

## ESTERLINE TECHNOLOGIES CORPORATION

### Compensation Committee Charter

#### Purpose and Authority

It is the policy of this Corporation to have a Compensation Committee (the "Committee") to function on behalf of the Board of Directors in matters relating to compensation of corporate officers, and concerning other significant incentive, equity, and retirement programs provided for employees of Esterline, its affiliates, or subsidiaries. The Committee shall have overall responsibility for evaluating and proposing officer compensation plans, policies, and other significant compensation or retirement programs of the Corporation.

The Committee shall have all authority necessary to fulfill the duties and responsibilities assigned to it in this Charter or by the Board. When appropriate, it may form and delegate authority to subcommittees, or may delegate authority to one or more designated members of the Board or to corporate officers.

#### Composition

1. The Committee shall consist of at least three Directors who have been selected to serve on the Committee, one of whom shall be designated as Committee Chair. Each member of the Committee shall: (a) meet the independence requirements established by the Board and any other regulations applicable to the Committee from time to time; (b) be a "non-employee director" within the meaning of Rule 16b-3 under the Securities Exchange Act of 1934; and, (c) be an "outside director" within the meaning of Section 162(m) of the Internal Revenue Code.
2. Members of the Committee shall be elected for one (1) year terms.
3. The members of the Committee shall be appointed by the Board on the recommendation of the Nominating & Corporate Governance Committee. The Board may remove any member of the Committee in its discretion.
4. The Chief Executive Officer (CEO), Vice President Human Resources, and other corporate officers or staff shall act as non-voting advisors to the Committee, and may be delegated such responsibilities as the Committee deems appropriate.

#### Duties and Responsibilities

The Committee shall have the following duties and responsibilities, in addition to others assigned to the Committee from time to time by the Board.

1. Meetings – The Committee:
  - a. Shall meet at least twice a year, in addition to any special meetings that might be called. When possible, such meetings shall be held in conjunction with scheduled meetings of the Board.

- b. Shall prepare minutes of all Committee meetings for Board review, and shall report to the Board on any significant matters arising from the Committee's work.
  - c. May meet in separate executive session, when appropriate, with management, employees, its independent consultants or advisers, internal audit, or with the independent auditor to discuss matters that the Committee, or those persons, believes warrant Committee attention.
2. Executive Compensation – The Committee shall evaluate and recommend to the Board for its approval:
- a. The Corporation's executive compensation philosophy, policies, programs, and practices.
  - b. Total compensation levels for corporate officers based on competitive market benchmarks, the Corporation's financial results, and individual job performance. These recommendations will include: base salary, incentive compensation targets and payments, equity grants, executive retirement plans, perquisites, and any other significant aspect of officer compensation, but to exclude officers' routine participation in group fringe benefit plans generally available to the Corporation's employees.
  - c. Incentive compensation plans for officers and other designated executives, including plan designs and performance goals.
  - d. Submission to the Corporation's shareholders of proposals for incentive compensation plans, equity-based plans, and amendments thereto.
  - e. Any special executive employment, compensation, or retirement arrangements.
  - f. Election of new officers and their compensation.

The Committee has authority to independently approve compensation arrangements, equity grants, and new participants for executives other than corporate officers, provided such decisions are consistent with Board-approved programs. It may also delegate such authority to the CEO to act on its behalf between Committee meetings, provided such actions do not affect the compensation of any person reporting directly to the CEO, and provided such actions are reported to the Committee at its next meeting for oversight purposes.

3. CEO Oversight – The Committee shall assist the Board in supervising the Chief Executive Officer (CEO) by considering and recommending for approval by the full Board:
- a. Annual goals and priorities for the CEO.
  - b. Periodic evaluations of the CEO's performance.
  - b. Total compensation opportunities for the CEO.
4. Equity Grants -- The Committee shall review and approve all equity grants, except those for officers, which require Board approval. The Committee may, in its discretion, delegate authority to the CEO to make equity grants pursuant to written guidelines established by the Committee, and provided that all such grants are reported to the Committee at its next scheduled meeting for oversight purposes.
5. Succession Planning – The Committee shall ensure development of succession plans for officer positions, consistent with oversight by the Nominating & Corporate Governance Committee.

