

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, 2022

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)

<u>Delaware</u> (State or other jurisdiction of incorporation or organization)	<u>13-0612970</u> (I.R.S. Employer Identification No.)
<u>130 Harbour Place Drive, Suite 300 Davidson, North Carolina</u> (Address of principal executive offices)	<u>28036</u> (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, 2022 was approximately \$4.5 billion.

The number of shares outstanding of the Registrant’s Common stock as of January 31, 2023:

Class	Number of shares
Common stock, par value \$1 per share	38,274,724

DOCUMENTS INCORPORATED BY REFERENCE

Portions of the Proxy Statement of the Registrant with respect to the 2023 Annual Meeting of Stockholders to be held on May 4, 2023 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, the impact of significant inflation, higher interest rates or deflation, and measures taken by governments and private industry in response, (d) statements of future economic performance and potential impacts due to the conflict between Russia and Ukraine, (e) the effect of laws, rules, regulations, new accounting pronouncements, and outstanding litigation on our business and future performance, and (f) 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 along with 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 (A&D) 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 cycles 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 also have inherent synergies with significant potential to build upon crossover applications for our defense and commercial technologies that leverage our teams’ collaborative efforts and the strength of our combined portfolio.

Curtiss-Wright maintains a unique presence on high-performance platforms and critical applications that require our technical sophistication and benefit from decades of engineering expertise and knowledge transfer. Curtiss-Wright has been involved in a number of “firsts” in industry, and since the origin of many of our markets, including commercial aerospace (our history dates back to the Wright Brothers and their historical first manned flight), naval nuclear power (presence on the first nuclear naval vessel) and commercial power (where we were in the first commercial nuclear power plant). We have built upon those long-standing and deep customer relationships and are deeply embedded in our customers workflows today. We hold competitive positions in the majority of our key defense and commercial end markets through engineering and technological leadership, and precision manufacturing. As a result, Curtiss-Wright is well positioned to take advantage of industry growth dynamics and secular trends that align with our strengths in attractive end markets.

Our portfolio of highly competitive technologies is 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, which include defense prime contractors, commercial aerospace original equipment manufacturers (OEMs), and numerous energy and manufacturing companies. We compete globally, primarily based on technology and pricing.

Our Strategy

Curtiss-Wright's Pivot to Growth strategy focuses on maximizing revenue, operating income and free cash flow growth for our shareholders. It is built upon a strong foundation of operational and financial excellence where we strive for consistent growth in sales, operating margin, diluted earnings per share and free cash flow. Curtiss-Wright is differentiated because we have strength in the combined portfolio benefiting from long-term stability in our defense businesses and agility in our commercial businesses.

Our strategy is centered on a renewed drive for top-line acceleration through both organic and inorganic sales growth, building on the strengths across our A&D and commercial markets, while deepening and expanding our customer relationships by driving One Curtiss-Wright to our customers. We have continued opportunities within our Operational Growth Platform for margin expansion which allows us to maintain steady investments in research and development (R&D) to fuel both innovation and organic growth. We also utilize a strong and healthy balance sheet to implement a disciplined capital allocation strategy consisting of acquisitions as well as returns to shareholders through share repurchases and dividends, which will collectively 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 utilized in both commercial and defense end market applications. In the general industrial market, we have long-standing customer relationships and maintain a broad portfolio of products and services promoting efficiency, safety, reduced emission and longevity. 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 OEM production rates of new aircraft as well as emerging platforms such as all-electric 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, and supplemented by foreign defense spending (e.g. NATO countries). As a supplier of Modular Open Systems Approach (MOSA) based solutions, 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, including a presence on more than 325 platforms and more than 3,000 programs over the past 10 years. 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 based on their support of key Department of Defense (DoD) priorities such as cyber, security and the net-centric connected battlefield. 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 and, to a lesser extent, the aerospace defense market. 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 naval defense businesses in this segment are primarily impacted by government funding and spending on shipbuilding programs, primarily driven by the U.S. Government, and supplemented by foreign defense spending. For the aerospace defense market, we provide aircraft arresting systems equipment including energy absorbers, retractable hook cable systems, net-stanchion systems and mobile systems to support fixed land-based arresting systems. For the power & process markets, we provide a diversified offering of products for commercial nuclear power plants and nuclear equipment manufacturers, including hardware, 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, as well as various nuclear reactor technologies supporting the deployment of Generation IV advanced Small Modular Reactors (SMRs). 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 2022, 2021, and 2020, our foreign operations as a percentage of pre-tax earnings were 39%, 27%, and 28%, respectively, adjusted for the loss on sale of our industrial valves business in Germany in 2022, along with impairments on assets held for sale related to the German industrial valves business in 2021 and 2020.

Government Sales

Our sales to the U.S. Government and foreign government end use represented 54%, 55%, and 53% of total net sales during 2022, 2021, and 2020, 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 allowed, we utilize progress payments and other interim billing practices, to reduce 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 customer accounted for more than 10% of our total net sales during 2022, 2021, or 2020.

Approximately 47% of our total net sales for 2022, 50% for 2021, and 47% for 2020 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,		
	2022	2021	2020
Aerospace & Industrial	\$ 151,528	\$ 155,276	\$ 156,981
Defense Electronics	548,878	600,085	470,949
Naval & Power	509,002	499,486	491,388
Total U.S. Government sales	\$ 1,209,408	\$ 1,254,847	\$ 1,119,318

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
Lynn M. Bamford	Chair and Chief Executive Officer	Chair of the Board of Directors since May 5, 2022 and Chief Executive Officer of the Corporation since January 1, 2021. She also formerly held the title of President of the Corporation from January 1, 2021 to May 5, 2022. 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.	59	2021
Kevin M. Rayment	Vice President and Chief Operating Officer	Vice President and 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.	53	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.	54	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.	55	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.	55	2021
Gary A. Ogilby	Vice President and Corporate Controller	Vice President and Corporate 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.	41	2020
John C. Watts	Vice President of Strategy and Corporate Development	Vice President of Strategy and Corporate Development of the Corporation since May 2022. Prior to this, he served as Vice President of Strategy and Communications of the Corporation from April 2015, and as Director and Vice President of Business Development from 2006.	53	2022

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 2022, we had approximately 8,100 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;
- Training and professional development; and
- Annual and local incentive compensation plans

In addition to the above, we also offer equity-based incentive 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.

Talent Management

Curtiss-Wright's talent strategy is designed to maximize the full potential of our people and our business. We are focused on providing an end-to-end experience from pre-hire to retirement. This includes creating inclusive, employee-centric experiences, cultivating leadership, offering multiple development pathways and expanding the talent pipeline into and through the company.

We hold regular succession and career development reviews to ensure line of sight to talent at various levels of the organization. Succession plans are refreshed and reviewed to ensure a robust, diverse pipeline of talent and business continuity with a tight linkage to development.

We focus on accelerating learning and development of our leaders by providing a combination of experiences and education. Our New Business Leaders Program offers developmental paths for new and experienced managers seeking to refresh or build their leadership capabilities. Nearly hundreds of leaders have honed their skills leveraging various learning modalities, including virtual and in-person instructor-led, web-based training and micro-courses to support our managers. Our employee development programs are designed to strengthen employee skills that align to our current and future business needs, encourage knowledge sharing and support career progression and growth. We utilize our Learning Management System to provide our employees online career-specific tools and resources and we also support development opportunities through educational institutions with our Tuition Assistance Program. Our early-in-career rotation program for new business leaders develops talent pipelines with both depth of skills and breadth of experiences that are critical to the company's future talent needs. Our Technical Fellows program and our Innovative Council program is uniquely designed to cultivate technical, domain expertise and collaborative thought leadership for early through advanced career levels.

As our company continues to grow, we rely on an integrated talent acquisition approach. The company strategically attracts, identifies, and onboards candidates in support of business needs and priorities. In order to accomplish our goals, we seek talent with unique perspectives, skills and experiences; maintain strategic relationships with colleges; offer a robust employee referral program; and partner with numerous diversity organizations, military organizations and trusted external partners, with a commitment to growing and supporting a diverse talent pipeline. Amidst the evolving and, at times, challenging hiring environment, we apply agile recruiting methods as we work to adapt to the changing labor marketplace and to ensure employees and candidates have an exceptional experience.

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. Senior executives provide monthly reporting to the Chief Executive Officer (CEO) and Chief Operating Officer (COO) on their safety statistics, and are accountable and compensated based on their safety record. For the year ended December 31, 2022, our TRR and DART rates were 1.69 and 1.04, respectively. For the year ended December 31, 2021, our TRR and DART rates were 1.49 and 0.99, respectively.

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://curtisswright.com/investor-relations/governance/governance-documents/default.aspx>. 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 also facilitates the anonymous or direct communication of ethical, financial, discrimination, and health and safety concerns to the Office of General Counsel and serves as the vehicle through which employees and third parties may send communications to 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, transportation networks, and production levels. As of December 31, 2022, all of our manufacturing operations are operational. However, due to the numerous uncertainties that have arisen from the pandemic, including the likelihood of resurgences and the emergence and spread of variants, 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. The disruption in the supply chain has resulted in increased freight costs, raw material costs, and labor costs from the ongoing inflationary environment. 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. Although we believe in most cases that we could identify alternative suppliers, or alternative raw materials or component parts, the sometimes lengthy and expensive regulatory authority and OEM certification processes could prevent efficient replacement of a supplier, raw material, or component part.

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 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. 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 cybersecurity laws and regulations, both in the U.S. and globally, 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. Additionally, we have incurred, and expect to continue to occur, additional costs to comply with increased cybersecurity protections for our customers, including the U.S. government. 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. The occurrence of some of these risks may be increased due to the increase in remote working by our employees due to the COVID-19 pandemic. 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. However, 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 and 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. While we maintain insurance coverage with respect to certain liability claims, that insurance coverage may not be adequate to cover all claims that may arise, or we may not be able to maintain adequate insurance coverage in the future at an acceptable cost. Material product warranty obligations not covered by insurance or that exceed our established reserves could have a material adverse effect on our business, financial condition, and results of operations.

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 as well as other geo-political events, such as China's relationship with the United States and Taiwan. Particularly, the market for electronic components is experiencing increased demand and a global shortage of semiconductors and other electronic items, creating substantial uncertainty regarding the timing of our suppliers' production of key components for our products, which is adversely impacting the timing of sales in our Defense Electronics segment. We expect that these delays and shortages will continue in 2023, and that such shortages could result in delays in shipments to our customers during the period of such shortages. We depend on 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, supply chain constraints and improving economic conditions have resulted in sustained increases in the prices we pay for many of the components and raw materials used in our products. Furthermore, we are experiencing higher labor costs due to increased competition for personnel in many regions in which we operate as well as general inflationary conditions, including higher shipping costs, labor shortages, and rising energy prices. We expect inflationary pressures to persist in 2023. Our ability to perform our obligations as a prime contractor may be adversely affected if one or more of these suppliers is 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;
- We may experience increased capital requirements;
- There could be insufficient internal controls over financial activities or financial reporting at an acquired company that could impact us on a consolidated basis; and
- We may encounter difficulties in entering new markets in which we may have little or no experience.

While we conduct financial and other due diligence in connection with our acquisitions and generally seek some form of protection, such as indemnification from the seller, insurance coverage, and sometimes placing a portion of the purchase price in escrow or a cash holdback to cover potential liabilities, such acquired companies may have weaknesses or liabilities that are not accurately assessed or brought to our attention at the time of the acquisition. Further, indemnities, insurance or escrow/holdback arrangements may not fully cover such matters.

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. In addition, product and program needs of our government and commercial customers change and evolve regularly. Accordingly, to remain competitive in the future, we will need to continue to invest financial resources, including through internal research and development, acquisitions, or other teaming arrangements, to: (a) identify emerging technological trends in our current and target markets; (b) develop and manufacture competitive products, systems, and services; (c) enhance our offerings by adding technological innovations that differentiate our products, systems, and services from those of our competitors; and (d) develop, manufacture, and bring those products, systems, and service to market quickly at cost-effective prices. These expenditures could divert our attention and resources from other projects, and we cannot be sure that these expenditures will ultimately lead to the timely development of new offerings and technologies or identification of and expansion into new markets. Due to the design complexity of our products, we may, in the future, experience delays in completing the development and introduction of new products. Any delays could result in increased costs of development or deflect resources from other projects. In addition, there can be no assurance that the market for our products will develop or continue to expand or that we will be successful in newly identified markets as we currently anticipate.

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, including competition for hiring and retaining skilled labor. We compete against companies that often have higher sales volumes and greater financial, technological, research and development, human, and marketing resources than we have. These companies may also price their products and services below our selling prices, which could exert downward pressure on our product pricing and margins. 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. If consolidation of our competition continues to occur, we would expect the competitive pressures we face to increase. Our management believes that the principal points of competition in our markets are technology, price, product quality, product performance, sufficient supply of necessary components, 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 2022, approximately 47% 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. 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 until at least July of 2023 unless Congress takes legislative action to further extend or increase it. 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, geopolitical events, conflicts and wars (including the Russia-Ukraine conflict), general economic conditions (including cost inflation), 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. While U.S. domestic air travel continues to recover, international travel utilizing wide-body aircraft will take longer to fully recover. Furthermore, as companies and employees become accustomed to working remotely, business travel and the associated flight hours may not reach pre-pandemic levels. As such, we believe the commercial market may shift away from wide-body aircraft. 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, 2022 was \$2.6 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, reviews, 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, we 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. We may also be subject to increasingly stringent environmental standards in the future, particularly as greenhouse gas emissions and climate change regulations and initiatives increase. 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 and distract our management from the operation of our business. Moreover, any insurance or indemnification rights that we may have may be insufficient or unavailable to protect us against such losses. 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.

Regulators, stockholders, and other interested constituencies have focused increasingly on corporate responsibility, specifically related to the environmental, social, and governance (ESG), practices of companies, including climate change. Some investors have used, and may continue to use, ESG criteria to guide their investment strategies, and may not invest in us, or divest their holdings of us, if they believe our policies relating to ESG matters are inadequate. Our customers may also 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 if 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 2022, approximately 27% 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: (a) political and economic instability and potential for social unrest; (b) the uncertainty of the ability of non-U.S. customers to finance purchases; (c) restrictions on the repatriation of funds; (d) restrictive trade policies; (e) tariff regulations; (f) difficulties in obtaining export and import licenses; (g) government financed competition; (h) changes in the local labor-relations climate; (i) economic conditions in local markets, including changes in inflation; (j) health concerns (including the COVID-19 pandemic); (k) complying with foreign regulatory and tax requirements that are subject to change; and (l) limitations on our ability to enforce legal rights and remedies. For example, in response to Russia's invasion of Ukraine, the United States, along with the European Union, has imposed restrictive sanctions on Russia, Russian entities, and Russian citizens. We are subject to these governmental sanctions and export controls, which may subject us to liability if we are not in

full compliance with applicable laws. Further, implementation of new tariff schemes by various governments, such as those implemented by the United States and China in recent years, could potentially increase the costs of our materials, increase our cost of production, and ultimately increase the landed cost of our products sold from one country into another country. 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.

There has been, and may continue to be, significant volatility in global stock markets and foreign currency exchange rates that result in the strengthening of the U.S. dollar against foreign currencies in which we conduct business. 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. In both 2021 and 2022, the Biden administration announced, and in certain cases has enacted, 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. On August 16, 2022, the Inflation Reduction Act of 2022 (“IRA”) was signed into law, with tax provisions primarily focused on implementing a 15% minimum tax on global adjusted financial statement income and a 1% excise tax on share repurchases. Certain provisions of the IRA will become effective beginning in fiscal 2023. We have evaluated the impact of the IRA on our business, and deem it to be immaterial. 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 due to 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 must 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 must 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 using either the expected value method or most likely amount method. 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, 2022, we had goodwill and other intangible assets, net of accumulated amortization, of approximately \$2.2 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, 2022, we had \$1.3 billion of debt outstanding. Our level of debt could have significant consequences for our business. For example, our indebtedness could require us to use a substantial portion of our cash flows from operations to pay the principal and interest on our debt, thereby reducing funds available for working capital, acquisitions, dividends, capital expenditures, and other investments in our business, including investments in technology and research and development; make us vulnerable to economic downturns and increases in interest rates; limit us from obtaining additional debt; limit our flexibility in planning for, or reacting to, changes in the industries in which we compete; and place us at a competitive disadvantage compared to our competitors, some of whom have lower debt service obligations and greater financial resource than we do.

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 retentive 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. 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, OSHA withdrew the ETS on January 26, 2022 as an enforceable emergency temporary standard following the U.S. Supreme Court issuing a nationwide stay prohibiting OSHA from enforcing or implementing the ETS. OSHA explicitly did not withdraw the ETS as a proposed rule, such that it is possible that a permanent rule regarding COVID-19 vaccination and testing requirements will ultimately be issued by OSHA following a formal rulemaking process. 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. These requirements for federal contractors have been the subject of multiple lawsuits and enforcement has been enjoined nationwide, with appeals from those decisions pending in multiple federal appellate courts. It is not currently possible to predict the impact on our business of a permanent OSHA rule, or the requirements for government contractors and their subcontractors, to the extent that such OSHA rule and requirements for federal contractors are ultimately implemented and enforced. 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, the Russia-Ukraine conflict (including related sanctions as well as measures taken in response to

such sanction), inflationary pressures, global supply chain disruptions, 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, including healthcare, pensions, or other benefits, or that a breakdown in such negotiations will not result in the disruption of our operations, including by way of strikes or work stoppages. 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 (including the Russia-Ukraine conflict), 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 (including the Russia-Ukraine conflict), natural disasters such as earthquakes, hurricanes, floods, tornadoes, ice storms, 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. Several of our facilities, because of their locations, could be subject to catastrophic loss caused by the aforementioned natural disasters. Global climate change may aggravate natural disasters and increase severe weather events that affect our business operations. 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. The insurance we maintain may be insufficient to cover our losses, and any incidents may result in loss of, or increased costs of, such insurance. In addition, while our existing disaster recovery and business continuity plans (including those relating to our information technology systems) are well designed, they may not be fully responsive to, or minimize losses associated with, catastrophic events. As a result, any business disruption could negatively affect our business, operating results, or 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, 2022, we had 146 facilities worldwide, including four corporate and shared-services facilities. Approximately 83% of our facilities operate as manufacturing and engineering, metal treatment, or aerospace overhaul plants, while the remaining 17% 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	7	1	5	13
Europe	9	—	—	9
Total	16	1	5	22
Leased Facilities Location	Aerospace & Industrial	Defense Electronics	Naval & Power	Total
North America	42	18	25	85
Europe	14	5	5	24
Asia	9	1	1	11
Total	65	24	31	120

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, 2023, we had approximately 2,653 registered shareholders of our common stock, \$1.00 par value.

DIVIDENDS

During 2022 and 2021, the Company paid quarterly dividends as follows:

	2022	2021
Common Stock		
First Quarter	\$ 0.18	\$ 0.17
Second Quarter	0.19	0.18
Third Quarter	0.19	0.18
Fourth Quarter	0.19	0.18

SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS

The following table sets forth information regarding our equity compensation plans as of December 31, 2022, the end of our most recently completed fiscal

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	407,581 (a)	\$112.85	1,776,493 (b)
Equity compensation plans not approved by security holders	None	Not applicable	Not applicable

(a) Consists of 362,729 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 44,852 shares issuable under the Employee Stock Purchase Plan.

(b) Consists of 1,192,211 shares available for share-based awards under the 2014 Omnibus Incentive Plan, and 584,282 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, 2022.

	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 (in thousands)
October 1 – October 31	26,864	\$156.18	341,353	\$208,377
November 1 – November 30	24,121	\$173.92	365,474	204,182
December 1 – December 31	23,831	\$169.64	389,305	200,140
For the quarter ended December 31	74,816	\$166.19	389,305	\$200,140

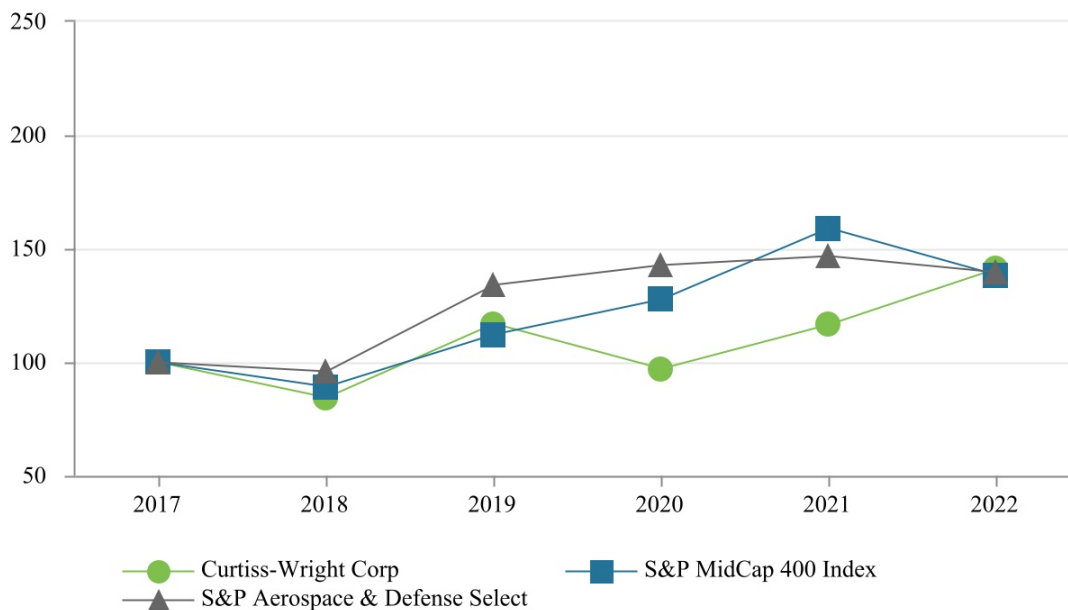
In December 2022, the Corporation adopted two written trading plans in connection with its previously authorized share repurchase program, of which approximately \$200 million remains available for repurchase. The first trading plan includes share repurchases of \$50 million, to be executed equally throughout the 2023 calendar year. The second trading plan includes opportunistic share repurchases up to \$100 million to be executed through a 10b5-1 program. The terms of these trading plans can be found in the Corporation's Form 8-K filed with U.S. Securities and Exchange Commission on December 14, 2022.

