension payments due for months commencing on or after February 1, 1972.
 - (D) With benefits payable commencing on or after June 1, 1975 and prior to May 1, 1977, \$9.00 multiplied by his Years of Credited Service for any pension payments due for months commencing on and after June 1, 1975.
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- (E) With benefits payable commencing on or after May 1, 1977, the sum of \$9.00 multiplied by his Years of Credited Service prior to May 1, 1977 and \$10.00 multiplied by his Years of Credited Service on and after May 1, 1977 for any pension payments due for months commencing on and after May 1, 1977.
 - (F) \$11.00 multiplied by his Years of Credited Service on or after May 1, 1981 for any pension payments due for months commencing on and after May 1, 1981, \$12.00 multiplied by his Years of Credited Service on and after May 5, 1982 for any pension payments due for months commencing on and after May 5, 1982, \$13.00 multiplied by his Years of Credited Service on and after May 7, 1984 for any pension payments due for months commencing on and after May 7, 1984, \$14.00 multiplied by his Years of Credited Service on and after May 6, 1985 for any pension payments due for months commencing on and after May 6, 1985, and \$15.00 multiplied by his Years of Credited Service on and after May 5, 1986 for any pension payments due for months commencing on and after May 5, 1986.
 - (G) \$17.00 multiplied by his Years of Credited Service with Target Rock Corporation, now known as Curtiss-Wright Flow Control Corporation, on or after August 1, 1994 for any pension payments due for months commencing on or after August 1, 1994. The benefit under this subparagraph (G) is only available for those union members who did not elect to participate in the Curtiss-Wright Corporation Savings and Investment Plan.
 - (H) \$19.00 multiplied by his years of Credited Service with Curtiss-Wright Flow Control Corporation on or after August 1, 1997 for any pension payments due for months commencing on or after August 1, 1997;
 - (I) \$21.00 multiplied by his years of Credited Service with Curtiss-Wright Flow Control Corporation on or after August 1, 1998, for any pension payments due for months commencing on or after August 1, 1998;
 - (J) \$23.00 multiplied by his years of Credited Service with Curtiss-Wright Flow Control Corporation on or after January 1, 2001, for any pension payments due for months commencing on or after January 1, 2001;
 - (K) \$25.00 multiplied by his years of Credited Service with Curtiss-Wright Flow Control Corporation on or after January 1, 2002, for any pension payments due for months commencing on or after January 1, 2002;
 - (L) \$28.00 multiplied by his years of Credited Service with Curtiss-Wright Flow Control Corporation on or after January 1, 2003, for any pension payments due for months commencing on or after January 1, 2003.
 - (M) \$30.00 multiplied by his years of Credited Service with Curtiss-Wright Flow Control Corporation on or after January 1, 2004, for any pension payments due for months commencing on or after January 1, 2004.
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- (N) \$32.00 multiplied by his years of Credited Service with Curtiss-Wright Flow Control Corporation on or after January 1, 2005, for any pension payments due for months commencing on or after January 1, 2005.
 - (O) \$34.00 multiplied by his years of Credited Service with Curtiss-Wright Flow Control Corporation on or after January 1, 2006, for any pension payments due for months commencing on or after January 1, 2006.
 - (P) \$36.00 multiplied by his years of Credited Service with Curtiss-Wright Flow Control Corporation on or after January 1, 2007, for any pension payments due for months commencing on or after January 1, 2007.
 - (Q) \$38.00 multiplied by his years of Credited Service with Curtiss-Wright Flow Control Corporation on or after January 1, 2008, for any pension payments due for months commencing on or after January 1, 2008.
 - (R) \$41.00 multiplied by his years of Credited Service with Curtiss-Wright Flow Control Corporation on or after January 1, 2009, for any pension payments due for months commencing on or after January 1, 2009.
 - (S) \$47.00 multiplied by his years of Credited Service with Curtiss-Wright Flow Control Corporation on or after January 1, 2012, for any pension payments due for months commencing on or after January 1, 2012.
 - (T) \$49.00 multiplied by his years of Credited Service with Curtiss-Wright Flow Control Corporation on or after January 1, 2013, for any pension payments due for months commencing on or after January 1, 2013.
 - (U) \$51.00 multiplied by his years of Credited Service with Curtiss-Wright Flow Control Corporation on or after January 1, 2014, for any pension payments due for months commencing on or after January 1, 2014.
 - (V) \$54.00 multiplied by his years of Credited Service with Curtiss-Wright Flow Control Corporation on or after January 1, 2015, for any pension payments due for months commencing on or after January 1, 2015.
 - (W) \$56.00 multiplied by his years of Credited Service with Curtiss-Wright Flow Control Corporation on or after January 1, 2016, for any pension payments due for months commencing on or after January 1, 2016.
 - (X) \$58.00 multiplied by his years of Credited Service with Curtiss-Wright Flow Control Corporation on or after January 1, 2017, for any pension payments due for months commencing on or after January 1, 2017.
 - (Y) \$60.00 multiplied by his years of Credited Service with Curtiss-Wright Flow Control Corporation on or after January 1, 2018,
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for any pension payments due for months commencing on or after January 1, 2018.

- (Z) \$62.00 multiplied by his years of Credited Service with Curtiss-Wright Flow Control Corporation on or after January 1, 2019, for any pension payments due for months commencing on or after January 1, 2019.
- (AA) \$64.00 multiplied by his years of Credited Service with Curtiss-Wright Flow Control Corporation on or after January 1, 2020, for any pension payments due for months commencing on or after January 1, 2020.
- (BB) \$66.00 multiplied by his years of Credited Service with Curtiss-Wright Flow Control Corporation on or after January 1, 2021, for any pension payments due for months commencing on or after January 1, 2021.
- (CC) \$68.00 multiplied by his years of Credited Service with Curtiss-Wright Flow Control Corporation on or after January 1, 2022, for any pension payments due for months commencing on or after January 1, 2022.
- (DD) \$70.00 multiplied by his years of Credited Service with Curtiss-Wright Flow Control Corporation on or after January 1, 2023, for any pension payments due for months commencing on or after January 1, 2023.

In no event shall any years of Credited Service be credited for purposes of this paragraph (a)(v) for any period of employment on or after January 1, 2029.

(vi) Metal Improvement Company, LLC - Columbus Division.

With respect to any such pensioner whose Credited Service is with the Metal Improvement Company, LLC - Columbus Division:

- (A) With benefits commencing on or after January 1, 1996, \$10.00 multiplied by his Years of Credited Service on or after January 1, 1996, for any pension payments due for months commencing on or after January 1, 1996;
 - (B) With benefits commencing on or after January 1, 2001, \$20.00 multiplied by his Years of Credited Service on or after January 1, 2001, for any pension payments due for months commencing after January 1, 2001.
 - (C) With benefits commencing on or after January 1, 2003, \$24 multiplied by his Years of Credited Service on or after January 1, 2003, or any pension payments due for months commencing after January 1, 2003.
 - (D) With benefits commencing on or after January 1, 2005, \$28.00 multiplied by his Years of Credited Service on or after January 1, 2005, or any pension payments due for months commencing after January 1, 2005.
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- (E) With benefits commencing on or after January 1, 2009, \$33.00 multiplied by his Years of Credited Service on or after January 1, 2009, or any pension payments due for months commencing after January 1, 2009.

Service for vesting purposes shall commence January 1, 1996.

(vii) Metal Improvement Company, LLC - Vernon Division.

With respect to any such pensioner whose Credited Service was with the Metal Improvement Company, LLC - Vernon Division:

- (A) With benefits commencing on or after October 1, 1996, \$6.50 multiplied by his Years of Credited Service on or after October 1, 1996, for any pension payments due for months commencing on or after October 1, 1996.
 - (B) With benefits commencing on or after January 1, 2000, \$7.50 multiplied by his Years of Credited Service on or after January 1, 2000, for any pension payments due for months commencing on or after January 1, 2000.
 - (C) With benefits commencing on or after J January 1, 2001, \$8.50 multiplied by his Years of Credited Service on or after January 1, 2001, for any pension payments due for months commencing on or after January 1, 2001.
 - (D) With benefits commencing on or after January 1, 2002, \$9.50 multiplied by his Years of Credited Service on or after January 1, 2002, for any pension payments due for months commencing on or after January 1, 2002.
 - (E) With benefits commencing on or after January 1, 2005, \$12.50 multiplied by his Years of Credited Service on or after January 1, 2005, for any pension payments due for months commencing on or after January 1, 2005.
 - (F) With benefits commencing on or after January 1, 2006, \$15.00 multiplied by his Years of Credited Service on or after January 1, 2006, for any pension payments due for months commencing on or after January 1, 2006.
 - (G) With Benefits commencing on and after January 1, 2010, \$18.00 multiplied by his years of credited service on and after January 1, 2010, for any pension payments due for months commencing on and after January 1, 2010.
 - (H) With benefits commencing on and after January 1, 2013, \$19.00 multiplied by his years of credited service on and after January 1, 2013, for any pension payments due for months commencing on and after January 1, 2013.
 - (I) With benefits commencing on or after December 1, 2015, \$21.00 multiplied by his years of Credited Service on or after December 1, 2015, for any pension payments due for months commencing on or after December 1, 2015.
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- (J) With benefits commencing on or after December 1, 2016, \$23.00 multiplied by his years of Credited Service on or after December 1, 2016, for any pension payments due for months commencing on or after December 1, 2016.
- (K) With benefits commencing on or after July 1, 2018, \$20.00 multiplied by his years of Credited Service on or after July 1, 2018, for any pension payments due for months commencing on or after July 1, 2018, and with benefits commencing on or after any subsequent date, the amount and for the periods described in Article 9.02(a)(xi) ("Metal Improvement Company – Lynwood Division").

Service for vesting purposes shall commence October 1, 1996.

(viii) Metal Improvement Company, LLC - Addison Division.

With respect to any such pensioner whose Credited Service was with the Metal Improvement Company, LLC - Addison Division:

- (A) With benefits commencing on or after November 1, 1996, \$4.00 multiplied by his Years of Credited Service on or after November 1, 1996, for any pension payments due for months commencing on or after November 1, 1996.
 - (B) With benefits commencing on or after January 1, 2000, \$5.00 multiplied by his Years of Credited Service on or after January 1, 2000, for any pension payments due for months commencing on or after January 1, 2000.
 - (C) With benefits commencing on or after January 1, 2001, \$6.00 multiplied by his Years of Credited Service on or after January 1, 2001, for any pension payments due for months commencing on or after January 1, 2001.
 - (D) With benefits commencing on or after January 1, 2002, \$8.00 multiplied by his Years of Credited Service on or after January 1, 2002, for any pension payments due for months commencing on or after January 1, 2002.
 - (E) With benefits commencing on or after January 1, 2005, \$12.00 multiplied by his Years of Credited Service on or after January 1, 2005, for any pension payments due for months commencing on or after January 1, 2005.
 - (F) With benefits commencing on or after January 1, 2006, \$15.00 multiplied by his Years of Credited Service on or after January 1, 2006 for any pension payments due for months commencing on or after January 1, 2006.
 - (G) With benefits commencing on or after January 1, 2013, \$18.00 multiplied by his Years of Credited Service on or after January 1, 2013 for any pension payments due for months commencing on or after January 1, 2013.
 - (H) With benefits commencing on or after January 1, 2018, \$20.00 multiplied by his years of Credited Service on or after January
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1, 2018, for any pension payments due for months commencing on or after January 1, 2018.

Service for vesting purposes shall commence November 1, 1996.

(ix) Metal Improvement Company, Inc. - Long Island Division.

With respect to any such pensioner whose credited service was with the Metal Improvement Company - Long Island Division:

- (A) With benefits commencing on or after April 1, 1998, \$3.00 multiplied by his years of credited service on or after April 1, 1998, for any pension payments due for months commencing on or after April 1, 1998.
- (B) With benefits commencing on or after January 1, 2003, \$6.00 multiplied by his years of credited service on or after January 1, 2003, for any pension payments due for months commencing on or after January 1, 2003.
- (C) With benefits commencing on or after January 1, 2006, \$9.00 multiplied by his years of credited service on or after January 1, 2006, for any pension payments due for months commencing on or after January 1, 2006.
- (D) With benefits commencing on or after January 1, 2008, \$12.00 multiplied by his years of credited service on or after January 1, 2008, for any pension payments due for months commencing on or after January 1, 2008.
- (E) With benefits commencing on or after January 1, 2010, \$15.00 multiplied by his years of credited service on or after January 1, 2010, for any pension payments due for months commencing on or after January 1, 2010.
- (F) With benefits commencing on or after January 1, 2012, \$18.00 multiplied by his Years of Credited Service on or after January 1, 2012 for any pension payments due for months commencing on or after January 1, 2012.
- (G) With benefits commencing on or after January 1, 2014, \$20.00 multiplied by his years of Credited Service on or after January 1, 2014, for any pension payments due for months commencing on or after January 1, 2014.

Service for vesting purposes shall commence April 1, 1998.

(x) Metal Improvement Company, Inc. - Wakefield Division.

With respect to any such pensioner whose credited service was with the Metal Improvement Company - Wakefield Division:

- (A) With benefits commencing on or after June 1, 1999, \$8.00 multiplied by his years of credited service on or after January 1, 1999, for any pension payments due for months commencing on or after June 1, 2001.
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- (B) With benefits commencing on or after January 1, 2001, \$10.00 multiplied by his years of credited service on or after January 1, 2001, for any pension payments due for months commencing on or after January 1, 2001.
- (C) With benefits commencing on or after January 1, 2003, \$13.00 multiplied by his years of credited service on or after January 1, 2003, for any pension payments due for months commencing on or after January 1, 2003.

Service for vesting purposes shall commence June 1, 1999.

(xi) Metal Improvement Company - Lynwood Division.

With respect to any such pensioner whose credited service was with the Metal Improvement Company - Lynwood Division:

- (A) With benefits commencing on or after May 1, 2001, \$6.50 multiplied by his years of credited service on or after May 1, 2001, for any pension payments due for months commencing on or after May 1, 2001.
- (B) With benefits commencing on or after January 1, 2007, \$10.00 multiplied by his years of credited service on or after January 1, 2007, for any pension payments due for months commencing on or after January 1, 2007.
- (C) With benefits commencing on or after January 1, 2010, \$14.00 multiplied by his years of credited service on or after January 1, 2010, for any pension payments due for months commencing on or after January 1, 2010.
- (D) With benefits commencing on or after January 1, 2013, \$16.00 multiplied by his Years of Credited Service on or after January 1, 2013 for any pension payments due for months commencing on or after January 1, 2013.
- (E) With benefits commencing on or after August 1, 2013, \$18.00 multiplied by his Years of Credited Service on or after August 1, 2013, for any pension payments due for months commencing on or after August 1, 2013.
- (F) With benefits commencing on or after August 1, 2014, \$19.00 multiplied by his Years of Credited Service on or after August 1, 2014, for any pension payments due for months commencing on or after August 1, 2014.
- (G) With benefits commencing on or after August 1, 2015, \$20.00 multiplied by his Years of Credited Service on or after August 1, 2015, for any pension payments due for months commencing on or after August 1, 2015.

Service for vesting purposes shall commence May 1, 2001.

(b) Early Retirement.

- (i) On or after January 1, 1989 any Participant described in Article 9.01 who has attained age fifty-five (55), but not age sixty-five (65), and who has
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five (5) or more Years of Credited Service (three (3) or more Years of Credited Service for purposes of vesting effective January 1, 2008) may retire at his option, and for any such Participant who retires with benefits which first could commence on or after October 1, 1965, the monthly pension payable to him shall be either:

- (A) a pension commencing at age sixty-five (65) determined in accordance with Article 9.02(a) of the Plan and based upon his Credited Service at the time of his early retirement, or
- (B) a pension commencing on the first day of the month selected by him at the time of his early retirement which is after such retirement and prior to age sixty-five (65), in an amount equal to the amount that would have been payable at age sixty-five (65) on the basis of his Credited Service at the time of early retirement, multiplied by the applicable percentage set forth in Schedule F.

(ii) A Participant who retires under the provisions of paragraph (a)(v) and this paragraph (b) may elect to have his pension benefit otherwise payable to him under the provisions of paragraph (a)(v) or (e), as applicable, adjusted as follows:

- (A) With respect to months for which a benefit is payable to the Participant up to and including the month he attains age 62, his pension benefit shall be equal to the sum of his benefit determined under paragraph (a)(v) or the reduced amount of such pension if he has a survivor benefit in accordance with paragraph (e), plus \$100.00 reduced by 45/100 of 1% for each complete calendar month by which he is under age 62 at the date such early retirement benefits commence.
- (B) With respect to months for which a benefit is payable to him following his attainment of age 62, an amount equal to the amount specified in (A) hereof less \$100.00.
- (C) Such election shall be made within the 90-day election period preceding the Participant's Annuity Starting Date and in accordance with such administrative rules as the Administrative Committee shall prescribe in accordance with applicable law.

(c) Total and Permanent Disability Retirement.

- (i) A Participant described in Article 9.01 with at least five (5) Years of Credited Service (three (3) Years of Credited Service for purposes of vesting effective January 1, 2008) who is actually at work for the Company or is on an Company-approved Leave of Absence on or after January 1, 1989, who subsequent to September 15, 1952 becomes totally and permanently disabled prior to attaining age sixty-five (65), shall be eligible for a disability pension as hereinafter provided.
 - (ii) An Participant shall be deemed to be totally and permanently disabled for purposes of this paragraph when he is found to be eligible to receive disability benefits under the long-term disability plan of the Company.
 - (iii) The monthly pension payable to a disability pensioner shall be in accordance with Article 9.02(a) of the Plan, based on Credited Service at the date of disability.
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- (iv) In addition to the monthly pension provided for in subparagraph (iii), there shall be payable to a disability pensioner during the continuance of his total and permanent disability, until he attains age sixty-five (65), or, if earlier, until the date at which such disability pensioner becomes or could have become entitled to an unreduced Federal Social Security benefit for age or for disability, a monthly amount equal to:
 - (A) \$5.20 multiplied by his Years of Credited Service at the date of disability, but not more than \$130, with respect to a monthly pension that first could commence prior to October 1, 1968,
 - (B) \$6.00 multiplied by his Years of Credited Service at the date of disability, but not more than \$150, with respect to a monthly pension that first could commence on or after October 1, 1968, and
 - (C) \$10.00 multiplied by his Years of Credited Service at the date of disability, but not more than \$250, with respect to a monthly pension that first could commence on or after March 1, 1978.
- (v) If any disability pensioner is found to be no longer eligible to receive disability benefits under the long-term disability plan of the Company, his disability pension will cease. In the event the disability pensioner refuses to submit to a medical examination that is necessary to determine his continuing eligibility to receive disability benefits under the long-term disability plan of the Company, his pension will be discontinued until he submits to such examination.
- (vi) In the event a Participant in receipt of a pension under this paragraph (c) dies prior to his Normal Retirement Date, a survivor annuity shall be payable to his spouse provided the Participant had been married to his Spouse for at least one (1) year immediately prior to his date of death. In such event the survivor annuity shall be equal to the survivor benefit that would have been payable to the Spouse under paragraph (e)(iii) if such coverage had been in effect on the day preceding the Participant's date of death.

(d) Retention of Deferred Pension.

- (i) A Participant described in Article 9.01 who loses Credited Service in accordance with Article 9.03(c) of the Plan prior to the age at which he is eligible for early retirement in accordance with Article 9.02(b) of the Plan, shall be eligible for a deferred pension; provided, that:
 - (A) If such loss was on or after September 15, 1957 and prior to September 30, 1962, such Participant then had at least twenty (20) Years of Credited Service; or
 - (B) If such loss was on or after September 30, 1962 and prior to September 30, 1965, such Participant either:
 - (1) then had at least ten (10) Years of Credited Service and had attained his fortieth (40th) birthday; or
 - (2) then had at least twenty (20) Years of Credited Service accrued through (i) the calendar year 1962 or (ii) the date of his loss of Credited Service, whichever is earlier; or
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- (C) If such loss was on or after September 30, 1965, such Employee then had at least ten (10) Years of Credited Service; or
- (D) If such loss was on or after January 1, 1989, such Employee then had at least five (5) Years of Credited Service.

(ii) The monthly amount of such deferred pension commencing at age sixty-five (65) for Employees eligible therefor in accordance with Article 9.02(a) of the Plan shall be as shown in Schedule G 1 for the Wood-Ridge Facility, Schedule G 2 for the Buffalo Facility, Schedule G 3 for the Curtiss-Wright Flight Systems Facility, and Schedule G 4 for the Target Rock Facility. The deferred pension rates for Marquette Metal Products Company facility are the same rates as shown in Article 9.02(a)(iv) for the Marquette Metal Products Company facility.

(iii) For Employees who became eligible for a deferred pension before January 1, 1976:

Upon written request to the Company by a Participant eligible for a deferred pension in accordance with this paragraph, such deferred pension shall be payable on the first day of the month following the later of (A) the month in which such Participant attains age sixty-five (65), or effective October 1, 1962, age sixty (60), or (B) the month during which the Company receives such written request, provided, that any deferred pension commencing after age sixty (60) and prior to age sixty-five (65) and shall be the amount in accordance with Article 9.02(a) of the Plan, reduced in accordance with the early retirement factors set forth in Schedule D for each complete calendar month by which such Participant is under the age of sixty-five (65) at the time such deferred pension commences. The written request must be received by the Company not earlier than sixty (60) days prior to his sixtieth (60th) birthday.

(iv) For Participants who became eligible for a deferred pension on or after January 1, 1976:

Such deferred pension benefit shall be payable on the first day of the month following the later of (A) the month in which such Participant attains age fifty-five (55), or (B) sixty (60) days from the date the Company receives such written request; provided that any deferred pension benefit commencing after age fifty-five (55) and prior to age sixty-five (65) shall be the amount in accordance with Article 9.02(a) of the Plan, reduced in accordance with the early retirement factors set forth in Schedule D for each complete calendar month by which such Participant is under the age of sixty-five (65) at the time such deferred pension commences. The written request must be received by the Company not earlier than sixty (60) days prior to his fifty-fifth (55th) birthday.

(e) Optional Survivor Benefit Election.

(i) A Participant who has attained age fifty-five (55), retiring with benefits payable commencing on or after January 1, 1989, in accordance with the normal, early or total and permanent disability retirement provisions of this Article, or a Participant who loses Seniority on or after January 1, 1989 and is eligible for a deferred pension benefit in accordance with paragraph (d), will, unless waived, receive an adjusted amount of monthly pension benefit to provide that, if his or her designated Spouse shall be living at his or her death, after the survivor benefit becomes effective, a

survivor benefit shall be payable to such Spouse during his or her further lifetime.

- (A) The Participant may designate as a beneficiary of a survivor benefit only the person who is his or her Spouse at such time and who has been his or her Spouse for at least one (1) year immediately prior to the date of benefit commencement. Such designation must be accompanied by proof of marriage and date of birth of Spouse.

In the event a married Participant has been married to his spouse for less than one year on his Annuity Starting Date, he shall nevertheless be treated as having been married for one year for purposes of applying the provisions of this paragraph (e); provided, however, that no right or benefit shall vest to any spouse until the date on which the Participant has been married to such spouse for one year. In the event of the death of the Participant's Spouse or divorce of the Participant and his Spouse prior to the first anniversary of the date of marriage, the Participant shall be treated as unmarried as of the first day of the month following the date of death or divorce, and payment thereafter shall be made in accordance with the provisions of paragraph (a). No adjustments will be made to amounts previously paid to the Participant. In the event of divorce or death of the Participant prior to the first anniversary of the date of marriage, the surviving Spouse shall lose any rights under the provisions of this paragraph (e).

- (B) A Participant who is entitled to a total and permanent disability benefit prior to attaining age sixty-five (65) shall have such benefit adjusted to provide a survivor benefit, if not waived, effective the first day of the month following his sixty-fifth (65th) birthday.
- (C) A survivor benefit shall be irrevocable at or after its effective date, if the Participant and the designated Spouse both shall be living at such time.
- (D) The survivor benefit shall become effective, if not waived, on the commencement date of the Participant's monthly benefit and payable on and after the first day of the month following the pensioner's death.

- (ii) For a Participant receiving a pension benefit with a survivor benefit adjustment in accordance with paragraph (i), the reduced amount of his monthly pension benefit referred to in paragraph (i) shall be equal to an amount determined by multiplying the monthly pension benefit otherwise payable to the Employee by ninety percent (90%), if the Participant's age and his designated Spouse's age are the same (the age of each for the purposes hereof being the age at his or her last birthday prior to the effective date of the survivor benefit); or, if such ages are not the same, such percentage shall be increased by one-half of one percent (1/2%), up to a maximum of one hundred percent (100%), for each year that the designated Spouse's age exceeds the Participant's age, and shall be decreased by one-half of one percent (1/2%) for each year that the designated Spouse's age is less than the Participant's age.
- (iii) The survivor benefit payable in accordance with paragraph (i) to the surviving Spouse of a retired Participant who dies after such benefit becomes effective shall be a monthly benefit for the further lifetime of
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such surviving Spouse equal to one hundred percent (100%) (fifty-five percent (55%) prior to January 1, 2008) of the reduced amount of such Participant's monthly pension benefit as determined in accordance with Article 9.02(a) of the Plan for any such Participant with benefits payable commencing on or after October 1, 1965.

- (iv) Effective August 23, 1984, a survivor benefit, if not waived, in the form of a Qualified Preretirement Survivor Annuity shall be paid to a surviving Spouse of a vested active Participant not eligible for early retirement, or of a vested deferred Participant who was credited with at last one (1) Hour of Service subsequent to August 22, 1984 and is not eligible for early retirement, commencing at the date the Participant would have been eligible for early retirement, and the amount of the pension otherwise payable to the Participant shall be reduced in accordance with the tables below.

| <i><u>For Coverage While The Participant's Age Is</u></i> | <i><u>Monthly Percentage</u></i> |
|---|----------------------------------|
| under 35 | 0.01% |
| 35 – 45 | 0.02% |
| 45 – 54 and 11 months | 0.04% |

Notwithstanding the above, the reduction for coverage for the Qualified Preretirement Survivor Annuity shall be eliminated on and after January 1, 2006 with respect to any Participant or surviving spouse whose Annuity Starting Date had not occurred as of December 31, 2005.

- (v) Effective August 23, 1984, a survivor benefit, may not be waived by the participant without the consent of the Participant's Spouse. Such consent for a waiver must be in writing and either notarized or witnessed by a member of the Board of Administration. Notwithstanding this consent requirement, if the Participant establishes to the satisfaction of the Board of Administration that such written consent cannot be obtained because:
- (A) there is no Spouse;
 - (B) the Spouse cannot be located; and
 - (C) of other circumstances if the Secretary of the Treasury may by regulation prescribe the participant's election to waive coverage will be considered valid if made within the Applicable Election Period.
- (vi) In the event the Normal form survivor benefit provided for in Article 9.02(e)(iii) is properly waived, the benefit payable to a Participant shall be the Actuarial Equivalent of the retirement benefit otherwise payable to the Participant in the form of a Life Annuity. A Participant may, in the form and manner prescribed by the Administrative Committee, further elect a monthly benefit payable to the Participant for his or her lifetime and for the further lifetime of such surviving Spouse equal to fifty percent (50%) of the reduced amount of such Participant's monthly pension benefit as determined in accordance with Article 9.02(a) of the Plan.

- (f) Participants Not Actively at Work.
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The absence of a Participant from active work at the time he would be eligible to retire under the Plan shall not preclude his retirement without return to active work, provided that such absence is due to lay-off, medical leave or other Company approved leave of absence commencing subsequent to September 15, 1952 and provided there has been no loss of Credited Service.

(g) Pension Payments.

- (i) Pensions shall be paid monthly. The first monthly payment of an Participant's pension other than for total and permanent disability shall be on the first day of the month following the month in which the Participant actually retires or, in the case of early retirement, the later date selected by the Employee in accordance with paragraph (b)(i) or (ii), and the pension shall be payable monthly during his lifetime thereafter.
- (ii) Total and permanent disability pensions shall be payable to the disability pensioner (A) on the first day of the month following the date the required proof of such disability is received by the Company, or (B) the first day of the month following the completion of a period of total and permanent disability of six (6) months, whichever is later, and thereafter shall be payable monthly during the continuance of total and permanent disability while he remains eligible for such benefits.
- (iii) In determining the pension payable to any pensioner, a deduction shall be made equivalent to all or any part of the following benefits payable to such pensioner by reason of any law of the United States, or any political subdivision thereof, which has been or shall be enacted; provided, that such deduction shall be to the extent that such benefits have been provided by premiums, taxes or other payments paid by or at the expense of the Company:
 - (A) Workers' Compensation (except fixed statutory payments for loss of any bodily member); provided, however, that this subparagraph shall not be applicable with respect to the monthly pension payable to any pensioner for months commencing on and after October 1, 1965 except as provided in subparagraph (C) below.
 - (B) Disability benefits, other than a Primary Insurance Amount payable under the Federal Social Security Act as now in effect or as hereafter amended, or a benefit specified in subparagraph (ii) above.
 - (C) Workers' Compensation (including hearing, pulmonary, ocular, and other occupational disease and accident claims, but excluding statutory payments for loss of any physical or bodily members such as a leg, arm or finger) for Workers' Compensation awards granted subsequent to March 1, 1978, for Wood-Ridge and Nuclear, January 9, 1978 for Caldwell facility, May 5, 1978 for Target Rock, and August 1, 1988 for Buffalo.

