

**CURTISS-WRIGHT CORPORATION**  
**CORPORATE GOVERNANCE GUIDELINES**

**February 9, 2016**

**Introduction**

The Board of Directors (“the Board”) of the Curtiss-Wright Corporation (“the Company”) is committed to discharging its duties in accordance with the highest ethical standards and relevant laws and regulations. Accordingly, the Board has adopted the following Corporate Governance Guidelines, which set forth the principles that will govern Board activities. Section I describes the principles the Board will employ in its constitution and operations. Section II describes principles governing the Board’s interaction with institutional investors and the press. Section III sets forth the Directors’ Code of Conduct. Section IV describes the procedures the Board will adopt in overseeing management succession.

**I. Board Constitution and Operation**

**A. Standards for Director Independence**

A majority of the Directors and all of the members of the Audit Committee, Executive Compensation Committee and the Committee on Directors and Governance must meet the standards for independence set forth in applicable law and regulation. In determining whether a Director is independent, the Board will apply the following standard:

To be deemed independent, a Director must have no material relationship with the Company, either directly or as a partner, shareholder or officer of an organization that has a material relationship with the Company. The term “material relationship” includes:

- Employment by the Company of the Director or an immediate family member within the last five years.
- The receipt by the Director or any immediate family members of compensation in any form from the Company other than as compensation for service as a Director.
- Being or having an immediate family member who is a partner, shareholder or employee of an organization that is a supplier, customer, creditor or service provider, (except with respect to the independent auditor, dealt with separately below), of the Company and/or its subsidiaries, except where the shareholdings represent less than 2% of the outstanding shares of a publicly traded company, where the supplier’s sales to the Company are not and have no potential to become material to the supplier’s annual revenues or net

income or where the customer's purchases from the Company are not and have no potential to become material to the Company's annual revenues or net income.

- Being a current partner or employee of a firm that is the Company's internal or external auditor or having been a partner or employee of such a firm who personally worked on the Company's audit within the last three years.
- Having an immediate family member who is a current partner of the Company's internal or external auditor; a current employee of such a firm who personally works on the Company's audit; or a former partner or employee of such a firm who personally worked on the Company's audit within the last three years.
- Employment within the last five years by the Director or an immediate family member at another company whose compensation or equivalent committee of its board of directors includes any executive of the Company.

The Company shall disclose the Board's determinations of the independence of all Board members annually in its proxy statement for the Company's annual meeting.

## **B. Board Meetings**

The Board will meet approximately five to six times a year in regular meetings held pursuant to a schedule established annually. Additional special meetings may be called at any time as required. Occasionally, meetings may be held at the site of one of the Company's operations to afford the Directors an opportunity to learn more about that operation. (Directors are encouraged to visit the operations of the Company even in the absence of Board meetings at those locations.)

The Chairman should establish the agendas for Board meetings. However, the Corporate Secretary will implement a procedure that permits each Director to suggest items for the agenda in advance of meetings. Similarly, each Director is free to raise, at any Board meeting, subjects that are not on the agenda. However, whenever possible, items should be brought up in advance of the meeting to permit adequate preparation and reflection on such matters. To the extent feasible, materials of a non-routine nature should be distributed to the Directors in advance of the meeting at which they are to be considered to provide time for adequate reflection and inquiry by the Directors.

The Board encourages the attendance at Board meetings of key managers who do not normally attend meetings whenever they can provide additional insight into the matters being discussed and/or whenever it is desirable to provide the Board with exposure to such key managers, given their potential for promotion to senior management levels.

## **C. Executive Sessions of the Board**

The non-employee Directors should meet without the presence of the employee Directors and other members of management in executive sessions of the Board at each regularly scheduled

Board meeting to review, among other issues, the performance of the Chairman and Chief Executive Officer and to review recommendations concerning the compensation of all officers, including the Chairman and Chief Executive Officer. After an executive session, the substance of the discussions and any action by the Board should be shared with the Chairman and Chief Executive Officer.

Executive sessions of the Board should be chaired by a Director designated by rotating the chairmanship responsibility among all Directors in alphabetical order. Shareholders, employees and other interested persons may communicate any concerns or issues they wish to bring to the Board's attention by sending a letter to the Board at the address published in the Company's proxy statement for its annual meeting, which address shall be for a post office box accessible only to Directors who meet the definition of independence set forth above.

#### **D. Committees of the Board**

The Board shall establish such committees as are necessary for the Board to discharge its responsibilities and exercise its rights effectively. At a minimum, the Board shall establish committees on Audit, Executive Compensation and Directors and Governance. Any Director may attend a meeting of a Committee of which he is not a member unless it would be inappropriate for him to do so because of his/her personal interest in a matter to be considered at that meeting. The responsibilities of each Committee will be set forth in the committee charters adopted by the Board, subject to any changes the Board subsequently may deem desirable.

The full Board, after consultation with the Chairman and Chief Executive Officer and the Committee on Directors and Governance, and after consideration of the desires of individual Directors and the independence of such Directors under applicable law and regulation, is responsible for the assignment of Directors to particular Committees and for the appointment of committee chairs. Consideration should be given to rotating Committee memberships periodically. Periodic change of the Chair of each Committee is desirable.