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 S&P MidCap 400 Index and the S&P Aerospace & Defense Select Industry Index. The graph assumes an investment of \$100 on December 31, 2017 and the reinvestment of all dividends paid during the following five fiscal years.

COMPARISON OF CUMULATIVE FIVE YEAR TOTAL RETURN



Company / Index	2017	2018	2019	2020	2021	2022
Curtiss-Wright Corp	100	84.21	116.81	97.15	116.44	140.93
S&P MidCap 400 Index	100	88.92	112.21	127.54	159.12	138.34
S&P Aerospace & Defense Select	100	95.79	133.91	142.55	146.43	139.48

Item 6. [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 along with 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 hold competitive positions in a majority of our key defense and commercial end markets through engineering and technological leadership, precision manufacturing, and strong relationships with our customers. We are also well positioned to build upon crossover applications for our defense and commercial market technologies that leverage the strength of our combined portfolio.

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.

Impacts of inflation, pricing, and volume

Historically, we have not been significantly impacted by inflation, with increases in raw material costs or payroll costs generally offset through lean manufacturing activities or price increases. During the current period, we have experienced significant increases in our costs of material, labor, and services consistent with the overall rates of inflation. We have generally been able to offset these increases, as 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 costs through price increases on a timely basis. We expect these inflationary pressures to continue to persist in 2023.

Market Analysis and Economic Factors

Economic Factors Impacting Our 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 impact 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 has rebounded since 2021, due in part to the availability of vaccines, increased government support to rebuild the country's infrastructure, and increased U.S. consumer spending.

In 2020, U.S. real gross domestic product (GDP) declined 3.4%, principally due to the impact of the COVID-19 pandemic, before it rebounded sharply in 2021, increasing 5.7% and at the fastest pace since 1984, led by an acceleration in industrial activity. In 2022, U.S. GDP is expected to grow approximately 2.0%, according to the most recent estimates, as strong U.S. consumer spending continued to support GDP growth despite the dual headwinds of rising interest rates and high inflation. In 2023, some economists expect growth in the broader U.S. economy to moderate significantly due to concerns about a recession or recessionary-like conditions, continued supply chain disruptions, rising interest rates, and high yet steady inflation, with current estimates for U.S. GDP ranging from flat to growth of approximately 1.5%.

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 it dramatically rebounded in 2021. According to the International Monetary Fund's World Economic Outlook, global GDP in world economies grew 6.0% in 2021 and is expected to grow 3.2% in 2022 and 2.7% in 2023, according to the most recent estimates. Looking ahead to the next few years, we remain cautiously optimistic that our economically sensitive commercial and industrial markets will continue to 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 are characterized by long-term programs and contracts driven primarily by U.S. 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 annual 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 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, Computers, Communications, Cyber, Intelligence, Surveillance, and Reconnaissance (C5ISR), electronic warfare, encryption, unmanned systems, and communications programs. As a supplier of COTS and COTS+ solutions, we continue to demonstrate that defense 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, as well as critical aircraft arresting systems equipment. 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. Through continued innovation as well as incremental research and development investments, Curtiss-Wright remains aligned with high growth DoD priorities, modernization efforts and emerging technological trends, including security, cyber, hypersonics, net-centric connected battlefield, soldier survivability, and MOSA capabilities.

In early 2022, the President's FY23 budget request was released, calling for \$773 billion in defense spending, which represented a 4% increase over the FY22 enacted funding level of \$742 billion. In December 2022, following a short Continuing Resolution, Congress passed the National Defense Authorization Act (NDAA) for FY23, which authorized an approximate \$44 billion increase to the President's defense budget proposal (\$818 billion vs. \$773 billion) and represented a 10% increase over FY22 enacted levels, driven by increases in both Procurement and Research, Development, Test and Evaluation (RDT&E) investment spending.

Looking ahead, we expect the overall demand environment and global defense spending backdrop to remain favorable for the Corporation. The President is expected to request continued U.S. defense budget growth in FY24, while also submitting 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 FY27. In addition, our growth in the international defense market is primarily driven by funding from North Atlantic Treaty Organization (NATO) countries, where its members have committed to spending at least 2.0% of annual GDP on defense budgets, driven in part by the Russia-Ukraine war, which is expected to drive significant growth in defense spending for the foreseeable future.

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, business 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 maintain a strong presence on the majority of the commercial aircraft programs, including both narrow-body and wide-body aircraft. Currently, more than 50% of our sales in this market are linked to the narrow-body market. We provide a combination of flight control, actuation, high-temperature and high accuracy 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.

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 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. The industry experienced a strong rebound in global passenger growth in 2022, benefiting from the propensity for the general public to travel by air, decisions by most governments to lift COVID-19 travel restrictions, and the continued availability and implementation of vaccines. According to industry reports, global travel demand is not expected to fully recover to pre-pandemic levels until at least 2024.

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 (e.g., Boeing 737 and 787, Airbus A320 and A350), the timing of our order placement, and continued partnering with aerospace OEMs on both the current fleet and the next-generation of single aisle programs and engines, as well as emerging opportunities to support 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. Based upon the global drive

for clean energy usage, nuclear is expected to play a critical role in meeting rising future energy demand and carbon-free emissions goals.

According to the Nuclear Regulatory Commission (NRC), nuclear power comprises approximately 20% of all electric power produced in the United States today, with 92 reactors operating across 54 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 via subsequent license renewals), 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 maintaining electricity market competitiveness. Throughout the past decade, U.S. reactor operators have faced increased security measures and post-Fukushima regulatory requirements, and were also tasked with reassessing operating practices, improving efficiency, and reducing plant costs to compete with sustained low natural gas prices. All of those factors contributed to plant operators diverting and deferring their typical plant capital expenditure budgets significantly away from normalized maintenance schedules, while also leading to numerous plant closures (down from 104 reactors in 2012). However, in 2022, the U.S. market experienced strong bipartisan support for nuclear power, with significant investments through the Civil Nuclear Credit Program (part of the Infrastructure Bill) and nuclear power production tax credits (provided by the Inflation Reduction Act) focused on helping to preserve the existing U.S. reactor fleet. 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 U.S. nuclear plants.

Outside of the U.S., we have seen sentiment shift dramatically towards nuclear power, as many countries have begun or are starting to recommit to advanced technologies, while realizing the strategic importance of energy independence. 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. Similar to the U.S., as international plants age, we foresee opportunities to support plant safety and technology upgrades, plant life extensions, and upgrades of computer systems.

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 reactor coolant pumps, as well as a variety of ancillary plant products and services. On a global basis, nuclear plant construction remains active. According to the World Nuclear Organization, there are currently 58 new reactors under construction across 18 countries, with 104 planned and 341 proposed over the next several decades. We continue to expect to play a role in new build nuclear plant construction, where we are aligned with Westinghouse to support the growing need for carbon-free emissions and energy independence in eastern Europe, including Poland, Ukraine, Romania, Bulgaria, and the Czech Republic, while also seeking opportunities in China and India. We are also well positioned to take advantage of market opportunities to support the ongoing design and development as well as future construction of Generation IV advanced and small modular reactors, driven by strong support from the U.S. Department of Energy which has allocated \$3.2 billion for advanced nuclear through its Advanced Reactor Demonstration Program. We are actively engaged and continue to pursue a foothold on numerous designs, both in the U.S. 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 produce severe service, operation-critical valves for the power and process industries. We are also developing advanced pump technology 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

We derive revenue from our widely diversified offering to the general industrial market, which primarily consists of electronic sensors and control systems, electro-mechanical actuation, and surface treatment services. We supply our products and services to numerous OEMs and aftermarket industrial customers, including the transportation, commercial trucking, off-road equipment, agriculture, construction, and automotive industries, which lowers the risk associated with any specific headwinds or economic cycles across the various markets in which we compete. Our growth 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.

We have developed long-standing relationships with our customers, and provide technologies that promote efficiency, safety, reduced emissions, and longevity. One of the key drivers within our general industrial market is our focus on electronic control systems and sensors, 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.

In the long term, the global drive towards electrification and electronic control systems, push for zero or low-emissions vehicles, investments in green technology, advancements in robotics and automation, and new government regulations, will provide steady growth opportunities for Curtiss-Wright's technologies serving this market.

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, 2022, as compared to the year ended December 31, 2021. Discussion and analysis of our financial condition and results of operations for the year ended December 31, 2021, as compared to the year ended December 31, 2020, is contained in our 2021 Annual Report on Form 10-K, filed with the SEC on February 24, 2022.

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, after which they are reported as organic. Additionally, the results of operations of divested businesses or product lines are removed from the comparable prior year period for purposes of calculating "organic" and "incremental" results. The definition of "organic" also excludes the impairment of assets held for sale and corresponding loss from sale of our industrial valves business in Germany, as well as the effects of foreign currency translation.

	Year Ended December 31,		Percent change
	2022	2021	2022 vs. 2021
<i>(In thousands, except percentages)</i>			
Sales:			
Aerospace & Industrial	\$ 836,035	\$ 786,334	6 %
Defense Electronics	690,262	724,326	(5)%
Naval & Power	1,030,728	995,271	4 %
Total sales	\$ 2,557,025	\$ 2,505,931	2 %
Operating income:			
Aerospace & Industrial	\$ 136,996	\$ 121,817	12 %
Defense Electronics	154,568	159,089	(3)%
Naval & Power	177,582	141,660	25 %
Corporate and eliminations	(45,703)	(39,883)	(15)%
Total operating income	\$ 423,443	\$ 382,683	11 %
Interest expense	46,980	40,240	(17)%
Other income, net	12,732	12,067	6 %
Earnings before income taxes	389,195	354,510	10 %
Provision for income taxes	(94,847)	(87,351)	(9)%
Net earnings	\$ 294,348	\$ 267,159	10 %
Loss on divestiture/impairment of assets held for sale	\$ 4,651	\$ 19,088	NM
New orders	\$ 2,942,550	\$ 2,590,534	14 %
Backlog	\$ 2,622,731	\$ 2,228,924	18 %

NM - Not meaningful

Components of sales and operating income growth (decrease):

	2022 vs. 2021	
	Sales	Operating Income
Organic	3 %	6 %
Acquisitions/divestiture	— %	— %
Loss on divestiture/impairment of assets held for sale	— %	4 %
Foreign currency	(1)%	1 %
Total	2 %	11 %

Sales for the year increased \$51 million, or 2%, to \$2,557 million, compared with the prior year period. On a segment basis, sales from the Aerospace & Industrial and Naval & Power segments increased \$50 million and \$35 million, respectively, with sales from the Defense Electronics segment decreasing \$34 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 \$41 million, or 11%, to \$423 million, and operating margin increased 130 basis points compared with 2021. In the Aerospace & Industrial segment, increases in operating income and operating margin were primarily due to favorable absorption on higher sales in the general industrial and commercial aerospace markets, as well as the

benefits of our ongoing operational excellence initiatives. Both operating income and operating margin in the Naval & Power segment benefited from lower current period losses associated with our industrial valves business in Germany, which was sold in the current period, as well as the absence of charges associated with the WEC legal settlement recorded in the prior year period. These increases were partially offset by lower operating income in the Defense Electronics segment primarily due to lower sales volumes from supply chain headwinds. Operating margin in the Defense Electronics segment benefited from our ongoing operational excellence initiatives.

Non-segment operating expense for the year increased \$6 million, or 15%, to \$46 million, primarily due to costs associated with shareholder activism in the current period.

Interest expense for the year increased \$7 million, or 17%, to \$47 million, primarily due to higher current period borrowings under our Credit Agreement as well as the issuance of \$300 million Senior Notes in October 2022.

Other income, net for the year increased \$1 million, or 6%, to \$13 million, primarily due to lower overall pension costs against the comparable prior year period.

The effective tax rate of 24.4% for the year ended December 31, 2022, decreased as compared to an effective tax rate of 24.6% in the prior year period, primarily due to lower non-deductible losses related to our former industrial valve business in Germany. This decrease was partially offset by a higher proportion of foreign income in the current period, which is taxed at a higher rate than the U.S. rate.

New orders increased \$352 million, or 14%, from the prior year period to \$2,943 million, primarily due to the timing of naval defense orders and the incremental impact from our arresting systems acquisition in the Naval & Power segment, as well as an increase in new orders for ground defense and aerospace defense equipment in the Defense Electronics segment. The Aerospace & Industrial segment benefited from an increase in new orders for commercial aerospace equipment.

Comprehensive income (loss)

Pension and postretirement adjustments within comprehensive income during the year ended December 31, 2022 were a \$7 million loss, compared to a \$131 million gain for the prior year period. The loss in the current period was primarily attributed to lower asset returns, partially offset by increases in the discount rate. The gain in the prior period was primarily due to higher asset returns and increases in the discount rate.

Foreign currency translation adjustments during the year ended December 31, 2022 resulted in a comprehensive loss of \$61 million, compared to a comprehensive loss of \$11 million in the comparable prior period. Comprehensive losses during both the current period and prior year period were primarily attributed to decreases in the British Pound and Canadian Dollar.

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 markets.

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

<i>(In thousands, except percentages)</i>	Year Ended December 31,		Percent Change 2022 vs. 2021
	2022	2021	
Sales	\$ 836,035	\$ 786,334	6 %
Operating income	136,996	121,817	12 %
Operating margin	16.4 %	15.5 %	90 bps
New orders	\$ 883,838	\$ 853,077	4 %
Backlog	\$ 371,305	\$ 338,581	10 %

Components of sales and operating income growth (decrease):

	2022 vs. 2021	
	Sales	Operating Income
Organic	10 %	14 %
Acquisitions	(1)%	(1)%
Foreign currency	(3)%	(1)%
Total	6 %	12 %

Sales increased \$50 million, or 6%, to \$836 million, from the comparable prior year period primarily due to higher sales in the general industrial and commercial aerospace markets. Sales in the general industrial market increased \$31 million primarily due to higher demand for industrial vehicle products. In the commercial aerospace market, sales increased \$20 million primarily due to higher demand for sensors products and surface treatment services. These increases were partially offset by lower sales in the aerospace defense market primarily due to lower sales of sensors products on various programs.

Operating income increased \$15 million, or 12%, to \$137 million, and operating margin increased 90 basis points to 16.4%. The increase in operating income and operating margin were primarily due to favorable absorption on higher organic sales in the general industrial and commercial aerospace markets, as well as the benefits of our ongoing operational excellence initiatives.

New orders increased \$31 million as compared to the prior year, as an increase in new orders for commercial aerospace equipment was partially offset by the timing of new orders for industrial vehicles.

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, and new orders within the Defense Electronics segment.

(In thousands, except percentages)	Year Ended December 31,		Percent Change
	2022	2021	2022 vs. 2021
Sales	\$ 690,262	\$ 724,326	(5 %)
Operating income	154,568	159,089	(3 %)
Operating margin	22.4 %	22.0 %	40 bps
New orders	\$ 836,660	\$ 753,852	11 %
Backlog	\$ 786,026	\$ 667,510	18 %

Components of sales and operating income growth (decrease):

	2022 vs. 2021	
	Sales	Operating Income
Organic	(4)%	(6)%
Acquisitions	— %	— %
Foreign currency	(1)%	3 %
Total	(5)%	(3)%

Sales decreased \$34 million, or 5%, to \$690 million, from the comparable prior year period. In the commercial aerospace market, sales decreased \$11 million primarily due to lower sales of electronic systems on domestic platforms. Sales in the aerospace defense market decreased \$8 million primarily due to ongoing supply chain headwinds, which contributed to lower sales of embedded computing equipment. The ground defense market was also negatively impacted by ongoing supply chain headwinds, which resulted in lower sales of \$9 million, primarily on embedded computing and tactical communications

equipment. Sales in the naval defense market were negatively impacted by the timing of orders on various submarine and surface combat ship programs.

Operating income decreased \$5 million, or 3%, to \$155 million compared with the same period in 2021, while operating margin increased 40 basis points to 22.4%. Operating income was negatively impacted by lower sales volumes due to supply chain headwinds, while operating margin benefited from our ongoing operational excellence initiatives.

New orders increased \$83 million as compared to the prior year, primarily due to an increase in new orders for ground defense and aerospace defense equipment.

Naval & Power

Sales in the Naval & Power segment are primarily to the naval defense and power & process markets, and, to a lesser extent, the aerospace defense market.

The following tables summarize sales, operating income and margin, loss on divestiture/impairment of assets held for sale, and new orders within the Naval & Power segment.

	Year Ended December 31,		Percent Change
	2022	2021	2022 vs. 2021
<i>(In thousands, except percentages)</i>			
Sales	\$ 1,030,728	\$ 995,271	4 %
Operating income	177,582	141,660	25 %
Operating margin	17.2 %	14.2 %	300 bps
Loss on divestiture/impairment of assets held for sale	4,651	19,088	NM
New orders	\$ 1,222,052	\$ 983,605	24 %
Backlog	\$ 1,465,400	\$ 1,222,833	20 %

Components of sales and operating income growth (decrease):

	2022 vs. 2021	
	Sales	Operating Income
Organic	3 %	15 %
Acquisitions/divestiture	1 %	— %
Loss on divestiture/impairment of assets held for sale	— %	10 %
Foreign currency	— %	— %
Total	4 %	25 %

Sales increased \$35 million, or 4%, to \$1,031 million, from the comparable prior year period, primarily due to the impact of our arresting systems acquisition, which contributed incremental sales of \$44 million. This increase was partially offset by lower sales in the power & process market, as higher nuclear aftermarket sales were more than offset by the wind-down on the China Direct AP1000 program and the sale of our industrial valve business in Germany in the current period. In the naval defense market, higher demand on the Columbia-class submarine and CVN-81 aircraft carrier programs was more than offset by the timing of sales on the CVN-80 aircraft carrier and Virginia-class submarine programs.

Operating income increased \$36 million, or 25%, to \$178 million and operating margin increased 300 basis points to 17.2%, primarily due to lower current period losses associated with our industrial valves business in Germany, which was sold in the current period, as well as the absence of charges associated with the WEC legal settlement recorded in the prior year period. These increases were partially offset by first year purchase accounting costs from our arresting systems acquisition.

New orders increased \$238 million as compared to the prior year, primarily due to the timing of naval defense orders, the incremental impact from our arresting systems acquisition, as well as an increase in orders within our nuclear aftermarket and process markets.

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

<i>(In thousands, except percentages)</i>	Year Ended December 31,		Percent change
	2022	2021	2022 vs. 2021
<i>Aerospace & Defense markets:</i>			
Aerospace Defense	\$ 479,743	\$ 452,661	6 %
Ground Defense	219,739	220,290	— %
Naval Defense	694,015	710,688	(2)%
Commercial Aerospace	\$ 276,519	\$ 267,722	3 %
Total Aerospace & Defense	\$ 1,670,016	\$ 1,651,361	1 %
<i>Commercial markets:</i>			
Power & Process	472,300	473,489	— %
General Industrial	414,709	381,081	9 %
Total Commercial	\$ 887,009	\$ 854,570	4 %
Total Curtiss-Wright	\$ 2,557,025	\$ 2,505,931	2 %

Aerospace & Defense Markets

Sales increased \$19 million, or 1%, to \$1,670 million, as compared to the prior year period, primarily due to higher sales in the aerospace defense and commercial aerospace markets. Sales in the aerospace defense market increased primarily due to the incremental impact from our arresting systems acquisition, partially offset by lower sales of embedded computing equipment due to ongoing supply chain headwinds as well as lower sales of sensors products on various programs. In the commercial aerospace market, higher demand for sensors products and surface treatment services was partially offset by lower sales of electronic systems on domestic platforms. Sales decreases in the naval defense market were primarily due to the timing of sales on the CVN-80 aircraft carrier and Virginia-class submarine programs, as well as the timing of orders on various submarine and surface combat ship programs. These decreases were partially offset by production ramps on the Columbia-class submarine and CVN-81 aircraft carrier programs.

Commercial Markets

Commercial sales increased \$32 million, or 4%, to \$887 million, primarily due to higher demand for our industrial vehicle products in the general industrial market. In the power & process market, higher nuclear aftermarket sales were essentially offset by the wind-down on the China Direct AP1000 program and the sale of our industrial valve business in Germany in the current period.

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

<i>(In thousands)</i>	Year ended December 31,	
	2022	2021
Net cash provided by (used in):		
Operating activities	\$ 294,776	\$ 387,668
Investing activities	(325,867)	(42,403)
Financing activities	129,428	(369,129)
Effect of exchange rates	(12,367)	(3,380)
Net increase (decrease) in cash and cash equivalents	\$ 85,970	\$ (27,244)

Operating Activities

Cash provided by operating activities decreased \$93 million to \$295 million from the comparable prior year period, primarily due to higher inventory purchases, lower advanced cash receipts, and a legal settlement payment made to WEC during the current period.

Investing Activities

Capital Expenditures

Our capital expenditures were \$38 million and \$41 million for 2022 and 2021, respectively. The decrease in capital expenditures was primarily due to lower capital spending during the current period.

Divestitures

In January 2022, the Corporation completed the sale of its industrial valve business in Germany, for gross cash proceeds of \$3 million. No material divestitures took place during 2021.

Acquisitions

In 2022, we acquired two businesses for \$282 million. In 2021, we did not complete any acquisitions.

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

On October 27, 2022, we issued \$300 million Senior Notes, consisting of \$200 million 4.49% notes that mature on October 27, 2032 and \$100 million 4.64% notes that mature on October 27, 2034.