(h) Death Benefits.

- (i) If a Participant who has a vested interest in his retirement benefit dies before payment of his benefits commence, then his surviving spouse shall be entitled to receive a benefit under this Article 9.02. The benefit shall be equal to the amount the Participant would have received pursuant to this Article 9.02, if the benefit to which Participant had been entitled at his date of death had commenced in the form described in paragraph (e) of a
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joint and survivor annuity in the month next following the month in which his Normal Retirement Date had occurred (or next following the month in which his date of death occurred, if later). The benefit payable hereunder shall commence as of the first day of the month following the later of the Participant's Normal Retirement Date would have occurred. However, the Participant's Spouse may elect to begin receiving payments as of the first day of any earlier month following the later of the month in which occurs the Participant's death or the date the Participant would have attained age 55. If the Beneficiary elects to commence receipt of payment prior to the Participant's 55th birthday, the reduction for early commencement shall be the Actuarial Equivalent from age 65.

The benefit payable to the Spouse shall commence on the Participant's Normal Retirement Date or his date of death, if later. However, if the Participant had met the requirements for an early retirement benefit or was in receipt of payments under paragraph (c) upon his date of death, the Spouse may elect to commence payment as of the first day of any earlier month following the Participant's date of death. In the case of any other Participant, the Spouse may elect to commence payment as of the first day of any earlier month following the later of the Participant's 55th birthday or his date of death.

In any case in which the surviving Spouse's benefit commences prior to the Participant's Normal Retirement Date, the amount of the surviving Spouse's benefit shall be adjusted to reflect a reduction for early commencement equivalent to the reduction that would have been applied in determining the amount of the Participant's pension under the provisions of paragraph (b) or (d), as applicable, had the Participant begun to receive his pension as of such commencement date. No reduction shall apply if the Participant died while in receipt of payments under paragraph (c).

- (ii) Upon the death of a pensioner who retired with benefits which first could commence on or after October 1, 1965 in accordance with the early, normal, automatic, or total and permanent disability retirement provisions of the Plan, the lump sum death benefit under the Plan shall be \$1,000, reduced by any amounts under a Group Life Insurance Plan of the Company which were paid to the pensioner during his lifetime or are payable by reason of his death.

Notwithstanding any provision in this Plan to the contrary, a pensioner whose Credited Service was with the Buffalo Facility, the death benefit shall be increased to \$2,000 effective September 1, 1994 and \$3,000 effective September 1, 1995.

- (iii) Payment of the death benefit after retirement shall be made in a lump sum to a surviving beneficiary designated by the pensioner or, otherwise, to his estate.
 - (iv) There shall be no lump sum death benefit under the Plan at any time by reason of the death of a Participant eligible for, or in receipt of, a deferred pension as provided for in Article 9.02(d) of the Plan.
- (i) Metal Improvement Company, LLC – Columbus Division. The following provisions shall apply to any Participant described in Section 9.01 who, as of April 2, 2012, is employed at the Columbus, Ohio facility of Metal Improvement Company, LLC and represented for purposes of collective bargaining by the International Union, United Automobile, Aerospace and Agricultural Implement
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Workers of America (UAW) and its Local Union No. 1588 (a "Columbus Participant").

- (i) Each Columbus Participant shall be 100% vested in his benefits without regard to his Vesting Years of Service.
- (ii) For purposes of determining all benefits payable under the Plan, the Credited Service for any Columbus Participant shall include the period through December 31, 2013.
- (iii) For purposes of determining eligibility for early retirement benefits under Article 9.02(b), any Columbus Participant who attains age 55 before December 31, 2013 shall be deemed to be age 55 on April 2, 2012, provided that in no event shall any such Columbus Participant be entitled to receive a pension commencing before the first day of the month following his 55th birthday.

9.03 Credited Service.

The following provisions shall apply to Participants to whom Article 9.01 of the Plan applies:

(a) Credited Service Prior to September 15, 1952.

- (i) Credited Service prior to September 15, 1952 shall be computed to the nearest one-tenth (1/10) year and shall be the sum of:
 - (A) the number of years following the Participant's Seniority date with the Company and preceding September 15, 1952, plus
 - (B) any period or periods of Service as an hourly or salaried employee of the Company preceding the Participant's Seniority date with the Company, provided that if there was an interval equal to two (2) years or more between periods of employment with the Company beginning with the last day of active Service in the employment immediately preceding such interval, no Service prior to such interval shall be counted, except this provision shall not apply to any such interval commencing on or after August 1, 1945, and ending on or before December 31, 1949.

(b) Credited Service Subsequent to September 15, 1952.

- (i) Subparagraph (A) shall be applicable for the period of time prior to January 1, 1976. Subparagraphs (B) and (C) shall be applicable to the period of time subsequent to January 1, 1976.
 - (A) For purposes of vesting and for purposes of accrual of benefits prior to January 1, 1976, Credited Service, commencing with September 15, 1952 and thereafter, shall be computed for each calendar year for each Participant on the basis of total hours compensated by the Company during such calendar year and prior to his attaining age sixty-eight (68). Any calendar year in which the Employee has one thousand seven hundred (1,700) or more compensated hours shall be counted a full calendar year. Where his total hours compensated during a calendar year are less than one thousand seven hundred (1,700) hours, a proportionate credit shall be given to the nearest one-tenth (1/10) of a year. For the calendar year 1952, no more than a year's credit
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will be given including credit for Service prior to September 15, 1952.

- (B) For the purpose of vesting only, Credited Service commencing with January 1, 1976 shall be computed for each calendar year for each Participant on the basis of total hours compensated by the Company during such calendar year. Any calendar year in which the Participant has one thousand (1,000) or more compensated hours shall be counted a full calendar year. Where his total hours compensated during a calendar year are less than one thousand (1,000) hours, a proportionate credit shall be given to the nearest one-tenth (1/10) of a year.
 - (C) For the purpose of accrual of benefits after January 1, 1976, subparagraph (A) shall continue to apply.
- (ii) For the purpose of computing Credited Service, hours of pay at premium rate shall be computed as straight time hours.
 - (iii) For the purpose of computing compensated hours under subparagraph (i) of this Article 9.03(b), a Participant who, after September 15, 1952, shall be absent from work because of occupational injury or disease incurred in the course of his employment with the Company, and on account of such absence receives Workers' Compensation while on Company approved Leave of Absence, shall be credited with the number of hours that he would have been regularly scheduled to work during such absence, provided that no Participant shall be credited with Service under this paragraph after retirement.
 - (iv) Any Employee who may be transferred subsequent to September 15, 1952 from employment that is not eligible for the benefits of the Plan, to employment that is eligible for such benefits, shall have credited to the nearest one-tenth (1/10) of a year any Credited Service he had as of the date of such transfer, for purposes of vesting; provided, that there shall be no duplication of Credited Service, nor, Credited Service of more than one (1) year in respect to any calendar year.
 - (v) A Participant who has Seniority and who:
 - (A) leaves the employment of the Company to enter the Armed Forces of the United States and retains re-employment rights with the Company under the re-employment provisions of the Universal Military Training and Service Act of 1948, as amended, or any other law protecting his right to reemployment and who, during the period he retains such re-employment rights, returns to work for the Company or reports to the Company and is given leave of absence or laid off status, shall be credited with Future Service at the rate of forty (40) hours per week during the period he would normally have worked for the Company during the period he was in the Armed Forces (or the number of hours that the Company is regularly scheduled to work if less than forty (40) hours), or
 - (B) after September 30, 1968, is given a medical leave of absence approved by the Company, shall be credited with Future Service at the rate of forty (40) hours per week during the period he would normally have worked for the Company while on such medical leave of absence; provided, that the Participant otherwise had at least one hundred seventy (170) compensated hours during the
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calendar year in which such medical leave of absence commenced, except this subparagraph shall not apply to any absence to which paragraph (iii) would apply.

(c) Loss of Credited Service.

(i) After September 15, 1952, a Participant will lose all Credited Service for purposes of the Plan and if re-employed shall be considered as a new Employee of the Company for purposes of the Plan:

- (A) if the Participant quits,
- (B) if the Participant is discharged or released,
- (C) if the Participant loses his Seniority for any other reason.

The provisions of this paragraph shall not affect a Participant's entitlement to any benefit under the Plan for which he is eligible at the time of his loss of Credited Service.

(ii) Effective January 1, 1976 for purposes of vesting and accrual of benefits, any Employee under the Plan whose employment is terminated and is later re-employed by the Company will be entitled to Credited Service as follows:

- (A) if entitled to a vested benefit at the time of termination, the pre-break and post-break Service will be aggregated;
- (B) if not entitled to a vested benefit at the time of termination, the pre-break and post-break Service subsequent to January 1, 1976 will be aggregated only if his period of absence is less than five (5) years.

(d) Restoration of Lost Credited Service.

(i) Anything in the Plan to the contrary notwithstanding, any Participant who has Seniority with the Company on or after September 30, 1968 will be entitled to have any Credited Service with such Company, which he previously lost in accordance with Article 9.03(c)(i) or (ii), restored for purposes of entitlement to and computation of any benefit under the Plan, provided that:

- (A) In the case of a Participant who lost such Credited Service prior to October 1, 1968 and who (i) has Seniority on September 30, 1968, such Participant applies to such Company for restoration of such lost Service prior to July 1, 1969 or (ii) does not have Seniority on September 30, 1968 but thereafter acquires Seniority, such Participant applies for restoration of such lost Credited Service within ninety (90) days of re-employment by such Company.
- (B) Effective January 1, 1976 any Participant having Seniority with the Company on or after January 1, 1976 will be entitled to have any Credited Service with the Company which he had previously lost in accordance with Article 9.03(c) of the Plan restored automatically.

(ii) Effective January 1, 1976, any Employee included in Article 9.03(c)(i)(B) and (ii)(B) shall be entitled to the benefit specified in this paragraph (d).

- (e) Notwithstanding any provision hereof to the contrary, for the purpose of determining whether a Participant who is described in Article 9.01 shall be fully vested in the benefit determined in accordance with Article 9.02, all periods of employment recognized as Vesting Years of Service for purposes of Article 5 shall be taken into account as Credited Service under paragraph (b).

9.04 Definitions.

For purposes of this Article 9, the following definitions shall apply:

- (a) "Board of Administration" means equal members which shall be appointed by the Company and equal members which shall be appointed by the respective union. Such Board of Administration shall have the powers enumerated in the collective bargaining agreements providing for participation in the Plan.
 - (b) "Salaried or Hourly Employee" means an Employee who is carried on the payroll records of the Company as receiving Compensation on a weekly, bi-weekly, semi-monthly, monthly or annual basis.
 - (c) "Seniority" shall have the meaning as defined under the applicable collective bargaining agreement.
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ARTICLE 10: MERGER OF METAL IMPROVEMENT COMPANY, INC. AND CURTISS-WRIGHT FLIGHT SYSTEMS/SHELBY, INC. CONTRIBUTORY RETIREMENT PLANS

10.01 Merger Date.

As of September 1, 1994 (the "Merger Date"), the Metal Improvement Company, Inc. Retirement Income Plan and Curtiss-Wright Flight Systems/Shelby, Inc. Contributory Retirement Plan (individually, a "Merged Plan" or, collectively, "Merged Plans") were merged into the Plan. The following provisions shall apply under the Plan to the individuals at Metal Improvement Company, Inc. and Curtiss-Wright Flight Systems/Shelby, Inc. who were non-union Employees on the Merger Date or non-union Employees hired after the Merger Date.

10.02 Eligibility.

- (a) Notwithstanding any other provision of this Plan to the contrary, a non-union Employee of either Metal Improvement Company, Inc. or Curtiss-Wright Flight Systems/Shelby, Inc. employed by said companies on August 31, 1994 shall become a Participant of this Plan on the Merger Date.
- (b) Any future Employee of Metal Improvement Company, Inc. or Curtiss-Wright Flight Systems/Shelby, Inc. shall be eligible to participate in the Plan as of the Entry Date (as defined in Schedule J) coinciding with or next following the date he completes his Year of Eligibility Service. Effective January 1, 2005, employees enter the Plan following completion of one Year of Service in accordance with Article 2.01.

10.03 Retirement Benefits.

- (a) With respect to a "participant" in either of the Merged Plans who retired, died, became disabled, or terminated Service with "vested benefits" under either of the Merged Plans prior to September 1, 1994 (irrespective of whether benefits have commenced as of that date), the Plan will pay to, or in respect of, that "participant" the benefits provided under the applicable section of the respective Merged Plan in accordance with the terms thereof (and that person shall have no rights under the other terms of this Plan).
- (b) With respect to a Participant who satisfies the eligibility requirements of Article 10.02, if he retires, dies, becomes disabled or terminates Service on or after September 1, 1994, the Plan will pay to, or in respect of, that Participant the benefits provided under Articles 4, 6 and 8 in accordance with Articles 4, 6, 7 and 8.

For purposes of determining a Participant's benefit under this paragraph (b), references to Prior Plan in Article 6 of the Plan shall mean the respective Merged Plan.

For purposes of Article 1.06 of the Plan, a Participant's earnings with Metal Improvement Company, Inc. or Curtiss-Wright Flight Systems/Shelby, Inc. prior to September 1, 1994 shall be included in the calculation of Final Average Compensation.

- (c) For purposes of determining a Participant's benefits under this Article 10, a Participant shall be credited with his participation in the respective Merged Plan as of August 31, 1994.
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- (d) Notwithstanding any provision in this Plan to the contrary, any former participant under the Metal Improvement Company, Inc. Retirement Income Plan shall not qualify for a death benefit under Article 8.02.

10.04 Prior Accrued Benefit.

Notwithstanding any other provision of this Plan to the contrary, in respect of periods prior to August 31, 1994, a Participant who was formerly covered under either of the Merged Plans shall be credited with an accrued benefit under this Plan equal to his "retirement benefit" under the respective Merged Plan as of August 31, 1994.

10.05 Vesting.

- (a) With respect to a Participant who satisfies the eligibility requirements of Article 10.02 of the Plan, he shall be vested in his retirement benefits in accordance with Article 5 of the Plan.
- (b) Notwithstanding the provisions of Article 5 of the Plan, the vesting percentage of a Participant, who is described in paragraph (a) and who was a participant in either of the Merged Plans as of August 31, 1994 in his or her retirement benefit shall not be less than the vesting percentage as provided under the terms of the respective Merged Plan.
- (c) For purposes of Article 5 of the Plan, a Participant who is described in paragraph (a) shall receive vesting credit for his number of full Years of Service under the terms of the respective Merged Plan as of August 31, 1994, and his number of Hours of Service for the period from January 1, 1994 to August 31, 1994, to the extent credited for vesting purposes under the respective Merged Plan as of August 31, 1994.

10.06 Transfer of Assets.

As of a date fixed in accordance with applicable law, the assets held under the Merged Plans were transferred to the Trust Fund.

ARTICLE 11: ADMINISTRATION

11.01 Plan Administrator.

The Chairman of the Board of Directors shall appoint an Administrative Committee. The Administrative Committee shall consist of three (3) or more persons designated by the Chairman of the Board of Directors. Members of the Administrative Committee and its officers and agents may participate in the benefits under this Plan if otherwise eligible to do so. The members of the Administrative Committee shall serve at the pleasure of the Chairman of the Board of Directors and the Chairman of the Board of Directors shall appoint successors to fill any vacancies in the Administrative Committee.

11.02 Administrative Committee's Authority and Powers.

The Administrative Committee (or its delegate) may act on the Company's behalf as the sponsor and "named fiduciary" of the Plan with respect to Plan administrative matters. Acting on behalf of the Company, and subject to the terms of the Plan, the Trust Agreement and applicable resolutions of the Board, the Administrative Committee (or its delegate) has full and absolute discretion and authority to control and manage the operation and administration of the Plan, and to interpret and apply the terms of the Plan and the Trust Agreement. This full and absolute discretion and authority includes, but is not limited to, the power to:

- (a) interpret, construe, and apply the provisions of the Plan and Trust Agreement, and any construction adopted by the Administrative Committee in good faith shall be final and binding;
- (b) adopt Plan amendments that (1) are required by ERISA or other applicable law or regulation governing qualification of employee benefit plans, or are necessary for Plan administration, and which do not materially increase costs to the Plan or the Company or materially change Participants' benefits under the Plan, (2) implement special rules for acquisitions, sales, and other dispositions, or (3) clarify ambiguous or unclear Plan provisions; provided that such amendments will be made in writing and will be made according to procedures established by the Administrative Committee;
- (c) review appeals from the denial of benefits; and
- (d) manage the cost and financial aspects of the Plan.

The Administrative Committee may employ, appoint, and dismiss advisors and advisory committees as the Administrative Committee deems necessary to carry out the provisions of the Plan and the Trust Agreement, including attorneys, accountants, actuaries, clerks, or other agents, and may delegate any of its authority and duties to such persons.

11.03 Delegation of Duties.

The Administrative Committee may delegate such of its duties and may engage such experts and other persons as it deems appropriate in connection with administering the Plan.

11.04 Compensation.

No member of the Administrative Committee shall receive any compensation for his services as such.

11.05 Exercise of Discretion.

Any person with any discretionary power in the administration of the Plan shall exercise such discretion in a nondiscriminatory manner and shall discharge his duties with respect to the Plan in a manner consistent with the provisions of the Plan and with the standards of fiduciary conduct contained in Title I, Part 4, of ERISA.

11.06 Fiduciary Liability.

In administering the Plan, neither the Administrative Committee nor any member of the Administrative Committee nor any person to whom the Administrative Committee delegates any duty or power in connection with administering the Plan shall be liable, except in the case of his own willful misconduct, for:

- (a) any action or failure to act,
- (b) the payment of any amount under the Plan,
- (c) any mistake of judgment, or
- (d) any neglect, omission or wrongdoing of any other member of the Administrative Committee.

No member of the Administrative Committee shall be personally liable under any contract, agreement, bond, or other instrument made or executed by him or on his behalf as a member of the Administrative Committee.

11.07 Indemnification by Company.

To the extent not compensated by insurance or otherwise, the Company shall indemnify and hold harmless each member of the Administrative Committee, and each partner and employee of the Company designated by the Administrative Committee to carry out any fiduciary responsibility with respect to the Plan, from any and all claims, losses, damages, expenses (including counsel fees approved by the Company) and liabilities (including any amount paid in settlement with the approval of the Company), arising from any act or omission of such member, or partner or employee, except where the same is judicially determined or is determined by the Company to be due to willful misconduct of such member or employee. No assets of the Plan may be used for any such indemnification.

11.08 Plan Participation by Fiduciaries.

No person who is a fiduciary with respect to the Plan shall be precluded from becoming a Participant upon meeting the requirements for eligibility.

11.09 Payment of Expenses.

Reasonable expenses of the Plan may be paid from Plan assets, unless paid by the Company. The Company is entitled to reimbursement of direct expenses properly and actually incurred in providing services to the Plan, in accordance with applicable provisions of ERISA.

ARTICLE 12: AMENDMENT AND TERMINATION OF PLAN

12.01 Amendment.

The Company may at any time and from time to time amend the Plan by written instrument, provided, that:

- (a) no amendment that affects the rights and obligations of the Trustee shall be effective without the written consent of the Trustee, unless such amendment is necessary for the qualification of the Plan under Section 401(a) of the Code or to avoid actual or potential liability of the Company with respect to the Plan, including, without limitation, liability to make future contributions;
- (b) no amendment shall cause the Trust Fund to be used other than for the exclusive benefit of Participants and their Beneficiaries;
- (c) if any amendment changes the vesting provisions of the Plan, within sixty (60) days after receiving written notice of such amendment, or such longer period as may be prescribed by Section 411 of the Code or the regulations promulgated thereunder, a Participant who has completed at least three (3) Years of Service may file with the Administrative Committee an election to have his vested interest in his retirement benefit computed under the Plan's vesting provisions as applicable to such Participant immediately prior to the amendment; and
- (d) any party will be protected in assuming that this Agreement has not been amended until such party has received written notice of the amendment.

No amendment to the Plan, including a change in the actuarial basis for determining optional or early retirement benefits, shall be effective to the extent that it has the effect of decreasing a Participant's retirement benefit. Notwithstanding the preceding sentence, a Participant's retirement benefit may be reduced to the extent permitted under Section 412(c)(8) of the Code (as it read before the first day of the 2008 Plan Year) or Section 412(d)(2) of the Code (as it reads for Plan Years beginning on and after January 1, 2008), or to the extent permitted under the Sections 1.411(d)-3 and 1.411(d)-4 of the Treasury Regulations. For purposes of this Article 12.01, a Plan amendment which has the effect of eliminating or reducing an early retirement benefit or a retirement-type subsidy; or eliminating an optional form of benefit, with respect to benefits attributable to Service before the amendment shall be treated as reducing retirement benefits. In the case of a retirement-type subsidy, the preceding sentence shall apply only with respect to a Participant who satisfies, either before or after the amendment, the pre-amendment conditions for the subsidy. In general, a retirement-type subsidy is a subsidy that continues after retirement, but does not include a qualified disability benefit, a medical benefit, a social security supplement, a death benefit (including life insurance). Furthermore, if the vesting schedule of a plan is amended, in the case of an Employee who is a Participant as of the later of the date such amendment is adopted or becomes effective, the nonforfeitable percentage, determined as of such date, of such Employee's employer-derived retirement benefit will not be less than the percentage computed under the Plan without regard to such amendment.

12.02 Procedure for Amendment.

Any modification or amendment of or to any or all of the provisions of the Plan shall be made by a written resolution of either the Company or the Administrative Committee, which shall be delivered to the Trustee and, where required, to the Board of Administration as defined in 9.04(a).

12.03 Company's Right to Terminate Plan.

The Company intends to maintain the Plan as a permanent tax-qualified retirement plan. Nevertheless, the Company reserves the right to terminate the Plan, in whole or in part, at any time and from time to time, for any reason whatsoever.

12.04 Consequences of Termination.

- (a) If the Plan is terminated in whole or in part, or if Company contributions are completely discontinued, each Participant affected by such termination or discontinuance shall be fully vested in his retirement benefit as of the date of such termination or discontinuance of Company contributions. The Administrative Committee shall determine the date and manner of distribution of the retirement benefits of all affected Participants.
- (b) The Administrative Committee shall give prompt notice to each Participant or, if deceased, his Beneficiary affected by the Plan's complete or partial termination, or the discontinuance of Company contributions.
- (c) The balance, if any, of the residual assets held by the Trust Fund after all liabilities have been extinguished, shall revert to the Company, but only after the satisfaction of liabilities with respect to the Participants under the Plan.

12.05 Special Restrictions on Benefits.

The Plan limits the benefit payable to any Participant who is a Highly Compensated Employee upon Plan termination to a benefit that is nondiscriminatory under Section 401(a)(4) of the Code. Prior to Plan termination, the Plan restricts the annual payments to any Participant who is a "restricted employee", unless:

- (a) After payment of the benefit, the value of Plan assets equals or exceeds 110% of the value of the Plan's funding target (as defined in Section 430(d) of the Code); or
- (b) the value of the benefit is less than 1% of the value of the Plan's funding target; or
- (c) the value of the benefit does not exceed \$5,000.

The total payments in a Plan Year may not exceed an amount equal to: (1) the payments the Participant would receive under a single life annuity which is the Actuarial Equivalent of the Participant's Accrued Benefit and the Participant's other benefits (other than a social security supplement); plus (2) the amount of the payment the Participant would receive under a social security supplement. "Other benefits" include loans in excess of the limitations under Section 72(p)(2)(A) of the Code, any periodic income, any withdrawal values payable to a living Employee, and any death benefits not provided by insurance on the Participant's life.

For purposes of this Article 12.05, the term "restricted employee" means an employee of the Company, including all employees who are not Employees under the Plan, who is among the twenty-five (25) employees with the highest Compensation, determined without taking account of the limitations of Section 401(a)(17) of the Code, for the Plan Year or any prior Plan Year.

These limitations shall not restrict the payment of any death benefit to any Beneficiary.

ARTICLE 13: MERGER OF PLAN AND TRANSFER OF ASSETS OR LIABILITIES

13.01 Merger or Transfer.

The Plan shall not be merged or consolidated with, nor shall any Plan assets or liabilities be transferred to, any other plan, unless each Participant (if the other plan then terminated) would receive a benefit that is equal to or greater than the benefit he would have been entitled to receive immediately before the merger, consolidation or transfer (if the Plan had then terminated).

13.02 Transfer from Trust.

At a Participant's request and pursuant to uniform rules prescribed by the Administrative Committee, the Administrative Committee may instruct the Trustee to transfer the Participant's Account to another qualified plan described in Section 401(a) of the Code in which the Participant is participating at the time of such transfer.

13.03 Transfer to Trust and Transfer Account.

- (a) At a Participant's request, the Administrative Committee shall instruct the Trustee to accept a transfer of assets from another qualified plan described in Section 401(a) of the Code which assets are attributable to the Participant's interest in such other plan. The transferred amount shall be maintained in the Trust Fund on behalf of the Participant as a separate account under the Plan, designated the "Transfer Account."
 - (b) Any portion of the Transfer Account (whether the whole, the lesser amount or none) may be commingled with other assets of the Trust Fund for investment. In any event, the balance in the Transfer Account shall be adjusted to reflect its proportionate share of the Trust Fund's earnings, gains, losses and expenses.
 - (c) Unless the Participant has elected otherwise in the form and manner prescribed by the Administrative Committee, payment of the Transfer Account shall be made at the same time and in the same form as the retirement benefit and shall be in addition to the retirement benefit.
 - (d) A Participant's interest in his Transfer Account shall be at all times and in all events fully vested and nonforfeitable.
 - (e) The Participant's account will continue to retain all rights and protections ascribed to it pursuant to Section 411(d)(6) of the Code.
-

ARTICLE 14: SPECIAL PROVISIONS FOR NON-KEY EMPLOYEES

14.01 Effective Date.

If the Plan is or becomes top heavy in any Plan Year, the provisions of this Article will supersede any conflicting provisions in the Plan.

14.02 Determination of Top-Heavy Status.

- (a) This Plan is top heavy if any of the following conditions exists:
- (i) If the top-heavy ratio for this Plan exceeds sixty (60%) percent and this Plan is not part of any required aggregation group or permissive aggregation group of plans.
 - (ii) If this Plan is a part of a required aggregation group of plans but not part of a permissive aggregation group and the top-heavy ratio for the group of plans exceeds sixty (60%) percent.
 - (iii) If this Plan is a part of a required aggregation group and part of a permissive aggregation group of plans and the top-heavy ratio for the permissive aggregation group exceeds sixty (60%) percent.
- (b) For purposes of this Article, the following terms shall be defined as follows:
- (i) Top-heavy ratio:
 - (A) If the Company maintains one or more defined benefit plans and the Company has not maintained any defined contribution plans which during the five (5) year period ending on the determination date(s) has or has had account balances, the top-heavy ratio for this Plan alone or for the required or permissive aggregation group as appropriate is a fraction, the numerator of which is the sum of the present value of retirement benefits of all Key Employees as of the determination date(s), and the denominator of which is the sum of present value of retirement benefits, both computed in accordance with Section 416 of the Code and the regulations thereunder. Both the numerator and denominator of the top-heavy ratio are increased to reflect any contribution not actually made as of the determination date, but which is required to be taken into account on that date under Section 416 of the Code and regulations thereunder. In determining the present values of retirement benefits under the Plan for an employee as of the applicable determination date, the numerator and denominator shall be increased by the distributions made with respect to the employee under the Plan and any plan aggregated with the Plan under Section 416(g)(2) of the Code during the one-year period (five-year period in the case of a distribution made for a reason other than severance from employment, death, or disability) ending on the applicable determination date and any distributions made with respect to the employee under a terminated plan which, had it not been terminated, would have been in the required aggregation group.
 - (B) If the Company maintains one or more defined contribution plans and the Company maintains or has maintained one or more defined benefit plans which during the five (5) year period ending on the determination date(s) has or has had any retirement
-

benefits, the top-heavy ratio for any required or permissive aggregation group as appropriate is a fraction, the numerator of which is the sum of account balances under the aggregated defined contribution plan or plans for all Key Employees, determined in accordance with (a) above, and the present value of retirement benefits under the aggregated defined benefit plan or plans for all Key Employees as of the determination date(s), and the denominator of which is the sum of the account balances under the aggregated defined contribution plan or plans for all Participants, determined in accordance with (a) above, and the present value of retirement benefits under the defined benefit plan or plans for all Participants as of the determination date(s), all determined in accordance with Section 416 of the Code and the regulations thereunder. The retirement benefits under a defined benefit plan in both the numerator and denominator of the top-heavy ratio are increased for any distribution of a retirement benefit made in the five (5) year period ending on the determination date. In determining the present values of retirement benefits under the Plan for an employee as of the applicable determination date, the numerator and denominator shall be increased by the distributions made with respect to the employee under the Plan and any plan aggregated with the Plan under Section 416(g)(2) of the Code during the one-year period (five-year period in the case of a distribution made for a reason other than severance from employment, death, or disability) ending on the applicable determination date and any distributions made with respect to the employee under a terminated plan which, had it not been terminated, would have been in the required aggregation group.