#### **E. Director Compensation**

Directors shall receive compensation for their services that is fair and reasonable in form and amount, as determined from time to time based on periodic surveys of compensation paid to directors at companies that have a financial performance and operate in industries or markets similar to those of the Company. The Committee on Directors and Governance will make recommendations to the Board on the appropriate compensation for Directors. The Company will not make substantial charitable donations to organizations with which a Director is affiliated. The Board shall review any proposed consulting contracts with, or other arrangements that provide indirect compensation to, any Director or former Director.

## **F. Communications with Employees**

Board members should feel free to contact directly any employee concerning any questions or comments they may have. Directors should advise the Chairman and Chief Executive Officer promptly concerning the substance of the communication, including the response, unless it would be inappropriate to do so because the communication relates to the Chairman and Chief Executive Officer personally. If the contact is in writing, a copy should be furnished to the Chairman and Chief Executive Officer.

## **G. Terms of Director Service**

All Directors will eligible to serve a single one year term, except for a director who is appointed between annual meetings, in which case the Director will serve out the time remaining until the next annual meeting and be eligible for nomination for a single one year term thereafter. All Directors will be deemed to have submitted a letter of resignation effective as of the adjournment of the regular meeting in late January or early February before the end of their first one year term. The Committee on Directors and Governance will make a recommendation to the Board on whether to accept the resignation. All Directors will also be deemed to have submitted a letter of resignation effective as of the adjournment of the regular meeting in late January or early February before the end of their third one year term and again as of the adjournment of the regular meeting in late January or early February before the end of each fifth one year term thereafter. (In the event that meetings are held in both January and February and/or more than one meeting is held in February in a given year, the resignation will be deemed to have occurred at the adjournment of the first meeting in February) The Committee on Directors and Governance will make a recommendation to the Board on whether to accept the resignation.

## **H. Director Retirement Age**

Directors are expected to retire from the Board effective at the Annual Meeting following their 75<sup>th</sup> birthday, unless they are asked by the Board to continue to serve beyond that time.

## **I. Orientation of New Directors**

The Board shall develop materials to provide orientation to new Directors on their rights and obligations as Directors, as well as with regard to the finances, operations and strategic plans of the Company. In addition, each Director is expected to participate in continuing education on the rights and obligations of directors and/or the operations of the boards of directors of public companies.

## **II. Board Interaction with Institutional Investors and the Press**

The Chief Executive Officer and designated management personnel speak for the Company. Members of the Board other than the Chairman should not speak individually for Curtiss-Wright unless requested to do so by the Chairman. Other directors should refer all inquiries to the Chief Executive Officer.

### **III. Directors' Code of Conduct**

#### **A. Introduction**

The Board has adopted this Code of Conduct (the "Code") for Directors of the Company. The Code provides guidance to Directors on ethics matters, provides a framework to report potential compliance issues and seeks to foster a culture of compliance and accountability. Directors who also serve as officers of the Company should read this Code in conjunction with the Company's Code of Conduct.

#### **B. Conflicts of Interest**

Directors must avoid any conflicts of interest between themselves and the Company. If a Director believes that the Director has an actual or potential conflict of interest with the Company, the Director shall notify the Chairman of the Committee on Directors and Governance (or in the case of an issue involving the Chairman of the Committee on Directors and Governance, the members of the Committee on Directors and Governance) as promptly as practicable and shall not participate in any decision by the Board that in any way relates to the matter that gives rise to the conflict of interest.

A "conflict of interest" can occur when a Director's personal interest interferes in any way – or even appears to interfere with – the interests of the Company. A conflict situation can arise when a Director takes actions or has interests that may make it difficult to perform his or her work as a Director objectively and effectively. Conflicts of interest also arise when a Director, or a member of his or her immediate family, receives improper personal benefits as a result of his or her position as a Director. "Immediate family" includes a Director's spouse, parents, children, siblings, mothers-in-law and fathers-in-law, sons and daughters-in-law, brothers and sisters-in-law, and anyone (other than domestic employees) who shares such Director's home.

In situations where a Director may not be certain whether a particular situation raises a potential conflict with the Company's interests, the Director should consult with the General Counsel to obtain information necessary to make a determination. For example, the Director may not know whether a company with which he or she has a relationship is a potential customer, vendor or competitor of the Company. The following are examples of situations that may give rise to a conflict of interest.

- A Director has an investment in an actual or potential customer, vendor or competitor of the Company. If there is such an investment, the Director must disclose the investment to the Chairman of the Committee on Directors and Governance, who will then determine whether any action, such as recusal of the Director from Board actions

relating to the investment subject, is appropriate. Directors are not required to report their holdings of less than two percent of the stock of publicly traded companies.