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

Revolving Credit Agreement

In May 2022, we terminated our existing credit agreement, which was set to expire in October 2023, and entered into a new Credit Agreement ("Credit Agreement") with a syndicate of financial institutions. The Credit Agreement, which is set to expire in May 2027, increases the size of our revolving credit facility to \$750 million, and expands the accordion feature to \$250 million.

As of December 31, 2022, we had no borrowings outstanding under the Credit Agreement and \$17 million in letters of credit supported by the credit facility. The unused credit available under the Credit Agreement as of December 31, 2022 was \$733 million, which could be borrowed in full without violating any of our debt covenants. As of December 31, 2021, we had \$94 million of borrowings outstanding under our prior Credit Agreement.

Repurchase of Common Stock

During 2022, the Company repurchased approximately 0.4 million shares of its common stock for \$57 million. In 2021, the Company repurchased approximately 2.7 million shares of its common stock for \$343 million.

Dividends

The Company made dividend payments of approximately \$29 million in both 2022 and 2021.

Capital Resources

Cash in U.S. and Foreign Jurisdictions

(In thousands)	As of December 31,	
	2022	2021
United States of America	\$ 147,851	\$ 37,361
United Kingdom	48,203	69,732
Canada	33,268	24,019
European Union	8,721	12,154
China	7,889	13,403
Other foreign countries	11,042	14,335
Total cash and cash equivalents	\$ 256,974	\$ 171,004

Cash and cash equivalents as of December 31, 2022 and December 31, 2021 were \$257 million and \$171 million, respectively. The increase in cash held by U.S. subsidiaries during 2022 as compared to 2021 was primarily due to lower share repurchase activity and higher foreign cash repatriation during the current period. The decrease in cash held by foreign subsidiaries during 2022 as compared to 2021 was primarily due to higher aforementioned foreign cash repatriation and 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 \$8 million of our foreign cash resides.

Cash Utilization

Management continually evaluates cash utilization alternatives, including share repurchases, acquisitions, increased dividends, capital expenditures, and repaying debt 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, 2022, 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, 2022, we had the ability to incur total additional indebtedness of \$1.7 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 2023. 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 2023. 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, 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.

The following table quantifies our significant future contractual obligations and commercial commitments as of December 31, 2022:

<i>(In thousands)</i>	Total	2023	2024	2025	2026	2027	Thereafter
Debt Principal Repayments	\$ 1,250,000	\$ 202,500	\$ —	\$ 90,000	\$ 200,000	\$ —	\$ 757,500
Operating Leases	188,912	35,688	32,830	25,728	21,025	15,787	57,854
Interest Payments on Fixed Rate Debt	310,781	46,318	41,448	40,235	37,441	29,503	115,836
Total	\$ 1,749,693	\$ 284,506	\$ 74,278	\$ 155,963	\$ 258,466	\$ 45,290	\$ 931,190

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, 2022, we had contingent liabilities on outstanding letters of credit due as follows:

<i>(In thousands)</i>	Total	2023	2024	2025	2026	2027	Thereafter
Letters of Credit ⁽¹⁾	\$ 17,325	\$ 7,194	\$ 4,247	\$ 5,297	\$ 53	\$ 209	\$ 325

⁽¹⁾ Amounts exclude bank guarantees of approximately \$2.5 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. 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, 2022 accounted for approximately 51% 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, 2022, 2021, and 2020, 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, 2022 accounted for approximately 49% 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, 2022, and the annual periodic costs for 2023, was increased from 2.87% to 5.04% for the Curtiss-Wright Pension Plan, and from 2.70% to 4.99% 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 \$181 million in the CW plans.

The rate of compensation increase for base pay in the pension plans decreased to a weighted average of 3.4% for the current period, based upon a graded scale of 4.1% 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 updated our mortality assumptions from prior year for the CW Pension plan by adopting a 50/50 blend of the Pri-2012 Aggregate and White Collar tables published by the Society of Actuaries in October 2019, while retaining the White Collar table for the nonqualified plan. We also adopted the MP-2021 projected mortality scale published in October 2021, with no pandemic adjustments.

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 increased to 6.50% as of December 31, 2022, which will be utilized for determining 2023 pension cost. An expected long-term rate of return of 5.75% was used for determining 2022 expense, with 6.50% used for 2021 pension expense and 7.50% used for 2020 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 decreased by \$24 million in 2022, primarily driven by unfavorable asset experience due to weak market performance in 2022, partially offset by a lower benefit obligation due to higher interest rates.

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, 2022 (in thousands, except for percentage point change):

Assumption	Percentage Point Change	Increase in Benefit Obligation	Increase in Expense
Discount rate	(0.25)%	\$16,976	(\$231)
Expected return on assets	(0.25)%	—	\$2,223

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, 2022. 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, 2022, 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, 2022, 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 100% and 91% as of December 31, 2022 and December 31, 2021, respectively. As of December 31, 2022, 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 \$7 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)

	<u>2022</u>	<u>2021</u>	<u>2020</u>
Net sales			
Product sales	\$ 2,135,882	\$ 2,109,617	\$ 2,041,086
Service sales	421,143	396,314	350,250
Total net sales	<u>2,557,025</u>	<u>2,505,931</u>	<u>2,391,336</u>
Cost of sales			
Cost of product sales	1,348,569	1,330,191	1,319,562
Cost of service sales	253,847	242,384	230,547
Total cost of sales	<u>1,602,416</u>	<u>1,572,575</u>	<u>1,550,109</u>
Gross profit	954,609	933,356	841,227
Research and development expenses	80,836	88,489	74,816
Selling expenses	121,586	116,956	109,537
General and administrative expenses	324,093	326,140	303,288
Loss on divestiture	4,651	—	—
Impairment of assets held for sale	—	19,088	33,043
Restructuring expenses	—	—	31,695
Operating income	<u>423,443</u>	<u>382,683</u>	<u>288,848</u>
Interest expense	46,980	40,240	35,545
Other income, net	12,732	12,067	9,748
Earnings before income taxes	<u>389,195</u>	<u>354,510</u>	<u>263,051</u>
Provision for income taxes	(94,847)	(87,351)	(61,659)
Net earnings	<u>\$ 294,348</u>	<u>\$ 267,159</u>	<u>\$ 201,392</u>
Basic earnings per share	\$ 7.67	\$ 6.61	\$ 4.83
Diluted earnings per share	\$ 7.62	\$ 6.58	\$ 4.80
Dividends per share	\$ 0.75	\$ 0.71	\$ 0.68
Weighted average shares outstanding:			
Basic	38,386	40,417	41,738
Diluted	38,649	40,602	41,999

See notes to consolidated financial statements

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

<i>(In thousands)</i>	For the years ended December 31,		
	2022	2021	2020
Net earnings	\$ 294,348	\$ 267,159	\$ 201,392
Other comprehensive income			
Foreign currency translation, net of tax ⁽¹⁾	(61,241)	(10,829)	41,282
Pension and postretirement adjustments, net of tax ⁽²⁾	(7,210)	131,220	(26,864)
Other comprehensive income (loss), net of tax	(68,451)	120,391	14,418
Comprehensive income	\$ 225,897	\$ 387,550	\$ 215,810

⁽¹⁾ The tax benefit (expense) included in other comprehensive income for foreign currency translation adjustments for 2022, 2021, and 2020 was immaterial.

⁽²⁾ The tax benefit (expense) included in other comprehensive income for pension and postretirement adjustments for 2022, 2021, and 2020 was \$3.1 million, (\$42.3) million, and \$8.3 million, respectively.

See notes to consolidated financial statements

CONSOLIDATED BALANCE SHEETS

<i>(In thousands, except share data)</i>	As of December 31,	
	2022	2021
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 256,974	\$ 171,004
Receivables, net	724,603	647,148
Inventories, net	483,113	411,567
Assets held for sale	—	10,988
Other current assets	52,623	67,101
Total current assets	1,517,313	1,307,808
Property, plant, and equipment, net	342,708	360,031
Goodwill	1,544,635	1,463,026
Other intangible assets, net	620,897	538,077
Operating lease right-of-use assets, net	153,855	143,613
Prepaid pension asset	222,627	256,422
Other assets	47,567	34,568
Total assets	\$ 4,449,602	\$ 4,103,545
LIABILITIES		
Current liabilities:		
Current portion of long-term and short-term debt	\$ 202,500	\$ —
Accounts payable	266,525	211,640
Accrued expenses	177,536	147,701
Deferred revenue	242,483	260,157
Liabilities held for sale	—	12,655
Other current liabilities	82,395	102,714
Total current liabilities	971,439	734,867
Long-term debt	1,051,900	1,050,610
Deferred tax liabilities	123,001	147,349
Accrued pension and other postretirement benefit costs	58,348	91,329
Long-term operating lease liability	132,275	127,152
Long-term portion of environmental reserves	12,547	13,656
Other liabilities	107,973	112,092
Total liabilities	2,457,483	2,277,055
Contingencies and Commitments (Notes 10, 14, and 19)		
STOCKHOLDERS' EQUITY		
Common stock, \$1 par value, 100,000,000 shares authorized as of December 31, 2022 and December 31, 2021; 49,187,378 shares issued as of December 31, 2022 and December 31, 2021; outstanding shares were 38,259,722 as of December 31, 2022 and 38,469,778 as of December 31, 2021	49,187	49,187
Additional paid in capital	134,553	127,104
Retained earnings	3,174,396	2,908,827
Accumulated other comprehensive loss	(258,916)	(190,465)
Common treasury stock, at cost (10,927,656 shares as of December 31, 2022 and 10,717,600 shares as of December 31, 2021)	(1,107,101)	(1,068,163)
Total stockholders' equity	1,992,119	1,826,490
Total liabilities and stockholders' equity	\$ 4,449,602	\$ 4,103,545

See notes to consolidated financial statements

CONSOLIDATED STATEMENTS OF CASH FLOWS

For the years ended December 31,

(In thousands)

	2022	2021	2020
Cash flows from operating activities:			
Net earnings	\$ 294,348	\$ 267,159	\$ 201,392
Adjustments to reconcile net earnings to net cash provided by operating activities:			
Depreciation and amortization	112,027	114,384	115,903
Loss on divestiture	4,651	—	—
Impairment of assets held for sale	—	19,088	33,043
(Gain) on sale/disposal of long-lived assets	(4,671)	(568)	—
Deferred income taxes	(23,635)	(10,200)	(7,048)
Share-based compensation	15,384	13,450	14,437
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	(74,798)	(59,372)	71,147
Inventories, net	(60,620)	15,321	15,535
Progress payments	(3,099)	(3,672)	(7,689)
Accounts payable and accrued expenses	42,493	17,713	(55,513)
Deferred revenue	(17,646)	9,584	(33,179)
Income taxes	55,847	(12,988)	15,171
Pension and postretirement, net	(15,049)	(1,236)	(153,375)
Other	(30,456)	19,005	26,377
Net cash provided by operating activities	<u>294,776</u>	<u>387,668</u>	<u>261,180</u>
Cash flows from investing activities:			
Proceeds from sales and disposals of long-lived assets	9,841	4,045	2,930
Purchases of investments	(10,000)	—	—
Additions to property, plant, and equipment	(38,217)	(41,108)	(47,499)
Acquisition of businesses, net of cash acquired	(282,429)	—	(487,944)
Additional consideration paid on prior year acquisitions	(5,062)	(5,340)	—
Other	—	—	(17)
Net cash used for investing activities	<u>(325,867)</u>	<u>(42,403)</u>	<u>(532,530)</u>
Cash flows from financing activities:			
Borrowings under revolving credit facilities	1,697,647	455,950	570,675
Payment of revolving credit facilities	(1,791,547)	(362,050)	(570,675)
Borrowings of debt	300,000	—	300,000
Principal payments on debt	—	(100,000)	—
Repurchases of company stock	(56,870)	(343,129)	(200,018)
Proceeds from share-based compensation plans	9,997	9,705	11,148
Dividends paid	(28,779)	(28,660)	(28,175)
Other	(1,020)	(945)	(874)
Net cash provided by (used for) financing activities	<u>129,428</u>	<u>(369,129)</u>	<u>82,081</u>
Effect of exchange-rate changes on cash	(12,367)	(3,380)	(3,516)
Net increase (decrease) in cash and cash equivalents	85,970	(27,244)	(192,785)
Cash and cash equivalents at beginning of year	<u>171,004</u>	<u>198,248</u>	<u>391,033</u>
Cash and cash equivalents at end of year	<u><u>256,974</u></u>	<u><u>171,004</u></u>	<u><u>198,248</u></u>

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, 2020	\$ 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	<u>\$ 49,187</u>	<u>\$ 122,535</u>	<u>\$ 2,670,328</u>	<u>\$ (310,856)</u>	<u>\$ (743,620)</u>
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	<u>\$ 49,187</u>	<u>\$ 127,104</u>	<u>\$ 2,908,827</u>	<u>\$ (190,465)</u>	<u>\$ (1,068,163)</u>
Net earnings	—	—	294,348	—	—
Other comprehensive loss, net of tax	—	—	—	(68,451)	—
Dividends paid	—	—	(28,779)	—	—
Restricted stock	—	(8,523)	—	—	8,523
Employee stock purchase plan	—	1,273	—	—	8,724
Share-based compensation	—	15,205	—	—	179
Repurchase of common stock ⁽¹⁾	—	—	—	—	(56,870)
Other	—	(506)	—	—	506
December 31, 2022	<u>\$ 49,187</u>	<u>\$ 134,553</u>	<u>\$ 3,174,396</u>	<u>\$ (258,916)</u>	<u>\$ (1,107,101)</u>

⁽¹⁾ For the years ended December 31, 2022, 2021, and 2020, the Corporation repurchased approximately 0.4 million, 2.7 million, and 2.0 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, 2022, 2021, and 2020.

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. (Gains) and losses from foreign currency transactions are included in general and administrative expenses in the Consolidated Statement of Earnings, which amounted to (\$2.6) million, \$1.8 million, and \$3.9 million for the years ended December 31, 2022, 2021, and 2020, 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.

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 2022, 2021, or 2020. 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, 2022, 2021, and 2020:

	Year Ended December 31,		
	2022	2021	2020
Over-time	51 %	50 %	52 %
Point-in-time	49 %	50 %	48 %

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 \$2.6 billion as of December 31, 2022, of which the Corporation expects to recognize approximately 89% 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,		
	2022	2021	2020
Aerospace & Defense			
Aerospace Defense	\$ 479,743	\$ 452,661	\$ 463,690
Ground Defense	219,739	220,290	107,448
Naval Defense	694,015	710,688	692,152
Commercial Aerospace	276,519	267,722	325,518
Total Aerospace & Defense Customers	\$ 1,670,016	\$ 1,651,361	\$ 1,588,808
Commercial			
Power & Process	\$ 472,300	\$ 473,489	\$ 474,842
General Industrial	414,709	381,081	327,686
Total Commercial Customers	\$ 887,009	\$ 854,570	\$ 802,528
Total	\$ 2,557,025	\$ 2,505,931	\$ 2,391,336

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, 2022, 2021, and 2020 included in the contract liabilities balance at the beginning of the respective years were approximately \$219 million, \$210 million, and \$224 million, respectively. Changes in contract assets and contract liabilities as of December 31, 2022 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, 2022, the Corporation acquired two businesses for an aggregate purchase price of \$282 million, net of cash acquired. The Corporation's current period acquisitions contributed \$45 million of total net sales and \$1 million of net losses for the year ended December 31, 2022 which are included in the Consolidated Statement of Earnings. Also, the Corporation paid \$5 million during the year ended December 31, 2022 for the final 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, 2021, the Corporation did not complete any acquisitions. However, the Corporation paid \$5 million during the year 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 Dyna-Flo acquisition.

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>	2022
Accounts receivable	\$ 10,567
Inventory	24,088
Property, plant, and equipment	4,190
Intangible assets	147,074
Operating lease right-of-use assets, net	5,103
Other current and non-current assets	2,078
Current and non-current liabilities	(17,264)
Net tangible and intangible assets	175,836
Goodwill	106,593
Total Purchase price	\$ 282,429
Goodwill deductible for tax purposes	\$ 106,593

2022 Acquisitions

Keronite Group Limited ("Keronite")

On November 15, 2022, the Corporation completed the acquisition of Keronite for \$34 million. The Purchase Agreement contains representations and warranties customary for a transaction of this type. The acquired business is a provider of Plasma Electrolytic Oxidation surface treatment applications and will operate within the Aerospace & Industrial segment. The acquisition is subject to post-closing adjustments with the purchase price allocation not yet complete.

Safran Aerosystems Arresting Company ("arresting systems acquisition")

On June 30, 2022, the Corporation completed its arresting systems acquisition for \$249 million. The Purchase Agreement contains a purchase price adjustment mechanism and representations and warranties customary for a transaction of this type. The acquired business is a designer and manufacturer of mission-critical, fixed-wing aircraft emergency arresting system, and operates within the Naval & Power segment. The acquisition is subject to post-closing adjustments with the purchase price allocation not yet complete.

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 met the criteria to be classified as held for sale at that time. Accordingly, the assets and liabilities of the business were presented as held for sale in the Corporation's Consolidated Balance Sheet, which resulted in impairment losses of \$19 million and \$33 million for the years ended December 31, 2021 and 2020, respectively.

In January 2022, the Corporation completed the sale of its industrial valve business in Germany, which was presented as held for sale in the Corporation's Consolidated Balance Sheet as of December 31, 2021, for gross cash proceeds of \$3 million. The Corporation recorded a loss of \$5 million upon sale closing during the first quarter of 2022.

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 54% and 55% of total net sales in 2022 and 2021, respectively. Total receivables due from government sources (primarily the U.S. Government) were \$474.5 million and \$401.0 million as of December 31, 2022 and 2021, respectively. Government (primarily the U.S. Government) unbilled receivables, net of progress payments, were \$280.6 million and \$253.5 million as of December 31, 2022 and 2021, respectively.

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

<i>(In thousands)</i>	2022	2021
Billed receivables:		
Trade and other receivables	\$ 412,682	\$ 362,007
Unbilled receivables:		
Recoverable costs and estimated earnings not billed	316,682	291,758
Less: Progress payments applied	(67)	(1,297)
Net unbilled receivables	316,615	290,461
Less: Allowance for doubtful accounts	(4,694)	(5,320)
Receivables, net	\$ 724,603	\$ 647,148

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>	2022	2021
Raw materials	\$ 242,116	\$ 191,066
Work-in-process	76,328	78,221
Finished goods	128,090	98,944
Inventoried costs related to U.S. Government and other long-term contracts ⁽¹⁾	39,685	48,619
Inventories, net of reserves	486,219	416,850
Less: Progress payments applied	(3,106)	(5,283)
Inventories, net	\$ 483,113	\$ 411,567

⁽¹⁾ As of December 31, 2022, this caption also includes capitalized development costs of \$16.8 million 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, 2022, capitalized development costs of \$11.0 million 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>	2022	2021
Land	\$ 16,880	\$ 17,615
Buildings and improvements	252,713	239,217
Machinery, equipment, and other	866,761	885,970
Property, plant, and equipment, at cost	1,136,354	1,142,802
Less: Accumulated depreciation	(793,646)	(782,771)
Property, plant, and equipment, net	\$ 342,708	\$ 360,031

Depreciation expense for the years ended December 31, 2022, 2021, and 2020 was \$51 million, \$55 million, and \$55 million, respectively.

8. GOODWILL

The changes in the carrying amount of goodwill for 2022 and 2021 are as follows:

<i>(In thousands)</i>	Aerospace & Industrial	Defense Electronics	Naval & Power	Consolidated
December 31, 2020	\$ 316,921	\$ 703,915	\$ 434,301	\$ 1,455,137
Adjustments ⁽¹⁾	—	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
Acquisitions	12,445	—	94,148	106,593
Adjustments	—	967	—	967
Foreign currency translation adjustment	(7,042)	(12,195)	(6,714)	(25,951)
December 31, 2022	\$ 321,550	\$ 702,786	\$ 520,299	\$ 1,544,635

⁽¹⁾ 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, 2022, 2021, and 2020 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, 2022 and December 31, 2021, respectively.

<i>(In thousands)</i>	2022			2021		
	Gross	Accumulated Amortization	Net	Gross	Accumulated Amortization	Net
Technology	\$ 306,160	\$ (176,675)	\$ 129,485	\$ 274,615	\$ (164,077)	\$ 110,538
Customer-related intangibles	666,638	(298,160)	368,478	568,720	(270,816)	297,904
Programs ⁽¹⁾	144,000	(34,200)	109,800	144,000	(27,000)	117,000
Other intangible assets	53,879	(40,745)	13,134	49,559	(36,924)	12,635
Total	\$ 1,170,677	\$ (549,780)	\$ 620,897	\$ 1,036,894	\$ (498,817)	\$ 538,077

⁽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.