- (C) For purposes of subparagraphs (A) and (B) the value of account balances and the present value of retirement benefits will be determined as of the most recent valuation date that falls within or ends with the twelve (12) month period ending on the determination date, except as provided in Section 416 of the Code and the regulations thereunder for the first and second Plan Years of a defined benefit plan. The account balances and retirement benefits of a Participant (1) who is not a Key Employee but who was a Key Employee in a prior year, or (2) who has not performed services for any Company maintaining the Plan at any time during the one-year period ending on the applicable determination date will be disregarded. The calculation of the top-heavy ratio, and the extent to which distributions, rollovers, and transfers are taken into account will be made in accordance with Section 416 of the Code and the regulations thereunder. Deductible employee contributions will not be taken into account for purposes of computing the top-heavy ratio. When aggregating plans the value of account balances and retirement benefits will be calculated with reference to the determination dates that fall within the same calendar year.

The retirement benefit to a Participant other than a Key Employee shall be determined under (a) the method, if any, that uniformly applies for accrual purposes under all defined benefit plans maintained by the Company, or (b) if there is no such method, as if such benefit accrued not more rapidly than the slowest accrual rate permitted under the fractional rule of Section 411(b)(1)(C) of the Code.

(ii) Permissive aggregation group:

The required aggregation group of plans plus other plan or plans of the Company which, when considered as a group with the required aggregation group, would continue to satisfy the requirements of Sections 401(a)(4) and 410 of the Code.

(iii) Required aggregation group:

- (A) Each qualified plan of the Company in which at least one Key Employee participates or participated at any time during the determination period (regardless of whether the Plan has terminated), and
- (B) any other qualified plan of the Company which enables a plan described in subparagraph (A) to meet the requirements of Section 401(a)(4) or 410 of the Code.

(iv) Determination date:

For any Plan Year subsequent to the first Plan Year, the last day of the preceding Plan Year. For the first Plan Year of the Plan, the last day of that year.

(v) Key Employee:

Any employee or former employee (including any deceased employee) who at any time during the Plan Year that includes the applicable determination date was an officer of the Company or an Affiliated Company having compensation greater than \$130,000 (as adjusted under Section 416(i)(1) of the Code for Plan Years beginning after December 31, 2002), a 5-percent owner (as defined in Section 416(i)(1)(B)(i) of the Code) of the Company or an Affiliated Company, or a 1-percent owner (as defined in Section 416(i)(1)(B)(ii) of the Code) of the Company or an Affiliated Company) having compensation greater than \$150,000 (the determination of who is a key employee shall be made in accordance with Section 416(i) of the Code and the applicable regulations and other guidance of general applicability issued thereunder) where applicable, on the basis of the Employee's remuneration which, with respect to any Employee, shall mean the wages, salaries, and other amounts paid in respect of such Employee by the Company or an Affiliated Company for personal services actually rendered, determined before any pre-tax contributions under "qualified cash or deferred arrangement," as defined under Section 401(k) of the Code and its applicable regulations, or under a "cafeteria plan" as defined under Section 125 of the Code and its applicable regulations, or under a "qualified transportation fringe," as defined in Section 132(f) of the Code and its applicable regulations, and shall include, but not by way of limitation, bonuses, overtime payments, and commissions; and shall exclude deferred compensation, stock options, and other distributions which receive special tax benefits under the Code.

(vi) Non-Key Employee:

Any Employee or former Employee (and his Beneficiaries) who is not a Key Employee.

14.03 Minimum Benefit.

- (a) Notwithstanding any other provision in the Plan to the contrary, except as otherwise provided in paragraphs (c), (d) and (e) below, a Participant who is a Non-Key Employee and has completed one thousand (1,000) Hours of Service will accrue a benefit (to be provided solely by the Company contributions and expressed as a Life Annuity commencing at Normal Retirement Age) of not less than two (2%) percent of his or her highest average Compensation for the five (5) consecutive years for which the Participant had the highest Compensation multiplied by the number of Years of Vesting Service, not in excess of ten (10), during the Plan Years for which the Plan is top-heavy. For purposes of the preceding sentence, Years of Vesting Service shall be disregarded to the extent that such Years of Vesting Service occur during a Plan Year when the Plan benefits (within the meaning of Section 410(b) of the Code) no Key Employee or former Key Employee. The aggregate Compensation for the years during such five (5) year period in which the Participant was credited with a Year of Service will be divided by the number of years in order to determine average Annual Compensation. The minimum accrual is determined without regard to any Social Security contribution. The minimum accrual applies even though under other Plan provisions the Participant would not otherwise be entitled to receive an accrual, or would have received a lesser accrual for the year because (i) the Non-Key Employee fails to make mandatory contributions to the Plan, (ii) the Non-Key Employee's Compensation is less than a stated amount, (iii) the Non-Key Employee is not employed on the last day of the accrual computation period, or (iv) the Plan is integrated with Social Security.
- (b) For purposes of computing the minimum retirement benefit, Compensation shall mean Compensation as defined in Article 1.12 of the Plan.
- (c) The provision in paragraph (a) shall not apply to any Participant to the extent the Participant is covered under any other plan or plans of the Company. Such other plan or plans must provide a minimum two (2%) percent top heavy Benefit Accrual or a five (5%) percent top-heavy contribution.
- (d) All accruals of employer-derived benefits, whether or not attributable to years for which the Plan is top heavy, may be used in computing whether the minimum accrual requirements of paragraph (c) are satisfied.

14.04 Minimum Vesting.

For any Plan Year in which this Plan is top heavy, the following vesting schedule shall automatically apply to this Plan. The vesting schedule applies to all benefits within the meaning of Section 411(a)(7) of the Code, except those attributable to employee contributions, including benefits accrued before the effective date of Section 416 and benefits accrued before the Plan became top heavy. Further, no reduction in vested benefits may occur in the event the Plan's status as top-heavy changes for any Plan Year. However, this Article does not apply to the account balances of any Employee who does not have an Hour of Service after the Plan has initially become top heavy and such Employee's account balance attributable to Company contributions and forfeitures will be determined without regard to this Article.

*Vesting Years of Service
as of Date of Termination:*

Nonforfeitable Percentage:

Less than 3
3 or more

0%
100%

ARTICLE 15: GENERAL PROVISIONS

15.01 Trust Fund Sole Source of Payments for Plan.

The Trust Fund shall be the sole source for the payment of all Participant's retirement benefits. In no event shall assets of the Company be applied for the payment of Plan benefits.

15.02 Exclusive Benefit.

The Plan is established for the exclusive benefit of the Participants and their Beneficiaries, and the Plan shall be administered in a manner consistent with the provisions of Section 401(a) of the Code and of ERISA.

15.03 Binding Effect.

This Agreement shall be binding upon the heirs, executors, administrators, successors and assigns of the parties to this Agreement and upon any and all persons interested in this Agreement, presently or in the future.

15.04 Nonalienation.

- (a) Except as required by any applicable law or by paragraph (c), no benefit under the Plan shall in any manner be anticipated, assigned or alienated, and any attempt to do so shall be void. However, payment shall be made in accordance with the provisions of any judgment, decree, or order which:
 - (i) creates for, or assigns to, a spouse, former spouse, child, or other dependent of a Participant the right to receive all or a portion of the Participant's benefits under the Plan for the purpose of providing child support, alimony payments, or marital property rights to that spouse, former spouse, child, or dependent,
 - (ii) is made pursuant to a State domestic relations law,
 - (iii) does not require the Plan to provide any type of benefit, or any option, not otherwise provided under the Plan, and
 - (iv) otherwise meets the requirements of Section 206(d) of ERISA, as amended, as a "qualified domestic relations order," as determined by the Administrative Committee.
 - (b) If the present value of any series of payments meeting the criteria set forth in (a)(i) through (a)(iv) above amounts to \$5,000 or less, a lump sum payment of the Actuarial Equivalent of such benefit, determined in the manner described in Article 7.05, shall be made in lieu of the series of payments.
 - (c) A Participant's benefits under the Plan shall be offset by the amount the Participant is required to pay to the Plan under the circumstances set forth in Section 401(a)(13)(C) of the Code.
 - (d) A Participant's benefit under the Plan shall be distributed as required because of the enforcement of a federal tax levy made pursuant to Section 6331 of the Code or the collection by the United States on a judgment resulting from an unpaid tax assessment.
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15.05 Claims Procedure.

All claims for benefits under the Plan by a Participant not covered under a collective bargaining agreement or his Beneficiary with respect to benefits not received by such person shall be made in writing to the Administrative Committee, which shall designate one of its members to review such claims. If the reviewing member believes that a claim should be denied, he shall notify the claimant in writing of the denial within ninety (90) days after his receipt of the claim, unless special circumstances require an extension of time for processing the claim. Such notice shall:

- (a) set forth the specific reasons for the denial, making reference to the pertinent provisions of the Plan or the Plan documents on which the denial is based;
- (b) describe any additional material or information that should be received before the claim may be acted upon favorably, and explain why such material or information, if any, is needed; and
- (c) inform the person making the claim of his right pursuant to this Article to request review of the decision by the Administrative Committee.

Any such person who believes that he has submitted all available and relevant information may appeal the denial of a claim to the Administrative Committee by submitting a written request for review to the Administrative Committee within sixty (60) days after the date on which such denial is received. Such period may be extended by the Administrative Committee for good cause. The person making the request for review may examine pertinent Plan documents. The request for review may discuss any issues relevant to the claim. The Administrative Committee shall decide whether or not to grant the claim within sixty (60) days after receipt of the request for review, but this period may be extended by the Administrative Committee for up to an additional sixty (60) days in special circumstances. If such an extension of time for review is required because of special circumstances, written notice of the extension shall be furnished to the claimant prior to the commencement of the extension. The Administrative Committee's decision shall be in writing, shall include specific reasons for the decision and shall refer to pertinent provisions of the Plan or of the Plan documents on which the decision is based.

All claims for benefits under the Plan by a Participant covered under a collective bargaining agreement, or his Beneficiary, who has been denied a benefit, or feels aggrieved by any other act of the Board of Administration, shall be entitled to request a hearing before the Board of Administration of the Plan. Such request, together with a written statement of the claimant's position, shall be filed with the Board of Administration no later than ninety (90) days after receipt of the written notification. The Board of Administration shall schedule an opportunity for a full and fair hearing of the issue within the next sixty (60) days. The decision following such hearing shall be made within sixty (60) days and shall be communicated in writing to the claimant. The decision of the Board of Administration shall be final and binding upon all parties concerned. In the event the Board of Administration cannot reach a majority decision, an impartial chairman shall be appointed by the Board of Administration.

15.06 Location of Participant or Beneficiary Unknown.

In the event that all, or any portion, of the distribution payable to a Participant or his Beneficiary hereunder shall, at the expiration of five (5) years after it shall become payable, remain unpaid solely by reason of the inability of the Administrative Committee, after sending a registered letter, return receipt requested, to the last known address, and after further diligent effort, to ascertain the whereabouts of such Participant or his Beneficiary, the amount so distributable shall be forfeited and shall be used to reduce the cost of the Plan. In the event a Participant or Beneficiary is located subsequent to his benefit being forfeited, such benefit shall be restored.

15.07 Applicable Law.

Except as otherwise expressly required by ERISA, this Agreement shall be governed by the laws of the State of New Jersey, where it was entered into and where it shall be enforced.

15.08 Rules of Construction.

Whenever the context so admits, the use of the masculine gender shall be deemed to include the feminine and vice versa; either gender shall be deemed to include the neuter and vice versa; and the use of the singular shall be deemed to include the plural and vice versa.

15.09 Trust Fund Applicable Only to Payment of Benefits.

The Trust Fund will be used and applied only in accordance with the provisions of the Plan, to provide the benefits thereof, except as provided in Section 11.09 regarding payment of reasonable expenses, and no part of the corpus or income of the Trust Fund will be used for, or diverted to, purposes other than for the exclusive benefit of Participants and other persons entitled to benefits under the Plan. A Participant or any other person shall have no right to any benefit, payment or other amount (including any additional amount or increase on account of a delay in distribution(s) or any other reason) from the Plan except as expressly provided by the Plan. A Participant or any other person receiving any amount to which he was not entitled under the terms of the Plan shall be liable to the Plan for such amount and shall pay such amount to the Plan immediately upon becoming aware that he was not entitled to such amount.

ARTICLE 16: TRANSFERS

If an Employee during his period of employment with the Company and all Affiliated Companies is transferred to or from a position eligible to accrue benefits under the provisions of Article 4, 6 or 9 to a position that is ineligible for benefits under the applicable Article, the following provisions shall apply:

- (a) Vesting Service. An Employee's Vesting Years of Service shall be determined on the basis of his period of employment with the Company and all Affiliated Companies (unless otherwise specified in Schedule J).
- (b) Credited Service for Purposes of Determining Eligibility for Benefits. For purposes of determining an Employee's eligibility for benefits under the Plan (but not the amount of any benefit unless otherwise specified in paragraph (d) below), an Employee's years of Credited Service shall be determined on the basis of his period of employment with the Company and all Affiliated Companies.
- (c) Eligibility for Benefits. Upon an Employee's termination of employment with the Company and all Affiliated Companies, an Employee shall be entitled to a Normal, Early, Disability or Vested Retirement Benefit under the applicable provisions of the Plan if, at the time of his termination of employment, he has satisfied the age, service, and any other requirements of the Plan for such benefit.
- (d) Rules for Determining the Amount of Benefit.
 - (i) If an Employee who is accruing benefits under the provisions of Article 6 is transferred to a position with the Company or to an Affiliated Company and on account of such transfer the Employee would be ineligible to accrue further benefits under the provisions of Article 6, the following provisions shall apply:
 - (A) Credited Service for Benefit Accrual Purposes. All service with the Company or an Affiliated Company in such transferred position shall be included in determining the Employee's years of Credited Service for purposes of determining the amount of the Employee's benefit under Article 6 except that any service rendered while the Employee is eligible to accrue benefits under Article 9, would be eligible to accrue benefits under Article 9 but for the fact that his employment is covered by a collective bargaining agreement to which the Company is a party and that does not provide for coverage under the Plan or is eligible to participate in another qualified defined benefit pension plan shall be excluded.
 - (B) Average Compensation. Compensation (as defined in Article 1.12) paid by the Company or an Affiliated Company to the Employee while employed in such transferred position shall be included in determining an Employee's Average Compensation.
 - (ii) If an Employee who is accruing benefits under the provisions of Article 4 is transferred to a position with the Company or to an Affiliated Company and on account of such transfer the Employee would be ineligible to accrue further benefits under the provisions of Article 4, benefits shall continue to accrue under the provisions of Article 4 after the date of transfer except that if the Employee is transferred to a position in which he is eligible to participate in a qualified defined contribution plan which provides for employer contributions (other than salary deferrals under Section 401(k) of the Code) the Employee shall cease to accrue benefits

under Article 4.02 based on Compensation paid to the Employee by the Company or an Affiliated Company while in the transferred position.

- (iii) If an Employee who is accruing benefits under the provisions of Article 9 is transferred to a position with the Company or to an Affiliated Company in which he is ineligible to accrue further benefits under the provisions of Article 9, the Employee's service rendered while in such ineligible position shall not be included in his Credited Service for purposes of determining the amount of his benefit under Article 9. Accordingly, If a participant transfers to a position where he is no longer eligible to participate in Article 9, he will not earn Credited Service under Article 9 while in that ineligible position.
- (iv) If an Employee is transferred from a position that is ineligible to accrue benefits under the provisions of Article 4, 6 or 9 to a position that is eligible to accrue benefits under one of those Articles, the following provisions shall apply:
 - (A) Compensation paid to such Employee prior to the date of transfer shall be disregarded in determining the amount of the Employee's benefit under Article 4 or 6, as applicable, unless the Employee is transferred from a position eligible to accrue benefits under Article 9 in which case Compensation paid to the Employee while covered by Article 9 shall be recognized in determining the Employee's Average Compensation under Article 6, if applicable.
 - (B) For purposes of determining the amount of an Employee's benefit under Article 4, 6 or 9, service rendered prior to the date the Employee became employed in a position eligible to accrue benefits under Article 4, 6 or 9 shall be disregarded in determining the Employee's Credited Service under the applicable Article.
 - (C) Post-January 31, 2010 Transfers. An Employee who is transferred after January 31, 2010 from a position that is ineligible to accrue benefits under the provisions of Article 4, 6 or 9 to a position that is eligible to accrue benefits under Article 4 or 6 shall only be eligible to accrue benefits in accordance with Article 4 and any other benefits not specifically excluded in the preceding sentence.
- (e) Transfers Involving a Non-U.S. Affiliated Company. Notwithstanding the preceding provisions of this Article 16, any period of employment with a non-U.S. Affiliated Company shall be recognized solely for the purpose of determining an Employee's Vesting Years of Service under subparagraph (i) above [and for purposes of determining an Employee's eligibility for benefits under subparagraph (ii)]. Such period of employment shall be excluded in determining the amount of a Participant's benefit under paragraph (d) and any Compensation paid during such period of employment shall likewise be excluded. In the case of an Employee described in Section 2.01(h), any compensation paid by the non-U.S. Affiliated Company shall be excluded in determining the amount of his benefits under the Plan, and Average Compensation shall be determined pursuant to Section 1.06 by disregarding the Employee's period of employment with the non-U.S. Affiliated Company.

IN WITNESS WHEREOF, the Company has caused this instrument to be executed by an officer duly authorized on this ___ day of _____, 2019.

CURTISS-WRIGHT CORPORATION

Christopher J. McMahon

By: _____



SCHEDULE A 1: EARLY RETIREMENT FACTORS ON OR AFTER SEPTEMBER 1, 1994

ALL RETIREES and TERMINATED NON-UNION EMPLOYEES on and AFTER 9/1/94

| AGE | 55 | 56 | 57 | 58 | 59 | 60 | 61 | 62 | 63 | 64 |
|--------------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|
| 0/12 | .75000 | .78000 | .81000 | .84000 | .87000 | .90000 | .92000 | .94000 | .96000 | .98000 |
| 1/12 | .75250 | .78250 | .81250 | .84250 | .87250 | .90167 | .92167 | .94167 | .96167 | .98167 |
| 2/12 | .75500 | .78500 | .81500 | .84500 | .87500 | .90333 | .92333 | .94333 | .96333 | .98333 |
| 3/12 | .75750 | .78750 | .81750 | .84750 | .87750 | .90500 | .92500 | .94500 | .96500 | .98500 |
| 4/12 | .76000 | .79000 | .82000 | .85000 | .88000 | .90667 | .92667 | .94667 | .96667 | .98667 |
| 5/12 | .76250 | .79250 | .82250 | .85250 | .88250 | .90833 | .92833 | .94833 | .96833 | .98833 |
| 6/12 | .76500 | .79500 | .82500 | .85500 | .88500 | .91000 | .93000 | .95000 | .97000 | .99000 |
| 7/12 | .76750 | .79750 | .82750 | .85750 | .88750 | .91167 | .93167 | .95167 | .97167 | .99167 |
| 8/12 | .77000 | .80000 | .83000 | .86000 | .89000 | .91333 | .93333 | .95333 | .97333 | .99333 |
| 9/12 | .77250 | .80250 | .83250 | .86250 | .89250 | .91500 | .93500 | .95500 | .97500 | .99500 |
| 10/12 | .77500 | .80500 | .83500 | .86500 | .89500 | .91667 | .93667 | .95667 | .97667 | .99667 |
| 11/12 | .77750 | .80750 | .83750 | .86750 | .89750 | .91833 | .93833 | .95833 | .97833 | .99833 |

Rule of 80

For a Participant who retires on or after his attainment of age 55, if the sum of the Participant's age and his years of Credited Service exceeds 80 as of his Annuity Starting Date, the product of (i) 1% and (ii) the excess of (A) the sum of his age and his years of Credited Service, over (B) 80, will be added to early retirement factor otherwise applicable in accordance with the table set forth in this Schedule, provided, however, that the resulting factor may not exceed 100%.

SCHEDULE A 2: DEFERRED RETIREMENT FACTORS ON OR AFTER SEPTEMBER 1, 1994**Deferred Retirement Factors**

| <i>Age</i> | <i>Factor</i> | <i>Age</i> | <i>Factor</i> |
|-------------------|----------------------|-------------------|----------------------|
| 66 | 1.1049 | 71 | 1.9071 |
| 67 | 1.2244 | 72 | 2.1505 |
| 68 | 1.3608 | 73 | 2.4355 |
| 69 | 1.5175 | 74 | 2.7710 |
| 70 | 1.6980 | 75 | 3.1687 |

The factors set forth in the table shall be interpolated based on the Participant's age at his Annuity Starting Date, expressed in years and completed months.

SCHEDULE B: RETIREMENT PLAN RATES IN FORCE FOR PURPOSES OF ARTICLE 6.11(B)(II)(D)**BUFFALO FACILITY**

\$ 8.00 per month per year of credited service prior to 1/1/78
\$10.00 per month per year of credited service from 1/1/78 thru 11/1/80
\$11.00 per month per year of credited service from 11/2/80 thru 11/1/81
\$12.00 per month per year of credited service from 11/2/81 thru 5/3/85
\$13.00* per month per year of credited service from 5/4/85 thru 7/23/93
\$17.00* per month per year of credited service from 7/24/93

* Does not apply to Local 212

FLIGHT SYSTEMS

\$ 6.25 per month per year of credited service

TARGET ROCK

\$ 9.00 per month per year of credited service prior to 5/1/77
\$10.00 per month per year of credited service from 5/1/77 thru 4/30/81
\$11.00 per month per year of credited service from 5/1/81 thru 5/4/82
\$12.00 per month per year of credited service from 5/5/82 thru 5/6/84
\$13.00 per month per year of credited service from 5/7/84 thru 5/5/85
\$14.00 per month per year of credited service from 5/6/85 thru 5/4/86
\$15.00 per month per year of credited service from 5/5/86

CORPORATE

\$10.00 per month per year of credited service

SCHEDULE C: EARLY RETIREMENT FACTORS FOR DEFERRED VESTED EMPLOYEES WHO TERMINATED EMPLOYMENT PRIOR TO SEPTEMBER 1, 1994 AND PRIOR TO AGE 55 (CONTRIBUTORS)

| Twelfths Year | of AGE | 55 | 56 | 57 | 58 | 59 | 60 | 61 | 62 | 63 | 64 |
|------------------|-----------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|
| 0/12 | | .50000 | .53333 | .56667 | .60000 | .63333 | .66667 | .73333 | .80000 | .86667 | .93333 |
| 1/12 | | .50278 | .53611 | .56945 | .60278 | .63611 | .67222 | .73889 | .80556 | .87222 | .93889 |
| 2/12 | | .50556 | .53889 | .57222 | .60556 | .63889 | .67778 | .74444 | .81111 | .87778 | .94444 |
| 3/12 | | .50833 | .54167 | .57500 | .60833 | .64167 | .68333 | .75000 | .81667 | .88333 | .95000 |
| 4/12 | | .51111 | .54445 | .57778 | .61111 | .64445 | .68889 | .75556 | .82222 | .88889 | .95556 |
| 5/12 | | .51389 | .54722 | .58056 | .61389 | .64722 | .69444 | .76111 | .82778 | .89444 | .96111 |
| 6/12 | | .51667 | .55000 | .58333 | .61667 | .65000 | .70000 | .76667 | .83333 | .90000 | .96667 |
| 7/12 | | .51944 | .55278 | .58611 | .61944 | .65278 | .70556 | .77222 | .83889 | .90556 | .97222 |
| 8/12 | | .52222 | .55556 | .58889 | .62222 | .65556 | .71111 | .77778 | .84444 | .91111 | .97778 |
| 9/12 | | .52500 | .55833 | .59167 | .62500 | .65833 | .71667 | .78333 | .85000 | .91667 | .98333 |
| 10/12 | | .52778 | .56111 | .59444 | .62778 | .66111 | .72222 | .78889 | .85556 | .92222 | .98889 |
| 11/12 | | .53056 | .56389 | .59722 | .63056 | .66389 | .72778 | .79444 | .86111 | .92778 | .99444 |

SCHEDULE D: EARLY RETIREMENT FACTORS FOR EARLY COMMENCEMENT OF DEFERRED VESTED PENSIONS

AGE of RETIRED EMPLOYEE at COMMENCEMENT of PENSION

| Twelfths Year | of | 55 | 56 | 57 | 58 | 59 | 60 | 61 | 62 | 63 | 64 |
|--------------------------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|
| 0/12 | | 28.0% | 35.2% | 42.4% | 49.6% | 56.8% | 64.0% | 71.2% | 78.4% | 85.6% | 92.8% |
| 1/12 | | 28.6 | 35.8 | 43.0 | 50.2 | 57.4 | 64.6 | 71.8 | 79.0 | 86.2 | 93.4 |
| 2/12 | | 29.2 | 36.4 | 43.6 | 50.8 | 58.0 | 65.2 | 72.4 | 79.6 | 86.8 | 94.0 |
| 3/12 | | 29.8 | 37.0 | 43.2 | 51.4 | 58.6 | 65.8 | 73.0 | 80.2 | 87.4 | 94.6 |
| 4/12 | | 30.4 | 37.6 | 44.8 | 52.0 | 59.2 | 66.4 | 73.6 | 80.8 | 88.0 | 95.2 |
| 5/12 | | 31.0 | 38.2 | 45.4 | 52.6 | 59.8 | 67.0 | 74.2 | 81.4 | 88.6 | 95.8 |
| 6/12 | | 31.6 | 38.8 | 46.0 | 53.2 | 60.4 | 67.6 | 74.8 | 82.0 | 89.2 | 96.4 |
| 7/12 | | 32.2 | 39.4 | 46.6 | 53.8 | 61.0 | 68.2 | 75.4 | 82.6 | 89.8 | 97.0 |
| 8/12 | | 32.8 | 40.0 | 47.2 | 54.4 | 61.6 | 68.8 | 76.0 | 83.2 | 90.4 | 97.6 |
| 9/12 | | 33.4 | 40.6 | 47.8 | 55.0 | 62.2 | 69.4 | 76.6 | 83.8 | 91.0 | 98.8 |
| 10/12 | | 34.0 | 41.2 | 48.4 | 55.6 | 62.8 | 70.0 | 77.2 | 84.4 | 91.6 | 98.8 |
| 11/12 | | 34.6 | 41.8 | 49.0 | 56.2 | 63.4 | 70.6 | 77.8 | 85.0 | 92.2 | 99.4 |

NOTE:

Factors are for non-union, non-contributors who terminated employment prior to 9/1/94 and prior to attaining age 55; factors are also applicable for union employees who terminate prior to age 55. Factors are effective as of September 1, 1965.