6. Plan & Policy Administration – The Committee shall fulfill all administrative obligations required by any of the Corporation’s incentive compensation plans, equity plans, or by Board policy.
7. Benefit Plan Oversight –The Committee shall review and recommend to the Board for approval the establishment of all proposed tax-qualified and non-qualified retirement plans, and all plan amendments that are financially material and non-administrative in nature. The Committee shall also ensure fulfillment of the Corporation’s fiduciary functions with respect to retirement and welfare benefit plans through direct Committee oversight or through delegation to a Benefits Plan Administrative Committee comprised of selected officers. The Committee, and/or the Benefits Plan Administrative Committee, shall periodically:
  - a. Review plan administration, participation, regulatory compliance, and the overall effectiveness, cost, and value of such plans.
  - b. Designate trustees and execute trust agreements; terminate, merge, or consolidate any such plan(s); and extend or withhold plan participation opportunities for employees of affiliates or subsidiaries.
8. Public Reporting – The Committee shall oversee preparation of public reports concerning the Corporation’s compensation programs and the Committee’s activities. It shall review and approve for publication, in accordance with the rules of the Securities and Exchange Commission or with those of by other governing authorities: the Corporation’s Compensation discussion & Analysis (CD&A); an annual report of the Compensation Committee’s activities; and such other reports as might be required on subjects within the scope of this charter.
9. Compensation Program Risk Assessment – The Committee shall periodically evaluate with management whether risks arising from the Corporation's compensation programs for all employees are reasonably likely to have a material adverse effect on the Corporation or its operations.
10. Director Compensation – The Committee shall periodically review and prepare recommendations for Board action concerning compensation for Board members and for those elected to serve as committee members, as committee chairs, and in other Board leadership roles.
11. Self-Assessments – The Committee shall obtain or perform an annual evaluation of Committee performance and make applicable recommendations for improvement.

### **Consultants and Advisers**

1. The Committee shall have the authority, in its sole discretion, to retain (or obtain the advice of) or terminate a compensation consultant, independent legal counsel, or other adviser ("Compensation Adviser") to assist the Committee with the discharge of its duties under this Charter. The Committee shall be directly responsible for the appointment, compensation and oversight of the work of any Compensation Adviser retained by the Committee. The Corporation shall provide for appropriate funding, as determined by the Committee, for payment of reasonable compensation to any Compensation Adviser engaged by the Committee.
2. The Committee may select a Compensation Adviser only after taking into consideration all factors relevant to that person's independence from management, including the following:
  - a. The provision of other services to the Corporation by the person that employs the Compensation Adviser;

- b. The amount of fees received from the Corporation by the person that employs the Compensation Adviser, as a percentage of the total revenue of the person that employs the Compensation Adviser;
  - c. The policies and procedures of the person that employs the Compensation Adviser that are designed to prevent conflicts of interest;
  - d. Any business or personal relationship of the Compensation Adviser with a member of the Committee;
  - e. Any stock of the Corporation owned by the Compensation Adviser; and
  - f. Any business or personal relationship of the Compensation Adviser or the person employing the Compensation Adviser with any corporate officer.
3. After considering the independence factors outlined above, the Committee may select, or receive advice from, any Compensation Adviser it prefers, including ones that are not independent. The Committee is not required to conduct the independence assessment outlined above for in-house counsel or any Compensation Adviser whose role is limited to the following activities: (i) consulting on any broad-based plan that does not discriminate in scope, terms, or operation, in favor of corporate officers or directors of the Corporation, and that is available generally to all salaried employees; and/or (ii) providing information that either is not customized for a particular company or that is customized based on criteria that are not developed by the Compensation Adviser, and about which the Compensation Adviser does not provide advice.
  4. If the Committee determines that the work performed by a compensation consultant retained by the Committee has raised any conflict of interest, the Committee shall disclose to the Board the nature of such conflict of interest and how it is being addressed. In determining whether a conflict of interest exists, the Committee shall consider the factors described above and other relevant factors.

### **Evaluation**

The Committee shall review and reassess this Charter at least annually and, if appropriate, propose changes to the Board.