- A Director lends money to, or borrows money from, an actual or potential customer, vendor or competitor of the Company, other than a bank or financial institution.
- A Director uses the Company's resources or his or her position to advance his or her financial or personal interests.
- A Director seeks or accepts any compensation that is or may be interpreted as having been offered in an attempt to influence the conduct or actions of the Director. The acceptance of advertising novelties, occasional business meals, or the exchange of gifts solely because of family or social relationships need not be reported.
- A Director or a firm of which a Director is a partner or shareholder furnishes any services to the Company or any actual or potential customer, vendor or competitor, whether or not the Director is paid for such services.
- A Director directly or on behalf of another deals in products or services that are or that might reasonably be expected to be, purchased, produced, furnished, utilized or sold by the Company, other than routine consumer transactions in goods or services under terms and conditions generally offered to the public or through the ownership of the stock of companies involved in such transactions.
- A Director represents the Company in any transaction in which he or she knows that a relative has a significant interest.

### **C. Corporate Opportunities**

Directors are prohibited from taking for themselves opportunities that are discovered through the use of Company property, information or position, using Company property, information or position for personal gain, and competing with the Company for business opportunities.

### **D. Confidentiality**

Directors shall maintain during the Director's term of office, and after leaving the Board, the confidentiality of confidential information entrusted to them by the Company and any other confidential information about the Company that comes to them, except when disclosure is authorized by the Chairman of the Board or legally mandated. For purposes of this Code, "confidential information" includes all nonpublic or proprietary information relating to the Company.

### **E. Compliance with Laws, Rules and Regulations**

Directors shall comply with laws, rules and regulations applicable to them as Directors of the Company.

## **F. Competition and Fair Dealing**

Directors shall endeavor to deal fairly with the Company's customers, suppliers, competitors and employees. No Director should take unfair advantage of such parties through manipulation, concealment, abuse of privileged information, misrepresentation of material facts, or any other intentional unfair-dealing practice.

## **G. Protection and Proper Use of Company Assets**

Directors shall not use Company assets, labor or information for their personal benefit or gain.

## **H. Insider Trading**

Directors shall not engage in transactions in Company stock (whether for their own account, for the Company's account or otherwise) while in possession of material, nonpublic information and shall not communicate such information to third parties that may use such information in the decision to purchase or sell Company stock ("tipping"). This policy also applies to information relating to any other company, including the Company's customers and suppliers, that a Director obtains in the course of serving on the Board. In addition to violating Company policy, insider trading and tipping are illegal.

Information may be material if there is a substantial likelihood that the information would affect the price of the Company stock or that a reasonable investor would consider the information significant in deciding whether to buy or sell the Company stock. Such information includes information relating to capital structure, major management changes, contemplated acquisitions or divestitures, and information concerning earnings or other financial information. Information is considered to be non-public if it has not been disclosed to the public. Generally, information is considered disclosed to the public if it has been published in newspapers or the media, has been the subject of a press release or a public filing with the SEC and, in all cases, at least 48 hours has passed since the publication, release or filing.

## **I. Duty of Care**

In Board activities, the Directors will act on an informed basis, in good faith and in the honest belief that the action taken was in the best interests of the Company and is lawful under all applicable laws and regulations. In support of this duty, Directors have an obligation to attend substantially all of the Board and assigned committee meetings. Directors must also review all materials distributed in advance of Board and committee meetings prior to attending the meetings. The Directors will not take any action unless they believe that Company management has provided the Board with the appropriate information concerning the proposed action. In addition, the Directors may retain consultants or other independent advisors to assist them in discharging their responsibilities. The Board and each of its committees shall perform annual evaluations of their activities to assess the quality of

the Board's or Committee's performance in discharging the rights and obligations set forth in these Corporate Governance Guidelines.

#### **J. Compliance Procedures**

Directors shall communicate any suspected violations of this Code, including any violation of law or governmental rule or regulation, promptly to the Chairman of the Committee on Directors and Governance (or in the case of an issue involving the Chairman of the Committee on Directors and Governance, the members of the Committee on Directors and Governance). Alleged violations shall be investigated by the Committee on Directors and Governance or by a person or persons designated by the Committee on Directors and Governance and appropriate action shall be taken in the event of any violations of the Code.

#### **K. Waivers**

Waivers of this Code shall be granted only under exceptional circumstances. A waiver of this Code may be made only by the Board, and must be promptly disclosed in accordance with applicable law and the requirements of the New York Stock Exchange Corporate Governance Standards.

#### **L. Annual Review**

The Board shall review and reassess the adequacy of this Code annually and make any amendments to this Code that the Board deems appropriate.

### **IV. Management Succession**

Continuous attention to management and its succession is critical to the continued vitality of the Company. The Board will establish procedures to oversee the Company's management succession processes. In addition, the Board will specifically devote time annually to review management succession plans for the Chief Executive Officer, ensuring that such plans address succession in the event of an emergency or the retirement of the Chief Executive Officer. In this regard, the Board shall seek to take note at least annually of those executives within the Company who might be best suited for the role of Chief Executive Officer, as well as possible candidates from outside the Company known to the Directors whom it would consider in the event of a sudden need to implement a succession plan.