During the year ended December 31, 2022, the Corporation acquired intangible assets of \$147 million as a result of the Corporation's Keronite and arresting systems acquisitions, which included Customer-related intangibles of \$106 million, Technology of \$36 million, and Other intangible assets of \$5 million. The weighted average amortization periods for these aforementioned intangible assets are 16.1 years, 14.9 years, and 10.0 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, 2022, 2021, and 2020 was \$61 million, \$60 million, and \$61 million, respectively. The estimated future amortization expense of intangible assets over the next five years is as follows:

<i>(In millions)</i>	
2023	\$ 65
2024	\$ 56
2025	\$ 54
2026	\$ 53
2027	\$ 50

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 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, \$42 million, and \$41 million for the years ended December 31, 2022, 2021, and 2020, 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, 2022	December 31, 2021
Operating lease cost	\$ 42,125	\$ 41,663
Finance lease cost:		
Depreciation of finance leases	\$ 1,037	\$ 1,037
Interest on lease liabilities	390	431
Total finance lease cost	\$ 1,427	\$ 1,468

Supplemental cash flow information related to leases was as follows:

<i>(In thousands)</i>	Year Ended	
	December 31, 2022	December 31, 2021
Cash used for operating activities:		
Operating cash flows used for operating leases	\$ (34,186)	\$ (33,352)
Operating cash flows used for finance leases	(390)	(431)
Non-cash activity:		
Right-of-use assets obtained in exchange for operating lease obligations	\$ 17,740	\$ 9,040

Supplemental balance sheet information related to leases was as follows:

<i>(In thousands, except lease term and discount rate)</i>	As of December 31,	
	2022	2021
Operating Leases		
Operating lease right-of-use assets, net	\$ 153,855	\$ 143,613
Other current liabilities	\$ 29,910	\$ 25,389
Long-term operating lease liability	132,275	127,152
Total operating lease liabilities	\$ 162,185	\$ 152,541
Finance Leases		
Property, plant, and equipment	\$ 15,561	\$ 15,561
Accumulated depreciation	(8,645)	(7,608)
Property, plant, and equipment, net	\$ 6,916	\$ 7,953
Other current liabilities	\$ 1,098	\$ 1,019
Other liabilities	7,924	9,022
Total finance lease liabilities	\$ 9,022	\$ 10,041
Weighted average remaining lease term		
Operating leases	7.5 years	8.3 years
Finance leases	6.7 years	7.7 years
Weighted average discount rate		
Operating leases	3.80 %	3.51 %
Finance leases	4.05 %	4.05 %

Maturities of lease liabilities were as follows:

<i>(In thousands)</i>	As of December 31, 2022	
	Operating Leases	Finance Leases
2023	\$ 35,688	\$ 1,445
2024	32,830	1,481
2025	25,728	1,518
2026	21,025	1,556
2027	15,787	1,595
Thereafter	57,854	2,743
Total lease payments	188,912	10,338
Less: imputed interest	(26,727)	(1,316)
Total	\$ 162,185	\$ 9,022

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.

Effects on Consolidated Balance Sheet

As of December 31, 2022 and December 31, 2021, 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 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>	2022	2021	2020
Forward exchange contracts:			
General and administrative expenses	\$ 8,378	\$ 1,499	\$ 2,312

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, 2022. 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, 2022, net of debt issuance costs, totaled \$1,151 million compared to a carrying value, net of debt issuance costs, of \$1,248 million. 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 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>	2022	2021
Accrued compensation	\$ 87,835	\$ 99,835
Accrued interest	16,412	13,092
Accrued commissions	6,807	5,533
Accrued insurance	6,418	6,202
Income taxes payable	38,187	3,235
Other	21,877	19,804
Total accrued expenses	\$ 177,536	\$ 147,701

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

<i>(In thousands)</i>	2022		2021	
Short-term operating lease liabilities	\$	29,910	\$	25,389
Warranty reserves		18,147		15,268
WEC legal reserve		10,000		15,000
Pension and other postretirement liabilities		5,013		8,054
Other		19,325		39,003
Total other current liabilities	\$	82,395	\$	102,714

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 as of December 31, 2022 and December 31, 2021, respectively.

As of December 31, 2022, the Corporation reassessed its assertion around whether foreign undistributed earnings should continue to no longer be considered permanently reinvested. Consistent with the prior year findings, the Corporation continues to not record a liability for withholding taxes of a foreign subsidiary, which resulted in the reversal in 2021 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 were no longer considered to be permanently reinvested. However, the Corporation did not record any provision, as it expected under tax law to recover the outside basis difference in a tax-free manner as occurred upon sale of the business in the first quarter of 2022. 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>	2022		2021		2020	
Domestic	\$	239,356	\$	271,694	\$	212,613
Foreign ⁽¹⁾		149,839		82,816		50,438
	\$	389,195	\$	354,510	\$	263,051

⁽¹⁾ The Corporation recognized a pre-tax loss of \$5 million during the first quarter of 2022 pertaining to the sale of its industrial valve business in Germany, as well as pre-tax impairment losses of \$19 million and \$33 million in 2021 and 2020, respectively.

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

<i>(In thousands)</i>	2022	2021	2020
Current:			
Federal	\$ 65,047	\$ 57,910	\$ 36,793
State	12,717	15,477	11,882
Foreign	34,520	22,034	21,841
Total current	112,284	95,421	70,516
Deferred:			
Federal	(11,413)	(7,167)	1,043
State	(4,442)	(477)	(527)
Foreign	(1,582)	(426)	(9,373)
Total deferred	(17,437)	(8,070)	(8,857)
Provision for income taxes	\$ 94,847	\$ 87,351	\$ 61,659

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

	2022	2021	2020
U.S. federal statutory tax rate	21.0 %	21.0 %	21.0 %
Add (deduct):			
State and local taxes, net of federal benefit	1.7	3.6	3.7
Foreign earnings ⁽¹⁾	0.7	0.2	(0.9)
Foreign loss on sale	0.2	—	—
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	(1.1)	(1.3)	(0.9)
Foreign-derived intangible income	(1.2)	(1.4)	(2.8)
All other, net	3.1	0.7	0.8
Effective tax rate	24.4 %	24.6 %	23.4 %

⁽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>	2022	2021
Deferred tax assets:		
Operating lease liabilities	\$ 34,977	\$ 32,868
Capitalized R&D expenses	23,785	—
Inventories, net	21,992	17,237
Net operating loss	9,096	5,384
Environmental reserves	8,677	9,262
Incentive compensation	8,531	6,936
Legal reserves	2,864	6,991
Other	40,965	32,665
Total deferred tax assets	150,887	111,343
Deferred tax liabilities:		
Goodwill amortization	103,174	98,947
Operating lease right-of-use assets, net	32,651	30,911
Other intangible amortization	59,966	59,056
Depreciation	15,433	13,694
Withholding taxes	13,200	12,776
Pension and other postretirement assets	29,053	29,385
Other	7,256	7,149
Total deferred tax liabilities	260,733	251,918
Valuation allowance	5,664	2,625
Net deferred tax liabilities	\$ 115,510	\$ 143,200

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

<i>(In thousands)</i>	2022	2021
Net noncurrent deferred tax assets	\$ 7,491	\$ 4,149
Net noncurrent deferred tax liabilities	123,001	147,349
Net deferred tax liabilities	\$ 115,510	\$ 143,200

The Corporation has income tax net operating loss carryforwards related to international operations of \$21.0 million, of which \$19.3 million have an indefinite life and \$1.7 million which expire through 2026. The Corporation has federal and state income tax net loss carryforwards of \$55.6 million, all of which are net operating losses that expire through 2041. The Corporation has recorded a deferred tax asset of \$9.1 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. As of December 31, 2022 the Corporation increased its valuation allowance by \$2.9 million to \$5.7 million, in order to measure only the portion of deferred tax assets that more likely than not will be realized. As of December 31, 2022, \$3.4 million of the total valuation allowance relates to foreign tax credits arising from branch operations that the Corporation believes it will be unable to utilize. The Corporation recorded a tax provision of \$2.7 million in the current year and \$0.7 million in prior year related to the valuation allowance on branch foreign tax credits. 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. This resulted in a full valuation allowance against the deferred tax asset, as it is more likely than not that the losses will be forfeited as a result of the divestiture. Upon the closure of the sale of the industrial valve business in the first quarter of 2022, the Corporation removed both the deferred tax asset and associated valuation allowance, with no resulting tax impact.

Income tax payments, net of refunds, of \$61.1 million, \$107.1 million, and \$54.0 million were made in 2022, 2021, and 2020, respectively.

The Corporation has recorded a liability in Other liabilities for interest of \$3.9 million and penalties of \$2.6 million as of December 31, 2022.

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

<i>(In thousands)</i>	2022	2021	2020
Balance as of January 1,	\$ 17,018	\$ 15,585	\$ 12,676
Additions for tax positions of prior periods	3,004	2,877	1,497
Reductions for tax positions of prior periods	(1,732)	(1,861)	(615)
Additions for tax positions related to the current year	1,068	655	2,041
Settlements	(1,987)	(238)	(14)
Balance as of December 31,	\$ 17,371	\$ 17,018	\$ 15,585

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, 2022:

United States (Federal)	2017	-	present
United States (Various states)	2011	-	present
United Kingdom	2021	-	present
Canada	2019	-	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, 2022, 2021, and 2020 is \$15.1 million, \$14.1 million, and \$13.0 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>	2022	2022	2021	2021
	Carrying Value	Estimated Fair Value	Carrying Value	Estimated Fair Value
Revolving credit agreement, due 2027	\$ —	\$ —	\$ 93,900	\$ 93,900
3.70% Senior notes due 2023	202,500	202,082	202,500	208,086
3.85% Senior notes due 2025	90,000	87,298	90,000	95,246
4.24% Senior notes due 2026	200,000	191,760	200,000	218,421
4.05% Senior notes due 2028	67,500	63,300	67,500	73,783
4.11% Senior notes due 2028	90,000	83,955	90,000	98,854
3.10% Senior notes due 2030	150,000	127,429	150,000	154,832
3.20% Senior notes due 2032	150,000	123,656	150,000	154,875
4.49% Senior notes due 2032	200,000	183,007	—	—
4.64% Senior notes due 2034	100,000	90,341	—	—
Total debt	1,250,000	1,152,828	1,043,900	1,097,997
Debt issuance costs, net	(1,631)	(1,631)	(949)	(949)
Unamortized interest rate swap proceeds ⁽¹⁾	6,031	6,031	7,659	7,659
Total debt, net	1,254,400	1,157,228	1,050,610	1,104,707
Less: current portion of long-term debt	202,500	202,082	—	—
Total long-term debt	\$ 1,051,900	\$ 955,146	\$ 1,050,610	\$ 1,104,707

⁽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 2022 and 2021 was 2.9% and 1.0%, respectively.

The Corporation's total debt outstanding had a weighted-average interest rate of 3.4% in both 2022 and 2021, respectively.

Aggregate maturities of debt are as follows:

<i>(In thousands)</i>		
2023	\$	202,500
2024		—
2025		90,000
2026		200,000
2027		—
Thereafter		757,500
Total	\$	1,250,000

Interest payments of \$42 million, \$40 million, and \$31 million were made in 2022, 2021, and 2020, respectively.

Revolving Credit Agreement

In May 2022, the Corporation terminated its existing credit agreement, which was set to expire in October 2023, and entered into a new credit agreement (“Credit Agreement”) with a syndicate of financial institutions. The Credit Agreement, which is set to expire in May 2027, increases the size of the Corporation’s revolving credit facility to \$750 million, and expands the accordion feature to \$250 million. The Corporation plans to use the Credit Agreement for general corporate purposes, which may include the funding of possible future acquisitions or supporting internal growth initiatives. As of December 31, 2022, the Corporation had \$17 million in letters of credit supported by the Credit Agreement and no outstanding borrowings under the Credit Agreement. The unused credit available under the Credit Agreement as of December 31, 2022 was \$733 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% (65% for four consecutive quarters following an acquisition greater than \$100 million). 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) the Secured Overnight Financing Rate (SOFR) or (ii) a base rate of the highest of (a) the Prime Rate in effect on such day, (b) the NYFRB Rate in effect on such day plus ½ of 1% and (c) the Adjusted Daily Term SOFR Rate. 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 October 27, 2022, the Corporation issued \$300 million of Senior Notes (the “2022 Notes”), consisting of \$200 million of 4.49% notes that mature on October 27, 2032 and \$100 million of 4.64% notes that mature on October 27, 2034. The 2022 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 2022 Notes, subject to a make-whole payment in accordance with the terms of the Note Purchase Agreement. In connection with the issuance of the 2022 Notes, the Corporation paid customary fees that have been deferred and are being amortized over the term of the 2022 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% (65% for four consecutive quarters following an acquisition greater than \$100 million) and an interest coverage ratio not to be 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 2022 Notes also contain a cross default provision with respect to the Corporation’s other senior indebtedness.

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, as amended, the Corporation is required to maintain certain financial ratios, the most restrictive of which are a debt to capitalization limit of 60% (65% for four consecutive quarters following an acquisition greater than \$100 million) and an interest coverage ratio not to be 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. Under the terms of the Note Purchase Agreement, as amended, the Corporation is required to maintain certain financial ratios, the most restrictive of which are a debt to capitalization limit of 60% (65% for four consecutive quarters following an acquisition greater than \$100 million) 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 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 terms of the Note Purchase Agreement, as amended, the Corporation is required to maintain certain financial ratios, the most restrictive of which is a debt to capitalization limit of 60% (65% for four consecutive quarters following an acquisition greater than \$100 million) 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 2011 Notes also contain a cross default provision with our other senior indebtedness.

As of December 31, 2022, the Corporation had the ability to borrow additional debt of \$1.7 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, 2022, 2021 and 2020, 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, 2022, 2021, and 2020, were as follows:

<i>(In thousands, except per share data)</i>	Net Earnings	Weighted-Average Shares Outstanding	Earnings per Share
2022			
Basic earnings per share	\$ 294,348	38,386	\$ 7.67
Dilutive effect of deferred stock compensation		263	
Diluted earnings per share	\$ 294,348	38,649	\$ 7.62
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

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 2022, 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 2022, 2021, and 2020 is as follows:

<i>(In thousands)</i>	2022	2021	2020
Employee Stock Purchase Plan	\$ 1,764	\$ 1,710	\$ 1,625
Performance Share Units	5,069	4,850	4,909
Restricted Share Units	6,725	5,661	6,978
Other share-based payments	1,826	1,229	925
Total share-based compensation expense before income taxes	\$ 15,384	\$ 13,450	\$ 14,437

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 2022, 2021, or 2020.

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

<i>(In thousands)</i>	2022	2021	2020
Cash received from share-based awards	\$ 9,997	\$ 9,705	\$ 11,148

Stock Options

As of December 31, 2022 and 2021, the Corporation did not have any stock options outstanding. The total intrinsic value of stock options exercised during 2020 was \$5.2 million.

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 a self-constructed peer group (for awards granted in 2022) or compared to the S&P Midcap 400 Index (for awards granted in 2020 through 2021). 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 2022 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, 2021	113	\$ 128.05	223	\$ 106.34
Granted	22	218.58	49	149.73
Vested	(29)	138.85	(55)	114.31
Forfeited	(1)	136.77	(5)	115.68
Nonvested as of December 31, 2022	105	\$ 143.69	212	\$ 114.15
Expected to vest as of December 31, 2022	105	\$ 143.69	212	\$ 114.15

Nonvested PSUs had an intrinsic value of \$17.6 million and unrecognized compensation costs of \$5.2 million as of December 31, 2022. Nonvested RSUs had an intrinsic value of \$35.4 million and unrecognized compensation costs of \$10.5 million as of December 31, 2022. Unrecognized compensation costs related to PSUs and RSUs are expected to be recognized over 1.7 years and 2.2 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 nine separate and distinct pension and other post-retirement defined benefit plans, consisting of three domestic plans and six 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, France, Canada, and Switzerland, 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 final average pay 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 is based on a career average pay benefit and 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, 2022, and 2021, the Corporation had a noncurrent pension asset of \$209.9 million and \$233.8 million, respectively. The change in balance was primarily due to a lower return on plan assets during 2022.

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 \$40.4 million and \$69.1 million as of December 31, 2022 and 2021, respectively. The Corporation’s contributions to the CW Restoration Plan are expected to be \$3.2 million in 2023.

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, 2022 and 2021 of \$20.0 million and \$25.2 million, respectively. The Corporation expects to contribute \$1.7 million to the plan during 2023. Activity associated with the postretirement benefit liability for the years ended December 31, 2022 and 2021 was immaterial.

Foreign Plans

As of December 31, 2022 and 2021, the total projected benefit obligation related to all foreign plans was \$69.6 million and \$107.2 million, respectively. As of December 31, 2022 the Corporation had a net pension asset of \$9.8 million. As of December 31, 2021, the Corporation had a net pension asset of \$12.9 million. The Corporation's contributions to the foreign plans are expected to be \$2.0 million in 2023.

Components of net periodic benefit expense

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

<i>(In thousands)</i>	Pension Benefits		
	2022	2021	2020
Service cost	\$ 23,217	\$ 26,735	\$ 26,013
Interest cost	20,923	17,419	23,847
Expected return on plan assets	(54,855)	(60,286)	(67,217)
Amortization of prior service cost	(318)	(251)	(269)
Recognized net actuarial loss	17,198	28,905	23,062
Cost of settlements/curtailments	4,499	3,310	2,395
Special termination benefits	—	52	—
Net periodic benefit cost	\$ 10,664	\$ 15,884	\$ 7,831

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 2022 and 2021, the Company recognized settlement charges 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 information described previously. The Corporation had no foreign postretirement plans. All plans were valued using a December 31, 2022 measurement date.

<i>(In thousands)</i>	Pension Benefits	
	2022	2021
Change in benefit obligation:		
Beginning of year	\$ 979,070	\$ 1,044,035
Service cost	23,217	26,735
Interest cost	20,923	17,419
Plan participants' contributions	1,229	1,304
Actuarial (gain) loss	(201,592)	(37,825)
Benefits paid	(75,770)	(68,965)
Actual expenses	(1,681)	(1,491)
Acquisitions	496	—
Divestitures	(4,341)	—
Amendments	—	(477)
Special termination benefits	—	52
Currency translation adjustments	(8,117)	(1,717)
End of year	\$ 733,434	\$ 979,070

Change in plan assets:		
Beginning of year	\$ 1,156,616	\$ 1,050,509
Actual return on plan assets	(182,519)	163,881
Employer contribution	24,865	12,766
Plan participants' contributions	1,229	1,304
Benefits paid	(75,770)	(68,965)
Actual expenses	(1,681)	(1,491)
Currency translation adjustments	(10,038)	(1,388)
End of year	\$ 912,702	\$ 1,156,616
Funded status	\$ 179,268	\$ 177,546

(In thousands)	Pension Benefits	
	2022	2021
Amounts recognized on the balance sheet		
Noncurrent assets	\$ 222,627	\$ 256,422
Current liabilities	(3,272)	(6,257)
Noncurrent liabilities ⁽¹⁾	(40,087)	(72,619)
Total	\$ 179,268	\$ 177,546
Amounts recognized in accumulated other comprehensive income (AOCI)		
Net actuarial loss (gain)	\$ 133,813	\$ 120,676
Prior service cost	(239)	(544)
Total	\$ 133,574	\$ 120,132
Information for plans with an accumulated benefit obligation in excess of plan assets:		
Projected benefit obligation	\$ 64,669	\$ 101,667
Accumulated benefit obligation	61,368	95,755
Fair value of plan assets	21,311	22,792

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

Plan Assumptions

	Pension Benefits	
	2022	2021
Weighted-average assumptions in determination of benefit obligation:		
Discount rate	4.95 %	2.72 %
Rate of compensation increase	3.34 %	3.40 %
Health care cost trends:		
Rate assumed for subsequent year	N/A	N/A
Ultimate rate reached in 2032	N/A	N/A
Weighted-average assumptions in determination of net periodic benefit cost:		
Discount rate	2.72 %	2.36 %
Expected return on plan assets	5.47 %	6.18 %
Rate of compensation increase	3.40 %	3.41 %
Health care cost trends:		
Rate assumed for subsequent year	N/A	N/A
Ultimate rate reached in 2032	N/A	N/A

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 plan 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 plan, 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. In the first quarter of 2022, the Corporation implemented an asset de-risking strategy in recognition of the strong funded status of the plan and a desire to reduce volatility as the plan approaches the cessation of accruals in 2028. As a part of its strategy shift, the Corporation transitioned to an Outsourced Chief Investment Officer ("OCIO") model that introduces asset allocation constraints that increase the fixed income allocation over time and with changes in the funded status. Accordingly, our established target allocations for each of the following asset classes: domestic equity securities, international equity securities, and debt securities have changed. Below are

the Corporation's actual and current target allocations for the CW Pension Plan, representing 91% of consolidated assets:

Asset class	As of December 31,		Target Exposure	Expected Range
	2022	2021		
Domestic equities	33%	56%	32%	27%-37%
International equities	11%	15%	13%	9%-17%
Total equity	44%	71%	45%	35%-55%
Fixed income	56%	29%	55%	45%-65%

As of December 31, 2022 and 2021, cash funds in the CW Pension Plan represented approximately 4% and 3% of portfolio assets, respectively.

Foreign plan assets represent 9% 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 6% 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, 2022.

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	\$ 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		
Cash and cash equivalents	\$ 33,272	\$ 730	\$ 32,542	\$ —		
Equity securities - Mutual funds ⁽¹⁾	388,343	370,028	18,315	—		
Bond funds ⁽²⁾	481,169	373,963	107,206	—		
Other ⁽³⁾	9,918	4,167	—	5,751		
December 31, 2022	\$ 912,702	\$ 748,888	\$ 158,063	\$ 5,751		

⁽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 Mid Cap and Russell 2000 indices, international mutual funds benchmarked against the MSCI EAFE and EM indices, 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 This category consists of domestic and international bonds. The domestic fixed income securities consist of a portfolio of investment grade corporate debt, below investment-grade issues, fixed income exchange traded funds, and U.S. Treasury securities of intermediate and long-term duration for liability matching fixed income. International bonds consist of bond mutual funds for institutional investors associated with the Switzerland and U.K. based pension plans.

⁽³⁾ This category consists of a domestic real estate fund and 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.

Activity associated with Level 3 assets held during the years ended December 31, 2022 and 2021 was immaterial.

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
2023	\$ 49,927
2024	52,943
2025	54,251
2026	56,270
2027	55,995
2028 — 2032	281,544

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, 2022, the expense relating to the plan was \$20.9 million, consisting of \$11.0 million in matching contributions to the plan in 2022, and \$9.9 million in non-elective contributions, primarily paid in January 2023. Cumulative contributions of approximately \$107 million are expected to be made from 2023 through 2027.

