



ESTERLINE ANTI-CORRUPTION PROGRAM CHARTER

Anti-Corruption Program Overview

Introduction

At Esterline, we win business based on the superiority of our products and services, and never as a result of bribery or other corrupt practices. Our anti-corruption program helps ensure that our business activities not only support this principle, but also fully adhere to the various laws and regulations designed to combat corrupt practices worldwide.

Purpose of the Program

The purpose of Esterline's anti-corruption program is to ensure that we meet our own high standards for ethical business practices, and that we comply with applicable laws and regulations that forbid bribery, such as the U.S. Foreign Corrupt Practices Act and the UK Bribery Act. The program is designed to provide all Esterline employees with the guidance and resources necessary to make business decisions that align with our ethical principles and with global anti-corruption laws. The program sets overall standards and includes more detailed policies that everyone at Esterline needs to comply with. Esterline also expects its directors and employees to come forward with any questions, concerns, and reports of potential violations.

Program Elements

Culture of Compliance

Esterline's Board of Directors and its senior managers are responsible for communicating and modeling high standards of ethical business conduct. Through their leadership, they are expected to establish a culture of ethical decision-making and compliance with the law by promoting an anti-corruption message throughout the entire organization.

Managers at all levels are also expected to reinforce the Company's "tone from the top" by demonstrating ethical conduct in their activities and communications with employees and business partners. This expectation includes a requirement that managers foster an open door environment, appropriately address employees' corruption concerns, and support employees' access to both Esterline's anonymous Helpline and higher-level management.

Oversight, Autonomy, and Resources

Esterline's Board of Directors has delegated responsibility for oversight of the Company's anti-corruption program to its Audit Committee, as reflected in the Audit Committee Charter. The General Counsel or the Program Manager, Ethics and Business Compliance, who respectively have overall and day-to-day responsibility for the program, provide the Committee with quarterly reports which include updates regarding developments in anti-corruption law, the status of the Company's program, and any significant issues or reports of misconduct that might arise. In addition, the Company's Sr. Director of Internal Audit also provides quarterly reports to the Audit Committee, which include information concerning any corruption issues identified through internal audits. The Committee, in turn, reports its deliberations to the full Board of Directors. In addition, the General Counsel or Program Manager provides an annual report on program effectiveness to the full Board. Together, this process enables the Board to exercise independent oversight with respect to the program's implementation and effectiveness.

Esterline's Program Manager holds day-to-day operational responsibility for the program. As appropriate to their respective roles, the Company has authorized the General Counsel and Program Manager to:

- Make decisions relating to the program
- Coordinate with executive leadership and designate personnel to assist with program implementation in each business unit
- Oversee misconduct investigations
- Report directly to the Audit Committee
- Employ or engage sufficient resources to operate the program

Esterline maintains a Business Ethics Committee, which is comprised of the Company's: General Counsel, Chief Financial Officer, Sr. Director Internal Audit, and the Program Manager. The Business Ethics Committee provides executive support and oversight for the anti-corruption program. The Business Ethics Committee meets on a periodic basis, as needed, to discuss the state of the anti-corruption program, as well as to consider any new policies or other initiatives that might be needed to strengthen the program, to control corruption risks, or to address reports of misconduct.

Esterline also has designated Ethics Advisors in each business unit to assist with program implementation and to help employees who face ethical or business compliance issues that arise in the course of their work. Ethics Advisors facilitate the answering of questions when they

arise and ensure appropriate intake or escalation of reported issues. When requested, Ethics Advisors might also serve as a local resource during an internal investigation.

Esterline managers ensure compliance with the anti-corruption program by:

- Knowing its tenets and policies
- Using words and actions that demonstrate exemplary conduct and compliance with the law
- Answering ethics or compliance questions asked by other employees
- Fielding and escalating reports
- Taking disciplinary action, where warranted, when misconduct occurs

Written Standards

Esterline maintains written standards that establish and support the Company's anti-corruption program. These written standards apply to all Company directors and employees, with localized translations available in the various regions in which Esterline operates. To further facilitate ease of use, these standards are accessible via a centralized repository on the corporate intranet. Esterline's written standards are reviewed on an annual basis and updated as appropriate, ensuring that the content is current, clear, concise, and accessible. When material changes are made to one of these written standards, Esterline communicates it to all affected employees.

The bedrock for Esterline's anti-corruption program is the Company's Code of Business Conduct and Ethics (the "Code"). In addition to being made available on the intranet, this document is also available to Esterline employees and the public via the Internet. On an established periodic basis, Esterline distributes its Code to all directors and employees, obtaining a signed acknowledgment reflecting that each individual has read the Code and will comply with it. When a new director is retained or an employee is hired, that person is provided a copy of the Code and is required to sign an acknowledgment prior to undertaking work assignments for Esterline.