SCHEDULE E: JOINT AND SURVIVOR FACTORS

(Partial List of Factors)

| PENSIONER | | BENEFICIARY | | 100% | 50% | 75% | 66% |
|-----------|-------|-------------|-------|--------|--------|--------|--------|
| MEN | WOMEN | MEN | WOMEN | | | | |
| 65 | 0 | 0 | 35 | 0.6491 | 0.7872 | 0.7115 | 0.7350 |
| 65 | 0 | 0 | 36 | 0.6518 | 0.7892 | 0.7139 | 0.7373 |
| 65 | 0 | 0 | 37 | 0.6546 | 0.7912 | 0.7164 | 0.7397 |
| 65 | 0 | 0 | 38 | 0.6575 | 0.7934 | 0.7191 | 0.7423 |
| 65 | 0 | 0 | 39 | 0.6607 | 0.7956 | 0.7219 | 0.7449 |
| 65 | 0 | 0 | 40 | 0.6640 | 0.7981 | 0.7249 | 0.7477 |
| 65 | 0 | 0 | 41 | 0.6675 | 0.8006 | 0.7280 | 0.7507 |
| 65 | 0 | 0 | 42 | 0.6711 | 0.8032 | 0.7312 | 0.7537 |
| 65 | 0 | 0 | 43 | 0.6749 | 0.8059 | 0.7347 | 0.7569 |
| 65 | 0 | 0 | 44 | 0.6790 | 0.8088 | 0.7382 | 0.7603 |
| 65 | 0 | 0 | 45 | 0.6832 | 0.8117 | 0.7419 | 0.7638 |
| 65 | 0 | 0 | 46 | 0.6876 | 0.8148 | 0.7458 | 0.7675 |
| 65 | 0 | 0 | 47 | 0.6922 | 0.8181 | 0.7499 | 0.7713 |
| 65 | 0 | 0 | 48 | 0.6969 | 0.8214 | 0.7541 | 0.7753 |
| 65 | 0 | 0 | 49 | 0.7019 | 0.8249 | 0.7585 | 0.7794 |
| 65 | 0 | 0 | 50 | 0.7072 | 0.8285 | 0.7630 | 0.7836 |
| 65 | 0 | 0 | 51 | 0.7125 | 0.8321 | 0.7677 | 0.7881 |
| 65 | 0 | 0 | 52 | 0.7182 | 0.8359 | 0.7726 | 0.7926 |
| 65 | 0 | 0 | 53 | 0.7239 | 0.8399 | 0.7776 | 0.7973 |
| 65 | 0 | 0 | 54 | 0.7299 | 0.8438 | 0.7828 | 0.8021 |
| 65 | 0 | 0 | 55 | 0.7361 | 0.8480 | 0.7881 | 0.8071 |
| 65 | 0 | 0 | 56 | 0.7424 | 0.8521 | 0.7935 | 0.8122 |
| 65 | 0 | 0 | 57 | 0.7490 | 0.8565 | 0.7991 | 0.8174 |
| 65 | 0 | 0 | 58 | 0.7557 | 0.8609 | 0.8048 | 0.8227 |
| 65 | 0 | 0 | 59 | 0.7626 | 0.8653 | 0.8107 | 0.8282 |
| 65 | 0 | 0 | 60 | 0.7697 | 0.8699 | 0.8167 | 0.8337 |
| 65 | 0 | 0 | 61 | 0.7769 | 0.8744 | 0.8227 | 0.8393 |
| 65 | 0 | 0 | 62 | 0.7842 | 0.8790 | 0.8289 | 0.8450 |
| 65 | 0 | 0 | 63 | 0.7917 | 0.8837 | 0.8352 | 0.8508 |
| 65 | 0 | 0 | 64 | 0.7993 | 0.8884 | 0.8415 | 0.8566 |
| 65 | 0 | 0 | 65 | 0.8070 | 0.8931 | 0.8479 | 0.8624 |
| 65 | 0 | 0 | 66 | 0.8147 | 0.8979 | 0.8543 | 0.8683 |
| 65 | 0 | 0 | 67 | 0.8225 | 0.9026 | 0.8607 | 0.8742 |
| 65 | 0 | 0 | 68 | 0.8302 | 0.9073 | 0.8671 | 0.8801 |
| 65 | 0 | 0 | 69 | 0.8380 | 0.9118 | 0.8734 | 0.8858 |
| 65 | 0 | 0 | 70 | 0.8458 | 0.9164 | 0.8797 | 0.8916 |
| 65 | 0 | 0 | 71 | 0.8535 | 0.9210 | 0.8859 | 0.8973 |
| 65 | 0 | 0 | 72 | 0.8611 | 0.9254 | 0.8920 | 0.9029 |
| 65 | 0 | 0 | 73 | 0.8687 | 0.9297 | 0.8982 | 0.9084 |
| 65 | 0 | 0 | 74 | 0.8761 | 0.9339 | 0.9041 | 0.9138 |
| 65 | 0 | 0 | 75 | 0.8834 | 0.9381 | 0.9099 | 0.9191 |

SCHEDULE F: EARLY RETIREMENT FACTORS (UNION EMPLOYEES)

| TWELFTHS OF YEAR | AGE of RETIRED EMPLOYEE | | | | | | | | | |
|---------------------|-------------------------|--------|--------|--------|--------|--------|--------|--------|--------|--------|
| | 55 | 56 | 57 | 58 | 59 | 60 | 61 | 62 | 63 | 64 |
| 0/12 | 58.00% | 63.40% | 68.80% | 74.20% | 79.60% | 85.00% | 88.00% | 91.00% | 94.00% | 97.00% |
| 1/12 | 58.45 | 63.85 | 69.25 | 74.65 | 80.05 | 85.25 | 88.25 | 91.25 | 94.25 | 97.25 |
| 2/12 | 58.90 | 64.30 | 69.70 | 75.10 | 80.50 | 85.50 | 88.50 | 91.50 | 94.50 | 97.50 |
| 3/12 | 59.35 | 64.75 | 70.15 | 75.55 | 80.95 | 85.75 | 88.75 | 91.75 | 94.75 | 97.75 |
| 4/12 | 59.80 | 65.20 | 70.60 | 76.00 | 81.40 | 86.00 | 89.00 | 92.00 | 95.00 | 98.00 |
| 5/12 | 60.25 | 65.65 | 71.05 | 76.45 | 81.85 | 86.25 | 89.25 | 92.25 | 95.25 | 98.25 |
| 6/12 | 60.70 | 66.10 | 71.50 | 76.90 | 82.30 | 86.50 | 89.50 | 92.50 | 95.50 | 98.50 |
| 7/12 | 61.15 | 66.55 | 71.95 | 77.35 | 82.75 | 86.75 | 89.75 | 92.75 | 95.75 | 98.75 |
| 8/12 | 61.60 | 67.00 | 72.40 | 77.80 | 83.20 | 87.00 | 90.00 | 93.00 | 96.00 | 99.00 |
| 9/12 | 62.05 | 67.45 | 72.85 | 78.25 | 83.65 | 87.25 | 90.25 | 93.25 | 96.25 | 99.25 |
| 10/12 | 62.50 | 67.90 | 73.30 | 78.70 | 84.10 | 87.50 | 90.50 | 93.50 | 96.50 | 99.50 |
| 11/12 | 62.95 | 68.35 | 73.75 | 79.15 | 84.55 | 87.75 | 90.75 | 93.75 | 96.75 | 99.75 |

NOTE:

Effective date of factors: September 1, 1965.

With respect to Early Retirement Pensions determined in accordance with Article 9.02(b), the factors determined in accordance with the table set forth above are subject to an increase of 2/10 of 1% (1/10 of 1% for benefits commencing prior to October 1, 1968), for each 1/10 year of credited service in excess of 20.0 years up to a maximum increase of 10% (30% prior to January 1, 2001), provided, however, that the total Early Retirement Pension shall not be an amount greater than the normal pension.

SCHEDULE G 1: WOOD-RIDGE DEFERRED PENSION RATES

The monthly amount of such deferred pension commencing at age 65 for an employee at the Wood-Ridge Facility eligible therefor in accordance with Article 9.02(d)(ii) shall be as follows:

1. For any such employee whose loss of credited service is prior to September 30, 1962, \$2.25 multiplied by his years of credited service.
 2. For any such employee whose loss of credited service is on or after September 30, 1962 and prior to September 30, 1965, \$2.75 multiplied by his years of credited service.
 3. For any such employee whose loss of credited service is on or after September 30, 1965 and prior to September 30, 1968, \$4.25 multiplied by his years of credited service.
 4. For any such employee whose loss of credited service is on or after September 30, 1968 and prior to September 30, 1969, \$5.25 multiplied by his years of credited service.
 5. For any such employee whose loss of credited service is on or after September 30, 1969 and prior to September 30, 1970, \$5.75 multiplied by his years of credited service.
 6. For any such employee whose loss of credited service is on or after September 30, 1970 and prior to September 30, 1971, \$6.25 multiplied by his years of credited service.
 7. For any such employee whose credited service was with the Wood-Ridge or Nuclear Facilities and whose loss of credited service is on or after September 30, 1971 and prior to September 30, 1974, \$8.00 multiplied by his years of credited service.
 8. For any such employee whose credited service was with the Wood-Ridge or Nuclear Facilities and whose loss of credited service is on or after September 30, 1974 and prior to September 30, 1976, \$9.00 multiplied by his years of credited service.
 9. For any such employee whose credited service was with the Wood-Ridge or Nuclear Facilities and whose loss of credited service is on or after September 30, 1976, \$10.00 multiplied by his years of credited service.
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SCHEDULE G 2: BUFFALO DEFERRED PENSION RATES

The monthly amount of such deferred pension commencing at age 65 for an employee at the Buffalo Facility eligible therefor in accordance with Article 9.02(d)(ii) shall be as follows:

1. For any such employee whose loss of credited service is prior to September 30, 1962, \$2.25 multiplied by his years of credited service.
 2. For any such employee whose loss of credited service is on or after September 30, 1962 and prior to September 30, 1965, \$2.75 multiplied by his years of credited service.
 3. For any such employee whose loss of credited service is on or after September 30, 1965 and prior to September 30, 1968, \$4.25 multiplied by his years of credited service.
 4. For any such employee whose loss of credited service is on or after September 30, 1968 and prior to September 30, 1969, \$5.25 multiplied by his years of credited service.
 5. For any such employee whose loss of credited service is on or after September 30, 1969 and prior to September 30, 1970, \$5.75 multiplied by his years of credited service.
 6. For any such employee whose loss of credited service is on or after September 30, 1970 and prior to September 30, 1971, \$6.25 multiplied by his years of credited service.
 7. For any such employee whose credited service was with the Buffalo Facility and whose loss of credited service is either:
 - a. On or after September 30, 1971 and prior to September 30, 1973, the sum of \$6.25 multiplied by his years of credited service prior to January 1, 1972 and \$7.00 multiplied by his years of credited service on or after January 1, 1972;
 - b. On or after September 30, 1973, the sum of \$6.50 multiplied by his years of credited service prior to January 1, 1972 and \$7.00 multiplied by his years of credited service on or after January 1, 1972;
 - c. On or after September 30, 1974, the sum of \$7.00 multiplied by his years of credited service prior to January 1, 1972 and \$8.00 multiplied by his years of credited service on or after January 1, 1972;
 - d. On or after September 30, 1975, \$8.00 multiplied by his years of credited service;
 - e. On or after October 31, 1977 and prior to October 30, 1978, the sum of \$8.00 multiplied by his years of credited service prior to January 1, 1978 and \$9.00 multiplied by his years of credited service on and after January 1, 1978; or
 - f. On or after October 31, 1978 and prior to November 2, 1980, the sum of \$8.00 multiplied by his years of credited service prior to January 1, 1978 and \$10.00 multiplied by his years of credited service on and after January 1, 1978; or
 - g. On or after November 2, 1980, the sum of
\$8.00 multiplied by his years of credited service prior to January 1, 1978; and
\$10.00 multiplied by his years of credited service from January 1, 1978 through November 1, 1980; and
\$11.00 multiplied by his years of credited service from November 2, 1980 through November 1, 1981; and
-

\$12.00 multiplied by his years of credited service from November 2, 1981 through May 3, 1985; and
\$13.00 multiplied by his years of credited service from May 4, 1985 through July 23, 1993; and
\$17.00 multiplied by his years of credited service on and after July 24, 1993.

SCHEDULE G 3: CURTISS-WRIGHT FLIGHT SYSTEMS DEFERRED PENSION RATES

The monthly amount of such deferred pension commencing at age 65 for an employee at the Curtiss-Wright Flight Systems Facility eligible therefor in accordance with Article 9.02(d)(ii) shall be as follows:

1. For any such employee whose loss of credited service is prior to September 30, 1962, \$2.25 multiplied by his years of credited service.
 2. For any such employee whose loss of credited service is on or after September 30, 1962 and prior to September 30, 1965, \$2.75 multiplied by his years of credited service.
 3. For any such employee whose loss of credited service is on or after September 30, 1965 and prior to September 30, 1968, \$4.25 multiplied by his years of credited service.
 4. For any such employee whose loss of credited service is on or after September 30, 1968 and prior to September 30, 1969, \$5.25 multiplied by his years of credited service.
 5. For any such employee whose loss of credited service is on or after September 30, 1969 and prior to September 30, 1970, \$5.75 multiplied by his years of credited service.
 6. For any such employee whose loss of credited service is on or after September 30, 1970 and prior to September 30, 1971, \$6.25 multiplied by his years of credited service.
 7. For any such employee whose loss of credited service is on or after September 30, 1971, \$6.25 multiplied by his years of credited service.
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SCHEDULE G 4: TARGET ROCK CORPORATION DEFERRED PENSION RATES

The monthly amount of such deferred pension commencing at age 65 for an employee at the Target Rock Facility eligible therefor in accordance with Article 9.02(d)(ii) shall be as follows:

1. For any such employee whose loss of credited service is on or after June 1, 1967 and prior to September 30, 1968, \$4.25 multiplied by his years of credited service.
 2. For any such employee whose loss of credited service is on or after September 30, 1968 and prior to September 30, 1969, \$5.25 multiplied by his years of credited service.
 3. For any such employee whose loss of credited service is on or after September 30, 1969 and prior to September 30, 1970, \$5.25 multiplied by his years of credited service.
 4. For any such employee whose loss of credited service is on or after September 30, 1970 and prior to September 30, 1971, \$6.25 multiplied by his years of credited service.
 5. For any such employee whose credited service was at the Target Rock Corporation and whose loss of credited service is on or after September 30, 1971, and prior to June 1, 1975, \$8.00 multiplied by his years of credited service.
 6. For any such employee whose credited service was at the Target Rock Corporation and whose loss of credited service is on or after June 1, 1975, and prior to May 1, 1977, \$9.00 multiplied by his years of credited service.
 7. For any such employee whose credited service was with Target Rock Corporation and whose loss of credited service is on or after May 1, 1977, the sum of:
 - \$9.00 multiplied by his years of credited service prior to May 1, 1977;
 - \$10.00 multiplied by his years of credited service from May 1, 1977 to May 1, 1981;
 - \$11.00 multiplied by his years of credited service from May 1, 1981 to May 1, 1982;
 - \$12.00 multiplied by his years of credited service from May 1, 1982 to May 1, 1984;
 - \$13.00 multiplied by his years of credited service from May 1, 1984 to May 1, 1985;
 - \$14.00 multiplied by his years of credited service from May 1, 1985 to May 1, 1986;
 - \$15.00 multiplied by his years of credited service from May 1, 1986 to July 31, 1994, but August 1, 1997, if he elected to participate in the Curtiss-Wright Corporation Savings and Investment Plan;
 - \$17.00 multiplied by his years of credited service from May 1, 1986 to July 31, 1994, if he elected to participate in the Curtiss-Wright Savings and Investment Plan;
 - \$19.00 multiplied by his years of credited service from August 1, 1997 to August 1, 1998;
 - \$21.00 multiplied by his years of credited service from August 1, 1998 to January 1, 2001;
-

\$23.00 multiplied by his years of credited service from January 1, 2001 to January 1, 2002;

\$25.00 multiplied by his years of credited service from January 1, 2002 to January 1, 2003;

\$28.00 multiplied by his years of credited service on or after January 1, 2003.

\$30.00 multiplied by his years of credited service on or after January 1, 2004.

\$32.00 multiplied by his years of credited service on or after January 1, 2005.

\$34.00 multiplied by his years of credited service on or after January 1, 2006.

\$36.00 multiplied by his years of credited service on or after January 1, 2007.

\$38.00 multiplied by his years of credited service on or after January 1, 2008.

\$41.00 multiplied by his years of credited service on or after January 1, 2009.

\$47.00 multiplied by his years of Credited Service on or after January 1, 2012.

\$49.00 multiplied by his years of Credited Service on or after January 1, 2013.

\$51.00 multiplied by his years of Credited Service on or after January 1, 2014.

\$54.00 multiplied by his years of Credited Service on or after January 1, 2015.

SCHEDULE H: CERTAIN BUFFALO EMPLOYEES

Buffalo employees:

Bronzino, P. - \$1,657.92

Fennell, J. - \$3,021.00

Knox, D. - \$31,811.00

Niemczycki, J. - \$2,332.00

Osborn, D. - \$9,167.00

Sorrentino, W. - \$8,552.50

SCHEDULE I 1: SPECIAL FACTORS FOR ADDITIONAL BENEFITS REFERENCED IN ARTICLE 6.01(C)**(A)**

| Permanent Number | (c)(i)(A) Factor for 8/31/94 Er Indexed Accd for Svc up to 1/1/98 | (c)(i)(B) Factor for 8/31/94 Er Indexed Accd for Svc after 1/1/98 | (c)(ii)(A) Factor for 1.0/1.5% of Avg Comp for Svc from 9/94 to 1/98 | (c)(ii)(B) Factor for 1.0/1.5% of Avg Comp for Svc after 1/98 | (c)(iii)(A) Factor applied to 12/31/97 Cash Balance | (c)(iii)(B) Factor for 1998 Cash Balance Accrual | (c)(iii)(C) Factor for 1999 Cash Balance Accrual | (c)(iii)(D) Factor for 2000 Cash Balance Accrual |
|------------------|--|--|--|---|--|---|---|---|
| 47348 | 1.357712 | 0.223278 | 2.587989 | 4.318460 | 3.103844 | 3.409738 | 3.363556 | 3.252659 |
| 60016 | 0.626981 | 0.112032 | 1.641705 | 2.470229 | 1.926663 | 2.050663 | 2.090425 | 1.946812 |
| 29333 | 0.380750 | 0.065781 | 0.501072 | 0.930190 | 0.626109 | 0.691344 | 0.716675 | 0.640006 |
| 14745 | 0.350470 | 0.135912 | 0.423607 | 1.062577 | 0.524888 | 0.750000 | 0.772500 | 0.689835 |
| 308919 | 0.245972 | 0.069797 | 0.361295 | 0.686298 | 0.444945 | 0.521300 | 0.543344 | 0.471612 |
| 82763 | 0.315606 | 0.031211 | 0.332274 | 0.595356 | 0.442195 | 0.449700 | 0.473444 | 0.409565 |
| 192 | 0.178074 | 0.056171 | 0.284825 | 0.715141 | 0.340802 | 0.476231 | 0.497506 | 0.429841 |
| 9335 | 0.292616 | 0.056058 | 0.288145 | 0.682871 | 0.389166 | 0.447413 | 0.467606 | 0.400671 |

(B)

| Permanent Number | (c)(iv) Additional Annual Benefit | (c)(iv) Additional Balance | Cash |
|------------------|---|----------------------------------|------|
| 29413 | 10,806.74 | 12,082.39 | |
| 25873 | 2,771.29 | 1,076.75 | |

SCHEDULE I 2: SPECIAL FACTORS FOR BENEFITS REFERENCED IN ARTICLE 6.01(D)

| Social Security Number | (d)(i)(A) | (d)(i)(B) | (d)(ii)(A) | (d)(ii)(B) |
|------------------------|--|---|---|---|
| | Factor for 08/31/94 E'er Indexed Accd for Service up to 12/31/00 | Factor for 08/31/94 E'er Indexed Accd for Service from 01/01/01 to 12/31/03 | Factor for 1.0%/1.5% of Avg. Comp for Service from 09/01/94 to 12/31/00 | Factor for 1.0%/1.5% of Avg. Comp for Service from 01/01/01 to 12/31/03 |
| | 0.048891 | 0.049845 | 0.076206 | 1.752618 |
| | 0.000000 | 0.000000 | 0.000000 | 0.000000 |
| | 0.012630 | 0.021939 | 0.059431 | 0.257717 |
| | 0.170235 | 0.107242 | 0.122444 | 0.925566 |
| | 0.000000 | 0.000000 | 0.000000 | 0.000000 |
| | 0.062936 | 0.046692 | 0.101374 | 0.643049 |
| | 0.362002 | 0.186156 | 0.403422 | 3.393319 |
| | 0.000000 | 0.000000 | 0.000000 | 0.000000 |
| | 0.000000 | 0.000000 | 0.000000 | 0.000000 |
| | 0.146986 | 0.068106 | 0.122234 | 1.071600 |
| | 0.054142 | 0.092608 | 0.060373 | 0.451201 |
| | 0.111586 | 0.072341 | 0.104032 | 0.616748 |
| | 0.000000 | 0.000000 | 0.000000 | 0.000000 |
| | 0.000000 | 0.000000 | 0.000000 | 0.000000 |
| | 0.000000 | 0.000000 | 0.000000 | 0.000000 |
| | 0.007044 | 0.005076 | 0.006200 | 0.049163 |
| | 0.000000 | 0.000000 | 0.000000 | 0.000000 |
| | 0.000000 | 0.000000 | 0.000000 | 0.000000 |

| Social Security Number | (d)(iii)(A) Factor Applied to 12/31/2000 Cash Balance | (d)(iii)(B) Factor for 2001 Cash Balance Accrual | (d)(iii)(C) Factor for 2002 Cash Balance Accrual | (d)(iii)(D) Factor for 2003 Cash Balance Accrual |
|------------------------|--|--|--|--|
| | 0.055334 | 1.887089 | 1.887089 | 1.887089 |
| | 0.005584 | 0.000000 | 0.000000 | 0.000000 |
| | 0.000000 | 0.458479 | 0.458479 | 0.458479 |
| | 0.127453 | 0.416260 | 0.416260 | 0.416260 |
| | 0.011480 | 0.000000 | 0.000000 | 0.000000 |
| | 0.026110 | 0.729383 | 0.729383 | 0.729383 |
| | 0.261257 | 1.853613 | 1.853613 | 1.853613 |
| | 0.013852 | 0.000000 | 0.000000 | 0.000000 |
| | 0.036266 | 0.000000 | 0.000000 | 0.000000 |
| | 0.083023 | 0.945458 | 0.945458 | 0.945458 |
| | 0.070526 | 0.198974 | 0.198974 | 0.198974 |
| | 0.064930 | 0.604064 | 0.604064 | 0.604064 |
| | 0.034994 | 0.000000 | 0.000000 | 0.000000 |
| | 0.001974 | 0.000000 | 0.000000 | 0.000000 |
| | 0.009752 | 0.000000 | 0.000000 | 0.000000 |
| | 0.034705 | 0.021556 | 0.021556 | 0.021556 |
| | 0.036143 | 0.000000 | 0.000000 | 0.000000 |
| | 0.073154 | 0.000000 | 0.000000 | 0.000000 |

SCHEDULE I 3: SPECIAL FACTORS FOR BENEFITS REFERENCED IN ARTICLE 6.01(E)

Part (A)

| <i>paragraph:</i> | (e)(i)(A) | (e)(i)(B) | (e)(ii)(A) | (e)(ii)(B) | (e)(iii)(A) | (e)(iii)(B) | (e)(iii)(C) | (e)(iii)(D) |
|-------------------------------|---|--|---|---|--|---|---|---|
| Social Security Number | Factor for 08/31/94 Company Indexed Accrued Benefit for Service up to 12/31/03 | Factor for 08/31/94 Company Indexed Accrued Benefit for Service from 01/01/04 to 12/31/06 | Factor for 1.0%/1.5% of Average Compensation for Service from 09/01/94 to 12/31/03 | Factor for 1.0%/1.5% of Average Compensation for Service from 01/01/04 to 12/31/06 | Factor applied to 12/31/2003 Cash Balance | Factor for 2004 Cash Balance Accrual | Factor for 2005 Cash Balance Accrual | Factor for 2006 Cash Balance Accrual |
| | 0.000030 | - | 0.000079 | 0.000016 | 0.017028 | - | - | - |
| | - | - | 0.178703 | 0.620694 | 0.049070 | 0.260574 | 0.260574 | 0.260574 |
| | 0.094728 | 0.055325 | 0.286785 | 0.760659 | 0.050949 | 0.260680 | 0.260680 | 0.260680 |
| | - | - | 0.153698 | 0.381550 | 0.206495 | 0.342341 | 0.342341 | 0.342341 |
| | - | - | 0.007199 | - | 0.011785 | - | - | - |
| | 0.084505 | 0.051585 | 0.047504 | 1.790416 | 0.070325 | 1.017055 | 1.017055 | 1.017055 |
| | 0.549688 | 0.194709 | 0.286090 | 10.426374 | 0.322283 | 4.367650 | 4.367650 | 4.367650 |
| | - | - | 0.162945 | 0.328535 | 0.106133 | 0.254545 | 0.254545 | 0.254545 |
| | 0.035114 | 0.021058 | 0.105525 | 0.275651 | 0.037198 | 0.096600 | 0.096600 | 0.096600 |
| | - | - | 0.425593 | 0.873242 | 0.452687 | 0.678602 | 0.678602 | 0.678602 |
| | 0.010605 | 0.003032 | 0.039669 | 0.054321 | 0.005594 | 0.017949 | 0.017949 | 0.017949 |
| | - | - | 0.043743 | 0.130618 | 0.023690 | 0.071002 | 0.071002 | 0.071002 |
| | 0.316965 | 0.190944 | 0.173763 | 5.314433 | 0.141206 | 2.284521 | 2.284521 | 2.284521 |
| | - | - | 0.477976 | 0.983501 | 0.387945 | 0.618129 | 0.618129 | 0.618129 |
| | - | - | 0.068096 | 0.204227 | 0.025206 | 0.093914 | 0.093914 | 0.093914 |
| | 0.030182 | 0.018106 | 0.112444 | 0.290023 | 0.014176 | 0.097387 | 0.097387 | 0.097387 |
| | - | - | 0.104742 | 0.316091 | 0.068122 | 0.149460 | 0.149460 | 0.149460 |
| | - | - | 0.124994 | 0.336665 | 0.150871 | 0.289662 | 0.289662 | 0.289662 |
| | - | - | 0.060648 | 0.007328 | 0.075764 | - | - | - |
| | - | - | 0.139515 | 0.433914 | 0.069886 | 0.196813 | 0.196813 | 0.196813 |
| | - | - | 0.235634 | 0.736120 | 0.148019 | 0.448895 | 0.448895 | 0.448895 |

Part (B)

| <i>paragraph:</i> | (e)(iv) | (e)(iv) | |
|-------------------------------|----------------------------------|---------------------------------------|------------------------|
| Social Security Number | Additional Annual Benefit | Additional Cash Balance Amount | Allocation Date |
| | 4,710.46 | 4,480.10 | 8/9/04 |
| | 13,128.20 | 18,906.28 | 1/23/05 |

SCHEDULE I 4: SPECIAL FACTORS FOR BENEFITS REFERENCED IN ARTICLE 6.01(F)

| <i>paragraph:</i> | (f)(i)(A) | (f)(i)(B) | (f)(ii)(A) | (f)(ii)(B) | (f)(iii)(A) | (f)(iii)(B) | (f)(iii)(C) | (f)(iii)(D) |
|------------------------|--|--|--|--|---|--|--|--|
| ID (Last 4 SSN/DOB) | Factor for 08/31/94 Company Indexed Accrued Benefit for Service up to 12/31/06 | Factor for 08/31/94 Company Indexed Accrued Benefit for Service from 01/01/07 to 12/31/09 | Factor for 1.0%/1.5% of Average Compensation for Service from 09/01/94 to 12/31/06 | Factor for 1.0%/1.5% of Average Compensation for Service from 01/01/07 to 12/31/09 | Factor applied to 12/31/2006 Cash Balance | Factor for 2007 Cash Balance Accrual | Factor for 2008 Cash Balance Accrual | Factor for 2009 Cash Balance Accrual |
| | - | - | - | 0.395743 | 0.793124 | 0.191128 | 0.375262 | .0375262 |
| - | - | - | 0.134417 | 0.277931 | 0.061169 | 0.134380 | 0.134380 | 0.134380 |
| - | - | - | 0.143437 | 0.580895 | 0.057516 | 0.300007 | 0.300007 | 0.300007 |
| - | - | - | 0.266972 | 0.031008 | 0.070937 | 0.168199 | 0.168199 | 0.168199 |
| - | - | - | 0.016481 | 0.006368 | 0.007943 | - | - | - |
| 0.196065 | 0.060401 | - | 0.591087 | 0.872204 | 0.052016 | 0.247898 | 0.247898 | 0.247898 |
| - | - | - | 0.301441 | 0.525847 | 0.062003 | 0.192332 | 0.192332 | 0.192332 |
| - | - | - | 0.803788 | 0.142452 | 0.370361 | 0.442327 | 0.442327 | 0.442327 |
| - | - | - | 0.276280 | 0.711843 | 0.152902 | 0.381865 | 0.381865 | 0.381865 |
| - | - | - | 0.393526 | 5.111894 | 0.329333 | 2.211309 | 2.211309 | 2.211309 |
| - | - | - | 0.134156 | - | 0.135336 | - | - | - |
| - | - | - | 0.211821 | 0.707844 | 0.098530 | 0.348205 | 0.348205 | 0.348205 |
| - | - | - | 0.521140 | - | 0.341954 | - | - | - |
| - | - | - | 0.392552 | - | 0.036952 | - | - | - |
| - | - | - | 0.268499 | 0.926240 | 0.092147 | 0.392675 | 0.392675 | 0.392675 |
| - | - | - | 0.033110 | 0.005650 | 0.028019 | - | - | - |
| - | - | - | 0.050044 | 0.113856 | 0.096659 | 0.101539 | 0.101539 | 0.101539 |
| - | - | - | 0.116809 | 0.926363 | 0.107997 | 0.505838 | 0.505838 | 0.505838 |
| - | - | - | 0.546902 | 0.248918 | 0.324974 | 0.262915 | 0.262915 | 0.262915 |
| - | - | - | 0.021493 | 0.039890 | 0.017500 | 0.026598 | 0.026598 | 0.026598 |
| - | - | - | 0.107633 | 0.083898 | 0.049470 | 0.038994 | 0.038994 | 0.038994 |
| - | - | - | 1.131459 | 0.365078 | 0.998500 | 0.683310 | 0.683310 | 0.683310 |
| - | - | - | 0.008776 | - | 0.004066 | - | - | - |
| 0.106181 | 0.030599 | - | 0.141580 | 1.006776 | 0.041565 | 0.441330 | 0.441330 | 0.441330 |
| - | - | - | 0.117013 | 0.237729 | 0.056847 | 0.107172 | 0.107172 | 0.107172 |
| 0.103103 | 0.044602 | - | 0.442136 | 0.757476 | 0.042350 | 0.213976 | 0.213976 | 0.213976 |
| - | - | - | 0.409198 | 0.776448 | 0.190114 | 0.361569 | 0.361569 | 0.361569 |
| - | - | - | 0.289838 | 1.952508 | 0.123348 | 0.783949 | 0.783949 | 0.783949 |
| 0.235065 | 0.092114 | - | 0.552175 | 2.459187 | 0.084426 | 0.709291 | 0.709291 | 0.709291 |
| - | - | - | 0.567674 | 0.981303 | 0.169146 | 0.433871 | 0.433871 | 0.433871 |
| - | - | - | 0.013497 | 0.009652 | 0.024154 | 0.008784 | 0.008784 | 0.008784 |
| - | - | - | 0.846638 | 0.846852 | 0.581817 | 0.684875 | 0.684875 | 0.684875 |
| - | - | - | 0.086509 | 1.081857 | 0.035607 | 0.439498 | 0.439498 | 0.439498 |
| - | - | - | 0.365826 | 0.240766 | 0.317202 | 0.281319 | 0.281319 | 0.281319 |
| - | - | - | 0.047663 | 0.092362 | 0.051944 | 0.076623 | 03076623 | 03076623 |
| - | - | - | 0.417544 | 0.951402 | 0.568307 | 0.873429 | 0.873429 | 0.873429 |
| - | - | - | 0.077896 | 0.961865 | 0.083130 | 0.593592 | 0.593592 | 0.593592 |
| - | - | - | 0.123970 | - | 0.108089 | - | - | - |
| 0.352079 | 0.081123 | - | 1.342181 | 2.229071 | 0.153487 | 0.654119 | 0.654119 | 0.654119 |
| 0.151955 | 0.060147 | - | 0.534826 | 0.982022 | 0.040162 | 0.267969 | 0.267969 | 0.267969 |
| - | - | - | 0.636896 | 1.136248 | 0.140655 | 0.411685 | 0.411685 | 0.411685 |

| | | | | | | | |
|----------|---|----------|----------|----------|----------|----------|----------|
| - | - | 0.600043 | 0.913678 | 0.474784 | 0.663998 | 0.663998 | 0.663998 |
| - | - | 0.526994 | 0.621291 | 0.454438 | 0.502114 | 0.502114 | 0.502114 |
| - | - | 0.048776 | 0.009953 | 0.017850 | - | - | - |
| - | - | 0.043772 | 0.099318 | 0.091797 | 0.083633 | 0.083633 | 0.083633 |
| - | - | 0.107534 | 0.263760 | 0.023241 | 0.098786 | 0.098786 | 0.098786 |
| - | - | 0.231361 | 0.981171 | 0.070808 | 0.379007 | 0.379007 | 0.379007 |
| - | - | 0.218108 | 0.321028 | 0.185860 | 0.219693 | 0.219693 | 0.219693 |
| - | - | 0.208721 | 0.493638 | 0.049417 | 0.183390 | 0.183390 | 0.183390 |
| - | - | 0.003290 | 0.000324 | 0.001405 | - | - | - |
| - | - | 0.138953 | 0.439812 | 0.066331 | 0.220391 | 0.220391 | 0.220391 |
| 0.161407 | - | 0.085203 | - | 0.151077 | - | - | - |
| - | - | 0.097845 | 0.890468 | 0.056880 | 0.555118 | 0.555118 | 0.555118 |

SCHEDULE J: SPECIAL PROVISIONS APPLICABLE TO EMPLOYEES OF ACQUIRED ENTITIES

The provisions of this Schedule J shall apply to Employees who were formerly employed by entities that were acquired by the Company or an Affiliated Company and, to the extent specified, to Employees who are employed at such operations or facilities subsequent to the acquisition thereof.