18. SEGMENT INFORMATION

The Corporation's segments are composed of similar product groupings that serve the same or similar end markets. Based on this approach, the Corporation has three reportable segments: Aerospace & Industrial, Defense Electronics, and Naval & Power, as described below in further detail.

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>	2022	2021	2020
Net sales			
Aerospace & Industrial	\$ 838,885	\$ 789,054	\$ 807,144
Defense Electronics	693,709	727,828	610,413
Naval & Power	1,030,918	995,509	977,109
Less: Intersegment Revenues	(6,487)	(6,460)	(3,330)
Total Consolidated	<u>\$ 2,557,025</u>	<u>\$ 2,505,931</u>	<u>\$ 2,391,336</u>
<i>(In thousands)</i>	2022	2021	2020
Operating income (expense)			
Aerospace & Industrial	\$ 136,996	\$ 121,817	\$ 99,714
Defense Electronics	154,568	159,089	118,748
Naval & Power	177,582	141,660	108,151
Corporate and Eliminations ⁽¹⁾	(45,703)	(39,883)	(37,765)
Total Consolidated	<u>\$ 423,443</u>	<u>\$ 382,683</u>	<u>\$ 288,848</u>
Depreciation and amortization expense			
Aerospace & Industrial	\$ 34,336	\$ 36,999	\$ 37,690
Defense Electronics	35,120	38,136	36,188
Naval & Power	39,712	35,937	37,894
Corporate	2,859	3,312	4,131
Total Consolidated	<u>\$ 112,027</u>	<u>\$ 114,384</u>	<u>\$ 115,903</u>
Segment assets			
Aerospace & Industrial	\$ 1,041,562	\$ 991,508	\$ 1,019,203
Defense Electronics	1,546,331	1,536,369	1,542,686
Naval & Power	1,488,867	1,270,099	1,256,416
Corporate	372,842	294,581	175,445
Assets held for sale	—	10,988	27,584
Total Consolidated	<u>\$ 4,449,602</u>	<u>\$ 4,103,545</u>	<u>\$ 4,021,334</u>
Capital expenditures			
Aerospace & Industrial	\$ 18,554	\$ 16,799	\$ 20,025
Defense Electronics	3,504	3,922	3,317
Naval & Power	13,652	18,106	21,283
Corporate	2,507	2,281	2,874
Total Consolidated	<u>\$ 38,217</u>	<u>\$ 41,108</u>	<u>\$ 47,499</u>

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

Reconciliations

	Year Ended December 31,		
<i>(In thousands)</i>	2022	2021	2020
Earnings before taxes:			
Total reportable segment operating income	\$ 469,146	\$ 422,566	\$ 326,613
Corporate and Eliminations	(45,703)	(39,883)	(37,765)
Interest expense	46,980	40,240	35,545
Other income, net	12,732	12,067	9,748
Total consolidated earnings before tax	<u>\$ 389,195</u>	<u>\$ 354,510</u>	<u>\$ 263,051</u>

	As of December 31,		
<i>(In thousands)</i>	2022	2021	2020
Assets:			
Total assets for reportable segments	\$ 4,076,760	\$ 3,797,976	\$ 3,818,305
Assets held for sale	—	10,988	27,584
Non-segment cash	122,198	7,537	49,157
Other assets	250,644	287,044	126,288
Total consolidated assets	<u>\$ 4,449,602</u>	<u>\$ 4,103,545</u>	<u>\$ 4,021,334</u>

Geographic Information

	Year Ended December 31,		
<i>(In thousands)</i>	2022	2021	2020
Revenues			
United States of America	\$ 1,879,001	\$ 1,856,997	\$ 1,758,424
United Kingdom	102,965	93,154	90,628
Other foreign countries	575,059	555,780	542,284
Consolidated total	<u>\$ 2,557,025</u>	<u>\$ 2,505,931</u>	<u>\$ 2,391,336</u>

	As of December 31,		
<i>(In thousands)</i>	2022	2021	2020
Long-Lived Assets - Property, plant, and equipment, net			
United States of America	\$ 254,317	\$ 261,658	\$ 271,299
United Kingdom	27,049	31,594	34,221
Other foreign countries	61,342	66,779	72,680
Consolidated total	<u>\$ 342,708</u>	<u>\$ 360,031</u>	<u>\$ 378,200</u>

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. As of December 31, 2022 and 2021, there were \$17 million and \$21 million of stand-by letters of credit outstanding, respectively, and \$3 million and \$5 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 \$8 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 \$35 million surety bond.

AP1000 Program

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 executed a settlement agreement to resolve all open claims and counterclaims under the AP1000 U.S. and China contracts. Under the terms of the settlement agreement, the Corporation paid WEC \$15 million in March 2022 and is required to pay WEC a final amount of \$10 million in the first quarter of 2023 in exchange for the Corporation's full release from all open claims under such contracts, whether known or unknown. Under the settlement, the parties also negotiated and executed a right of first refusal for all future AP1000 projects. As of December 31, 2021, the Corporation was adequately accrued regarding this matter.

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, 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)
Other comprehensive loss before reclassifications ⁽¹⁾	(61,241)	(23,447)	(84,688)
Amounts reclassified from accumulated other comprehensive income ⁽¹⁾	—	16,237	16,237
Net current period other comprehensive loss	(61,241)	(7,210)	(68,451)
December 31, 2022	\$ (160,807)	\$ (98,109)	\$ (258,916)

⁽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
	2022	2021	
Defined benefit pension and postretirement plans			
Amortization of prior service costs	\$ 345	\$ 555	Other income, net
Recognized net actuarial losses	(17,198)	(28,905)	Other income, net
Settlements	(4,499)	(3,310)	Other income, net
	(21,352)	(31,660)	Earnings before income taxes
	5,115	7,651	Provision for income taxes
Total reclassifications	\$ (16,237)	\$ (24,009)	Net earnings

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, 2022. 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, 2022.

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 stockholders 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, 2022 and 2021, the related consolidated statements of earnings, comprehensive income, cash flows and stockholders' equity, for each of the three years in the period ended December 31, 2022, 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, 2022 and 2021, and the results of its operations and its cash flows for each of the three years in the period ended December 31, 2022, 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, 2022, 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 22, 2023, 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 matter communicated below is a matter arising from the current-period audit of the financial statements that was communicated or required to be communicated to the audit committee and that (1) relates 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 matter below, providing a separate opinion on the critical audit matter or on the accounts or disclosures to which it relates.

Goodwill – Certain Reporting Units – Refer to Notes 1 and 8 to the financial statements

Critical Audit Matter Description

The Company tests for goodwill impairment annually, at the reporting unit level, in the fourth quarter. 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. The goodwill balance was \$1.5 billion as of December 31, 2022, of which amounts were assigned to two reporting units which were subject to a quantitative assessment to assess if the fair value of the respective reporting unit exceeded its carrying value.

When performing the quantitative assessment, the Company considered both comparative market multiples as well as estimated discounted cash flows for the reporting units. 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. The estimated fair values of these reporting units exceeded their carrying amounts and there was no impairment of goodwill.

We identified goodwill for these two reporting units as a critical audit matter because of the significant judgments made by management to estimate their fair value. This required a high degree of auditor judgment and an increased extent of effort, including the need to involve our fair value specialists, when performing audit procedures to evaluate the reasonableness of management's estimates and assumptions related to forecasts of future revenue growth rates, operating margins, and future economic and market conditions, and the selection of market multiples and discount rates.

How the Critical Audit Matter Was Addressed in the Audit

Our audit procedures related to the forecasts of future revenue growth rates, operating margins, and future economic and market conditions (the "forecasts"), and the selection of market multiples and discount rates for these two reporting units included the following:

- We tested the effectiveness of controls over management's goodwill impairment evaluation, including those over the determination of the fair value, such as controls related to forecasts and management's selection of market multiples and discount rates.
- We evaluated management's ability to accurately forecast future revenue growth rates, operating margins, and future economic and market conditions by comparing actual results to management's historical forecasts.
- We evaluated the reasonableness of management's forecasts by comparing the forecasts to:
 - Historical operating results of the reporting unit.
 - Internal communications to senior management.
 - Third-party industry reports for similar products.
- With the assistance of our fair value specialists, we evaluated the reasonableness of the selected (1) market multiples and (2) discount rates by:
 - Researching and analyzing valuation market multiples for guideline public companies.
 - Testing the source information underlying the determination of the discount rates and the mathematical accuracy of the calculations.
 - Developing a range of independent estimates and comparing those to the discount rates selected by management.

/s/ Deloitte & Touche LLP

Morristown, New Jersey
February 22, 2023

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

Report of Independent Registered Public Accounting Firm

To the stockholders 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, 2022, 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, 2022, 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, 2022, of the Company and our report dated February 22, 2023, expressed an unqualified opinion on those financial statements.

As described in Management’s Annual Report on Internal Control Over Financial Reporting, management excluded from its assessment the internal control over financial reporting at Safran Aerosystems Arresting Company, and Keronite Group Limited, which were acquired on June 30, 2022 and November 15, 2022, respectively, and whose financial statements constitute 2% of total net sales and 3% of total assets of the consolidated financial statement amounts (excluding acquired intangible assets and goodwill) as of and for year ended December 31, 2022. Accordingly, our audit did not include the internal control over financial reporting at Safran Aerosystems Arresting Company, and Keronite Group Limited.

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

Morristown, New Jersey
February 22, 2023

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, 2022, 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, 2022 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, 2022. 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. However, under guidelines established by the SEC, companies are allowed to exclude acquired businesses from management's report on internal control over financial reporting for the first year subsequent to acquisition. Accordingly, in making its assessment of internal control over financial reporting as of December 31, 2022, management excluded the internal control activities of the Corporation's current period acquisitions: Keronite and arresting systems acquisition. The aforementioned acquisitions constituted approximately 2% of total net sales and 3% of total assets (excluding acquired intangible assets and goodwill) as of and for the year ended December 31, 2022. Based on management's assessment, management believes that as of December 31, 2022, 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, 2022 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, 2022 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

Item 9B. Other Information.

None.

Item 9C. Disclosure Regarding Foreign Jurisdictions that Prevent Inspections.

Not applicable.

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 4, 2023 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	41
	Consolidated Statements of Comprehensive Income	42
	Consolidated Balance Sheets	43
	Consolidated Statements of Cash Flows	44
	Consolidated Statements of Stockholders' Equity	45
	Notes to Consolidated Financial Statements	46
2.	Financial Statement Schedule	
	Schedule II-Valuation and Qualifying Accounts	86
	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	Incorporated by Reference		Filed
Exhibit No.	Exhibit Description	Form	Filing Date	Herewith
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	<u>Instrument of Amendment No. 2 to Amended and Restated Retirement Benefits Restoration Plan as amended January 1, 2009*</u>	10-K	February 19, 2015
10.6	<u>Instrument of Amendment No. 3 to Amended and Restated Retirement Benefits Restoration Plan as amended January 1, 2009*</u>	10-K	February 19, 2015
10.7	<u>Instrument of Amendment No. 4 to Amended and Restated Retirement Benefits Restoration Plan as amended January 1, 2009*</u>	10-K	February 25, 2016
10.8	<u>Curtiss-Wright Corporation Retirement Plan, as Amended and Restated effective January 1, 2019*</u>	10-K	February 24, 2022
10.9	<u>Instrument of Amendment No. 1 to Curtiss-Wright Corporation Retirement Plan, as Amended and Restated effective January 1, 2019*</u>	10-K	February 24, 2022
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>	10-K	February 24, 2022	
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>	10-K	February 24, 2022	
10.26	<u>Instrument of Amendment No. 16 to the Curtiss-Wright Corporation Savings and Investment Plan, as Amended and Restated effective January 1, 2015*</u>			X
10.27	<u>Curtiss-Wright Corporation 2014 Omnibus Incentive Plan*</u>	14A	March 21, 2014	
10.28	<u>Curtiss-Wright Corporation Retirement Savings Restoration Plan*</u>	10-K	February 19, 2015	
10.29	<u>Instrument of Amendment No. 1 to the Curtiss-Wright Corporation Retirement Savings Restoration Plan*</u>	10-K	February 25, 2016	
10.30	<u>Form of indemnification Agreement entered into by the Registrant with each of its directors</u>	10-Q	May 7, 2012	
10.31	<u>Amended and Restated Curtiss-Wright Electro-Mechanical Corporation Savings Plan, dated January 1, 2010*</u>	10-K	February 25, 2011	
10.32	<u>Instrument of Amendment No.1 to the Amended and Restated Curtiss-Wright Electro-Mechanical Corporation Savings Plan, dated January 1, 2010*</u>	10-K	February 24, 2012	
10.33	<u>Instrument of Amendment No. 2 to the Amended and Restated Curtiss-Wright Electro-Mechanical Corporation Savings Plan, dated January 1, 2010*</u>	10-K	February 21, 2013	
10.34	<u>Instrument of Amendment No.3 to the Amended and Restated Curtiss-Wright Electro-Mechanical Corporation Savings Plan, dated January 1, 2010*</u>	10-K	February 21, 2013	
10.35	<u>Instrument of Amendment No.4 to the Amended and Restated Curtiss-Wright Electro-Mechanical Corporation Savings Plan, dated January 1, 2010*</u>	10-K	February 21, 2014	
10.36	<u>Curtiss-Wright Corporation 2005 Stock Plan for Non-Employee Directors*</u>	14A	April 5, 2005	
10.37	<u>Amended and Revised Curtiss-Wright Corporation Executive Deferred Compensation Plan, as amended November 2006*</u>	10-K	February 27, 2007	
10.38	<u>Instrument of Amendment No. 1 to the Amended and Revised Curtiss-Wright Corporation Executive Deferred Compensation Plan, as amended August 29, 2008*</u>	10-K	February 24, 2012	
10.39	<u>Instrument of Amendment No. 2 to the Amended and Revised Curtiss-Wright Corporation Executive Deferred Compensation Plan, as amended August 29, 2008*</u>	10-K	February 19, 2015	
10.40	<u>Instrument of Amendment No. 3 to the Amended and Revised Curtiss-Wright Corporation Executive Deferred Compensation Plan, as amended August 29, 2008*</u>	10-K	February 25, 2016	
10.41	<u>Standard Change In Control Severance Protection Agreement, dated February 16, 2021, between the Registrant and Key Executives of the Registrant*</u>	10-K	February 25, 2021	
10.42	<u>Curtiss-Wright Corporation Employee Stock Purchase Plan, as amended May 10, 2018*</u>	14A	March 23, 2018	
10.43	<u>Incentive Compensation Plan, as amended November 15, 2010 *</u>	14A	March 24, 2011	

10.44	<u>Restricted Stock Unit Agreement, dated February 6, 2019, by and between the Registrant and Lynn M. Bamford*</u>	10-K	February 24, 2022
10.45	<u>Restricted Stock Unit Agreement, dated February 6, 2019, by and between the Registrant and Kevin M. Rayment*</u>	10-K	February 24, 2022
10.46	<u>Restricted Stock Unit Agreement, dated December 16, 2021, by and between the Registrant and K. Christopher Farkas*</u>	10-K	February 24, 2022
10.47	<u>Restricted Stock Unit Agreement, dated December 16, 2021, by and between the Registrant and Paul J. Ferdenzi*</u>	10-K	February 24, 2022
10.48	<u>Restricted Stock Unit Agreement, dated December 16, 2021, by and between the Registrant and Gary A. Ogilby*</u>	10-K	February 24, 2022
10.49	<u>Restricted Stock Unit Agreement, dated December 16, 2021, by and between the Registrant and Robert F. Freda*</u>	10-K	February 24, 2022
10.50	<u>Trust Agreement, dated January 20, 1998, between the Registrant and PNC Bank, National Association</u>	10-Q	May 13, 1998
10.51	<u>Note Purchase Agreement between the Registrant and certain Institutional Investors, dated December 8, 2011</u>	8-K	December 13, 2011
10.52	<u>Restrictive Legends on Notes subject to Note Purchase Agreement between the Registrant and certain Institutional Investors, dated December 8, 2011</u>	8-K	December 13, 2011
10.53	<u>First Amendment and Waiver to Note Purchase Agreement between the Registrant and certain Institutional Investors, dated October 27, 2022</u>	8-K	December 21, 2022
10.54	<u>Second Amendment to Note Purchase Agreement between the Registrant and certain Institutional Investors, dated December 16, 2022</u>	8-K	December 21, 2022
10.55	<u>Note Purchase Agreement between the Registrant and certain Institutional Investors, dated February 26, 2013</u>	8-K	February 27, 2013
10.56	<u>Restrictive Legends on Notes subject to Note Purchase Agreement between the Registrant and certain Institutional Investors, dated February 26, 2013</u>	8-K	February 27, 2013
10.57	<u>First Amendment and Waiver to Note Purchase Agreement between the Registrant and certain Institutional Investors, dated October 27, 2022</u>	8-K	December 21, 2022
10.58	<u>Second Amendment to Note Purchase Agreement between the Registrant and certain Institutional Investors, dated December 16, 2022</u>	8-K	December 21, 2022

10.59	<u>Fourth Amended and Restated Credit Agreement dated as of October May 17, 2022 among the Company and Certain Subsidiaries of the Company as Borrowers; the Lenders party thereto; J.P. Morgan Chase Bank, N.A., as Administrative Agent, Swing Line Lender, and L/C Issuer; J.P. Morgan Chase Bank, N.A., BOFA Securities, Inc., and Wells Fargo Securities, LLC, as 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; Bank of America, N.A. and Wells Fargo, National Association, as Syndication Agents; and JPMorgan Chase Bank, N.A., and Wells Fargo, N.A., as Syndication Agents; and Citizens Bank, N.A., as Documentation Agents</u>	8-K	May 18, 2022	
10.60	<u>Note Purchase Agreement between the Registrant and certain Institutional Investors, dated August 13, 2020</u>	8-K	August 19, 2020	
10.61	<u>Restrictive Legends on Notes subject to Note Purchase Agreement between the Registrant and certain Institutional Investors, dated August 13, 2020</u>	8-K	August 19, 2020	
10.62	<u>First Amendment to Note Purchase Agreement between the Registrant and certain Institutional Investors, dated December 16, 2022</u>	8-K	December 21, 2022	
10.63	<u>Note Purchase Agreement between the Registrant and certain Institutional Investors, dated October 27, 2022</u>			X
10.64	<u>Restrictive Legends on Notes subject to Note Purchase Agreement between the Registrant and certain Institutional Investors, dated October 27, 2022</u>			X
21.00	<u>Subsidiaries of the Registrant</u>			X
23.00	<u>Consent of Independent Registered Public Accounting Firm</u>			X
31.10	<u>Certification of Lynn M. Bamford, Chair and CEO, Pursuant to Rule 13a - 14(a)</u>			X
31.20	<u>Certification of K. Christopher Farkas, Chief Financial Officer, Pursuant to Rule 13a - 14(a)</u>			X
32.00	<u>Certification of Lynn M. Bamford, Chair and CEO, and K. Christopher Farkas, Chief Financial Officer, Pursuant to 18 U.S.C. Section 1350</u>			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

Item 16. Form 10-K Summary

None.

CURTISS-WRIGHT CORPORATION and SUBSIDIARIES
SCHEDULE II – VALUATION and QUALIFYING ACCOUNTS
for the years ended December 31, 2022, 2021, and 2020
(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, 2022					
Tax valuation allowance	2,625	3,920	1 ⁽¹⁾	882	5,664
Total	<u>\$ 2,625</u>	<u>\$ 3,920</u>	<u>\$ 1</u>	<u>\$ 882</u>	<u>\$ 5,664</u>
December 31, 2021					
Tax valuation allowance	1,240	1,864	(22) ⁽¹⁾	457	2,625
Total	<u>\$ 1,240</u>	<u>\$ 1,864</u>	<u>\$ (22)</u>	<u>\$ 457</u>	<u>\$ 2,625</u>
December 31, 2020					
Tax valuation allowance	3,386	3,439	50 ⁽¹⁾	5,635 ⁽²⁾	1,240
Total	<u>\$ 3,386</u>	<u>\$ 3,439</u>	<u>\$ 50</u>	<u>\$ 5,635</u>	<u>\$ 1,240</u>

⁽¹⁾ Primarily foreign currency translation adjustments.

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

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 22, 2023 By: /s/ Lynn M. Bamford
Lynn M. Bamford
Chair 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 22, 2023 By: /s/ K. Christopher Farkas
K. Christopher Farkas
Vice President and Chief Financial Officer

Date: February 22, 2023 By: /s/ Gary A. Ogilby
Gary A. Ogilby
Vice President and Corporate Controller

Date: February 22, 2023 By: /s/ David C. Adams
David C. Adams
Director

Date: February 22, 2023 By: /s/ Dean M. Flatt
Dean M. Flatt
Director

Date: February 22, 2023 By: /s/ S. Marce Fuller
S. Marce Fuller
Director

Date: February 22, 2023 By: /s/ Bruce D. Hoechner
Bruce D. Hoechner
Director

Date: February 22, 2023 By: /s/ Glenda J. Minor
Glenda J. Minor
Director

Date: February 22, 2023 By: /s/ Anthony J. Moraco
Anthony J. Moraco
Director

Date: February 22, 2023 By: /s/ John B. Nathman
John B. Nathman
Director

Date: February 22, 2023 By: /s/ Robert J. Rivet
Robert J. Rivet
Director

Date: February 22, 2023 By: /s/ Peter C. Wallace
Peter C. Wallace
Director

**CURTISS-WRIGHT CORPORATION
SAVINGS AND INVESTMENT PLAN
As Amended and Restated effective January 1, 2015**

SIXTEENTH 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 reason:

To provide for the participation of employees of Keronite Group Ltd.
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.
6. Defined terms in the Plan shall have the same meaning in this Amendment.