Esterline's written standards include an Anti-Corruption Policy and related procedures that provide information regarding responsibilities for anti-corruption compliance. These written standards cover critical corruption risk areas, including but not limited to the following topics:

- Gifts
- Hospitality, entertainment, and expenses

- Travel
- Political contributions
- Charitable donations and sponsorships
- Facilitation payments
- Solicitation and extortion

Esterline's Anti-Corruption Policy is distributed to all directors and affected employees. All are required to review the Policy and sign an acknowledgment reflecting their commitment to comply with it.

Training and Guidance

Esterline conducts mandatory periodic anti-corruption training for all directors and employees. Employees in positions of leadership or trust, and those in certain roles—such as sales or purchasing—are provided additional, focused training based on the risks and obligations inherent in their job responsibilities. Additional training may also be necessary when a need is identified as a result of a risk assessment. Anti-corruption training is provided in the local language, and includes a testing component and certification upon completion. New employees are required to complete the anti-corruption training and certification upon hire. Esterline directors also receive ethics and compliance training, which includes specific training on anti-corruption compliance, on a periodic basis.

Internal Controls

Risk Assessment

As part of its internal control environment, Esterline conducts an anti-corruption risk assessment on a periodic basis, with the goal of ensuring a risk-based anti-corruption program. The risk assessment includes, but is not limited to, consideration of the following:

- Company geographic locations
- Geographic location of Esterline's customers
- Interaction with government officials
- Industrial sectors of operation
- Significant business opportunities and programs
- Involvement in joint venture arrangements
- Importance of licenses and permits
- Degree of government oversight and inspection

- Volume and importance of goods and personnel clearing through customs and immigration

Esterline's General Counsel or Program Manager presents the risk assessment results to the Business Ethics Committee and to the Audit Committee. The Company uses the results to modify the anti-corruption program, as needed, to address the risks identified.

Monitoring

Esterline's business units have established programs designed to monitor the exchange of business courtesies. Finance staff monitors expenditures for business courtesies and travel-related expenses that are submitted for reimbursement. Courtesies received from vendors, customers, or others that do not meet the requirements set by Esterline policy will be politely declined or sold at a company auction or raffle, with the proceeds donated to charity.

Auditing

Esterline's Internal Audit department will engage in periodic audits across the organization. These audits will be based on an annual independent risk assessment, the scope of which will consist of, but may not be limited to, the Esterline Anti-Corruption Policy and related procedures. Internal Audit's testing will be comprised of process walk-throughs with control owners, transaction testing, and interviews of key employees. The audit results will be reported to the local, platform, segment, and corporate management teams, as well as the Audit Committee.

Marketing and Sales Relationships

Esterline maintains a Sales Agent Code of Conduct (the "Sales Agent Code") that applies to all sales representatives, sales/marketing consultants, distributors, and any other third parties who represent Esterline or provide a channel for the sale of Esterline products (collectively referred to as "sales agents"). The Sales Agent Code includes a discussion of the Company's commitment to anti-corruption. The Company requires its sales agents to certify to the Sales Agent Code upon retention, with recertification taking place on an established periodic basis.

The Company also conducts due diligence when retaining sales agents, the nature and scope of which depends on various factors, including the identity of the individual, the industry, geographic location, size, and nature of that party's engagement with Esterline, as well as the method and amount of proposed compensation. In these situations, standard anti-corruption compliance terms are included in all applicable agreements.

Esterline requires anti-corruption training for selected sales agents, based on their individual role and on various risk assessment results. Any training provided will be undertaken at the time of retention and on an established periodic basis thereafter. All training is provided in the local language, includes a testing component, and yields a certificate upon completion of training.

Monitoring

Sales agent conduct is monitored by business unit managers who ensure completion of due diligence requirements and the inclusion of anti-corruption contract provisions. Contract administrators ensure compliance with those provisions, and sales agent fees and expenses are monitored by Finance staff.

Auditing

Esterline's standard contract provisions include a provision that gives the Company audit rights to sales agents' books and records.

Pre-Acquisition Due Diligence and Post-Acquisition Integration

When engaging in acquisition activity, Esterline conducts anti-corruption due diligence. Upon acquisition, Esterline implements its internal controls and corporate policies, including its anti-corruption program. This includes deploying the Company's written standards, training, and certifications. When warranted, Esterline will also conduct an anti-corruption audit and/or risk assessment of all newly-acquired businesses.

Confidential Reporting and Internal Investigations

Esterline maintains an Ethics & Compliance Helpline, which is administered by a third-party business partner and available for employees and third parties alike to ask questions or report concerns 24 hours a day, seven days a week. The Company's Ethics Advisors are also available to employees to answer ethics- and compliance-related questions or to field in-person reports of potential misconduct.

Esterline conducts efficient, reliable, and properly-funded investigations in response to reports of potential misconduct. Internal investigations are directed by an impartial outside, professional investigator retained by the General Counsel.

Incentives and Disciplinary Procedures

Esterline has disciplinary procedures to address violations of the Code of Business Conduct and Ethics, the Anti-Corruption Policy, and related procedures. When misconduct is discovered, reasonable action is taken to remedy the harm and appropriate steps are taken to prevent further misconduct.