Prior to January 1, 2005 the term "Entry Date" as used herein, shall mean the first day of every January, April, July and October. After January 1, 2005 employees enter the Plan following completion of one Year of Service in accordance with Article 2.01.

1. Aviall, Inc.

Notwithstanding any provision in this Plan to the contrary, the following rules shall apply to an Employee hired on May 21, 1996 whose immediate prior service was with the Aviall, Inc. and who was employed by such entity at such date:

- (a) Such an Employee shall be eligible to participate in the Plan as of the Entry Date coinciding with or next following the date he or she completes his or her Year of Eligibility Service, which Year of Eligibility Service shall include such prior service, and shall remain eligible so long as he or she continues to satisfy the eligibility requirements in Article 2.01(b)(i) and (ii).
- (b) For purposes of determining Vesting Years of Service, his period of such prior service shall be included.
- (c) For purposes of determining Credited Service, he shall have Credited Service computed from May 21, 1996.

2. Alpha Heat Treaters Division of Alpha-Beta Industries, Inc.

Notwithstanding any provision in this Plan to the contrary, the following rules shall apply to an Employee hired on April 30, 1998 whose immediate prior service was with the Alpha Heat Treaters Division of Alpha-Beta Industries, Inc. and who was employed by such entity at such date:

- (a) Such an Employee shall be eligible to participate in the Plan as of the Entry Date coinciding with or next following the date he or she completes his or her Year of Eligibility Service, which Year of Eligibility Service shall include such prior service, and shall remain eligible so long as he or she continues to satisfy the eligibility requirements in Article 2.01(b)(i) and (ii).
- (b) For purposes of determining Vesting Years of Service, his period of such prior service shall be included.
- (c) For purposes of determining Credited Service, he shall have Credited Service computed from April 30, 1998.

3. Servus

Notwithstanding any provision in this Plan to the contrary, the following rules shall apply to an Employee hired on August 1, 1998 whose immediate prior service was with Servus and who was employed by such entity at such date:

- (a) Such an Employee shall be eligible to participate in the Plan as of the Entry Date coinciding with or next following the date he or she completes his or her Year of
-

Eligibility Service, which Year of Eligibility Service shall include such prior service, and shall remain eligible so long as he or she continues to satisfy the eligibility requirements in Article 2.01(b)(i) and (ii).

(b) For purposes of determining Vesting Years of Service, his period of such prior service shall be included.

(c) For purposes of determining Credited Service, he shall have Credited Service computed from August 1, 1998.

4. Enertech

Notwithstanding any provision in this Plan to the contrary, the following rules shall apply to an Employee hired on August 1, 1998 whose immediate prior service was with Enertech and who was employed by such entity at such date:

(a) Such an Employee shall be eligible to participate in the Plan as of the Entry Date coinciding with or next following the date he or she completes his or her Year of Eligibility Service, which Year of Eligibility Service shall include such prior service, and shall remain eligible so long as he or she continues to satisfy the eligibility requirements in Article 2.01(b)(i) and (ii).

(b) For purposes of determining Vesting Years of Service, his period of such prior service shall be included.

(c) For purposes of determining Credited Service, he shall have Credited Service computed from August 1, 1998.

5. Metallurgical Processing, Inc.

Notwithstanding any provision in this Plan to the contrary, the following rules shall apply to an Employee hired on July 1, 1999 whose immediate prior service was with Metallurgical Processing, Inc. and who was employed by such entity at such date:

(a) Such an Employee shall be eligible to participate in the Plan as of the Entry Date coinciding with or next following the date he or she completes his or her Year of Eligibility Service, which Year of Eligibility Service shall include such prior service, and shall remain eligible so long as he or she continues to satisfy the eligibility requirements in Article 2.01(b)(i) and (ii).

(b) For purposes of determining Vesting Years of Service, his period of such prior service shall be included.

(c) For purposes of determining Credited Service, he shall have Credited Service computed from July 1, 1999.

6. Teledyne Fluid Systems - Farris/Sprague

Notwithstanding any provision in this Plan to the contrary, the following rules shall apply to an Employee hired on August 28, 1999 whose immediate prior service was with Teledyne Fluid Systems and who was employed by such entity at such date:

(a) Such an Employee shall be eligible to participate in the Plan as of the Entry Date coinciding with or next following the date he or she completes his or her Year of Eligibility Service, which Year of Eligibility Service shall include such prior service, and shall remain eligible so long as he or she continues to satisfy the eligibility requirements in Article 2.01(b)(i) and (ii).

(b) For purposes of determining Vesting Years of Service, his period of such prior service shall be included.

- (c) For purposes of determining Credited Service, he shall have Credited Service computed from August 28, 1999.

7. EF Quality Heat Treating

Notwithstanding any provision in this Plan to the contrary, the following rules shall apply to an Employee hired on December 14, 2000 whose immediate prior service was with EF Quality Heat Treating and who was employed by such entity at such date:

- (a) Such an Employee shall be eligible to participate in the Plan as of the Entry Date coinciding with or next following the date he or she completes his or her Year of Eligibility Service, which Year of Eligibility Service shall include such prior service, and shall remain eligible so long as he or she continues to satisfy the eligibility requirements in Article 2.01(b)(i) and (ii).
- (b) For purposes of determining Vesting Years of Service, his period of such prior service shall be included.
- (c) For purposes of determining Credited Service, he shall have Credited Service computed from December 14, 2000.

8. Lau Defense Systems and Vista Controls

Notwithstanding any provision in this Plan to the contrary, the following rules shall apply to an Employee hired on November 1, 2001 whose immediate prior service was with Lau Defense Systems or Vista Controls and who was employed by such entity at such date:

- (a) Such an Employee shall be eligible to participate in the Plan as of the Entry Date coinciding with or next following the date he or she completes his or her Year of Eligibility Service, which Year of Eligibility Service shall include such prior service, and shall remain eligible so long as he or she continues to satisfy the eligibility requirements in Article 2.01(b)(i) and (ii).
- (b) For purposes of determining Vesting Years of Service, his period of such prior service shall be included.
- (c) For purposes of determining Credited Service, he shall have Credited Service computed from November 1, 2001.

9. Ironbound Heat Treating Company

Notwithstanding any provision in this Plan to the contrary, the following rules shall apply to an Employee hired on November 5, 2001 whose immediate prior service was with Ironbound Heat Treating Company and who was employed by such entity at such date:

- (a) Such an Employee shall be eligible to participate in the Plan as of the Entry Date coinciding with or next following the date he or she completes his or her Year of Eligibility Service, which Year of Eligibility Service shall include such prior service, and shall remain eligible so long as he or she continues to satisfy the eligibility requirements in Article 2.01(b)(i) and (ii).
 - (b) For purposes of determining Vesting Years of Service, his period of such prior service shall be included.
 - (c) For purposes of determining Credited Service, he shall have Credited Service computed from November 5, 2001.
-

10. Peerless Instrument Company

Notwithstanding any provision in this Plan to the contrary, the following rules shall apply to an Employee hired on November 8, 2001 whose immediate prior service was with Peerless Instrument Company and who was employed by such entity at such date:

- (a) Such an Employee shall be eligible to participate in the Plan as of the Entry Date coinciding with or next following the date he or she completes his or her Year of Eligibility Service, which Year of Eligibility Service shall include such prior service, and shall remain eligible so long as he or she continues to satisfy the eligibility requirements in Article 2.01(b)(i) and (ii).
- (b) For purposes of determining Vesting Years of Service, his period of such prior service shall be included.
- (c) For purposes of determining Credited Service, he shall have Credited Service computed from November 8, 2001.

11. Deltavalve USA, L.L.C.

Notwithstanding any provision in this Plan to the contrary, the following rules shall apply to an Employee hired on December 12, 2001 whose immediate prior service was with Deltavalve USA, L.L.C. and who was employed by such entity at such date:

- (a) Such an Employee shall be eligible to participate in the Plan as of the Entry Date coinciding with or next following the date he or she completes his or her Year of Eligibility Service, which Year of Eligibility Service shall include such prior service, and shall remain eligible so long as he or she continues to satisfy the eligibility requirements in Article 2.01(b)(i) and (ii).
- (b) For purposes of determining Vesting Years of Service, his period of such prior service shall be included.
- (c) For purposes of determining Credited Service, he shall have Credited Service computed from December 12, 2001.

12. Bodycote Thermal Processing

Notwithstanding any provision in this Plan to the contrary, the following rules shall apply to an Employee hired on December 19, 2001 whose immediate prior service was with Bodycote Thermal Processing and who was employed by such entity at such date:

- (a) Such an Employee shall be eligible to participate in the Plan as of the Entry Date coinciding with or next following the date he or she completes his or her Year of Eligibility Service, which Year of Eligibility Service shall include such prior service, and shall remain eligible so long as he or she continues to satisfy the eligibility requirements in Article 2.01(b)(i) and (ii).
- (b) For purposes of determining Vesting Years of Service, his period of such prior service shall be included.
- (c) For purposes of determining Credited Service, he shall have Credited Service computed from December 19, 2001.

13. Penny & Giles Controls, Inc.

Notwithstanding any provision in this Plan to the contrary, the following rules shall apply to an Employee hired on April 1, 2002 whose immediate prior service was with Penny & Giles Controls, Inc. and who was employed by such entity at such date:

- (a) Such an Employee shall be eligible to participate in the Plan as of the Entry Date coinciding with or next following the date he or she completes his or her Year of Eligibility Service, which Year of Eligibility Service shall include such prior service, and shall remain eligible so long as he or she continues to satisfy the eligibility requirements in Article 2.01(b)(i) and (ii).
- (b) For purposes of determining Vesting Years of Service, his period of such prior service shall be included.
- (c) For purposes of determining Credited Service, he shall have Credited Service computed from April 1, 2002.

14. Autronics Corp.

Notwithstanding any provision in this Plan to the contrary, the following rules shall apply to an Employee hired on April 1, 2002 whose immediate prior service was with Autronics Corp. and who was employed by such entity at such date:

- (a) Such an Employee shall be eligible to participate in the Plan as of the Entry Date coinciding with or next following the date he or she completes his or her Year of Eligibility Service, which Year of Eligibility Service shall include such prior service, and shall remain eligible so long as he or she continues to satisfy the eligibility requirements in Article 2.01(b)(i) and (ii).
- (b) For purposes of determining Vesting Years of Service, his period of such prior service shall be included.
- (c) For purposes of determining Credited Service, he shall have Credited Service computed from April 1, 2002.

15. Curtiss-Wright Electro-Mechanical Corp.

Notwithstanding any provision hereof to the contrary, no Employee who is employed by Curtiss-Wright Electro-Mechanical Corp., or any subsidiary or division thereof shall be eligible to become a Participant in this Plan.

16. TAPCO

- (a) Notwithstanding any provision hereof to the contrary, no Employee who is employed by TAPCO International, Inc., or any subsidiary or division thereof shall be eligible to become a Participant in this Plan prior to November 1, 2004.
- (b) Effective as of October 1, 2004, an Employee at the operations and facilities acquired by the Company in its acquisition of TAPCO shall be eligible to become a Participant in accordance with Article 2.01(b), but shall not accrue any benefits under the Plan, except for benefits determined in accordance with Article 4.

17. Collins Technologies

- (a) Notwithstanding any provision in this Plan to the contrary, the following rules shall apply to an Employee hired on March 1, 2003 whose immediate prior service was with Collins Technologies and who was employed by such entity at such date:
 - (i) Such an Employee shall be eligible to participate in the Plan as of the Entry Date coinciding with or next following the date he or she completes his or her Year of Eligibility Service, which Year of Eligibility Service shall include such prior service, and shall remain eligible so long as he or she continues to satisfy the eligibility requirements in Article 2.01(b)(i) and (ii), provided, however, that such an Employee shall not accrue any benefits

under the Plan, except for benefits determined in accordance with Article 4.

- (ii) For purposes of determining Vesting Years of Service, his period of such prior service shall be included.
- (b) Notwithstanding any provision in this Plan to the contrary, an Employee at the operations and facilities acquired by the Company in its acquisition of Collins Technologies, who is not an Employee described in paragraph (a), shall be eligible to become a Participant in accordance with Article 2.01(b), but shall not accrue any benefits under the Plan, except for benefits determined in accordance with Article 4.

18. Advanced Materials Process Corp.

- (a) Notwithstanding any provision in this Plan to the contrary, the following rules shall apply to an Employee hired on March 12, 2003 whose immediate prior service was with Advanced Materials Process Corp. and who was employed by such entity at such date:
 - (i) Such an Employee shall be eligible to participate in the Plan as of the Entry Date coinciding with or next following the date he or she completes his or her Year of Eligibility Service, which Year of Eligibility Service shall include such prior service, and shall remain eligible so long as he or she continues to satisfy the eligibility requirements in Article 2.01(b)(i) and (ii).
 - (ii) For purposes of determining Vesting Years of Service, his period of such prior service shall be included.
- (b) Notwithstanding any provision in this Plan to the contrary, an Employee at the operations and facilities acquired by the Company in its acquisition of Advanced Materials Process Corp., who is not an Employee described in paragraph (a), shall be eligible to become a Participant in accordance with Article 2.01(b).

19. E/M Coatings

- (a) Notwithstanding any provision in this Plan to the contrary, the following rules shall apply to an Employee hired on April 2, 2003 whose immediate prior service was with E/M Coatings and who was employed by such entity at such date:
 - (i) Such an Employee shall be eligible to participate in the Plan as of the Entry Date coinciding with or next following the date he or she completes his or her Year of Eligibility Service, which Year of Eligibility Service shall include such prior service, and shall remain eligible so long as he or she continues to satisfy the eligibility requirements in Article 2.01(b)(i) and (ii), provided, however, that such an Employee shall not accrue any benefits under the Plan, except for benefits determined in accordance with Article 4.
 - (ii) For purposes of determining Vesting Years of Service, his period of such prior service shall be included.
 - (b) Notwithstanding any provision in this Plan to the contrary, an Employee at the operations and facilities acquired by the Company in its acquisition of E/M Coatings, who is not an Employee described in paragraph (a), shall be eligible to become a Participant in accordance with Article 2.01(b), but shall not accrue any benefits under the Plan, except for benefits determined in accordance with Article 4.
-

20. Peritek Corp.

- (a) Notwithstanding any provision in this Plan to the contrary, the following rules shall apply to an Employee hired on August 1, 2003 whose immediate prior service was with Peritek Corp. and who was employed by such entity at such date:
 - (i) Such an Employee shall be eligible to participate in the Plan as of the Entry Date coinciding with or next following the date he or she completes his or her Year of Eligibility Service, which Year of Eligibility Service shall include such prior service, and shall remain eligible so long as he or she continues to satisfy the eligibility requirements in Article 2.01(b)(i) and (ii), provided, however, that such an Employee shall not accrue any benefits under the Plan, except for benefits determined in accordance with Article 4.
 - (ii) For purposes of determining Vesting Years of Service, his period of such prior service shall be included.
- (b) Notwithstanding any provision in this Plan to the contrary, an Employee at the operations and facilities acquired by the Company in its acquisition of Peritek Corp., who is not an Employee described in paragraph (a), shall be eligible to become a Participant in accordance with Article 2.01(b), but shall not accrue any benefits under the Plan, except for benefits determined in accordance with Article 4.

21. Systran Corp.

- (a) Notwithstanding any provision in this Plan to the contrary, the following rules shall apply to an Employee hired on December 1, 2003 whose immediate prior service was with Systran Corp. and who was employed by such entity at such date:
 - (i) Such an Employee shall be eligible to participate in the Plan as of the Entry Date coinciding with or next following the date he or she completes his or her Year of Eligibility Service, which Year of Eligibility Service shall include such prior service, and shall remain eligible so long as he or she continues to satisfy the eligibility requirements in Article 2.01(b)(i) and (ii), provided, however, that such an Employee shall not accrue any benefits under the Plan, except for benefits determined in accordance with Article 4.
 - (ii) Such an Employee shall be 100% vested in his benefit as determined in accordance with Article 4.
- (b) Notwithstanding any provision in this Plan to the contrary, an Employee at the operations and facilities acquired by the Company in its acquisition of Systran Corp., who is not an Employee described in paragraph (a), shall be eligible to become a Participant in accordance with Article 2.01(b), but shall not accrue any benefits under the Plan, except for benefits determined in accordance with Article 4.

22. Collins, Long Island (formerly referred to as Novatronics, Inc.)

- (a) Notwithstanding any provision hereof to the contrary, no Employee who is employed at operations or facilities acquired by the Company in its acquisition of Novatronics, Inc. shall be eligible to become a Participant in this Plan prior to September 1, 2005.
 - (b) Effective as of September 1, 2005, an Employee at the operations and facilities acquired by the Company in its acquisition of Novatronics, Inc. shall be eligible to become a Participant in accordance with Article 2.01(b), but shall not accrue any
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benefits under the Plan, except for benefits determined in accordance with Article 4.02. In computing the benefits accrued under Article 4.02, only Compensation earned on and after September 1, 2005 shall be counted.

- (c) For purposes of determining an Employee's Vesting Years of Service, the Employee's period of prior service with Novatronics, Inc. rendered prior to the date of acquisition shall be included. In computing such prior service, an Employee who is credited with at least one Hour of Service prior to July 1 of a calendar year shall receive one full Vesting Year of Service for that calendar year; otherwise no credit shall be credited for that calendar year.

23. DY4 Systems, Inc.

- (a) Notwithstanding any provision in this Plan to the contrary, the following rules shall apply to an Employee hired on January 31, 2004 whose immediate prior service was with DY4 Systems, Inc. and who was employed by such entity at such date:
 - (i) Such an Employee shall be eligible to participate in the Plan as of the Entry Date coinciding with or next following the date he or she completes his or her Year of Eligibility Service, which Year of Eligibility Service shall include such prior service, and shall remain eligible so long as he or she continues to satisfy the eligibility requirements in Article 2.01(b)(i) and (ii), provided, however, that such an Employee shall not accrue any benefits under the Plan, except for benefits determined in accordance with Article 4.
 - (ii) For purposes of determining Vesting Years of Service, his period of such prior service shall be included.
- (b) Notwithstanding any provision in this Plan to the contrary, an Employee at the operations and facilities acquired by the Company in its acquisition of DY4 Systems, Inc., who is not an Employee described in paragraph (a), shall be eligible to become a Participant in accordance with Article 2.01(b), but shall not accrue any benefits under the Plan, except for benefits determined in accordance with Article 4.

24. Everlube Products

- (a) Notwithstanding any provision in this Plan to the contrary, the following rules shall apply to an Employee hired on April 2, 2004 whose immediate prior service was with Everlube Products and who was employed by such entity at such date:
 - (i) Such an Employee shall be eligible to participate in the Plan as of the Entry Date coinciding with or next following the date he or she completes his or her Year of Eligibility Service, which Year of Eligibility Service shall include such prior service, and shall remain eligible so long as he or she continues to satisfy the eligibility requirements in Article 2.01(b)(i) and (ii), provided, however, that such an Employee shall not accrue any benefits under the Plan, except for benefits determined in accordance with Article 4.
 - (ii) For purposes of determining Vesting Years of Service, his period of such prior service shall be included.
 - (b) Notwithstanding any provision in this Plan to the contrary, an Employee at the operations and facilities acquired by the Company in its acquisition of Everlube Products, who is not an Employee described in paragraph (a), shall be eligible to become a Participant in accordance with Article 2.01(b), but shall not accrue any
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benefits under the Plan, except for benefits determined in accordance with Article 4.

25. IMES Engineering, Inc.

- (a) Notwithstanding any provision hereof to the contrary, no Employee who is employed at any operations or facilities acquired by the Company in its acquisition of IMES Engineering, Inc. shall be eligible to become a Participant in this Plan.
- (b) Effective January 1, 2009, any Employee who is employed at any operations or facilities acquired by the Company in its acquisition of IMES Engineering, Inc. shall be eligible to participate in the Cash Balance Account as described in Article 4.
- (c) For purposes of determining Vesting Years of Service, vesting service shall commence with his or her most recent date of hire with IMES Engineering, Inc. immediately prior to its acquisition by Curtiss-Wright Corporation shall be included.
- (d) Notwithstanding any provision in this Plan to the contrary, an Employee at the operations and facilities acquired by the Company in its acquisition of IMES Engineering, Inc., who is not an Employee of IMES Engineering, Inc. on January 1, 2009 shall be eligible to become a Participant in accordance with Article 2.01(b), but shall not accrue any benefits under the Plan, except for benefits determined in accordance with Article 4.

26. Nova Machine Products Corp.

Notwithstanding any provision hereof to the contrary, no Employee who is employed at any operations or facilities acquired by the Company in its acquisition of Nova Machine Products Corp. shall be eligible to become a Participant in this Plan.

Effective January 1, 2008, Nova Machine Products Corp. employees will be eligible to participate in the Cash Balance Account as described in Article 4.

27. Trentec, Inc.

- (a) Notwithstanding any provision in this Plan to the contrary, the following rules shall apply to an Employee hired on May 24, 2004 whose immediate prior service was with Trentec, Inc. and who was employed by such entity at such date:
 - (i) Such an Employee shall be eligible to participate in the Plan as of the Entry Date coinciding with or next following the date he or she completes his or her Year of Eligibility Service, which Year of Eligibility Service shall include such prior service, and shall remain eligible so long as he or she continues to satisfy the eligibility requirements in Article 2.01(b)(i) and (ii), provided, however, that such an Employee shall not accrue any benefits under the Plan, except for benefits determined in accordance with Article 4.
 - (ii) For purposes of determining Vesting Years of Service, his period of such prior service shall be included.
 - (b) Notwithstanding any provision in this Plan to the contrary, an Employee at the operations and facilities acquired by the Company in its acquisition of Trentec, Inc., who is not an Employee described in paragraph (a), shall be eligible to become a Participant in accordance with Section 2.01(b), but shall not accrue any benefits under the Plan, except for benefits determined in accordance with Article 4.
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28. Primagraphics

- (a) Notwithstanding any provision in this Plan to the contrary, the following rules shall apply to an Employee hired on May 28, 2004 whose immediate prior service was with Primagraphics and who was employed by such entity at such date:
 - (i) Such an Employee shall be eligible to participate in the Plan as of the Entry Date coinciding with or next following the date he or she completes his or her Year of Eligibility Service, which Year of Eligibility Service shall include such prior service, and shall remain eligible so long as he or she continues to satisfy the eligibility requirements in Article 2.01(b)(i) and (ii), provided, however, that such an Employee shall not accrue any benefits under the Plan, except for benefits determined in accordance with Article 4.
 - (ii) For purposes of determining Vesting Years of Service, his period of such prior service shall be included.
- (b) Notwithstanding any provision in this Plan to the contrary, an Employee at the operations and facilities acquired by the Company in its acquisition of Primagraphics, who is not an Employee described in paragraph (a), shall be eligible to become a Participant in accordance with Article 2.01(b), but shall not accrue any benefits under the Plan, except for benefits determined in accordance with Article 4.

29. IMC Magnetism Corporation

- (a) Notwithstanding any provision in this Plan to the contrary, the following rules shall apply to an Employee whose immediate prior service was with IMC Magnetism Corporation and who was employed by such entity at such date:
 - (i) Such an Employee shall be eligible to participate in the Plan following the date he or she completes his or her Year of Eligibility Service, which Year of Eligibility Service shall include such prior service, and shall remain eligible so long as he or she continues to satisfy the eligibility requirements in Article 2.01(b)(i) and (ii), provided, however, that such an Employee shall not accrue any benefits under the Plan, except for benefits determined in accordance with Article 4.
 - (ii) For purposes of determining Vesting Years of Service, his or her period of such prior service determined from his or latest date of hire with IMC prior to its acquisition by Curtiss-Wright Corporation shall be included.
- (b) Notwithstanding any provision in this Plan to the contrary, an Employee at the operations and facilities acquired by the Company in its acquisition of IMC Magnetism Corporation, who is not an Employee described in paragraph (a), shall be eligible to become a Participant in accordance with Article 2.01(b), but shall not accrue any benefits under the Plan, except for benefits determined in accordance with Article 4.

30. Scientech LLC.

- (a) Notwithstanding any provision in this Plan to the contrary, the following rules shall apply to an Employee hired on May 9, 2007, whose immediate prior service was with Scientech LLC and who was employed by such entity at such date:
 - (i) Such an Employee shall be eligible to participate in the Plan following the date he or she completes his or her Year of Eligibility Service, which Year of Eligibility Service shall include such prior service, and shall remain eligible so long as he or she continues to satisfy the eligibility
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requirements in Article 2.01(b)(i) and (ii), provided, however, that such an Employee shall not accrue any benefits under the Plan, except for benefits determined in accordance with Article 4.

- (ii) For purposes of determining Vesting Years of Service, his or her period of such prior service determined from his or latest date of hire with Scientech LLC prior to its acquisition by Curtiss-Wright Corporation shall be included.