Amendments to the Plan

1. Appendix A is amended, effective November 14, 2022, by adding the following paragraph 32 to read as follows:

32. Keronite Group Ltd.

(a) Notwithstanding Appendix A Paragraph 31, each employee of Keronite Group Ltd. (“Keronite”) who became an Employee as of November 14, 2022, and any other eligible Employee who is thereafter employed by the Employer on or before December 31, 2022, at the operations and facilities that were acquired by the Employer from Keronite, shall not be eligible to become a Member prior to January 1, 2023 but shall be eligible to become a Member on any Enrollment Date on or after January 1, 2023, and shall be subject to the provisions of Sections 2.05(a) and 3.04(a) as of such date (such employees are hereinafter referred to as “Keronite Employees”). Each Keronite Employee shall remain eligible as long as he or she continues to satisfy the eligibility requirements. Each Keronite Employee hired on or

after January 1, 2023, shall be eligible to become a Member and shall remain eligible in accordance with the Plan's eligibility requirements.

(b) For purposes of determining Years of Eligibility and Vesting Service with respect to any Keronite Employee who became an Employee on November 14, 2022, eligibility and vesting service shall commence with his or her most recent date of hire with Keronite immediately prior to such acquisition date.

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 14th day of November 2022.

Curtiss-Wright Corporation
Administrative Committee

By: ___
Robert Freda

CURTISS-WRIGHT CORPORATION

**CURTISS-WRIGHT CONTROLS, INC.
METAL IMPROVEMENT COMPANY, LLC
CURTISS-WRIGHT FLOW CONTROL CORPORATION
CURTISS-WRIGHT FLOW CONTROL SERVICE, LLC
CURTISS-WRIGHT ELECTRO-MECHANICAL CORPORATION
CURTISS-WRIGHT SURFACE TECHNOLOGIES LLC**

\$300,000,000

4.49% Series L Senior Guaranteed Notes due October 27, 2032
4.64% Series M Senior Guaranteed Notes due October 27, 2034

NOTE PURCHASE AGREEMENT

Dated as of October 27, 2022

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SCHEDULE 5.12	--	ERISA Affiliates, Employee Benefit Plans	
SCHEDULE 5.15	--	Existing Debt	
SCHEDULE 5.16	--	Foreign Assets Control Regulations	
EXHIBIT 1.1(a)	--	Form of 4.49% Series L Senior Guaranteed Note due October 27, 2032	
EXHIBIT 1.1(b)	--	Form of 4.64% Series M Senior Guaranteed Note due October 27, 2034	
EXHIBIT 1.2	--	Form of Subsidiary Guarantee	
EXHIBIT 4.4(a)(i)	--	Form of Opinion of General Counsel to the Company	
EXHIBIT 4.4(a)(ii)	--	Form of Opinion of Associate General Counsel to the Company	
EXHIBIT 4.11	--	Form of Side Letter	

**CURTISS-WRIGHT CORPORATION
CURTISS-WRIGHT CONTROLS, INC.
METAL IMPROVEMENT COMPANY, LLC
CURTISS-WRIGHT FLOW CONTROL CORPORATION
CURTISS-WRIGHT FLOW CONTROL SERVICE, LLC
CURTISS-WRIGHT ELECTRO-MECHANICAL CORPORATION
CURTISS-WRIGHT SURFACE TECHNOLOGIES LLC**

**130 Harbour Place Drive, Suite 300
Davidson, NC 28036**

**4.49% Series L Senior Guaranteed Notes due October 27, 2032
4.64% Series M Senior Guaranteed Notes due October 27, 2034**

October 27, 2022

To Each Of The Purchasers Listed In
The Attached Schedule A:

Ladies and Gentlemen:

CURTISS-WRIGHT CORPORATION, a Delaware corporation (together with its successors and assigns, the “**Company**”), **CURTISS-WRIGHT CONTROLS, INC.**, a Delaware corporation (together with its successors and assigns, “**C-W Controls**”), **METAL IMPROVEMENT COMPANY, LLC**, a Delaware limited liability company (together with its successors and assigns, “**Metal**”), **CURTISS-WRIGHT FLOW CONTROL CORPORATION**, a New York corporation (together with its successors and assigns, “**C-W Flow**”), **CURTISS-WRIGHT FLOW CONTROL SERVICE, LLC**, a Delaware limited liability company (together with its successors and assigns, “**C-W Flow Control Service**”), **CURTISS-WRIGHT ELECTRO-MECHANICAL CORPORATION**, a Delaware corporation (together with its successors and assigns, “**C-W Electro-Mechanical**”) and **CURTISS-WRIGHT SURFACE TECHNOLOGIES LLC**, a Delaware limited liability company (“**C-W Surface**” and together with the Company, C-W Controls, Metal, C-W Flow, C-W Flow Control Service and C-W Electro-Mechanical, individually, an “**Issuer**” and collectively, the “**Issuers**”), hereby jointly and severally agree with the Purchasers as follows:

1. AUTHORIZATION OF NOTES; SUBSIDIARY GUARANTEE.

1.1. Authorization of Issue of Notes.

The Issuers will authorize the joint and several issuance and sale of (a) \$200,000,000 aggregate principal amount of their joint and several 4.49% Series L Senior Guaranteed Notes due October 27, 2032 (including any amendments, restatements or modifications from time to time, the “**Series L Notes**”) and (b) \$100,000,000 aggregate principal amount of their joint and several 4.64% Series M Senior Guaranteed Notes due October 27, 2034 (including any amendments, restatements or modifications from time to time, the “**Series M Notes**”, and together with the Series L Notes, collectively, the “**Notes**”, such term to include any such notes issued in substitution therefor pursuant to Section 13 of this Agreement). The Series L Notes and the Series M Notes shall be substantially in the form set out in Exhibit 1.1(a) and Exhibit 1.1(b), respectively, with such changes thereto, if any, as may be approved by the Purchasers and the Issuers. Certain capitalized terms used in this Agreement are defined in Schedule B; and, for purposes of this Agreement, the rules of construction set forth in Section 22.5 shall govern.

1.2. Subsidiary Guarantee.

The payment of the principal of, interest on, and Make-Whole Amount, if any, with respect to the Notes and other obligations of the Issuers under this Agreement shall be guaranteed by certain Subsidiaries, as listed on Schedule 1.2, pursuant to a guaranty agreement (as amended, restated, supplemented or otherwise modified from time to time, the “**Subsidiary Guarantee**”) substantially in the form of Exhibit 1.2 hereto.

2. SALE AND PURCHASE OF NOTES.

Subject to the terms and conditions of this Agreement, the Issuers will issue and sell to each Purchaser and each Purchaser will purchase from the Issuers, at the Closing provided for in Section 3, Notes in the principal amount and in the Series specified opposite such Purchaser’s name in Schedule A at the purchase price of 100% of the principal amount thereof. The Purchasers’ obligations hereunder are several and not joint obligations and no Purchaser shall have any liability to any Person for the performance or non-performance by any other Purchaser hereunder.

3. CLOSING.

The sale and purchase of the Notes to be purchased by each Purchaser shall occur at the offices of Morgan, Lewis & Bockius LLP, 101 Park Avenue, New York, NY 10178, at 10:00 a.m., local time, at a closing (the “**Closing**”) on October 27, 2022. At the Closing, the Issuers will deliver to each Purchaser the Notes to be purchased by such Purchaser in the form of a single Note of each Series (or such greater number of Notes of each such denomination of at least \$250,000 as such Purchaser may request) dated the date of the Closing and registered in such Purchaser’s name (or in the name of its nominee), against delivery by such Purchaser to the Issuers or their order of immediately available funds in the amount of the purchase price therefor as directed by the Issuers in Schedule 3. If at the Closing the Issuers shall fail to tender such Notes to any Purchaser as provided above in this Section 3, or any of the conditions specified in Section 4 shall not have been fulfilled to such Purchaser’s satisfaction, such Purchaser shall, at its election, be relieved of all further obligations under this Agreement, without thereby waiving any rights each such Purchaser may have by reason of such failure or such nonfulfillment.

4. CONDITIONS TO CLOSING.

Each Purchaser’s obligation to purchase and pay for the Notes to be sold to it at the Closing is subject to the fulfillment to such Purchaser’s satisfaction, prior to or at the Closing, of the following conditions:

4.1. Representations and Warranties.

The representations and warranties of the Issuers in this Agreement and of the Obligors in the other Financing Documents shall be correct when made and at the Closing.

4.2. Performance; No Default; No Change in Control.

Each Issuer shall have performed and complied with all agreements and conditions contained in this Agreement, and the Obligors shall have performed and complied with all agreements and conditions contained in the other Financing Documents, in each case as required to be performed or complied with by it or such Obligor, as the case may be, prior to or at the Closing and immediately after giving effect to the issue and sale of the Notes (and the application of the proceeds thereof as contemplated by Section 5.14) no Default or Event of Default shall have occurred and be continuing.

4.3. Compliance Certificates.

(a) Issuers' Officer's Certificates. Each of the Issuers shall have delivered to such Purchaser an Officer's Certificate, dated the date of the Closing, certifying that the conditions specified in Sections 4.1, 4.2 and 4.9 have been fulfilled.

(b) Subsidiary Guarantors' Officer's Certificates. Each of the Subsidiary Guarantors shall have delivered to such Purchaser an Officer's Certificate, dated the date of the Closing, certifying that (i) the representations and warranties contained in the Subsidiary Guarantee are true on and as of the Closing with the same effect as if made on that date and (ii) that such Subsidiary Guarantor has performed and complied with all agreements and conditions contained in the Subsidiary Guarantee required to be performed or complied with by such Subsidiary Guarantor prior to or at the Closing

(c) Issuers' Secretary's Certificates. Each of the Issuers shall have delivered to such Purchaser a certificate, dated the date of the Closing, certifying as to the resolutions attached thereto and other corporate or limited liability company proceedings relating to the authorization, execution and delivery of the Notes and this Agreement.

(d) Subsidiary Guarantors' Secretary's Certificates. Each of the Subsidiary Guarantors shall have delivered to such Purchaser a certificate, dated the date of the Closing, certifying as to the resolutions attached thereto and other corporate proceedings relating to the authorization, execution and delivery of the Subsidiary Guarantee by such Subsidiary Guarantor.

4.4. Opinions of Counsel.

Such Purchaser shall have received opinions in form and substance satisfactory to it, dated the date of the Closing (a) from one or more Associate General Counsel or General Counsel to the Company substantially in the forms set forth in Exhibit 4.4(a)(i) and Exhibit 4.4(a)(ii) and covering such other matters incident to such transactions as the Purchasers or their counsel may reasonably request (and the Company hereby instructs such counsel to deliver such opinions to each Purchaser) and (b) from Morgan, Lewis & Bockius LLP, the Purchasers' special counsel in connection with such transactions, in form and substance satisfactory to such Purchaser and covering such other matters incident to such transactions as the Purchasers may reasonably request.

4.5. Purchase Permitted By Applicable Law, etc.

On the date of the Closing such Purchaser's purchase of Notes shall (a) be permitted by the laws and regulations of each jurisdiction to which it is subject, without recourse to provisions (such as Section 1405(a)(8) of the New York Insurance Law) permitting limited investments by insurance companies without restriction as to the character of the particular investment, (b) not violate any applicable law or regulation (including, without limitation, Regulation T, U or X of the Board of Governors of the Federal Reserve System) and (c) not subject such Purchaser to any tax, penalty or liability under or pursuant to any applicable law or regulation, which law or regulation was not in effect on the date hereof. If so requested, such Purchaser shall have received Officer's Certificates from each Issuer and each Subsidiary Guarantor certifying as to such matters of fact as it may reasonably specify to enable such Purchaser to determine whether such purchase is so permitted.

4.6. Sale of Other Notes.

Contemporaneously with the Closing, the Issuers shall sell to each other Purchaser and each other Purchaser shall purchase the Notes to be purchased by it at the Closing as specified in Schedule A.

4.7. Payment of Special Counsel Fees.

Without limiting the provisions of Section 15.1, the Issuers shall have paid on or before the Closing the reasonable fees, charges and disbursements of the Purchasers' special counsel referred to in Section 4.4(c) to the extent reflected in a statement of such counsel rendered to the Issuers at least one Business Day prior to the Closing.

4.8. Private Placement Number.

A Private Placement Number issued by the PPN CUSIP Unit of CUSIP Global Services (in cooperation with the SVO) shall have been obtained for each Series of Notes.

4.9. Changes in Corporate Structure.

Except as specified in Schedule 4.9, no Obligor shall have changed its jurisdiction of incorporation or organization or been a party to any merger or consolidation and shall not have succeeded to all or any substantial part of the liabilities of any other entity, at any time following the date of the most recent financial statements referred to in Schedule 5.5.

4.10. Subsidiary Guarantee.

Each Subsidiary Guarantor shall have duly executed and delivered to the Purchasers the Subsidiary Guarantee and such Subsidiary Guarantee shall be in full force and effect.

4.11. Side Letter.

Each of the Issuers and each of the Purchasers shall have duly executed and delivered a side letter substantially in the form of Exhibit 4.11 hereto (as amended, restated or otherwise modified from time to time, the "**Side Letter**"), and the Side Letter shall be in full force and effect.

4.12. Funding Instructions.

At least three Business Days prior to the date of the Closing, such Purchaser shall have received written instructions signed by a Responsible Officer on letterhead of the Company confirming the information specified in Schedule 3 including (a) the name and address of the transferee bank, (b) such transferee bank's ABA number and (c) the account name and number into which the purchase price for the Notes is to be deposited. An identifiable Responsible Officer of the Company shall confirm the written instructions by a live videoconference made available to the Purchasers no later than two (2) Business Days prior to the Closing (or such shorter period as may be agreed by each applicable Purchaser).

4.13. Offeree Letters.

BofA Securities, Inc. shall have delivered to each Issuer, their counsel, each of the Purchasers and the Purchasers' special counsel an offeree letter, in form and substance satisfactory to each Purchaser and the Issuers, confirming the manner of the offering of the Notes by BofA Securities, Inc.

4.14. Debt Rating.

The Company shall have delivered, or caused to be delivered, to such Purchaser, (a) a Private Rating Letter issued by an Acceptable Rating Agency setting forth the initial Debt Rating for each Series of the Notes and (b) the related Private Rating Rationale Report with respect to such Debt Rating.

4.15. Proceedings and Documents.

All corporate and limited liability company, as applicable, and other proceedings in connection with the transactions contemplated by this Agreement and all documents and instruments incident to such transactions shall be satisfactory to such Purchaser and its special counsel, and such Purchaser and its special counsel shall have received all such counterpart originals or certified or other copies of such documents as such Purchaser or its counsel may reasonably request.

5. REPRESENTATIONS AND WARRANTIES OF THE ISSUERS

Each of the Issuers jointly and severally represents and warrants to each Purchaser that:

5.1. Organization; Power and Authority.

The Company is a corporation, duly organized, validly existing and in good standing under the laws of Delaware, and is duly qualified as a foreign corporation and is in good standing in each jurisdiction in which such qualification is required by law, other than those jurisdictions as to which the failure to be so qualified or in good standing would not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect. The Company has the corporate power and authority to own or hold under lease the properties it purports to own or hold under lease, to transact the business it transacts and proposes to transact, to execute and deliver the Financing Documents to which it is a party and to perform the provisions hereof and thereof.

5.2. Authorization, etc.

(a) This Agreement and the Notes have been duly authorized by all necessary corporate or limited liability company, as applicable, action on the part of each Issuer, and this Agreement constitutes, and upon execution and delivery thereof each Note will constitute, a legal, valid and binding obligation of each Issuer enforceable against such Issuer in accordance with its terms, except as such enforceability may be limited by (i) applicable bankruptcy, insolvency, reorganization, moratorium or other similar laws affecting the enforcement of creditors' rights generally and (ii) general principles of equity (regardless of whether such enforceability is considered in a proceeding in equity or at law).

(b) The Subsidiary Guarantee has been duly authorized by all necessary corporate action on the part of each Subsidiary Guarantor, and the Subsidiary Guarantee constitutes a legal, valid and binding obligation of each Subsidiary Guarantor enforceable against each Subsidiary Guarantor in accordance with its terms, except as such enforceability may be limited by (i) applicable bankruptcy, insolvency, reorganization, moratorium or other similar laws affecting the enforcement of creditors' rights generally and (ii) general principles of equity (regardless of whether such enforceability is considered in a proceeding in equity or at law).

5.3. Disclosure.

The Company, through its agent, BofA Securities, Inc., has delivered to each Purchaser a copy of an Investor Presentation, dated July 2022 (the “**Presentation**”), relating to the transactions contemplated hereby. Except as disclosed in Schedule 5.3, this Agreement, the Presentation, the documents, certificates or other writings identified in Schedule 5.3 and the financial statements listed in Schedule 5.5, taken as a whole, do not contain any untrue statement of a material fact or omit to state any material fact necessary to make the statements therein in light of the circumstances under which they were made not misleading; provided that, with respect to management projections or guidance or forward looking statements, the Issuers represent only that such information was prepared in good faith based upon assumptions believed to be reasonable at the time, it being recognized by the Purchasers that such financial information as it relates to future events is not to be viewed as fact and that actual results during the period or periods covered by such financial information may differ from the projected results set forth therein by a material amount. Except as disclosed in the Presentation or as expressly described in Schedule 5.3, or in one of the documents, certificates or other writings identified therein, or in the financial statements listed in Schedule 5.5, since December 31, 2021, there has been no change in the financial condition, operations, business or properties of the Company or any of its Subsidiaries except changes that individually or in the aggregate would not reasonably be expected to have a Material Adverse Effect.

5.4. Organization and Ownership of Shares of Subsidiaries.

(c) Schedule 5.4 is (except as noted therein) a complete and correct list of the Company’s Subsidiaries, showing, as to each Subsidiary, the correct name thereof, the jurisdiction of its organization, and the percentage of shares of each class of its capital stock or similar equity interests outstanding owned by the Company and each other Subsidiary.

(d) All of the outstanding shares of capital stock or similar equity interests of each Subsidiary shown in Schedule 5.4 as being owned by the Company and its Subsidiaries have been validly issued, are fully paid and nonassessable and are owned by the Company or another Subsidiary free and clear of any Lien (except as otherwise disclosed in Schedule 5.4).

(e) Each Subsidiary identified in Schedule 5.4 is a corporation or other legal entity duly organized, validly existing and in good standing under the laws of its jurisdiction of organization or formation, and is duly qualified as a foreign corporation or other legal entity and is in good standing in each jurisdiction in which such qualification is required by law, other than those jurisdictions as to which the failure to be so qualified or in good standing would not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect. Each such Subsidiary has the corporate or other power and authority to own or hold under lease the properties it purports to own or hold under lease, to transact the business it transacts and proposes to transact, and to execute and deliver the Financing Documents to which it is a party, and to perform the provisions hereof and thereof.

(f) No Subsidiary is a party or otherwise subject to any legal restriction or any agreement (other than this Agreement, the agreements listed on Schedule 5.4 and customary limitations imposed by corporate law statutes) restricting the ability of such Subsidiary to pay dividends out of profits or make any other similar distributions of profits to any Obligor or any of such Obligor’s Subsidiaries that owns outstanding shares of capital stock or similar equity interests of such Subsidiary.

5.5. Financial Statements.

The Company has delivered to each Purchaser copies of the financial statements of the Company and its Subsidiaries listed on Schedule 5.5. All of said financial statements (including in each case the related schedules and notes) fairly present in all material respects the consolidated financial position of the Company and its Subsidiaries as of the respective dates specified in such Schedule and the consolidated results of their operations and cash flows for the respective periods so specified and have been prepared in accordance with GAAP consistently applied throughout the periods involved except as set forth in the notes thereto (subject, in the case of any interim financial statements, to normal year-end adjustments and the absence of footnotes).

5.6. Compliance with Laws, Other Instruments, etc.

The execution, delivery and performance by each of the Issuers and each Subsidiary Guarantor, as the case may be, of this Agreement, the Notes and the Subsidiary Guarantee will not (a) contravene, result in any breach of, or constitute a default under, or result in the creation of any Lien in respect of any property of the Company or any Subsidiary under, any indenture, mortgage, deed of trust, loan, purchase or credit agreement, lease, corporate charter or by-laws, operating agreement or any other Material agreement or instrument to which the Company or any Subsidiary is bound or by which the Company or any Subsidiary or any of their respective properties may be bound or affected, (b) conflict with or result in a breach of any of the terms, conditions or provisions of any order, judgment, decree, or ruling of any court, arbitrator or Governmental Authority applicable to the Company or any Subsidiary or (c) violate any provision of any statute or other rule or regulation of any Governmental Authority applicable to the Company or any Subsidiary.

5.7. Governmental Authorizations, etc.

No consent, approval or authorization of, or registration, filing or declaration with, any Governmental Authority is required in connection with the execution, delivery or performance by (a) the Issuers of this Agreement or the Notes and (b) each Subsidiary Guarantor of the Subsidiary Guarantee, except that the Issuers may, at their option, file a notice on Form D with the Securities and Exchange Commission.

5.8. Litigation; Observance of Statutes and Orders.

(g) Except as disclosed in Schedule 5.8, there are no actions, suits or proceedings pending or, to the knowledge of the Company, threatened against or affecting the Company or any Subsidiary or any property of the Company or any Subsidiary in any court or before any arbitrator of any kind or before or by any Governmental Authority that, individually or in the aggregate, would reasonably be expected to have a Material Adverse Effect.

(h) Neither the Company nor any Subsidiary is in default under any order, judgment, decree or ruling of any court, arbitrator or Governmental Authority or is in violation of any applicable law, ordinance, rule or regulation (including without limitation Environmental Laws and any of the laws and regulations referred to in Section 5.16) of any Governmental Authority, which default or violation, individually or in the aggregate, would reasonably be expected to have a Material Adverse Effect.