- (b) Notwithstanding any provision in this Plan to the contrary, an Employee at the operations and facilities acquired by the Company in its acquisition of Scientech LLC, who is not an Employee described in paragraph (a), shall be eligible to become a Participant in accordance with Article 2.01(b), but shall not accrue any benefits under the Plan, except for benefits determined in accordance with Article 4.

31. Valve Systems and Controls

- (a) Notwithstanding any provision in this Plan to the contrary, the following rules shall apply to an Employee hired on June 1, 2007, whose immediate prior service was with Valve Systems and Controls and who was employed by such entity at such date:

- (i) Such an Employee shall be eligible to participate in the Plan following the date he or she completes his or her Year of Eligibility Service, which Year of Eligibility Service shall include such prior service, and shall remain eligible so long as he or she continues to satisfy the eligibility requirements in Article 2.01(b)(i) and (ii), provided, however, that such an Employee shall not accrue any benefits under the Plan, except for benefits determined in accordance with Article 4.
- (ii) For purposes of determining Vesting Years of Service, his or her period of such prior service determined from his or latest date of hire with Valve Systems and Controls prior to its acquisition by Curtiss-Wright Corporation shall be included.

- (b) Notwithstanding any provision in this Plan to the contrary, an Employee at the operations and facilities acquired by the Company in its acquisition of Valve Systems and Controls, who is not an Employee described in paragraph (a), shall be eligible to become a Participant in accordance with Article 2.01(b), but shall not accrue any benefits under the Plan, except for benefits determined in accordance with Article 4.

32. Parylene Coating Services, Inc. (PCS)

- (a) Notwithstanding any provision in this Plan to the contrary, the following rules shall apply to an Employee hired on September 3, 2008, whose immediate prior service was with Parylene Coating Services, Inc. (PCS) and who was employed by such entity at such date:

- (i) Such an Employee shall be eligible to participate in the Plan following the date he or she completes his or her Year of Eligibility Service, which Year of Eligibility Service shall include such prior service, and shall remain eligible so long as he or she continues to satisfy the eligibility requirements in Article 2.01(b)(i) and (ii), provided, however, that such an Employee shall not accrue any benefits under the Plan, except for benefits determined in accordance with Article 4.
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(ii) For purposes of determining Vesting Years of Service, vesting service shall commence with his or her most recent date of hire with Parylene Coating Services, Inc. (PCS) prior to its acquisition by Curtiss-Wright Corporation shall be included.

(b) Notwithstanding any provision in this Plan to the contrary, an Employee at the operations and facilities acquired by the Company in its acquisition of Parylene Coating Services, Inc. (PCS), who is not an Employee described in paragraph (a), shall be eligible to become a Participant in accordance with Article 2.01(b), but shall not accrue any benefits under the Plan, except for benefits determined in accordance with Article 4.

33. V-Metro

(a) Notwithstanding any provision in this Plan to the contrary, the following rules shall apply to an Employee hired on October 15, 2008, whose immediate prior service was with V-Metro and who was employed by such entity at such date:

(i) Such an Employee shall be eligible to participate in the Plan as of January 1, 2009, and shall remain eligible so long as he or she continues to satisfy the eligibility requirements in Article 2.01(b)(i) and (ii), provided, however, that such an Employee shall not accrue any benefits under the Plan, except for benefits determined in accordance with Article 4.

(ii) For purposes of determining Vesting Years of Service, vesting service shall commence with his or her most recent date of hire with V-Metro prior to its acquisition by Curtiss-Wright Corporation shall be included.

(b) Notwithstanding any provision in this Plan to the contrary, an Employee at the operations and facilities acquired by the Company in its acquisition of V-Metro, who is not an Employee described in paragraph (a), shall be eligible to become a Participant in accordance with Article 2.01(b), but shall not accrue any benefits under the Plan, except for benefits determined in accordance with Article 4.

34. Nu-Torque

(a) Notwithstanding any provision in this Plan to the contrary, the following rules shall apply to an Employee hired on January 16, 2009 whose immediate prior service was with Nu-Torque and who was employed by such entity at such date:

(i) Such an Employee shall be eligible to participate in the Plan following the date he or she completes his or her Year of Eligibility Service, which Year of Eligibility Service shall include such prior service, and shall remain eligible so long as he or she continues to satisfy the eligibility requirements in Article 2.01(b)(i) and (ii), provided, however, that such an Employee shall not accrue any benefits under the Plan, except for benefits determined in accordance with Article 4.

(ii) For purposes of determining Vesting Years of Service, vesting service shall commence with his or her most recent date of hire with Nu-Torque immediately prior to its acquisition by Curtiss-Wright Corporation.

(b) Notwithstanding any provision in this Plan to the contrary, an Employee at the operations and facilities acquired by the Company in its acquisition of Nu-Torque, who is not an Employee described in paragraph (a), shall be eligible to become a Participant in accordance with Article 2.01(b), but shall not accrue any benefits under the Plan, except for benefits determined in accordance with Article 4."

35. EST Group

- (a) Notwithstanding any provision in this Plan to the contrary, the following rules shall apply to an Employee hired on March 6, 2009 whose immediate prior service was with EST Group and who was employed by such entity at such date:
 - (i) Such an Employee shall be eligible to participate in the Plan as of July 1, 2009, and shall remain eligible so long as he or she continues to satisfy the eligibility requirements in Article 2.01(b)(i) and (ii), provided, however, that such an Employee shall not accrue any benefits under the Plan, except for benefits determined in accordance with Article 4.
 - (ii) For purposes of determining Vesting Years of Service, vesting service shall commence with his or her most recent date of hire with EST Group immediately prior to its acquisition by Curtiss-Wright Corporation.
- (b) Notwithstanding any provision in this Plan to the contrary, an Employee at the operations and facilities acquired by the Company in its acquisition of EST Group, who is not an Employee described in paragraph (a), shall be eligible to become a Participant in accordance with Article 2.01(b), but shall not accrue any benefits under the Plan, except for benefits determined in accordance with Article 4.

36. Northeast Technology Corporation (NETCO)

- (a) Notwithstanding any provision in this Plan to the contrary, the following rules shall apply to an Employee hired on May 15, 2009 whose immediate prior service was with Northeast Technology Corporation (NETCO) and who was employed by such entity at such date:
 - (i) Such an Employee shall be eligible to participate in the Plan following the date he or she completes his or her Year of Eligibility Service, which Year of Eligibility Service shall include such prior service, and shall remain eligible so long as he or she continues to satisfy the eligibility requirements in Article 2.01(b)(i) and (ii), provided, however, that such an Employee shall not accrue any benefits under the Plan, except for benefits determined in accordance with Article 4.
 - (ii) For purposes of determining Vesting Years of Service, vesting service shall commence with his or her most recent date of hire with Northeast Technology Corporation (NETCO) immediately prior to its acquisition by Curtiss-Wright Corporation.
- (b) Notwithstanding any provision in this Plan to the contrary, an Employee at the operations and facilities acquired by the Company in its acquisition of Northeast Technology Corporation (NETCO), who is not an Employee described in paragraph (a), shall be eligible to become a Participant in accordance with Article 2.01(b), but shall not accrue any benefits under the Plan, except for benefits determined in accordance with Article 4.

37. Modumend, Inc.

- (a) Notwithstanding any provision in this Plan to the contrary, the following rules shall apply to an Employee hired on June 19, 2009 whose immediate prior service was with Modumend, Inc. and who was employed by such entity at such date:
 - (i) Such an Employee shall be eligible to participate in the Plan following the date he or she completes his or her Year of Eligibility Service, which Year of Eligibility Service shall include such prior service, and shall remain eligible so long as he or she continues to satisfy the eligibility
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requirements in Article 2.01(b)(i) and (ii), provided, however, that such an Employee shall not accrue any benefits under the Plan, except for benefits determined in accordance with Article 4.

(ii) For purposes of determining Vesting Years of Service, vesting service shall commence with his or her most recent date of hire with Modumend, Inc. immediately prior to its acquisition by Curtiss-Wright Corporation.

(b) Notwithstanding any provision in this Plan to the contrary, an Employee at the operations and facilities acquired by the Company in its acquisition of Modumend, Inc., who is not an Employee described in paragraph (a), shall be eligible to become a Participant in accordance with Article 2.01(b), but shall not accrue any benefits under the Plan, except for benefits determined in accordance with Article 4.

38. Hybricon Corporation

(a) Notwithstanding any provision in this Plan to the contrary, the following rules shall apply to an Employee hired on June 1, 2010 whose immediate prior service was with Hybricon Corporation and who was employed by such entity at such date:

(i) Such an Employee shall be eligible to participate in the Plan as of October 1, 2010, and shall remain eligible so long as he or she continues to satisfy the eligibility requirements in Article 2.01(b)(i) and (ii), provided, however, that such an Employee shall not accrue any benefits under the Plan, except for benefits determined in accordance with Article 4.

(ii) For purposes of determining Vesting Years of Service, vesting service shall commence with his or her most recent date of hire with Hybricon Corporation immediately prior to its acquisition by Curtiss-Wright Corporation.

(b) Notwithstanding any provision in this Plan to the contrary, an Employee at the operations and facilities acquired by the Company in its acquisition of Hybricon Corporation, who is not an Employee described in paragraph (a), shall be eligible to become a Participant in accordance with Article 2.01(b), but shall not accrue any benefits under the Plan, except for benefits determined in accordance with Article 4.

39. Predator Systems, Inc.

(a) Notwithstanding any provision in this Plan to the contrary, the following rules shall apply to an Employee hired on January 7, 2011 whose immediate prior service was with Predator Systems, Inc. and who was employed by such entity on such date:

(i) Such an Employee shall be eligible to participate in the Plan following the date he or she completes a Year of Eligibility Service, which Year of Eligibility Service shall include such prior service, and shall remain eligible so long as he or she continues to satisfy the eligibility requirements in Article 2.01(a), provided, however that such an Employee shall not accrue any benefits under the Plan, except for benefits determined in accordance with Article 4.

(ii) For purposes of determining Vesting Years of Service, vesting service shall commence with his or her most recent date of hire with Predator Systems, Inc. immediately prior to its acquisition by the Company.

- (b) Notwithstanding any provision in this Plan to the contrary, an Employee at the operations and facilities acquired by the Company in its acquisition of Predator Systems, Inc., who is not an Employee described in paragraph (a), shall be eligible to become a Participant in accordance with Article 2.01(a), but shall not accrue any benefits under the Plan, except for benefits determined in accordance with Article 4.

40. Douglas Equipment Ltd.

- (a) Notwithstanding any provision in this Plan to the contrary, the following rules shall apply to an Employee hired on April 6, 2011 whose immediate prior service was with Douglas Equipment Ltd. and who was employed by such entity on such date:
 - (i) Such an Employee shall be eligible to participate in the Plan following the date he or she completes a Year of Eligibility Service, which Year of Eligibility Service shall include such prior service, and shall remain eligible so long as he or she continues to satisfy the eligibility requirements of Article 2.01(a), provided, however that such an Employee shall not accrue any benefits under the Plan, except for benefits determined in accordance with Article 4.
 - (ii) For purposes of determining Vesting Years of Service, vesting service shall commence with his or her most recent date of hire with Douglas Equipment Ltd. immediately prior to the acquisition of its assets by the Company.
- (b) Notwithstanding any provision in this Plan to the contrary, an Employee at the operations and facilities acquired by the Company in its acquisition of the assets of Douglas Equipment Ltd., who is not an Employee described in paragraph (a), shall be eligible to become a Participant in accordance with Article 2.01(a), but shall not accrue any benefits under the Plan, except for benefits determined in accordance with Article 4.

41. BASF Surface Technologies

- (a) Notwithstanding any provision in this Plan to the contrary, the following rules shall apply to an Employee hired on April 8, 2011 whose immediate prior service was with the Surface Technologies business of BASF Corporation and who was employed by such entity on such date:
 - (i) Such an Employee shall be eligible to participate in the Plan following the date he or she completes a Year of Eligibility Service, which Year of Eligibility Service shall include such prior service, and shall remain eligible so long as he or she continues to satisfy the eligibility requirements in Article 2.01(a), provided, however that such an Employee shall not accrue any benefits under the Plan, except for benefits determined in accordance with Article 4.
 - (ii) For purposes of determining Vesting Years of Service, vesting service shall commence with his or her most recent date of hire with BASF Corporation immediately prior to the acquisition of the assets of its Surface Technologies business by the Company.
 - (b) Notwithstanding any provision in this Plan to the contrary, an Employee at the operations and facilities acquired by the Company in its acquisition of the assets of the Surface Technologies business of BASF Corporation, who is not an Employee described in paragraph (a), shall be eligible to become a Participant in
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accordance with Article 2.01(a), but shall not accrue any benefits under the Plan, except for benefits determined in accordance with Article 4.

42. IMR Test Labs

- (a) Notwithstanding any provision in this Plan to the contrary, the following rules shall apply to an Employee hired on July 25, 2011 whose immediate prior service was with IMR Test Labs and who was employed by such entity on such date:
 - (i) Such an Employee shall be eligible to participate in the Plan following the date he or she completes a Year of Eligibility Service, which Year of Eligibility Service shall include such prior service, and shall remain eligible so long as he or she continues to satisfy the eligibility requirements in Article 2.01(a), provided, however that such an Employee shall not accrue any benefits under the Plan, except for benefits determined in accordance with Article 4.
 - (ii) For purposes of determining Vesting Years of Service, vesting service shall commence with his or her most recent date of hire with IMR Test Labs immediately prior to the acquisition of its assets by the Company.
- (b) Notwithstanding any provision in this Plan to the contrary, an Employee at the operations and facilities acquired by the Company in its acquisition of the assets of IMR Test Labs, who is not an Employee described in paragraph (a), shall be eligible to become a Participant in accordance with Article 2.01(a), but shall not accrue any benefits under the Plan, except for benefits determined in accordance with Article 4.

43. ACRA Control, Inc.

- (a) Notwithstanding any provision in this Plan to the contrary, the following rules shall apply to an Employee hired on July 28, 2011 whose immediate prior service was with ACRA Control, Inc. and who was employed by such entity on such date:
 - (i) Such an Employee shall be eligible to participate in the Plan as of the later of January 1, 2012, or the date he or she completes a Year of Eligibility Service, which Year of Eligibility Service shall include such prior service, and shall remain eligible so long as he or she continues to satisfy the eligibility requirements in Article 2.01(a), provided, however that such an Employee shall not accrue any benefits under the Plan, except for benefits determined in accordance with Article 4.
 - (ii) For purposes of determining Vesting Years of Service, vesting service shall commence with his or her most recent date of hire with ACRA Control, Inc. immediately prior to its acquisition by the Company.
- (b) Notwithstanding any provision in this Plan to the contrary, an Employee at the operations and facilities acquired by the Company in its acquisition of ACRA Control, Inc., who is not an Employee described in paragraph (a), shall be eligible to become a Participant in accordance with Article 2.01(a), but shall not accrue any benefits under the Plan, except for benefits determined in accordance with Article 4.

44. South Bend Controls Holdings, LLC

- (a) Notwithstanding any provision in this Plan to the contrary, the following rules shall apply to an Employee hired on October 11, 2011 whose immediate prior service
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was with South Bend Controls Holdings, LLC and who was employed by such entity on such date:

- (i) Such an Employee shall be eligible to participate in the Plan following the date he or she completes a Year of Eligibility Service, which Year of Eligibility Service shall include such prior service, and shall remain eligible so long as he or she continues to satisfy the eligibility requirements in Article 2.01(a), provided, however that such an Employee shall not accrue any benefits under the Plan, except for benefits determined in accordance with Article 4.
 - (ii) For purposes of determining Vesting Years of Service, vesting service shall commence with his or her most recent date of hire with South Bend Controls Holdings, LLC immediately prior to the acquisition of its assets by the Company.
- (b) Notwithstanding any provision in this Plan to the contrary, an Employee at the operations and facilities acquired by the Company in its acquisition of the assets of South Bend Controls Holdings, LLC, who is not an Employee described in paragraph (a), shall be eligible to become a Participant in accordance with Article 2.01(a), but shall not accrue any benefits under the Plan, except for benefits determined in accordance with Article 4.

45. Anatec International, Inc.

- (a) Notwithstanding any provision in this Plan to the contrary, the following rules shall apply to an Employee hired on December 5, 2011 whose immediate prior service was with Anatec International, Inc. and who was employed by such entity on such date:
- (i) Such an Employee shall be eligible to participate in the Plan following the date he or she completes a Year of Eligibility Service, which Year of Eligibility Service shall include such prior service, and shall remain eligible so long as he or she continues to satisfy the eligibility requirements in Article 2.01(a), provided, however that such an Employee shall not accrue any benefits under the Plan, except for benefits determined in accordance with Article 4.
 - (ii) For purposes of determining Vesting Years of Service, vesting service shall commence with his or her most recent date of hire with Anatec International, Inc. immediately prior to the acquisition of its assets by the Company.
- (b) Notwithstanding any provision in this Plan to the contrary, an Employee at the operations and facilities acquired by the Company in its acquisition of the assets of Anatec International, Inc., who is not an Employee described in paragraph (a), shall be eligible to become a Participant in accordance with Article 2.01(a), but shall not accrue any benefits under the Plan, except for benefits determined in accordance with Article 4.

46. Lambert, MacGill, Thomas, Inc.

- (a) Notwithstanding any provision in this Plan to the contrary, the following rules shall apply to an Employee hired on December 5, 2011 whose immediate prior service was with Lambert, MacGill, Thomas, Inc. and who was employed by such entity on such date:
- (i) Such an Employee shall be eligible to participate in the Plan following the date he or she completes a Year of Eligibility Service, which Year of
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Eligibility Service shall include such prior service, and shall remain eligible so long as he or she continues to satisfy the eligibility requirements in Article 2.01(a), provided, however that such an Employee shall not accrue any benefits under the Plan, except for benefits determined in accordance with Article 4.

- (ii) For purposes of determining Vesting Years of Service, vesting service shall commence with his or her most recent date of hire with Lambert, MacGill, Thomas, Inc. immediately prior to the acquisition of its assets by the Company.
- (b) Notwithstanding any provision in this Plan to the contrary, an Employee at the operations and facilities acquired by the Company in its acquisition of the assets of Lambert, MacGill, Thomas, Inc., who is not an Employee described in paragraph (a), shall be eligible to become a Participant in accordance with Article 2.01(a), but shall not accrue any benefits under the Plan, except for benefits determined in accordance with Article 4.

47. Penny and Giles Drives Technology

- (a) Notwithstanding any provision in this Plan to the contrary, the following rules shall apply to an Employee hired on November 1, 2012 whose immediate prior service was with Penny and Giles Drives Technology ("PGDT") and who was employed by such entity on such date:
 - (i) Such an Employee shall be eligible to participate in the Plan following the date he or she completes his or her Year of Eligibility Service, which Year of Eligibility Service shall include such prior service, and shall remain eligible so long as he or she continues to satisfy the eligibility requirements in Article 2.01, provided, however, that such an Employee shall not accrue any benefits under the Plan, except for benefits determined in accordance with Article 4.
 - (ii) For purposes of determining Vesting Years of Service, vesting service shall commence with his or her most recent date of hire with PGDT immediately prior to its acquisition by Curtiss-Wright Corporation.
- (b) Notwithstanding any provision in this Plan to the contrary, an Employee at the PGDT operations and facilities acquired by Curtiss-Wright Corporation who is not an Employee described in paragraph (a), shall be eligible to become a Participant in accordance with Article 2.01, but shall not accrue any benefits under the Plan, except for benefits determined in accordance with Article 4.

48. AP Services, LLC

- (a) Notwithstanding any provision in this Plan to the contrary, the following rules shall apply to an Employee hired on November 5, 2012 whose immediate prior service was with AP Services, LLC or an affiliate thereof ("AP") and who was employed by such entity on such date:
 - (i) Such an Employee shall be eligible to participate in the Plan following the date he or she completes his or her Year of Eligibility Service, which Year of Eligibility Service shall include such prior service, and shall remain eligible so long as he or she continues to satisfy the eligibility requirements in Article 2.01, provided, however, that such an Employee shall not accrue any benefits under the Plan, except for benefits determined in accordance with Article 4 effective for periods beginning on or after January 1, 2013.
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(ii) For purposes of determining Vesting Years of Service, vesting service shall commence with his or her most recent date of hire with AP immediately prior to its acquisition by Curtiss-Wright Corporation.

(b) Notwithstanding any provision in this Plan to the contrary, an Employee at the AP operations and facilities acquired by Curtiss-Wright Corporation who is not an Employee described in paragraph (a), shall be eligible to become a Participant in accordance with Article 2.01, but shall not accrue any benefits under the Plan, except for benefits determined in accordance with Article 4 effective for periods beginning on or after January 1, 2013.

49. Cimarron Energy Inc.

Notwithstanding any provision in this Plan to the contrary:

(a) For purposes of determining Years of Eligibility Service and Vesting Years of Service with respect to any Employee who became an Employee on November 26, 2012, whose immediate prior service was with Cimarron Energy Inc. ("Cimarron") or an affiliate thereof, and who was employed by such entity at such date, service shall commence with his or her most recent date of hire with such entity immediately prior to its acquisition by Curtiss-Wright Corporation.

(b) An Employee at the operations and facilities that were acquired by Curtiss-Wright Corporation in its acquisition of Cimarron, whether or not such Employee is described in paragraph (a) above, shall not be eligible to participate in and accrue any benefits under the Plan while employed at such operations and facilities.

50. Williams Controls, Inc.

Notwithstanding any provision in this Plan to the contrary, an Employee at the operations and facilities that were acquired by Curtiss-Wright Corporation in its acquisition of Williams Controls, Inc. on December 14, 2012, shall not be eligible to participate in and accrue any benefits under the Plan while employed at such operations and facilities.

51. Exlar Corporation

Notwithstanding any provision in this Plan to the contrary, an Employee at the operations and facilities that were acquired by Curtiss-Wright Corporation in its acquisition of Exlar Corporation on January 2, 2013, shall not be eligible to participate in and accrue any benefits under the Plan while employed at such operations or facilities.

52. F.W. Gartner Thermal Spraying, Ltd.

(a) Notwithstanding any provision in this Plan to the contrary, the following rules shall apply to an Employee hired on January 3, 2013, whose immediate prior service was with F.W. Gartner Thermal Spraying, Ltd. or an affiliate thereof ("Gartner") and who was employed by such entity at such date:

(i) Such an Employee shall be eligible to participate in the Plan following the date he or she completes his or her Year of Eligibility Service, which Year of Eligibility Service shall include such prior service, and shall remain eligible so long as he or she continues to satisfy the eligibility requirements in Article 2.01, provided, however, that such an Employee shall not accrue any benefits under the Plan, except for benefits determined in accordance with Article 4.

- (ii) For purposes of determining Vesting Years of Service, vesting service shall commence with his or her most recent date of hire with Gartner immediately prior to its acquisition by Curtiss-Wright Corporation.
 - (b) Notwithstanding any provision in this Plan to the contrary, an Employee at the Gartner operations and facilities acquired by the Company, who is not an Employee described in paragraph (a), shall be eligible to become a Participant in accordance with Article 2.01, but shall not accrue any benefits under the Plan, except for benefits determined in accordance with Article 4.
-

SCHEDULE K 1: SPECIAL PROVISIONS FOR SUPPLEMENTAL CREDITS FOR PARTICIPANTS AFFECTED BY CERTAIN REDUCTIONS IN FORCE

1. Target Rock Operations - August 1, 2000 through August 15, 2000

For each Participant employed at the Company's Target Rock operations and whose employment with the Company is terminated between August 1, 2000 and August 15, 2000, in connection with or as a result of a reduction in force at the Target Rock operations, a supplemental credit shall be added to his Escalating Annuity Benefit. The amount of such supplemental credits shall be determined as follows: an amount equal to the product of (i) 4/75, (ii) his number of years of Service, and (iii) his weekly base rate of pay, provided, however, that the number of years of Service taken into account for this purpose shall not be less than 4 years and shall not be greater than 24 years.

2. Company-wide Operations - August 24, 2001 through November 17, 2001

For each Participant whose employment with the Company is terminated between August 24, 2001 and November 17, 2001, in connection with or as a result of the Company's reduction in force program, a supplemental credit shall be added to his Escalating Annuity Benefit. The amount of such supplemental credits, shall be determined as follows: an amount equal to the product of (i) 8/75, (ii) his number of years of Service, and (iii) his weekly base rate of pay, provided, however, that the number of years of Service taken into account for this purpose shall not be less than 4 years and shall not be greater than 24 years for a Participant who is a salaried or exempt employee and shall not be greater than 8 years for a Participant who is a nonexempt employee.

3. Corporate Headquarters, Farris, Gastonia, Shelby, Flight Systems – Miami, and Metal Improvement - Carlstadt: February 1, 2002 through March 29, 2002

For each Participant whose employment with the Company is terminated between February 1, 2002 and March 29, 2002, in connection with or as a result of the Company's reduction in force program at the Corporate headquarters, and at Farris, Gastonia, Flight Systems – Miami, and Metal Improvement – Carlstadt operations, a supplemental credit shall be added to his Escalating Annuity Benefit. The amount of such supplemental credits, shall be determined as follows: an amount equal to the product of (i) 8/75, (ii) his number of years of Service, and (iii) his weekly base rate of pay, provided, however, that the number of years of Service taken into account for this purpose shall not be less than 4 years and shall not be greater than 24 years for a Participant who is a salaried or exempt employee and shall not be greater than 8 years for a Participant who is a nonexempt employee.

4. Flight Systems – Shelby, Flight Systems – Lau/Vista, Flow Control – Target Rock, Metal Improvement, and Corporate Headquarters: August 29, 2002 through October 31, 2002

For each Participant whose employment with the Company is terminated between August 29, 2002 and October 31, 2002, in connection with or as a result of the Company's reduction in force program at the Flight Systems – Shelby, Flight Systems – Lau/Vista, Flow Control – Target Rock, and Metal Improvement operations and at the Corporate headquarters, a supplemental credit shall be added to his Escalating Annuity Benefit. The amount of such supplemental credits, shall be determined as follows: an amount equal to the product of (i) 8/75, (ii) his number of years of Service, and (iii) his weekly base rate of pay, provided, however, that the number of years of Service taken into account for this purpose shall not be less than 4 years and shall not be greater than 24 years for a Participant who is a salaried or exempt employee and shall not be greater than 8 years for a Participant who is a nonexempt employee.

5. Metal Improvement: June 6, 2003 through June 30, 2003

For each Participant whose employment with the Company is terminated between June 6, 2003 and June 30, 2003, in connection with or as a result of the Company's reduction in force program at the Metal Improvement operations, a supplemental credit shall be added to his

Escalating Annuity Benefit. The amount of such supplemental credits, shall be determined as follows: an amount equal to the product of (i) 8/75, (ii) his number of years of Service, and (iii) his weekly base rate of pay, provided, however, that the number of years of Service taken into account for this purpose shall not be less than 4 years and shall not be greater than 24 years for a Participant who is a salaried or exempt employee and shall not be greater than 8 years for a Participant who is a nonexempt employee.

6. Controls – Pine Brook, NJ and Commercial Technologies: March 10, 2004 through April 9, 2004

For each Participant whose employment with the Company is terminated between March 10, 2004 and April 9, 2004, in connection with or as a result of the closure of the Controls – Pine Brook, NJ operations or the sale of the Commercial Technologies business unit, a supplemental credit shall be added to his Escalating Annuity Benefit. The amount of such supplemental credits, shall be determined as follows: an amount equal to the product of (i) 8/75, (ii) his number of years of Service, and (iii) his weekly base rate of pay, provided, however, that the number of years of Service taken into account for this purpose shall not be less than 4 years and shall not be greater than 24 years for a Participant who is a salaried or exempt employee and shall not be greater than 8 years for a Participant who is a nonexempt employee.

7. Controls -- Synergy, San Diego, CA Business Unit: February 1, 2005 through April 15, 2005

For each Participant whose employment with the Company is terminated between February 1, 2005 and April 15, 2005, in connection with or as a result of the reduction in force at the Controls – Synergy, San Diego, CA business unit, a supplemental credit shall be added to his Escalating Annuity Benefit. The amount of such supplemental credit shall be determined as follows: an amount equal to the product of (i) 8/75, (ii) the greater of (A) four or (B) his number of years of Service, and (iii) his weekly base rate of pay, provided, however, that for a Participant who is a nonexempt employee, the number taken into account for purposes of item (ii) shall not be less than the sum of (A) two, plus (B) his number of years of Service.