5.9. Taxes.

The Issuers and their Subsidiaries have filed all income tax returns that are required to have been filed in any jurisdiction, and have paid all taxes shown to be due and payable on such returns and all other taxes and assessments payable by them, to the extent such taxes and assessments have become due and payable and before they have become delinquent, except for any taxes and assessments (a) the amount of which is not individually or in the aggregate Material or (b) the amount, applicability or validity of which is currently being contested in good faith by appropriate proceedings and with respect to which the affected Issuer or Subsidiary, as the case may be, has established adequate reserves in accordance with GAAP. The Federal income tax liabilities of the Issuers and their Subsidiaries which have filed a Federal income tax return or were included in a consolidated Federal income tax return have been determined by the Internal Revenue Service and paid for all fiscal years up to and including the fiscal year ended December 31, 2021.

5.10. Title to Property; Leases.

Except as disclosed on Schedule 5.10, each of the Issuers and their Subsidiaries have good and sufficient title to their respective Material properties, including all such properties reflected in the most recent audited balance sheet referred to in Section 5.5 or purported to have been acquired by any of the Issuers or any Subsidiary after said date (except as sold or otherwise disposed of in the ordinary course of business), in each case free and clear of Liens prohibited by this Agreement. All Material leases are valid and subsisting and are in full force and effect in all material respects.

5.11. Licenses, Permits, etc.

Except as disclosed in Schedule 5.11, each of the Issuers and their Subsidiaries own or possess all licenses, permits, franchises, authorizations, patents, copyrights, service marks, trademarks and trade names, or rights thereto, that are Material, and, to the knowledge of the Issuers, none of such licenses, permits, franchises, authorizations, patents, copyrights, service marks, trademarks and trade names, or rights with respect thereto conflict with the rights of others, except for those conflicts that, individually or in the aggregate, would not have a Material Adverse Effect.

5.12. Compliance with ERISA.

(i) Each Issuer and each ERISA Affiliate have operated and administered each Plan in compliance with all applicable laws except for such instances of noncompliance as have not resulted in and could not, individually or in the aggregate, reasonably be expected to result in a Material Adverse Effect. None of the Issuers nor any ERISA Affiliate has incurred any liability pursuant to Title I or IV of ERISA or the penalty or excise tax provisions of the Code relating to employee benefit plans (as defined in section 3 of ERISA), and no event, transaction or condition has occurred or exists that would, individually or in the aggregate, reasonably be expected to result in the incurrence of any such liability by any of the Issuers or any ERISA Affiliate, or in the imposition of any Lien on any of the rights, properties or assets of any of the Issuers or any ERISA Affiliate, in either case pursuant to Title I or IV of ERISA or to such penalty or excise tax provisions or to section 430 or section 436 of the Code or section 4068 of ERISA or by the granting of a security interest in connection with the amendment of a Plan, other than such liabilities or Liens as would not be individually or in the aggregate Material.

(j) The present value of the aggregate benefit liabilities under each of the Plans (other than Multiemployer Plans), determined as of the end of such Plan's most recently ended plan year on the basis of the actuarial assumptions specified for funding purposes in such Plan's most recent actuarial valuation report, did not exceed the aggregate current value of the assets of such Plan allocable to such benefit liabilities by more than \$100,000,000 in the aggregate for all such Plans. The term "**benefit liabilities**" has the meaning specified in section 4001 of ERISA and the terms "**current value**" and "**present value**" have the meaning specified in section 3 of ERISA.

(k) None of the Issuers or their ERISA Affiliates has incurred withdrawal liabilities (and none is subject to contingent withdrawal liabilities) under section 4201 or 4204 of ERISA in respect of Multiemployer Plans that individually or in the aggregate are Material.

(l) The expected postretirement benefit obligation (determined as of the last day of the Company's most recently ended fiscal year in accordance with Financial Accounting Standards Board Accounting Standards Codification Topic 715-60, without regard to liabilities attributable to continuation coverage mandated by section 4980B of the Code) of the Company and its Subsidiaries is not Material.

(m) The execution and delivery of this Agreement and the issuance and sale of the Notes hereunder will not involve any transaction that is subject to the prohibitions of section 406 of ERISA or in connection with which a tax could be imposed pursuant to section 4975(c)(1)(A)-(D) of the Code. The representation by the Issuers in the first sentence of this Section 5.12(e) is made in reliance upon and subject to the accuracy of the Purchasers' representation in Section 6.2 as to the sources of the funds to be used to pay the purchase price of the Notes to be purchased by such Purchaser.

(n) Schedule 5.12 sets forth all ERISA Affiliates and all "employee benefit plans" maintained by the Issuers (or any "affiliate" thereof) or in respect of which the Notes could constitute an "employer security" ("**employee benefit plan**" has the meaning specified in section 3 of ERISA, "**affiliate**" has the meaning specified in section 407(d) of ERISA and section V of the Department of Labor Prohibited Transaction Exemption 95-60 (60 FR 35925, August 12, 1995) and "**employer security**" has the meaning specified in section 407(d) of ERISA).

(o) No Issuer or any of its Subsidiaries has any Non-U.S. Plans.

5.13. Private Offering by the Issuers.

None of the Issuers nor anyone acting on behalf of any of them has offered the Notes or any similar securities for sale to, or solicited any offer to buy any of the same from, or otherwise approached or negotiated in respect thereof with, any Person other than the Purchasers and not more than 25 other Institutional Investors (as defined in clause (c) of the definition of such term), each of which has been offered the Notes at a private sale for investment. None of the Issuers nor anyone acting on behalf of any of them has taken, or will take, any action that would subject the issuance or sale of the Notes to the registration requirements of Section 5 of the Securities Act. The representations and warranties of the Issuers in the second sentence of this Section 5.13 are made in reliance upon and subject to the accuracy and completeness of the Purchasers' representations and warranties set forth in Section 6.1.

5.14. Use of Proceeds; Margin Regulations.

The Issuers will apply the proceeds of the sale of the Notes for general corporate purposes of the Issuers and their Subsidiaries, including repaying existing indebtedness of the Issuers and their Subsidiaries and acquisitions. No part of the proceeds from the sale of the Notes hereunder will be used, directly or indirectly, for the purpose of buying or carrying any margin stock within the meaning of Regulation U of the Board of Governors of the Federal Reserve System (12 CFR 221), or for the purpose of buying or carrying or trading in any securities under such circumstances as to involve any Issuer in a violation of Regulation X of said Board (12 CFR 224) or to involve any broker or dealer in a violation of Regulation T of said Board (12 CFR 220). Margin stock does not constitute more than 10% of the value of the consolidated assets of the Issuers and their Subsidiaries and the Issuers do not have any present intention that margin stock will constitute more than 10% of the value of such assets. As used in this Section, the terms “margin stock” and “purpose of buying or carrying” shall have the meanings assigned to them in said Regulation U.

5.15. Existing Debt.

Except as described therein, Schedule 5.15 sets forth a complete and correct list of each issue of Debt of the Issuers and their Subsidiaries the outstanding principal amount of which exceeds \$15,000,000 as of June 30, 2022, since which date there has been no Material change in the amounts, interest rates, sinking funds, installment payments or maturities of such Debt of the Issuers or their Subsidiaries. The aggregate amount of all outstanding Debt of the Issuers and their Subsidiaries not set forth in Schedule 5.15 does not exceed \$75,000,000. None of the Issuers nor any Subsidiary is in default and no waiver of default is currently in effect, in the payment of any principal or interest on any Debt of such Issuer or such Subsidiary and no event or condition exists with respect to any Debt of any such Issuer or such Subsidiary the outstanding principal amount of which exceeds \$15,000,000 that would permit (or that with notice or the lapse of time, or both, would permit) one or more Persons to cause such Debt to become due and payable before its stated maturity or before its regularly scheduled dates of payment.

5.16. Foreign Assets Control Regulations, etc.

(p) Neither the Company nor any Controlled Entity (i) is a Blocked Person, (ii) has been notified that its name appears or may in the future appear on a State Sanctions List or (iii) is a target of sanctions that have been imposed by the United Nations or the European Union.

(q) Except as disclosed on Schedule 5.16, neither the Company nor any Controlled Entity (i) has violated, been found in violation of, or been charged or convicted under, any applicable U.S. Economic Sanctions Laws, Anti-Money Laundering Laws or Anti-Corruption Laws or (ii) to the Company’s knowledge, is under investigation by any Governmental Authority for possible violation of any U.S. Economic Sanctions Laws, Anti-Money Laundering Laws or Anti-Corruption Laws.

(r) No part of the proceeds from the sale of the Notes hereunder:

(i) constitutes or will constitute funds obtained on behalf of any Blocked Person or will otherwise be used by the Company or any Controlled Entity, directly or, to the Company’s knowledge, indirectly, (A) in connection with any investment in, or any transactions or dealings with, any Blocked Person, (B) for any purpose that would cause any Purchaser to be in violation of any U.S.

Economic Sanctions Laws or (C) otherwise in violation of any U.S. Economic Sanctions Laws;

(ii) will be used, directly or, to the Company's knowledge, indirectly, in violation of, or cause any Purchaser to be in violation of, any applicable Anti-Money Laundering Laws; or

(iii) will be used, directly or, to the Company's knowledge, indirectly, for the purpose of making any improper payments, including bribes, to any Governmental Official or commercial counterparty in order to obtain, retain or direct business or obtain any improper advantage, in each case which would be in violation of, or cause any Purchaser to be in violation of, any applicable Anti-Corruption Laws.

(s) The Company has established procedures and controls which it reasonably believes are adequate (and otherwise comply with applicable law) to ensure that the Company and each Controlled Entity is and will continue to be in compliance with all applicable U.S. Economic Sanctions Laws, Anti-Money Laundering Laws and Anti-Corruption Laws.

5.17. Status under Certain Statutes.

No Issuer or any Subsidiary is subject to regulation under the Investment Company Act of 1940, as amended, the Public Utility Holding Company Act of 2005, the ICC Termination Act of 1995, as amended, or the Federal Power Act, as amended.

5.18. Pari Passu Ranking.

The Obligors' obligations under the Financing Documents to which they are a party will, upon issuance of the Notes, rank at least pari passu, without preference or priority, with all of their respective other outstanding unsecured and unsubordinated obligations, except for those obligations that are mandatorily afforded priority by operation of law.

6. REPRESENTATIONS OF THE PURCHASERS.

6.1. Purchase for Investment.

Each Purchaser represents, as of the date hereof, that it (a) is an "accredited investor" as defined in Rule 501 (a)(1), (2), (3) or (7) of Regulation D under the Securities Act acting for its own account (and not for the account of others) or as a fiduciary or agent for others (which others are also "accredited investors"); (b) has received and reviewed the Presentation; (c) has relied upon the Presentation and the representations and warranties of the Issuers set forth herein in making a decision to purchase the Notes and has a full understanding and appreciation of the risks inherent in such an investment; (d) together with its attorneys, accountants and other representatives and advisers, if any (i) has been given an opportunity to ask, and has to the extent such Purchaser considered necessary, asked questions of, and has received answers from, officers of the Issuers concerning the terms and conditions of the offering and sale of Notes and the affairs of the Issuers and their proposed activities and (ii) has been given or afforded access to all documents, records, books and additional information which such Purchaser has requested regarding such matters (provided that it is understood that no information obtained by any Purchaser in any manner indicated in this clause (d) in any way limits the scope and substance of the representations and warranties made by the Issuers set forth in this Agreement upon which each Purchaser may rely in full regardless of any such information); and (e) is purchasing the Notes for its own account or for one or more separate accounts maintained by such Purchaser or

for the account of one or more pension or trust funds over which such Purchaser has investment discretion and not with a view to the distribution thereof (except for any transfer of the Notes effected pursuant to an applicable exemption from the registration requirements of the Securities Act), provided that the disposition of it or its property shall at all times be within its or their control. Each Purchaser understands that the Notes have not been registered under the Securities Act and may be resold only if registered pursuant to the provisions of the Securities Act or if an exemption from registration is available, except under circumstances where neither such registration nor such an exemption is required by law, and that the Issuers are not required to register the Notes.

6.2. Source of Funds.

Each Purchaser represents that at least one of the following statements is an accurate representation as to each source of funds (a “**Source**”) to be used by such Purchaser to pay the purchase price of the Notes to be purchased by such Purchaser hereunder:

(a) the Source is an “insurance company general account” (as the term is defined in the United States Department of Labor’s Prohibited Transaction Exemption (“**PTE**”) 95-60) in respect of which the reserves and liabilities (as defined by the annual statement for life insurance companies approved by the NAIC (the “**NAIC Annual Statement**”)) for the general account contract(s) held by or on behalf of any employee benefit plan together with the amount of the reserves and liabilities for the general account contract(s) held by or on behalf of any other employee benefit plans maintained by the same employer (or affiliate thereof as defined in PTE 95-60) or by the same employee organization in the general account do not exceed 10% of the total reserves and liabilities of the general account (exclusive of separate account liabilities) plus surplus as set forth in the NAIC Annual Statement filed with such Purchaser’s state of domicile; or

(b) the Source is a separate account that is maintained solely in connection with such Purchaser’s fixed contractual obligations under which the amounts payable, or credited, to any employee benefit plan (or its related trust) that has any interest in such separate account (or to any participant or beneficiary of such plan (including any annuitant)) are not affected in any manner by the investment performance of the separate account; or

(c) the Source is either (i) an insurance company pooled separate account, within the meaning of PTE 90-1 or (ii) a bank collective investment fund, within the meaning of the PTE 91-38 and, except as disclosed by such Purchaser to the Company in writing pursuant to this clause (c), no employee benefit plan or group of plans maintained by the same employer or employee organization beneficially owns more than 10% of all assets allocated to such pooled separate account or collective investment fund; or

(d) the Source constitutes assets of an “investment fund” (within the meaning of Part VI of PTE 84-14 (the “**QPAM Exemption**”)) managed by a “qualified professional asset manager” or “QPAM” (within the meaning of Part VI of the QPAM Exemption), no employee benefit plan’s assets that are managed by the QPAM in such investment fund, when combined with the assets of all other employee benefit plans established or maintained by the same employer or by an affiliate (within the meaning of Part VI(c)(1) of the QPAM Exemption) of such employer or by the same employee organization and managed by such QPAM, represent more than 20% of the total client assets managed by such QPAM, the conditions of Part I(c) and (g) of the QPAM Exemption are satisfied, neither the

QPAM nor a person controlling or controlled by the QPAM maintains an ownership interest in the Company that would cause the QPAM and the Company to be “related” within the meaning of Part VI(h) of the QPAM Exemption and (i) the identity of such QPAM and (ii) the names of any employee benefit plans whose assets in the investment fund, when combined with the assets of all other employee benefit plans established or maintained by the same employer or by an affiliate (within the meaning of Part VI(c)(1) of the QPAM Exemption) of such employer or by the same employee organization, represent 10% or more of the assets of such investment fund, have been disclosed to the Company in writing pursuant to this clause (d); or

(e) the Source constitutes assets of a “plan(s)” (within the meaning of Part IV(h) of PTE 96-23 (the “**INHAM Exemption**”)) managed by an “in-house asset manager” or “INHAM” (within the meaning of Part IV(a) of the INHAM Exemption), the conditions of Part I(a), (g) and (h) of the INHAM Exemption are satisfied, neither the INHAM nor a person controlling or controlled by the INHAM (applying the definition of “control” in Part IV(d) of the INHAM Exemption) owns a 10% or more interest in any of the Issuers and (i) the identity of such INHAM and (ii) the name(s) of the employee benefit plan(s) whose assets constitute the Source have been disclosed to such Issuer in writing pursuant to this paragraph (e); or

(f) the Source is a governmental plan; or

(g) the Source is one or more employee benefit plans, or a separate account or trust fund comprised of one or more employee benefit plans, each of which has been identified to the Issuers in writing pursuant to this paragraph (g); or

(h) the Source does not include assets of any employee benefit plan, other than a plan exempt from the coverage of ERISA.

If any Purchaser or any subsequent transferee of the Notes notifies any of the Issuers in writing that such Purchaser or such transferee is relying on any representation contained in paragraphs (c), (d), (e), or (g) above, such Issuer shall deliver on the date of the Closing and on the date of any applicable transfer, a certificate, which shall either state that (i) it is neither a “party in interest” (as defined in Title I, section 3(14) of ERISA) nor a “disqualified person” (as defined in section 4975(e)(2) of the Code), with respect to any plan identified pursuant to paragraphs (c), (e) or (g) above, or (ii) with respect to any plan identified pursuant to paragraph (d) above, neither it nor any “affiliate” (as defined in section V(c) of the QPAM Exemption) has at such time, and during the immediately preceding one year, exercised the authority to appoint or terminate said QPAM as manager of any plan identified in writing pursuant to paragraph (d) above or to negotiate the terms of said QPAM’s management agreement on behalf of any such identified plan. As used in this Section 6.2, the terms “employee benefit plan” and “separate account” shall have the respective meanings assigned to such terms in section 3 of ERISA. Each of the representations of the Purchasers made in this Section 6.2 are also for the benefit of the Subsidiary Guarantors.

7. INFORMATION AS TO COMPANY.

7.1. Financial and Business Information.

The Company shall deliver to each holder of Notes that is an Institutional Investor:

(a) Quarterly Statements -- within 60 days after the end of each quarterly fiscal period in each fiscal year of the Company (other than the last quarterly fiscal period of each such fiscal year), duplicate copies of,

(i) a consolidated unaudited balance sheet of the Company and its Subsidiaries as at the end of such quarter, and

(ii) consolidated unaudited statements of income and cash flows of the Company and its Subsidiaries for such quarter and (in the case of the second and third quarters) for the portion of the fiscal year ending with such quarter,

setting forth in each case in comparative form the figures for the corresponding periods in the previous fiscal year, all in reasonable detail, prepared in accordance with GAAP applicable to quarterly financial statements generally, and certified by a Senior Financial Officer as fairly presenting (together with the footnotes thereto), in all material respects, the consolidated financial position of the companies being reported on and their consolidated results of operations and cash flows, subject to changes resulting from year-end adjustments, provided that delivery within the time period specified above of copies of the Company's Quarterly Report on Form 10-Q prepared in compliance with the requirements therefor and filed with the Securities and Exchange Commission shall be deemed to satisfy the requirements of this Section 7.1(a);

(b) Annual Statements -- within 105 days after the end of each fiscal year of the Company, duplicate copies of,

(i) a consolidated balance sheet of the Company and its Subsidiaries as at the end of such year, and

(ii) consolidated statements of income, changes in shareholders' equity and cash flows of the Company and its Subsidiaries for such year,

setting forth in each case in comparative form the figures for the previous fiscal year, all in reasonable detail, prepared in accordance with GAAP, and accompanied by an opinion thereon of independent certified public accountants of recognized national standing, which opinion shall state that such financial statements (together with the footnotes thereto) present fairly, in all material respects, the consolidated financial position of the companies being reported upon and their consolidated results of operations and cash flows and have been prepared in conformity with GAAP, and that the examination of such accountants in connection with such financial statements has been made in accordance with generally accepted auditing standards, and that such audit provides a reasonable basis for such opinion in the circumstances, provided that the delivery within the time period specified above of the Company's Annual Report on Form 10-K for such fiscal year prepared in accordance with the requirements therefor and filed with the Securities and Exchange Commission shall be deemed to satisfy the requirements of this Section 7.1(b);

(c) SEC and Other Reports -- promptly upon their becoming available, one copy of (i) each financial statement, report (including without limitation, the Company's annual report to shareholders, if any, prepared pursuant to Rule 14a-3 under the Exchange Act) notice or proxy statement sent by the Company or any Subsidiary to public securities holders generally, and (ii) each regular or periodic report, each registration statement that shall have become effective (without exhibits except as expressly requested by such holder), and each final prospectus and all amendments thereto filed by the Company or any Subsidiary with the Securities and Exchange Commission; provided

that to the extent information in paragraph (a) through (c) is filed with the Securities and Exchange Commission, in electronic form, the Company will promptly provide the information electronically to the holders of the Notes at such time;

(d) Notice of Default or Event of Default -- promptly, and in any event within five Business Days after a Responsible Officer having knowledge of the existence of any Default or Event of Default, a written notice specifying the nature and period of existence thereof and what action an Issuer or Subsidiary Guarantor is taking or proposes to take with respect thereto;

(e) ERISA Matters -- promptly, and in any event within five Business Days after a Responsible Officer has knowledge of any of the following, a written notice setting forth the nature thereof and the action, if any, that an Issuer, a Subsidiary Guarantor or an ERISA Affiliate proposes to take with respect thereto:

(i) with respect to any Plan, any reportable event, as defined in section 4043(c) of ERISA and the regulations thereunder, for which notice thereof has not been waived pursuant to such regulations as in effect on the date hereof; or

(ii) the taking by the PBGC of steps to institute, or the threatening by the PBGC of the institution of, proceedings under section 4042 of ERISA for the termination of, or the appointment of a trustee to administer, any Plan, or the receipt by any Issuer, a Subsidiary Guarantor or any ERISA Affiliate of a notice from a Multiemployer Plan that such action has been taken by the PBGC with respect to such Multiemployer Plan; or

(iii) any event, transaction or condition that could result in the incurrence of any liability by an Issuer, a Subsidiary Guarantor or any ERISA Affiliate pursuant to Title I or IV of ERISA or the penalty or excise tax provisions of the Code relating to employee benefit plans, or in the imposition of any Lien on any of the rights, properties or assets of any Issuer, any Subsidiary Guarantor or any ERISA Affiliate pursuant to Title I or IV of ERISA or such penalty or excise tax provisions, if such liability or Lien, taken together with any other such liabilities or Liens then existing, would reasonably be expected to have a Material Adverse Effect;

(f) Debt Rating -- promptly following the occurrence thereof, notice of any change in the Debt Rating for any Series of the Notes (to the extent such Debt Rating is not a public rating); and

(g) Requested Information -- with reasonable promptness, such other data and information relating to the business, operations, affairs, financial condition, assets or properties of any Obligor or any of its Subsidiaries or relating to the ability of any Obligor to perform its obligations under the Financing Documents to which it is a party as from time to time may be reasonably requested by any such holder of Notes.