8. Controls Embedded Computing San Diego and Santa Clarita CA and Littleton MA Business Units, and Controls Integrated Sensing, Long Beach CA Business Unit: January 12, 2006 through February 10, 2006

For each Participant whose employment with the Company is terminated between January 12, 2006 and February 10, 2006, in connection with or as a result of the Company's reduction in force program at the Controls Embedded Computing, San Diego and Santa Clarita CA, and Littleton MA business units, and Controls Integrated Sensing, Long Beach CA business unit, a supplemental credit shall be added to his Escalating Annuity Benefit. The amount of such supplemental credit shall be determined as follows: an amount equal to the product of (i) 4/75, (ii) his number of years of Service, and (iii) his weekly base rate of pay, provided, however, that the number of years of Service taken into account for this purpose shall not be less than 2 years and shall not be greater than 24 years for a Participant who is a salaried or exempt employee and shall not be greater than 6 years for a Participant who is a nonexempt employee.

9. Controls Embedded Computing San Diego and Santa Clarita CA and Littleton MA Business Units, and Controls Integrated Sensing, Long Beach CA Business Unit: April 25, 2006 through June 10, 2006

For each Participant whose employment with the Company is terminated between April 25, 2006 and June 10, 2006, in connection with or as a result of the Company's reduction in force program at the Controls Embedded Computing, San Diego and Santa Clarita CA, Dayton, OH, Leesburg, VA and Littleton MA business units a supplemental credit shall be added to his Escalating Annuity Benefit. The amount of such supplemental credit shall be determined as follows: an amount equal to the product of (i) 4/75, (ii) his number of years of Service, and (iii) his weekly base rate of pay, provided, however, that the number of years of Service taken into account for this purpose shall not be less than 2 years and shall not be greater than 24 years for

a Participant who is a salaried or exempt employee and shall not be greater than 6 years for a Participant who is a nonexempt employee.

SCHEDULE K 2: SPECIAL VESTING PROVISIONS FOR PARTICIPANTS AFFECTED BY CERTAIN REDUCTIONS IN FORCE

1. Target Rock Operations - August 1, 2000 through August 15, 2000

Notwithstanding any provision hereof to the contrary, a Participant whose employment with the Company is terminated between August 1, 2000 and August 15, 2000, in connection with or as a result of a reduction in force at the Target Rock operations shall be 100% vested in his Normal Retirement Benefit and his Escalating Annuity Benefit.

2. Company-wide Operations - August 24, 2001 through November 17, 2001

Notwithstanding any provision hereof to the contrary, a Participant whose employment with the Company is terminated between August 24, 2001 and November 17, 2001, in connection with or as a result of the Company's reduction in force program shall be 100% vested in his Normal Retirement Benefit and his Escalating Annuity Benefit.

3. Corporate Headquarters, Farris, Gastonia, Shelby, Flight Systems – Miami, and Metal Improvement - Carlstadt: February 1, 2002 through March 29, 2002

Notwithstanding any provision hereof to the contrary, a Participant whose employment with the Company is terminated between February 1, 2002 and March 29, 2002, in connection with or as a result of the Company's reduction in force program at Corporate headquarters, and at the Farris, Gastonia, Flight Systems – Miami, and Metal Improvement – Carlstadt operations shall be 100% vested in his Normal Retirement Benefit and his Escalating Annuity Benefit.

4. Flight Systems – Shelby, Flight Systems – Lau/Vista, Flow Control – Target Rock, Metal Improvement, and Corporate Headquarters: August 29, 2002 through October 31, 2002

Notwithstanding any provision hereof to the contrary, a Participant whose employment with the Company is terminated between August 29, 2002 and October 31, 2002, in connection with or as a result of the Company's reduction in force program at the Flight Systems – Shelby, Flight Systems – Lau/Vista, Flow Control – Target Rock, and Metal Improvement operations and at Corporate headquarters shall be 100% vested in his Normal Retirement Benefit and his Escalating Annuity Benefit.

5. Metal Improvement: June 6, 2003 through June 30, 2003

Notwithstanding any provision hereof to the contrary, a Participant whose employment with the Company is terminated between June 6, 2003 and June 30, 2003, in connection with or as a result of the Company's reduction in force program at the Metal Improvement operations shall be 100% vested in his Normal Retirement Benefit and his Escalating Annuity Benefit.

6. Controls – Pine Brook, NJ and Commercial Technologies: March 10, 2004 through April 9, 2004

Notwithstanding any provision hereof to the contrary, a Participant whose employment with the Company is terminated between March 10, 2004 and April 9, 2004, in connection with or as a result of the closure of the Controls – Pine Brook, NJ operations or the sale of the Commercial Technologies business unit shall be 100% vested in his Normal Retirement Benefit and his Escalating Annuity Benefit.

7. Controls -- Synergy, San Diego, CA Business Unit: February 1, 2005 through April 15, 2005

Notwithstanding any provision hereof to the contrary, a Participant whose employment with the Company is terminated between February 1, 2005 and April 15, 2005, in connection with or as a result of the reduction in force at the Controls - Synergy, San Diego, CA business unit, shall be 100% vested in his Escalating Annuity Benefit.

8. Controls Embedded Computing San Diego and Santa Clarita CA and Littleton MA Business Units, and Controls Integrated Sensing, Long Beach CA Business Unit: January 12, 2006 through February 10, 2006

Notwithstanding any provisions hereof to the contrary, a Participant whose employment with the Company is terminated between January 12, 2006 and February 10, 2006, in connection with or as a result of the Company's reduction in force program at the Controls Embedded Computing, San Diego and Santa Clarita CA, and Littleton MA business units, and Controls Integrated Sensing, Long Beach CA Business Unit shall be 100% vested in any Normal Retirement Benefit and any Escalating Annuity Benefit to which he or she may be eligible and entitled.

9. Controls Embedded Computing San Diego and Santa Clarita CA and Littleton MA Business Units, and Controls Integrated Sensing, Long Beach CA Business Unit: April 25, 2006 through June 10, 2006

Notwithstanding any provisions hereof to the contrary, a Participant whose employment with the Company is terminated between April 25, 2006 and June 10, 2006, in connection with or as a result of the Company's reduction in force program at the Controls Embedded Computing, San Diego and Santa Clarita CA, Dayton, OH, Leesburg, VA and Littleton MA business units, shall be 100% vested in any Normal Retirement Benefit and any Escalating Annuity Benefit to which he or she may be eligible and entitled.

EMD APPENDIX

**CURTISS-WRIGHT CORPORATION
RETIREMENT PLAN
As Amended and Restated effective January 1, 2019**

FIRST INSTRUMENT OF AMENDMENT

Recitals:

1. Curtiss-Wright Corporation (the "Company") has heretofore adopted the Curtiss-Wright Corporation Retirement Plan (the "Plan") and has caused the Plan to be amended and restated in its entirety effective as of January 1, 2019.
2. Subsequent to the most recent amendment and restatement of the Plan, the Company has decided to amend the Plan to reflect the requirements of the Further Consolidated Appropriations Act, 2020, § Division O - Setting Every Community Up for Retirement Enhancement Act of 2019 (SECURE).
3. The Company also wishes to modify the eligibility requirements and entry dates for participation.
4. Article 12.01 of the Plan permits the Company to amend the Plan at any time and from time to time.
5. Article 12.02 authorizes the Curtiss-Wright Corporation Administrative Committee to adopt Plan amendments on behalf of the Company.

Amendments to the Plan

1. Notwithstanding any provision of the Plan to the contrary, effective January 1, 2022, Article 2.01 is amended by adding the following paragraph (j) at the end thereof:
 - (j) Notwithstanding the first paragraph of paragraph (a), effective January 1, 2022, any nonrepresented Employee shall be eligible to participate in the Plan as of the first January 1 or July 1 that follows the date the he attains age 21 and completes his Year of Eligibility Service, provided that he then satisfies the eligibility conditions of this Article 2.01.
2. Notwithstanding any provision of the Plan to the contrary, effective January 1, 2020, Article 7.03(b)(iv) of the Plan is amended by adding the following paragraph at the end of paragraph (D) thereof:

Notwithstanding anything in Article 7.03(b)(iv) or any separate instrument representing a component part of the Plan to the contrary, the required beginning date for required minimum distributions required to be made on and after January 1,

2020 for Participants who attain age 70½ after such date is determined by substituting age 72 for age 70½ in each place such age appears. For purposes of determining a Participant's required beginning date, a Participant will be treated as a more than 5-percent owner if he or she was a 5-percent owner (as defined in Section 416 of the Code) as to the Plan Year ending in the calendar year the Participant attains age 72.

3. Notwithstanding any provision of the Plan to the contrary, effective January 1, 2020, Article 8.04 of the Plan is amended by adding the following Article 8.04(d) at the end thereof:

Notwithstanding anything in Article 8.04 or any separate instrument representing a component part of the Plan to the contrary, if the Participant dies before distribution of his interest in the Plan has commenced, if the designated Beneficiary is the Participant's surviving Spouse, the date on which the distributions are required to begin shall not be earlier than the date on which the Participant would have attained the Participant's required beginning date as defined in Article 7.03(b)(iv)(D).

Except to the extent amended by this Instrument of Amendment, the Plan shall remain in full force and effect.

IN WITNESS WHEREOF, this amendment has been executed on this 17th day of September, 2021.

Curtiss-Wright Corporation
Administrative Committee

By: _____
Robert F. Freda

**CURTISS-WRIGHT CORPORATION SAVINGS AND INVESTMENT PLAN As Amended and Restated effective
January 1, 2015
Fourteenth INSTRUMENT OF AMENDMENT**

Recitals:

1. Curtiss-Wright Corporation (the "Company") has heretofore adopted the Curtiss-Wright Corporation Savings and Investment Plan (the "Plan") and has caused the Plan to be amended and restated in its entirety effective as of January 1, 2015.
2. Subsequent to the most recent amendment and restatement of the Plan, the Company has decided to amend the Plan to reflect the requirements of the Further Consolidated Appropriations Act, 2020, § Division O - Setting Every Community Up for Retirement Enhancement Act of 2019 (SECURE) and the Coronavirus Aid, Relief, and Economic Security (CARES) Act.
3. Section 12.01(a) of the Plan permits the Company to amend the Plan at any time and from time to time.
4. Section 12.01(b) authorizes the Curtiss-Wright Corporation Administrative Committee to adopt Plan amendments on behalf of the Company under certain circumstances.

Amendments to the Plan

1. Notwithstanding any provision of the Plan to the contrary, effective January 1, 2020, Section 9.04(a) is amended by adding the following at the end thereof:

Notwithstanding any provision of the Plan to the contrary, the required beginning date will be determined effective with respect to required minimum distributions required to be made on and after January 1, 2020 for Members who attain age 70½ after such date by substituting age 72 for age 70½ in each place such age appears. For purposes of determining a Member's required beginning date, a Member will be treated as a more than 5-percent owner if he or she was a 5-percent owner (as defined in Section 416 of the Code) as to the Plan Year ending in the calendar year the Member attains age 72.

2. Notwithstanding any provision of the Plan to the contrary, effective January 1, 2020, Section 9.04(c) is amended by deleting paragraph (ii) in its entirety and inserting in its place the following:

(ii) "Distribution calendar year" means a calendar year for which a minimum distribution is required. The first distribution calendar year is the calendar year in which the applicable Member in active service attains age 70½ (or age 72 in the case of minimum distributions required on or after January 1, 2020 for Members who attain age 70½ after such date).

3. Notwithstanding any provision of the Plan to the contrary, effective January 1, 2020, Section 9.04 of the Plan is amended by adding the following Subsection (d) at the end thereof:

(d) Waiver for 2020 Plan Year. Notwithstanding any provision of this Section 9.04 to the contrary:

- a. Subject to Section 9.04(d)(ii), a Member or Beneficiary who would have been required to receive required minimum distributions for 2020 but for the enactment of Section 401(a)(9)(I) of the Code ("2020 RMDs") and who would have satisfied that requirement by receiving distributions that are (i) equal to the 2020 RMDs or (ii) one or more payments in a series of substantially equal distributions (that include the 2020 RMDs) made at least annually and expected to last for the life (or life expectancy) of the Member, the joint lives (or joint life expectancy) of the Member and the Member's designated Beneficiary or for a period of at least 10 years, will receive those distributions for 2020 unless the Member or Beneficiary chooses not to receive such distributions. Member and Beneficiaries described in the preceding sentence will be given the opportunity to elect to stop receiving the distributions described in the preceding sentence.
- a. Notwithstanding the provisions of Section 9.04(d)(i), a Member or Beneficiary whose first required minimum distribution is a 2020 RMD that would have been required to be distributed but for the enactment of section 401(a)(9)(I) of the Code and who would have satisfied the requirement to receive minimum required distributions for 2020 by receiving distributions that are (i) equal to the 2020 RMDs or (ii) one or more payments in a series of substantially equal distributions (that include the 2020 RMDs) made at least annually and expected to last for the life (or life expectancy) of the Member, the joint lives (or joint life expectancy) of the Member and the Member's designated Beneficiary or for a period of at least 10 years, will not receive those distributions for 2020, unless the Member or Beneficiary chooses to receive such distributions. Members and Beneficiaries described in the preceding sentence will be given the opportunity to elect to receive the distributions described in the preceding sentence.
- a. For purposes of this Section 9.04(d), a direct rollover will be offered only for distributions that would be eligible rollover distributions without regard to section 401(a)(9)(I) of the Code.

Except to the extent amended by this Instrument of Amendment, the Plan shall remain in full force and effect.

IN WITNESS WHEREOF, this amendment has been executed on this 17th day of September, 2021.

Curtiss-Wright Corporation

Administrative Committee

By: _____

Robert F. Freda

**CURTISS-WRIGHT CORPORATION SAVINGS AND INVESTMENT PLAN As Amended and Restated effective
January 1, 2015
FIFTEENTH INSTRUMENT OF AMENDMENT**

Recitals:

1. Curtiss-Wright Corporation (the "Company") has heretofore adopted the Curtiss-Wright Corporation Savings and Investment Plan (the "Plan") and has caused the Plan to be amended and restated in its entirety effective as of January 1, 2015.
2. Subsequent to the most recent amendment and restatement of the Plan, the Company has decided to amend the Plan for the following reasons:
 - a. To limit the exception to the requirements for allocation of the Company's non-elective contribution; and
 - b. To amend the hardship distributions of the Plan to conform to the requirements of the Bipartisan Budget Act of 2018.
3. Section 12.01(a) of the Plan permits the Company to amend the Plan at any time and from time to time.
4. Section 12.01(b) authorizes the Curtiss-Wright Corporation Administrative Committee to adopt Plan amendments on behalf of the Company under certain circumstances.
5. Certain of the Plan amendments described herein shall be subject to approval by the Board of Directors.

Amendments to the Plan

1. Effective January 1, 2022, Section 1.35A is added to the Plan, as follows:

"Misconduct" means any deliberate or egregious violation of the Curtiss-Wright Code of Conduct or other unlawful, dishonest, or improper conduct, on or off the job (if the conduct harms the Employer in some way or the Employer's reputation), as determined in the sole discretion of the Administrative Committee on the basis of the particular facts and circumstances.
1. Effective January 1, 2022, Section 3.07A(a) is amended to delete the third sentence thereof and replace it with the following:

Notwithstanding the foregoing sentence, except in the case of an involuntary termination of the Member by the Employer due to Misconduct, an eligible Member who incurs a termination of employment on account of death, Disability or retirement on or after attainment of age 55 (or for the period beginning March 1, 2020 and ending December 31, 2020, a reduction in force initiative on or after attainment of age 55) and completion of at least 3 Years of Vesting Service prior to the end of any such Plan Year shall be entitled to an allocation of CW Savings Contributions and such allocation shall be based on the ratio that each such Member's Compensation earned prior to his termination of employment bears to the total Compensation of all Members entitled to an allocation of CW Savings Contributions for the Plan Year.
1. Effective as of January 1, 2019, Section 7.04 of the Plan is amended in its entirety to read as follows:

7.04 Hardship Withdrawal

(a) A Member who has withdrawn the total amount available for withdrawal under the preceding Sections of this Article may, subject to Section 7.05, elect to withdraw not more than once in a Plan Year all or part of the Deferred Cash Contributions (including Catch-Up Contributions, Roth Deferred Cash Contributions and Roth Catch-Up Contributions) made on his behalf to his Deferred Account (his Catch-Up Account, his Roth Deferred Cash Contribution Account and his Roth Catch-Up Account) upon furnishing proof of "Hardship" satisfactory to the Administrative Committee or its designee in accordance with the provisions of paragraphs (b) and (c) below.

(b) As a condition for Hardship there must exist with respect to the Member an immediate and heavy need to draw upon his Accounts.

(i) Such immediate and heavy need shall exist only if the requested withdrawal is on account of any of the following:

(A) expenses for (or necessary to obtain) medical care that would be deductible under Section 213(d) of the Code (determined without regard to whether the expenses exceed 7.5 percent of adjusted gross income)

(B) costs directly related to the purchase of a principal residence of the Member (excluding mortgage payments);

(C) payment of tuition and related educational fees, and room and board expenses, for the next 12 months of post-secondary education of the Member, his spouse, children or dependents (as defined in Section 152 of the Code and determined without regard to Sections 152(b)(1), (b)(2) and (d)(1)(B) of the Code)

(D) payment of amounts necessary to prevent eviction of the Member from his principal residence or to avoid foreclosure on the mortgage of his principal residence;

(E) payments for burial or funeral expenses for the Member's deceased parent, spouse, children or dependents (as defined in Section 152 of the Code and without regard to Section 152(d)(1)(B) of the Code) or for a deceased primary Beneficiary under the Plan;

(F) expenses for the repair of damages to the Member's principal residence that would qualify for the casualty deduction under Section 165 of the Code (determined without regard to section 165(h)(5) and whether the loss exceeds 10% of adjusted gross income).

(ii) The amount of withdrawal may not be in excess of the amount of the immediate and heavy financial need of the Member, including any amounts necessary to pay any Federal, state or local income taxes or penalties reasonably anticipated to result from the distribution.

(iii) The Member shall furnish to the Administrative Committee or its designee such supporting documents as the Administrative Committee may request in accordance with uniform and nondiscriminatory rules prescribed by the Administrative Committee or its designee.

(c) As a condition for Hardship, the Member must demonstrate that the requested withdrawal is necessary to satisfy the financial need described in paragraph (b) above. To demonstrate such necessity, the Member must request, on such form as the Administrative Committee or its designee shall prescribe, that the Administrative Committee or its designee make its determination of the necessity for the withdrawal solely on the basis of his application. In that event, the Administrative Committee or its designee shall make such determination, provided both of the following requirements are met:

(i) the Member has obtained all distributions, other than distributions available only on account of hardship; and

(ii) the Member certifies (in writing, by an electronic medium as defined in Treasury Regulation Section 1.401(a)-21(e)(3), or in such other form as authorized in IRS guidance) that he or she has insufficient cash or other liquid assets reasonably available to satisfy the need.

For purposes of clause (ii), "all other plans of the Employer and Affiliated Employers" shall include stock option plans, stock purchase plans, qualified and non-qualified deferred compensation plans, and such other plans as may be designated under regulations issued under Section 401(k) of the Code but shall not include health and welfare benefit plans or the mandatory employee contribution portion of a defined benefit plan.

Except to the extent amended by this Instrument of Amendment, the Plan shall remain in full force and effect.

IN WITNESS WHEREOF, this amendment has been executed on this 31st day of December 2021.

Curtiss-Wright Corporation
Administrative Committee

By:
Robert Freda

CURTISS-WRIGHT CORPORATION
RESTRICTED STOCK UNIT AGREEMENT

THIS AGREEMENT, dated as of February 6, 2019, ("Grant Date") by and between Curtiss-Wright Corporation, a Delaware Corporation ("Company"), and Lynn Bamford ("Employee"), is entered into as follows:

WHEREAS, the Company has established the Curtiss-Wright Corporation 2014 Omnibus Long-Term Incentive Plan ("Plan"), a copy of which has been provided and can be found in the Company's 2014 Proxy Statement or by written or telephonic request to the Company Secretary, and which Plan made a part hereof; and

WHEREAS, the Executive Compensation Committee of the Board of Directors of the Company ("Committee") determined that the Employee be granted restricted stock units subject to the restrictions stated below;

NOW, THEREFORE, the parties hereby agree as follows:

1. Grant of Units.

Subject to the terms and conditions of this Agreement and of the Plan, the Company hereby credits to a separate account maintained on the books of the Company ("Account") 8,609 restricted stock units ("Units") which had a value of One Million Dollars based on the closing price of the Company's \$1.00 par value Common Stock ("Stock") on February 6, 2019. On any date, the value of each Unit shall equal the market value of a share of Stock.

2. Vesting Schedule.

The interest of the Employee in the Units shall be 100% vested on February 5, 2024 ("Vesting Date"), conditioned upon the Employee's continued employment with the Company as of the vesting date. Notwithstanding the foregoing, the interest of the Employee in the Units shall immediately vest as to:

- (a) the pro-rated portion of the unvested Units upon the Employee's termination of employment due to death or disability (i.e. if executive dies or becomes disabled in year 3 then 3/5ths of the total units shall be accelerated); or
 - (b) the pro-rated portion of the unvested Units upon a "Change of Control" (as defined in the Plan) and Ms. Bamford's termination of employment within 18 months from the date of said Change of Control, subject to the aggregate award restrictions provided for under Section 10.5 of the Plan, and the discretion of the Committee to approve such payment pursuant to Section 7.5 of the Plan.
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3. Restrictions.

(a) The Units granted hereunder may not be sold, pledged or otherwise transferred and may not be subject to lien, garnishment, attachment or other legal process. The period of time between the date hereof and the date the Units become vested is referred to herein as the "Restriction Period."

(b) If the Employee's employment with the Company is terminated for any reason by the Company or voluntarily (including retirement) by the Employee, the Units subject to the provisions of this Agreement which have not vested at the time of the Employee's termination of employment shall be forfeited by the Employee.

(c) If the Employee's employment with the Company is terminated by the Company "For Cause" as defined below then any unvested Units or any vested Units deferred to Section 6(b) below shall be forfeited, or Employee shall reimburse the Company all awarded Units under this Agreement.

4. Dividends.

Employee shall have no rights or privileges of a stockholder of the Company with respect to the Units during the Restricted Period. After the Vesting Date, Employee's Account shall be credited for any cash dividends paid on the Stock.

5. Changes in Stock.

In the event of any change in the number and kind of outstanding shares of Stock by reason of any recapitalization, reorganization, merger, consolidation, stock split or any similar change affecting the Stock (other than a cash dividend payable in Stock) the Company shall make an appropriate adjustment in the number and terms of the Units credited to the Employee's Account so that, after such adjustment, the Units shall represent a right to receive the same consideration (or if such consideration is not available, other consideration of the same value) that the Employee would have received in connection with such recapitalization, reorganization, merger, consolidation, stock split or any similar change if she had owned on the applicable record date a number of shares of Stock equal to the number of Units credited to the Employee's Account prior to such adjustment.

6. Form and Timing of Payment.

The Company shall pay to the Employee a number of shares of Stock equal to the aggregate number of vested Units credited to the Employee as of such date upon either:

- (a) The Vesting Date;
- (b) Any date after the Vesting Date by which the Employee elects to defer the receipt of the Units in the year prior to the Vesting Date, but in no event later than the fifth anniversary of the Vesting Date; or
- (c) The first date on which occurs a Change of Control.

7. Disability Termination of Employee.

In the event of disability of the Employee, any unpaid but vested Units shall be paid to the Employee if legally competent or to a legally designated guardian or representative if the Employee is legally incompetent.

8. Death of Employee.

In the event of the Employee's death after the vesting date but prior to the payment of the Units, said Units shall be paid to the Employee's estate or designated beneficiary.

9. Taxes.

The Employee shall be liable for all taxes, including withholding taxes, arising out of this grant or the vesting of Units hereunder.

10. Definition.

For purposes of this Agreement, a termination of employment is for "Cause" if the Employee

- a. has been convicted of a felony; or
- b. intentionally engaged in illegal conduct, fraud or, willful misconduct that is demonstrably and materially injurious to the Company or any of its businesses; or
- c. failed to satisfactorily perform the duties of his position as determined solely by the Company.

11. Disputes.

In the event that a dispute shall arise as to whether a termination was for cause, or over whether a voluntary retirement, resignation or other voluntary termination of employment is the direct and proximate result of a substantial adverse change in the terms or conditions of employment, that dispute shall be settled and finally determined by arbitration in the City of Charlotte, N.C. under the then existing rules of the American Arbitration Association, and

judgment upon the award rendered by the arbitrator(s) may be entered in any court having jurisdiction thereof.

12. Miscellaneous.

- (a) All amounts credited to the Employee's Account under this Agreement shall continue for all purposes to be a part of the general assets of the Company. The Employee's interest in the Account shall make him only a general, unsecured creditor of the Company.
- (b) The parties agree to execute such further instruments and to take such action as may reasonably be necessary to carry out the intent of this Agreement.
- (c) Any notice required or permitted hereunder shall be given in writing and shall be deemed effectively given upon delivery to the Employee at his address then on file with the Company.
- (d) Neither the Plan nor this Agreement nor any provisions under either shall be construed to grant the Employee any right to remain in the employ of the Company.
- (e) This Agreement and the Employment Agreement constitute the entire agreement of the parties with respect to the subject matter hereof.

CURTISS-WRIGHT CORPORATION

By:

David Adams
Chairman and Chief Executive Officer

Lynn Bamford

RETAIN THIS AGREEMENT FOR YOUR RECORDS

CURTISS-WRIGHT CORPORATION
RESTRICTED STOCK UNIT AGREEMENT

THIS AGREEMENT, dated as of February 6, 2019, ("Grant Date") by and between Curtiss-Wright Corporation, a Delaware Corporation ("Company"), and Kevin Rayment ("Employee"), is entered into as follows:

WHEREAS, the Company has established the Curtiss-Wright Corporation 2014 Omnibus Long-Term Incentive Plan ("Plan"), a copy of which has been provided and can be found in the Company's 2014 Proxy Statement or by written or telephonic request to the Company Secretary, and which Plan made a part hereof; and

WHEREAS, the Executive Compensation Committee of the Board of Directors of the Company ("Committee") determined that the Employee be granted restricted stock units subject to the restrictions stated below;

NOW, THEREFORE, the parties hereby agree as follows:

1. Grant of Units.

Subject to the terms and conditions of this Agreement and of the Plan, the Company hereby credits to a separate account maintained on the books of the Company ("Account") 8,609 restricted stock units ("Units") which had a value of One Million Dollars based on the closing price of the Company's \$1.00 par value Common Stock ("Stock") on February 6, 2019. On any date, the value of each Unit shall equal the market value of a share of Stock.

2. Vesting Schedule.

The interest of the Employee in the Units shall be 100% vested on February 5, 2024 ("Vesting Date"), conditioned upon the Employee's continued employment with the Company as of the vesting date. Notwithstanding the foregoing, the interest of the Employee in the Units shall immediately vest as to:

(a) the pro-rated portion of the unvested Units upon the Employee's termination of employment due to death or disability (i.e. if executive dies or becomes disabled in year 3 then 3/5ths of the total units shall be accelerated); or

(b) the pro-rated portion of the unvested Units upon a "Change of Control" (as defined in the Plan) and Mr. Rayment's termination of employment within 18 months from the date of said Change of Control, subject to the aggregate award restrictions provided for under Section 10.5 of the Plan, and the discretion of the Committee to approve such payment pursuant to Section 7.5 of the Plan.

3. Restrictions.

(a) The Units granted hereunder may not be sold, pledged or otherwise transferred and may not be subject to lien, garnishment, attachment or other legal process. The period of time between the date hereof and the date the Units become vested is referred to herein as the "Restriction Period."

(b) If the Employee's employment with the Company is terminated for any reason by the Company or voluntarily (including retirement) by the Employee, the Units subject to the provisions of this Agreement which have not vested at the time of the Employee's termination of employment shall be forfeited by the Employee.

(c) If the Employee's employment with the Company is terminated by the Company "For Cause" as defined below then any unvested Units or any vested Units deferred to Section 6(b) below shall be forfeited, or Employee shall reimburse the Company all awarded Units under this Agreement.

4. Dividends.

Employee shall have no rights or privileges of a stockholder of the Company with respect to the Units during the Restricted Period. After the Vesting Date, Employee's Account shall be credited for any cash dividends paid on the Stock.

5. Changes in Stock.

In the event of any change in the number and kind of outstanding shares of Stock by reason of any recapitalization, reorganization, merger, consolidation, stock split or any similar change affecting the Stock (other than a cash dividend payable in Stock) the Company shall make an appropriate adjustment in the number and terms of the Units credited to the Employee's Account so that, after such adjustment, the Units shall represent a right to receive the same consideration (or if such consideration is not available, other consideration of the same value) that the Employee would have received in connection with such recapitalization, reorganization, merger, consolidation, stock split or any similar change if he had owned on the applicable record date a number of shares of Stock equal to the number of Units credited to the Employee's Account prior to such adjustment.

6. Form and Timing of Payment.

The Company shall pay to the Employee a number of shares of Stock equal to the aggregate number of vested Units credited to the Employee as of such date upon either:

(a) The Vesting Date;

(b) Any date after the Vesting Date by which the Employee elects to defer the receipt of the Units in the year prior to the Vesting Date, but in no event later than the fifth anniversary of the Vesting Date; or

(c) The first date on which occurs a Change of Control.

7. Disability Termination of Employee.

In the event of disability of the Employee, any unpaid but vested, Units shall be paid to the Employee if legally competent or to a legally designated guardian or representative if the Employee is legally incompetent.

8. Death of Employee.

In the event of the Employee's death after the vesting date but prior to the payment of the Units, said Units shall be paid to the Employee's estate or designated beneficiary.

9. Taxes.

The Employee shall be liable for all taxes, including withholding taxes, arising out of this grant or the vesting of Units hereunder.

10. Definition.

For purposes of this Agreement, a termination of employment is for "Cause" if the Employee

- (i) has been convicted of a felony; or
- (ii) intentionally engaged in illegal conduct, fraud or, willful misconduct that is demonstrably and materially injurious to the Company or any of its businesses; or
- (iii) failed to satisfactorily perform the duties of his position as determined solely by the Company.

11. Disputes.

In the event that a dispute shall arise as to whether a termination was for cause, or over whether a voluntary retirement, resignation or other voluntary termination of employment is the direct and proximate result of a substantial adverse change in the terms or conditions of employment, that dispute shall be settled and finally determined by arbitration in the City of Charlotte, NC under the then existing rules of the American Arbitration Association, and judgment upon the award rendered by the arbitrator(s) may be entered in any court having jurisdiction thereof.

12. Miscellaneous.

- (a) All amounts credited to the Employee's Account under this Agreement shall continue for all purposes to be a part of the general assets of the Company. The Employee's interest in the Account shall make him only a general, unsecured creditor of the Company.
 - (b) The parties agree to execute such further instruments and to take such action as may reasonably be necessary to carry out the intent of this Agreement.
 - (c) Any notice required or permitted hereunder shall be given in writing and shall be deemed effectively given upon delivery to the Employee at his address then on file with the Company.
 - (d) Neither the Plan nor this Agreement nor any provisions under either shall be construed to grant the Employee any right to remain in the employ of the Company.
 - (e) This Agreement and the Employment Agreement constitute the entire agreement of the parties with respect to the subject matter hereof.
-

CURTISS-WRIGHT CORPORATION

By:

David Adams
Chairman and Chief Executive Officer

Kevin Rayment

RETAIN THIS AGREEMENT FOR YOUR RECORDS

CURTISS-WRIGHT CORPORATION
RESTRICTED STOCK UNIT AGREEMENT

THIS AGREEMENT, dated as of December 16, 2021, ("Grant Date") by and between Curtiss-Wright Corporation, a Delaware Corporation ("Company"), and K. Christopher Farkas ("Employee"), is entered into as follows:

WHEREAS, the Company has established the Curtiss-Wright Corporation 2014 Omnibus Long-Term Incentive Plan ("Plan"), a copy of which has been provided and can be found in the Company's 2014 Proxy Statement or by written or telephonic request to the Company Secretary, and which Plan made a part hereof; and

WHEREAS, the Executive Compensation Committee of the Board of Directors of the Company ("Committee") determined that the Employee be granted restricted stock units subject to the restrictions stated below;

NOW, THEREFORE, the parties hereby agree as follows:

1. Grant of Units.

Subject to the terms and conditions of this Agreement and of the Plan, the Company hereby credits to a separate account maintained on the books of the Company ("Account") 5,660 restricted stock units ("Units") which had an approximate value of Seven Hundred and Fifty Thousand Dollars (\$750,000.00) based on the closing price of the Company's \$1.00 par value Common Stock ("Stock") on December 16, 2021. On any date, the value of each Unit shall equal the market value of a share of Stock.

2. Vesting Schedule.

The interest of the Employee in the Units shall be 100% vested on December 15, 2026 ("Vesting Date"), conditioned upon the Employee's continued employment with the Company as of the vesting date. Notwithstanding the foregoing, the interest of the Employee in the Units shall immediately vest as to:

(a) the pro-rated portion of the unvested Units upon the Employee's termination of employment due to death or disability (i.e. if executive dies or becomes disabled in year 3 then 3/5ths of the total units shall be accelerated); or

(b) the pro-rated portion of the unvested Units upon a "Change of Control" (as defined in the Plan) and Mr. Farkas's termination of employment occurs within 18 months from the date of said Change of Control, subject to the aggregate award restrictions

provided for under Section 10.5 of the Plan, and the discretion of the Committee to approve such payment pursuant to Section 7.5 of the Plan.

3. Restrictions.

(a) The Units granted hereunder may not be sold, pledged or otherwise transferred and may not be subject to lien, garnishment, attachment or other legal process. The period of time between the date hereof and the date the Units become vested is referred to herein as the "Restriction Period."

(b) If the Employee's employment with the Company is terminated for any reason by the Company or voluntarily (including retirement) by the Employee, the Units subject to the provisions of this Agreement which have not vested at the time of the Employee's termination of employment shall be forfeited by the Employee.

(c) If the Employee's employment with the Company is terminated by the Company "For Cause" as defined below then any unvested Units or any vested Units shall be forfeited, or Employee shall reimburse the Company all awarded Units under this Agreement.

4. Dividends.

Employee shall have no rights or privileges of a stockholder of the Company with respect to the Units during the Restricted Period. After the Vesting Date, Employee's Account shall be credited for any cash dividends paid on the Stock.

5. Changes in Stock.

In the event of any change in the number and kind of outstanding shares of Stock by reason of any recapitalization, reorganization, merger, consolidation, stock split or any similar change affecting the Stock (other than a cash dividend payable in Stock) the Company shall make an appropriate adjustment in the number and terms of the Units credited to the Employee's Account so that, after such adjustment, the Units shall represent a right to receive the same consideration (or if such consideration is not available, other consideration of the same value) that the Employee would have received in connection with such recapitalization, reorganization, merger, consolidation, stock split or any similar change if he had owned on the applicable record date a number of shares of Stock equal to the number of Units credited to the Employee's Account prior to such adjustment.

6. Form and Timing of Payment.

The Company shall pay to the Employee a number of shares of Stock equal to the aggregate number of vested Units credited to the Employee as of such date upon either:

- (a) The Vesting Date; or
 - (b) A Change of Control as defined by the Plan.
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7. Disability Termination of Employee.

In the event of disability of the Employee, any unvested Units shall be paid to the Employee on a pro rata basis if legally competent or to a legally designated guardian or representative if the Employee is legally incompetent.

8. Death of Employee.

In the event of the Employee's death after the vesting date but prior to the payment of the Units, said Units shall be paid to the Employee's estate or designated beneficiary.

9. Taxes.

The Employee shall be liable for all taxes, including withholding taxes, arising out of this grant or the vesting of Units hereunder.

10. Definition.

For purposes of this Agreement, a termination of employment is for "Cause" if the Employee

- a. has been convicted of a felony; or
- b. intentionally engaged in illegal conduct, fraud or, willful misconduct that is demonstrably and materially injurious to the Company or any of its businesses; or
- c. intentionally and substantially fails to perform his or her reasonably assigned duties with the Corporation or a Subsidiary.

11. Disputes.

In the event that a dispute shall arise as to whether a termination was for cause, or over whether a voluntary retirement, resignation or other voluntary termination of employment is the direct and proximate result of a substantial adverse change in the terms or conditions of employment, that dispute shall be settled and finally determined by arbitration in the City of Charlotte, NC under the then existing rules of the American Arbitration Association, and judgment upon the award rendered by the arbitrator(s) may be entered in any court having jurisdiction thereof.

12. Miscellaneous.

(a) All amounts credited to the Employee's Account under this Agreement shall continue for all purposes to be a part of the general assets of the Company. The Employee's interest in the Account shall make him only a general, unsecured creditor of the Company.

(b) The parties agree to execute such further instruments and to take such action as may reasonably be necessary to carry out the intent of this Agreement.

(c) Any notice required or permitted hereunder shall be given in writing and shall be deemed effectively given upon delivery to the Employee at his address then on file with the Company.

(d) Neither the Plan nor this Agreement nor any provisions under either shall be construed to grant the Employee any right to remain in the employ of the Company.

(e) This Agreement and the Employment Agreement constitute the entire agreement of the parties with respect to the subject matter hereof.

CURTISS-WRIGHT CORPORATION

By:

Lynn M. Bamford
President and Chief Executive Officer

K. Christopher Farkas
RETAIN THIS AGREEMENT FOR YOUR RECORDS

CURTISS-WRIGHT CORPORATION
RESTRICTED STOCK UNIT AGREEMENT

THIS AGREEMENT, dated as of December 16, 2021, ("Grant Date") by and between Curtiss-Wright Corporation, a Delaware Corporation ("Company"), and Paul Ferdenzi ("Employee"), is entered into as follows:

WHEREAS, the Company has established the Curtiss-Wright Corporation 2014 Omnibus Long-Term Incentive Plan ("Plan"), a copy of which has been provided and can be found in the Company's 2014 Proxy Statement or by written or telephonic request to the Company Secretary, and which Plan made a part hereof; and

WHEREAS, the Executive Compensation Committee of the Board of Directors of the Company ("Committee") determined that the Employee be granted restricted stock units subject to the restrictions stated below;

NOW, THEREFORE, the parties hereby agree as follows:

1. Grant of Units.

Subject to the terms and conditions of this Agreement and of the Plan, the Company hereby credits to a separate account maintained on the books of the Company ("Account") 5,660 restricted stock units ("Units") which had an approximate value of Seven Hundred and Fifty Thousand Dollars (\$750,000.00) based on the closing price of the Company's \$1.00 par value Common Stock ("Stock") on December 16, 2021. On any date, the value of each Unit shall equal the market value of a share of Stock.

2. Vesting Schedule.

The interest of the Employee in the Units shall be 100% vested on December 15, 2026 ("Vesting Date"), conditioned upon the Employee's continued employment with the Company as of the vesting date. Notwithstanding the foregoing, the interest of the Employee in the Units shall immediately vest as to:

(a) the pro-rated portion of the unvested Units upon the Employee's termination of employment due to death or disability (i.e. if executive dies or becomes disabled in year 3 then 3/5ths of the total units shall be accelerated); or

(b) the pro-rated portion of the unvested Units upon a "Change of Control" (as defined in the Plan) and Mr. Ferdenzi's termination of employment occurs within 18

months from the date of said Change of Control, subject to the aggregate award restrictions provided for under Section 10.5 of the Plan, and the discretion of the Committee to approve such payment pursuant to Section 7.5 of the Plan.

3. Restrictions.

(a) The Units granted hereunder may not be sold, pledged or otherwise transferred and may not be subject to lien, garnishment, attachment or other legal process. The period of time between the date hereof and the date the Units become vested is referred to herein as the "Restriction Period."

(b) If the Employee's employment with the Company is terminated for any reason by the Company or voluntarily (including retirement) by the Employee, the Units subject to the provisions of this Agreement which have not vested at the time of the Employee's termination of employment shall be forfeited by the Employee.

(c) If the Employee's employment with the Company is terminated by the Company "For Cause" as defined below then any unvested Units or any vested Units shall be forfeited, or Employee shall reimburse the Company all awarded Units under this Agreement.

4. Dividends.

Employee shall have no rights or privileges of a stockholder of the Company with respect to the Units during the Restricted Period. After the Vesting Date, Employee's Account shall be credited for any cash dividends paid on the Stock.

5. Changes in Stock.

In the event of any change in the number and kind of outstanding shares of Stock by reason of any recapitalization, reorganization, merger, consolidation, stock split or any similar change affecting the Stock (other than a cash dividend payable in Stock) the Company shall make an appropriate adjustment in the number and terms of the Units credited to the Employee's Account so that, after such adjustment, the Units shall represent a right to receive the same consideration (or if such consideration is not available, other consideration of the same value) that the Employee would have received in connection with such recapitalization, reorganization, merger, consolidation, stock split or any similar change if he had owned on the applicable record date a number of shares of Stock equal to the number of Units credited to the Employee's Account prior to such adjustment.

6. Form and Timing of Payment.

The Company shall pay to the Employee a number of shares of Stock equal to the aggregate number of vested Units credited to the Employee as of such date upon either:

- (a) The Vesting Date;
- (b) A Change of Control as defined by the Plan.

7. Disability Termination of Employee.

In the event of disability of the Employee, any unvested Units shall be paid to the Employee on a pro rata basis if legally competent or to a legally designated guardian or representative if the Employee is legally incompetent.

8. Death of Employee.

In the event of the Employee's death after the vesting date but prior to the payment of the Units, said Units shall be paid to the Employee's estate or designated beneficiary.

9. Taxes.

The Employee shall be liable for all taxes, including withholding taxes, arising out of this grant or the vesting of Units hereunder.

10. Definition.

For purposes of this Agreement, a termination of employment is for "Cause" if the Employee

- a. has been convicted of a felony; or
- b. intentionally engaged in illegal conduct, fraud or, willful misconduct that is demonstrably and materially injurious to the Company or any of its businesses; or
- c. intentionally and substantially fails to perform his or her reasonably assigned duties with the Corporation or a Subsidiary.

11. Disputes.

In the event that a dispute shall arise as to whether a termination was for cause, or over whether a voluntary retirement, resignation or other voluntary termination of employment is the direct and proximate result of a substantial adverse change in the terms or conditions of employment, that dispute shall be settled and finally determined by arbitration in the City of Charlotte, NC under the then existing rules of the American Arbitration Association, and judgment upon the award rendered by the arbitrator(s) may be entered in any court having jurisdiction thereof.

12. Miscellaneous.

- (a) All amounts credited to the Employee's Account under this Agreement shall continue for all purposes to be a part of the general assets of the Company. The Employee's interest in the Account shall make him only a general, unsecured creditor of the Company.
- (b) The parties agree to execute such further instruments and to take such action as may reasonably be necessary to carry out the intent of this Agreement.
- (c) Any notice required or permitted hereunder shall be given in writing and shall be deemed effectively given upon delivery to the Employee at his address then on file with the Company.
- (d) Neither the Plan nor this Agreement nor any provisions under either shall be construed to grant the Employee any right to remain in the employ of the Company.
- (e) This Agreement and the Employment Agreement constitute the entire agreement of the parties with respect to the subject matter hereof.

CURTISS-WRIGHT CORPORATION

By:

Lynn M. Bamford
President and Chief Executive Officer

Paul Ferdenzi

RETAIN THIS AGREEMENT FOR YOUR RECORDS

CURTISS-WRIGHT CORPORATION
RESTRICTED STOCK UNIT AGREEMENT

THIS AGREEMENT, dated as of December 16, 2021, ("Grant Date") by and between Curtiss-Wright Corporation, a Delaware Corporation ("Company"), and Gary Ogilby ("Employee"), is entered into as follows:

WHEREAS, the Company has established the Curtiss-Wright Corporation 2014 Omnibus Long-Term Incentive Plan ("Plan"), a copy of which has been provided and can be found in the Company's 2014 Proxy Statement or by written or telephonic request to the Company Secretary, and which Plan made a part hereof; and

WHEREAS, the Executive Compensation Committee of the Board of Directors of the Company ("Committee") determined that the Employee be granted restricted stock units subject to the restrictions stated below;

NOW, THEREFORE, the parties hereby agree as follows:

1. Grant of Units.

Subject to the terms and conditions of this Agreement and of the Plan, the Company hereby credits to a separate account maintained on the books of the Company ("Account") 3,773 restricted stock units ("Units") which had an approximate value of Five Hundred Thousand Dollars (\$500,000.00) based on the closing price of the Company's \$1.00 par value Common Stock ("Stock") on December 16, 2021. On any date, the value of each Unit shall equal the market value of a share of Stock.

2. Vesting Schedule.

The interest of the Employee in the Units shall be 100% vested on December 15, 2026 ("Vesting Date"), conditioned upon the Employee's continued employment with the Company as of the vesting date. Notwithstanding the foregoing, the interest of the Employee in the Units shall immediately vest as to:

- (a) the pro-rated portion of the unvested Units upon the Employee's termination of employment due to death or disability (i.e. if executive dies or becomes disabled in year 3 then 3/5ths of the total units shall be accelerated); or
 - (b) the pro-rated portion of the unvested Units upon a "Change of Control" (as defined in the Plan) and Mr. Ogilby's termination of employment occurs within 18 months from the date of said Change of Control, subject to the aggregate award restrictions provided for under Section 10.5 of the Plan, and the discretion of the Committee to approve such payment pursuant to Section 7.5 of the Plan.
-

3. Restrictions.

(a) The Units granted hereunder may not be sold, pledged or otherwise transferred and may not be subject to lien, garnishment, attachment or other legal process. The period of time between the date hereof and the date the Units become vested is referred to herein as the "Restriction Period."

(b) If the Employee's employment with the Company is terminated for any reason by the Company or voluntarily (including retirement) by the Employee, the Units subject to the provisions of this Agreement which have not vested at the time of the Employee's termination of employment shall be forfeited by the Employee.

(c) If the Employee's employment with the Company is terminated by the Company "For Cause" as defined below then any unvested Units or any vested Units shall be forfeited, or Employee shall reimburse the Company all awarded Units under this Agreement.

4. Dividends.

Employee shall have no rights or privileges of a stockholder of the Company with respect to the Units during the Restricted Period. After the Vesting Date, Employee's Account shall be credited for any cash dividends paid on the Stock.

5. Changes in Stock.

In the event of any change in the number and kind of outstanding shares of Stock by reason of any recapitalization, reorganization, merger, consolidation, stock split or any similar change affecting the Stock (other than a cash dividend payable in Stock) the Company shall make an appropriate adjustment in the number and terms of the Units credited to the Employee's Account so that, after such adjustment, the Units shall represent a right to receive the same consideration (or if such consideration is not available, other consideration of the same value) that the Employee would have received in connection with such recapitalization, reorganization, merger, consolidation, stock split or any similar change if he had owned on the applicable record date a number of shares of Stock equal to the number of Units credited to the Employee's Account prior to such adjustment.

6. Form and Timing of Payment.

The Company shall pay to the Employee a number of shares of Stock equal to the aggregate number of vested Units credited to the Employee as of such date upon either:

- (a) The Vesting Date;
- (b) A Change of Control as defined by the Plan.

7. Disability Termination of Employee.

In the event of disability of the Employee, any unvested Units shall be paid to the Employee on a pro rata basis if legally competent or to a legally designated guardian or representative if the Employee is legally incompetent.

8. Death of Employee.

In the event of the Employee's death after the vesting date but prior to the payment of the Units, said Units shall be paid to the Employee's estate or designated beneficiary.

9. Taxes.

The Employee shall be liable for all taxes, including withholding taxes, arising out of this grant or the vesting of Units hereunder.

10. Definition.

For purposes of this Agreement, a termination of employment is for "Cause" if the Employee

- a. has been convicted of a felony; or
- b. intentionally engaged in illegal conduct, fraud or, willful misconduct that is demonstrably and materially injurious to the Company or any of its businesses; or
- c. intentionally and substantially fails to perform his or her reasonably assigned duties with the Corporation or a Subsidiary.

11. Disputes.

In the event that a dispute shall arise as to whether a termination was for cause, or over whether a voluntary retirement, resignation or other voluntary termination of employment is the direct and proximate result of a substantial adverse change in the terms or conditions of employment, that dispute shall be settled and finally determined by arbitration in the City of Charlotte, NC under the then existing rules of the American Arbitration Association, and judgment upon the award rendered by the arbitrator(s) may be entered in any court having jurisdiction thereof.

12. Miscellaneous.

(a) All amounts credited to the Employee's Account under this Agreement shall continue for all purposes to be a part of the general assets of the Company. The Employee's interest in the Account shall make him only a general, unsecured creditor of the Company.

(b) The parties agree to execute such further instruments and to take such action as may reasonably be necessary to carry out the intent of this Agreement.

(c) Any notice required or permitted hereunder shall be given in writing and shall be deemed effectively given upon delivery to the Employee at his address then on file with the Company.

(d) Neither the Plan nor this Agreement nor any provisions under either shall be construed to grant the Employee any right to remain in the employ of the Company.

(e) This Agreement and the Employment Agreement constitute the entire agreement of the parties with respect to the subject matter hereof.

CURTISS-WRIGHT CORPORATION

By:

Lynn M. Bamford

President and Chief Executive Officer

Gary Ogilby

RETAIN THIS AGREEMENT FOR YOUR RECORDS

CURTISS-WRIGHT CORPORATION
RESTRICTED STOCK UNIT AGREEMENT

THIS AGREEMENT, dated as of December 16, 2021, ("Grant Date") by and between Curtiss-Wright Corporation, a Delaware Corporation ("Company"), and Robert Freda ("Employee"), is entered into as follows:

WHEREAS, the Company has established the Curtiss-Wright Corporation 2014 Omnibus Long-Term Incentive Plan ("Plan"), a copy of which has been provided and can be found in the Company's 2014 Proxy Statement or by written or telephonic request to the Company Secretary, and which Plan made a part hereof; and

WHEREAS, the Executive Compensation Committee of the Board of Directors of the Company ("Committee") determined that the Employee be granted restricted stock units subject to the restrictions stated below;

NOW, THEREFORE, the parties hereby agree as follows:

1. Grant of Units.

Subject to the terms and conditions of this Agreement and of the Plan, the Company hereby credits to a separate account maintained on the books of the Company ("Account") 3,773 restricted stock units ("Units") which had an approximate value of Five Hundred Thousand Dollars (\$500,000.00) based on the closing price of the Company's \$1.00 par value Common Stock ("Stock") on December 16, 2021. On any date, the value of each Unit shall equal the market value of a share of Stock.

2. Vesting Schedule.

The interest of the Employee in the Units shall be 100% vested on December 15, 2026 ("Vesting Date"), conditioned upon the Employee's continued employment with the Company as of the vesting date. Notwithstanding the foregoing, the interest of the Employee in the Units shall immediately vest as to:

The interest of the Employee in the Units shall be 100% vested on December 15, 2026 ("Vesting Date"), conditioned upon the Employee's continued employment with the Company as of the vesting date. Notwithstanding the foregoing, the interest of the Employee in the Units shall immediately vest as to:

(a) the pro-rated portion of the unvested Units upon the Employee's termination of employment due to death or disability (i.e. if executive dies or becomes disabled in year 3 then 3/5ths of the total units shall be accelerated); or

(b) the pro-rated portion of the unvested Units upon a "Change of Control" (as defined in the Plan) and Mr. Freda's termination of employment occurs within 18 months from the date of said Change of Control, subject to the aggregate award restrictions

provided for under Section 10.5 of the Plan, and the discretion of the Committee to approve such payment pursuant to Section 7.5 of the Plan.

3. Restrictions.

(a) The Units granted hereunder may not be sold, pledged or otherwise transferred and may not be subject to lien, garnishment, attachment or other legal process. The period of time between the date hereof and the date the Units become vested is referred to herein as the "Restriction Period."

(b) If the Employee's employment with the Company is terminated for any reason by the Company or voluntarily (including retirement) by the Employee, the Units subject to the provisions of this Agreement which have not vested at the time of the Employee's termination of employment shall be forfeited by the Employee.

(c) If the Employee's employment with the Company is terminated by the Company "For Cause" as defined below then any unvested Units or any vested Units shall be forfeited, or Employee shall reimburse the Company all awarded Units under this Agreement.

4. Dividends.

Employee shall have no rights or privileges of a stockholder of the Company with respect to the Units during the Restricted Period. After the Vesting Date, Employee's Account shall be credited for any cash dividends paid on the Stock.

Employee shall have no rights or privileges of a stockholder of the Company with respect to the Units during the Restricted Period. After the Vesting Date, Employee's Account shall be credited for any cash dividends paid on the Stock.

5. Changes in Stock.

In the event of any change in the number and kind of outstanding shares of Stock by reason of any recapitalization, reorganization, merger, consolidation, stock split or any similar change affecting the Stock (other than a cash dividend payable in Stock) the Company shall make an appropriate adjustment in the number and terms of the Units credited to the Employee's Account so that, after such adjustment, the Units shall represent a right to receive the same consideration (or if such consideration is not available, other consideration of the same value) that the Employee would have received in connection with such recapitalization, reorganization, merger, consolidation, stock split or any similar change if he had owned on the applicable record date a number of shares of Stock equal to the number of Units credited to the Employee's Account prior to such adjustment.

6. Form and Timing of Payment.

The Company shall pay to the Employee a number of shares of Stock equal to the aggregate number of vested Units credited to the Employee as of such date upon either:

- (a) The Vesting Date;
- (b) A Change of Control as defined by the Plan.

7. Disability Termination of Employee.

In the event of disability of the Employee, any unvested Units shall be paid to the Employee on a pro rata basis if legally competent or to a legally designated guardian or representative if the Employee is legally incompetent.

8. Death of Employee.

In the event of the Employee's death after the vesting date but prior to the payment of the Units, said Units shall be paid to the Employee's estate or designated beneficiary.

9. Taxes.

The Employee shall be liable for all taxes, including withholding taxes, arising out of this grant or the vesting of Units hereunder.

10. Definition.

For purposes of this Agreement, a termination of employment is for "Cause" if the Employee

- a. has been convicted of a felony; or
- b. intentionally engaged in illegal conduct, fraud or, willful misconduct that is demonstrably and materially injurious to the Company or any of its businesses; or
- c. intentionally and substantially fails to perform his or her reasonably assigned duties with the Corporation or a Subsidiary.

11. Disputes.

In the event that a dispute shall arise as to whether a termination was for cause, or over whether a voluntary retirement, resignation or other voluntary termination of employment is the direct and proximate result of a substantial adverse change in the terms or conditions of employment, that dispute shall be settled and finally determined by arbitration in the City of Charlotte, NC under the then existing rules of the American Arbitration Association, and judgment upon the award rendered by the arbitrator(s) may be entered in any court having jurisdiction thereof.

12. Miscellaneous.

(a) All amounts credited to the Employee's Account under this Agreement shall continue for all purposes to be a part of the general assets of the Company. The Employee's interest in the Account shall make him only a general, unsecured creditor of the Company.

(b) The parties agree to execute such further instruments and to take such action as may reasonably be necessary to carry out the intent of this Agreement.

(c) Any notice required or permitted hereunder shall be given in writing and shall be deemed effectively given upon delivery to the Employee at his address then on file with the Company.

(d) Neither the Plan nor this Agreement nor any provisions under either shall be construed to grant the Employee any right to remain in the employ of the Company.

(e) This Agreement and the Employment Agreement constitute the entire agreement of the parties with respect to the subject matter hereof.

CURTISS-WRIGHT CORPORATION

By:

Lynn M. Bamford
President and Chief Executive Officer

Robert Freda

RETAIN THIS AGREEMENT FOR YOUR RECORDS

Subsidiaries of the Registrant

The information below is provided as of December 31, 2021 with respect to the subsidiaries of the Registrant, all of which are wholly owned by the Corporation, directly or indirectly. The names of certain inactive subsidiaries and other consolidated subsidiaries of the Registrant have been omitted because such subsidiaries would not constitute a significant subsidiary, individually or in the aggregate.

| <u>Name</u> | <u>Organized Under the Laws of</u> |
|---|------------------------------------|
| Curtiss Wright Controls Inc. | Delaware |
| Curtiss-Wright Electro-Mechanical Corporation | Delaware |
| Curtiss-Wright Flow Control Corporation | New York |
| Dy4 Systems, Inc. (DY4 Canada) | Ontario |
| Metal Improvement Company, LLC | Delaware |

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We consent to the incorporation by reference in the Registration Statements Nos. 333-116195, 333-126543, 333-177739, 333-197752 and 333-226351 on Form S-8 of our reports, dated February 24, 2022, relating to the consolidated financial statements and financial statement schedule of Curtiss-Wright Corporation and subsidiaries, and the effectiveness of Curtiss-Wright Corporation's internal control over financial reporting, appearing in this Annual Report on Form 10-K of Curtiss-Wright Corporation for the year ended December 31, 2021.

/s/ Deloitte & Touche LLP

Parsippany, New Jersey
February 24, 2022

Certifications

I, Lynn M. Bamford, certify that:

1. I have reviewed this Annual Report on Form 10-K of Curtiss-Wright Corporation;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an Annual Report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: February 24, 2022

/s/ Lynn M. Bamford

Lynn M. Bamford

President and Chief Executive Officer

Certifications

I, K. Christopher Farkas, certify that:

1. I have reviewed this Annual Report on Form 10-K of Curtiss-Wright Corporation;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an Annual Report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: February 24, 2022

/s/ K. Christopher Farkas

K. Christopher Farkas

Vice President and Chief Financial Officer

CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350

In connection with the Annual Report of Curtiss-Wright Corporation (the "Company") on Form 10-K for the period ended December 31, 2021 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), Lynn M. Bamford, as President and Chief Executive Officer of the Company, and K. Christopher Farkas, as Chief Financial Officer of the Company, each hereby certifies, pursuant to 18 U.S.C. section 1350, that to the best of their knowledge:

- (1) The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ Lynn M. Bamford

Lynn M. Bamford
President and Chief Executive Officer
February 24, 2022

/s/ K. Christopher Farkas

K. Christopher Farkas
Vice President and Chief Financial Officer
February 24, 2022