7.2. Officer's Certificate.

Each set of financial statements delivered to a holder of Notes pursuant to Section 7.1(a) or Section 7.1(b) shall be accompanied by a certificate of a Senior Financial Officer setting forth:

(h) Covenant Compliance – (i) the information (including detailed calculations) required in order to establish whether the Company was in compliance with the requirements of Sections 10.3 through 10.7, inclusive, Section 10.9 and any

Additional Provision, during the quarterly or annual period covered by the statements then being furnished (including with respect to each such Section, where applicable, the calculations of the maximum or minimum amount, ratio or percentage, as the case may be, permissible under the terms of such Sections, and the calculation of the amount, ratio or percentage then in existence), and (ii) a reconciliation of the treatment of leases which are or would be deemed by GAAP as in effect prior to January 1, 2019 to be treated as operating leases, in form and substance reasonably satisfactory to the Required Holders. In addition, in the event that the Company or any Subsidiary has made an election to measure any financial liability using fair value (which election is being disregarded for purposes of determining compliance with this Agreement pursuant to Section 22.4) as to the period covered by any such financial statement, such Senior Financial Officer's certificate as to such period shall include a reconciliation from GAAP with respect to such election; and

(i) Event of Default -- a statement that such officer has reviewed the relevant terms hereof and has made, or caused to be made, under his or her supervision, a review of the transactions and conditions of the Company and its Subsidiaries from the beginning of the quarterly or annual period covered by the statements then being furnished to the date of the certificate and that such review shall not have disclosed the existence during such period of any condition or event that constitutes a Default or an Event of Default or, if any such condition or event existed or exists (including, without limitation, any such event or condition resulting from the failure of the Company or any Subsidiary to comply with any Environmental Law), specifying the nature and period of existence thereof and what action the Company shall have taken or proposes to take with respect thereto.

7.3. Inspection.

The Issuers shall permit the representatives of each holder of Notes that is an Institutional Investor:

(j) No Default -- if no Default or Event of Default then exists, at the expense of such holder and upon reasonable prior notice to the applicable Issuer: (i) to visit the principal executive office of such Issuer, to discuss the affairs, finances and accounts of such Issuer and its Subsidiaries with such Issuer's officers, and (ii) with the consent of such Issuer (which consent will not be unreasonably withheld) to visit the other offices and properties of such Issuer and each of its Subsidiaries, all at such reasonable times and as often as may be reasonably requested in writing; and

(k) Default -- if a Default or Event of Default then exists, at the expense of the Issuers to visit and inspect any of the offices or properties of any Issuer or any Subsidiary, to examine all their respective books of account, records, reports and other papers, to make copies and extracts therefrom, and to discuss their respective affairs, finances and accounts with their respective officers and independent public accountants (and by this provision each Issuer authorizes said accountants to discuss the affairs, finances and accounts of the Issuers and their Subsidiaries), all at such times and as often as may be requested.

7.4. Electronic Delivery.

Financial statements, opinions of independent certified public accountants, other information, information relating to the Debt Rating on any Series of the Notes and Officer's Certificates that are required to be delivered by the Company pursuant to Sections 7.1(a), (b), (c)

or (f), Section 7.2 and Section 9.8(b) shall be deemed to have been delivered if the Company satisfies any of the following requirements with respect thereto:

(l) such financial statements satisfying the requirements of Section 7.1(a) or (b) and related Officer's Certificate satisfying the requirements of Section 7.2, any other information required under Section 7.1(c) and information relating to the Debt Rating on any Series of the Notes, including any Private Rating Letter and any Private Rating Rationale Report, pursuant to Section 7.1(f) or Section 9.8(b) are delivered to each holder of a Note by e-mail at the e-mail address set forth in such holder's Purchaser Schedule or as communicated from time to time in a separate writing delivered to the Obligor; or

(m) such financial statements satisfying the requirements of Section 7.1(a) or Section 7.1(b) and related Officer's Certificate satisfying the requirements of Section 7.2, any other information required under Section 7.1(c) and information relating to the Debt Rating on any Series of the Notes (including any Private Rating Letter and any Private Rating Rationale Report) pursuant to Section 7.1(f) or Section 9.8(b) are timely posted by or on behalf of the Company on Intralinks or on any other similar website to which each holder of Notes has free access;

provided however, that in no case shall access to such financial statements, other information, information relating to the Debt Rating on any Series of the Notes and Officer's Certificates be conditioned upon any waiver or other agreement or consent (other than confidentiality provisions consistent with Section 20); provided further, that in the case of clause (b), the Company shall have given each holder of a Note prior written notice, which may be by e-mail or in accordance with Section 18, of such posting in connection with each delivery, provided further, that upon request of any holder to receive paper copies of such forms, financial statements, other information, information relating to the Debt Rating on any Series of the Notes (including any Private Rating Letter and any Private Rating Rationale Report) and Officer's Certificates or to receive them by e-mail, the Company will promptly e-mail them or deliver such paper copies, as the case may be, to such holder.

8. PREPAYMENT OF THE NOTES.

8.1. Required Prepayments.

The outstanding principal amount, if any, of the Notes shall be repaid by the Issuers, at par and without payment of the Make-Whole Amount or any premium, on the stated maturity date thereof.

8.2. Optional Prepayments with Make-Whole Amount.

The Issuers may, at their option, upon notice as provided below, prepay at any time all, or from time to time any part of, the Notes of any Series (but if in part, in an amount not less than \$5,000,000 or such lesser amount as shall then be outstanding), at 100% of the principal amount so prepaid, plus the Make-Whole Amount determined for the prepayment date with respect to such principal amount; *provided, however*, that the Issuers may prepay all or any part of any Series (rather than all or any part of all Series) of Notes only so long as no Default or Event of Default shall have occurred and be continuing. The Issuers will give each holder of such Series of Notes written notice of each optional prepayment of such Series under this Section 8.2 not less than 15 days and not more than 60 days prior to the date fixed for such prepayment unless the Issuers and the Required Holders agree to another time period pursuant to Section 17. Each such notice shall specify such date, the aggregate principal amount and Series of the Notes to be prepaid on such date, the principal amount of each Note held by such holder to be prepaid (determined in accordance with Section 8.5), and the interest to be paid on the prepayment date

with respect to such principal amount being prepaid, and shall be accompanied by a certificate of a Senior Financial Officer as to the estimated Make-Whole Amount due in connection with such prepayment (calculated as if the date of such notice were the date of the prepayment), setting forth the details of such computation. Two Business Days prior to such prepayment, the Issuers shall deliver to each holder of such Series of Notes a certificate of a Senior Financial Officer specifying the calculation of such Make-Whole Amount as of the specified prepayment date.

8.3. Prepayment of Notes Upon Change in Control.

(a) Notice of Change in Control or Control Event. The Company will, within five Business Days after any Responsible Officer has knowledge of the occurrence of any Change in Control or Control Event, give written notice of such Change in Control or Control Event to each holder of Notes. In the case of a Control Event, following the delivery of such notice, the Company will not take any action that consummates or finalizes a Change in Control unless (i) at least 20 days prior to such action, the Company has given to each holder written notice containing and constituting an offer to prepay the Notes as described in subparagraph (b) of this Section 8.3, together with the certificate described in subparagraph (f) of this Section 8.3, and (ii) contemporaneously with such consummation of such Change in Control, the Issuers prepay all of the Notes required to be prepaid in accordance with this Section 8.3. In the case that a Change in Control has occurred, such notice shall contain and constitute an offer to prepay Notes as described in subparagraph (b) of this Section 8.3 and shall be accompanied by the certificate described in subparagraph (f) of this Section 8.3.

(b) Offer to Prepay Notes. The offer to prepay Notes contemplated by subparagraph (a) of this Section 8.3 shall be an offer to prepay, in accordance with and subject to this Section 8.3, all, but not less than all, of the Notes held by each holder (in this case only, “holder” in respect of any Note registered in the name of a nominee for a disclosed beneficial owner shall mean such beneficial owner) on a date specified in such offer (the “**Change in Control Proposed Prepayment Date**”). If such Change in Control Proposed Prepayment Date is in connection with an offer contemplated by the last sentence of clause (a) of this Section 8.3, then such Change in Control Proposed Prepayment Date shall be a date specified in such offer provided that such date is not less than 20 days and not more than 60 days after the date of such offer (if the Change in Control Proposed Prepayment Date shall not be specified in such offer, the Change in Control Proposed Prepayment Date shall be the Business Day nearest to the 30th day after the date of such offer).

(c) Acceptance; Rejection. A holder of Notes may accept the offer to prepay made pursuant to this Section 8.3 by causing a written notice of such acceptance to be delivered to the Company at least 10 Business Days prior to the Change in Control Proposed Prepayment Date (a “**Change in Control Offer Response Date**”). A failure by a holder of Notes to respond to an offer to prepay made pursuant to this Section 8.3 by the Change in Control Offer Response Date shall be deemed to constitute a rejection of such offer by such holder.

(d) Prepayment. Prepayment of the Notes to be prepaid pursuant to this Section 8.3 shall be at 100% of the principal amount of such Notes, together with interest on such Notes accrued to the Change in Control Prepayment Date. Each prepayment of Notes pursuant to this Section 8.3 shall be made on the Change in Control Prepayment Date, except as provided in clause (e) of this Section 8.3.

(e) Deferral Pending Change in Control. The obligation of the Issuers to prepay Notes pursuant to the offers required by the second sentence in clause (a) of this

Section 8.3 and accepted in accordance with clause (c) of this Section 8.3 is subject to the occurrence of the Change in Control in respect of which such offers and acceptances shall have been made. In the event that such Change in Control does not occur on the Change in Control Proposed Prepayment Date in respect thereof, the prepayment shall be deferred until, and shall be made on the date on which, such Change in Control occurs. The Issuers shall keep each holder of Notes reasonably and timely informed of (i) any such deferral of the date of prepayment, (ii) the date on which such Change in Control and the prepayment are expected to occur and (iii) any determination by the Issuers that efforts to effect such Change in Control have ceased or been abandoned (in which case the offers and acceptances made pursuant to this Section 8.3 in respect of such Change in Control shall be deemed rescinded).

(f) Officer's Certificate. Each offer to prepay the Notes pursuant to this Section 8.3 shall be accompanied by a certificate, executed by a Senior Financial Officer of the Company and dated the date of such offer, specifying: (i) the proposed Change in Control Prepayment Date; (ii) that such offer is made pursuant to this Section 8.3; (iii) the principal amount of each Note offered to be prepaid; (iv) the interest that would be due on each Note offered to be prepaid as of the Change in Control Prepayment Date; (v) that the conditions of this Section 8.3 have been fulfilled; and (vi) in reasonable detail, the nature and date of the Change in Control.

(g) "Change in Control" Defined. A "**Change in Control**" shall occur if any Person or group of Persons acting in concert, together with Affiliates thereof, shall in the aggregate, directly or indirectly, control or own (beneficially or otherwise) more than 50% of the issued and outstanding Voting Stock of the Company at any time after the date of this Agreement or shall otherwise have the ability to elect a majority of the members of the board of directors of the Company.

(h) "Control Event" Defined. "**Control Event**" means: (i) the execution by the Company or any of its Subsidiaries or Affiliates of any agreement or letter of intent with respect to any proposed transaction or event or series of transactions or events which, individually or in the aggregate, may reasonably be expected to result in a Change in Control, or (ii) the execution of any written agreement which, when fully performed by the parties thereto, would result in a Change in Control.

8.4. Offer to Prepay upon the Sale of Certain Assets.

(i) Notice and Offer. In the event of any Debt Prepayment Application under Section 10.3, the Obligors will, within 10 days of the occurrence of the Transfer (a "**Debt Prepayment Transfer**") in respect of which an offer to prepay the Notes is being made to comply with the provisions for a Debt Prepayment Application (as set forth in the definition thereof), give written notice of such Debt Prepayment Transfer to each holder of Notes. Such written notice shall contain, and such written notice shall constitute, an irrevocable offer (the "**Transfer Prepayment Offer**") to prepay, at the election of each holder, a portion of the Notes held by such holder equal to such holder's Ratable Portion of the Net Proceeds in respect of such Debt Prepayment Transfer on a date specified in such notice (the "**Transfer Prepayment Date**") that is not less than 30 days and not more than 60 days after the date of such notice, together with interest on the amount to be so prepaid accrued to the Transfer Prepayment Date. If the Transfer Prepayment Date shall not be specified in such notice, the Transfer Prepayment Date shall be the 40th day after the date of such notice.

(j) Acceptance and Payment. To accept such Transfer Prepayment Offer, a holder of Notes shall cause a notice of such acceptance to be delivered to the Company

not later than 20 days after the date of such written notice from the Obligors, provided, that failure to accept such offer in writing within 20 days after the date of such written notice shall be deemed to constitute a rejection of the Prepayment Offer. If so accepted by any holder of a Note, such offered prepayment (equal to not less than such holder's Ratable Portion of the Net Proceeds in respect of such Debt Prepayment Transfer) shall be due and payable on the Transfer Prepayment Date. Such offered prepayment shall be made at one hundred percent (100%) of the principal amount of such Notes being so prepaid, together with interest on such principal amount then being prepaid accrued to the Transfer Prepayment Date.

(k) **Officer's Certificate.** Each offer to prepay the Notes pursuant to this Section 8.4 shall be accompanied by a certificate, executed by a Senior Financial Officer of the Company and dated the date of such offer, specifying (i) the Transfer Prepayment Date, (ii) the Net Proceeds in respect of the applicable Debt Prepayment Transfer, (iii) that such offer is being made pursuant to Section 8.4 and Section 10.3, (iv) the principal amount of each Note offered to be prepaid, (v) the interest that would be due on each Note offered to be prepaid, accrued to the Transfer Prepayment Date and (vi) in reasonable detail, the nature of the Transfer giving rise to such Debt Prepayment Transfer and certifying that no Default or Event of Default exists or would exist after giving effect to the prepayment contemplated by such offer.

8.5. Allocation of Partial Prepayments.

In the case of each partial prepayment of Notes pursuant to Section 8.2, the principal amount of the Notes to be prepaid shall be allocated (a) in the case of a partial prepayment of any Series of Notes, among all of the Notes of such Series at the time outstanding in proportion, as nearly as practicable, to the respective unpaid principal amounts thereof not theretofore called for prepayment so long as no Default or Event of Default shall have occurred and be continuing and (b) in the case of a partial prepayment of all of the Notes outstanding, without regard to Series, in proportion, as nearly as practicable, to the respective unpaid principal amounts thereof not theretofore called for prepayment.

8.6. Maturity; Surrender, etc.

In the case of each prepayment of Notes pursuant to this Section 8, the principal amount of each Note to be prepaid shall mature and become due and payable on the date fixed for such prepayment (which shall be a Business Day), together with interest on such principal amount accrued to such date and the applicable Make-Whole Amount, if any. From and after such date, unless the Issuers shall fail to pay such principal amount when so due and payable, together with the interest and Make-Whole Amount, if any, as aforesaid, interest on such principal amount shall cease to accrue. Any Note paid or prepaid in full shall be surrendered to the Issuers and cancelled and shall not be reissued, and no Note shall be issued in lieu of any prepaid principal amount of any Note.

8.7. Purchase of Notes.

No Issuer will, nor will any Issuer permit any Subsidiary or Affiliate it controls to, purchase, redeem, prepay or otherwise acquire, directly or indirectly, any Series of the outstanding Notes except (a) upon the payment or prepayment of such Series of the Notes in accordance with the terms of this Agreement and the Notes or (b) pursuant to an offer to purchase any outstanding Notes of such Series made by the Issuer or an Affiliate pro rata to the holders of all Notes of such Series at the time outstanding upon the same terms and conditions; provided that the Issuers may only make an offer to purchase an individual Series of Notes (rather than all Notes) so long as no Default or Event of Default shall have occurred and be

continuing. Any such offer shall provide each holder with sufficient information to enable it to make an informed decision with respect to such offer, and shall remain open for at least 10 Business Days. If the holders of more than 15% of the principal amount of the Notes of such Series then outstanding accept such offer, the Issuers shall promptly notify the remaining holders of such Series of Notes of such fact and the expiration date for the acceptance by holders of such Series of Notes of such offer shall be extended by the number of days necessary to give each such remaining holder at least 10 Business Days from its receipt of such notice to accept such offer. The Issuers will promptly cancel all Notes acquired by any of them or any Affiliate pursuant to any payment, prepayment or purchase of Notes pursuant to any provision of this Agreement and no Notes may be issued in substitution or exchange for any such Notes.

8.8. Make-Whole Amount.

The term “**Make-Whole Amount**” means, with respect to any Note of any Series, an amount equal to the excess, if any, of the Discounted Value of the Remaining Scheduled Payments with respect to the Called Principal of such Note of such Series over the amount of such Called Principal, provided that the Make-Whole Amount may in no event be less than zero. For the purposes of determining the Make-Whole Amount, the following terms have the following meanings:

“**Called Principal**” means, with respect to any Note of any Series, the principal of such Note that is to be prepaid pursuant to Section 8.2 or has become or is declared to be immediately due and payable pursuant to Section 12.1, as the context requires.

“**Discounted Value**” means, with respect to the Called Principal of any Note of any Series, the amount obtained by discounting all Remaining Scheduled Payments with respect to such Called Principal from their respective scheduled due dates to the Settlement Date with respect to such Called Principal, in accordance with accepted financial practice and at a discount factor (applied on the same periodic basis as that on which interest on such Series of Notes is payable) equal to the Reinvestment Yield with respect to such Called Principal.

“**Reinvestment Yield**” means, with respect to the Called Principal of any Note, the sum of (a) 0.50% plus (b) the yield to maturity implied by the “Ask Yield(s)” reported as of 10:00 a.m. (New York City time) on the second Business Day preceding the Settlement Date with respect to such Called Principal, on the display designated as “Page PX1” (or such other display as may replace Page PX1) on Bloomberg Financial Markets for the most recently issued actively traded on-the-run U.S. Treasury securities (“Reported”) having a maturity equal to the Remaining Average Life of such Called Principal as of such Settlement Date. If there are no such U.S. Treasury securities Reported having a maturity equal to such Remaining Average Life, then such implied yield to maturity will be determined by (i) converting U.S. Treasury bill quotations to bond equivalent yields in accordance with accepted financial practice and (ii) interpolating linearly between the “Ask Yields” Reported for the applicable most recently issued actively traded on-the-run U.S. Treasury securities with the maturities (1) closest to and greater than such Remaining Average Life and (2) closest to and less than such Remaining Average Life. The Reinvestment Yield shall be rounded to the number of decimal places as appears in the interest rate of the applicable Note.

If such yields are not Reported or the yields Reported as of such time are not ascertainable (including by way of interpolation), then “Reinvestment Yield” means, with respect to the Called Principal of any Note, the sum of (x) 0.50% plus (y) the yield to maturity implied by the U.S. Treasury constant maturity yields reported, for the latest day for which such yields have been so reported as of the second Business Day preceding the Settlement Date with respect to such Called Principal, in Federal Reserve Statistical Release H.15 (or any comparable successor publication) for the U.S. Treasury constant maturity having a term equal to the

Remaining Average Life of such Called Principal as of such Settlement Date. If there is no such U.S. Treasury constant maturity having a term equal to such Remaining Average Life, such implied yield to maturity will be determined by interpolating linearly between (1) the U.S. Treasury constant maturity so reported with the term closest to and greater than such Remaining Average Life and (2) the U.S. Treasury constant maturity so reported with the term closest to and less than such Remaining Average Life. The Reinvestment Yield shall be rounded to the number of decimal places as appears in the interest rate of the applicable Note

“**Remaining Average Life**” means, with respect to any Called Principal, the number of years obtained by dividing (i) such Called Principal into (ii) the sum of the products obtained by multiplying (a) the principal component of each Remaining Scheduled Payment with respect to such Called Principal by (b) the number of years, computed on the basis of a 360-day year comprised of twelve 30-day months and calculated to two decimal places, that will elapse between the Settlement Date with respect to such Called Principal and the scheduled due date of such Remaining Scheduled Payment.

“**Remaining Scheduled Payments**” means, with respect to the Called Principal of any Note of any Series, all payments of such Called Principal and interest thereon (excluding, for the avoidance of doubt, any Elevated Interest Rate) that would be due after the Settlement Date with respect to such Called Principal if no payment of such Called Principal were made prior to its scheduled due date, provided that if such Settlement Date is not a date on which interest payments are due to be made under the terms of the Notes of such Series, then the amount of the next succeeding scheduled interest payment will be reduced by the amount of interest accrued to such Settlement Date and required to be paid on such Settlement Date pursuant to Section 8.2 or Section 12.1.

“**Settlement Date**” means, with respect to the Called Principal of any Note of any Series, the date on which such Called Principal is to be prepaid pursuant to Section 8.2 or has become or is declared to be immediately due and payable pursuant to Section 12.1, as the context requires.

In the event that the Issuers shall incorrectly compute any Make-Whole Amount payable in connection with any Note to be prepaid, no Issuer nor any holder of any Note shall be bound by such incorrect computation, but instead, shall be entitled to receive an amount equal to the correct Make-Whole Amount (or a refund, in the case of the Issuers), as the case may be, computed in compliance with the terms of this Agreement.

9. AFFIRMATIVE COVENANTS.

Each of the Issuers covenants that so long as any of the Notes are outstanding:

9.1. Compliance with Law.

Each of the Issuers will and will cause each of their Subsidiaries to comply with all laws, ordinances or governmental rules or regulations to which each of them is subject, including, without limitation, Environmental Laws and the laws and regulations referred to in Section 5.16, and will obtain and maintain in effect all licenses, certificates, permits, franchises and other governmental authorizations necessary to the ownership of their respective properties or to the conduct of their respective businesses, in each case to the extent necessary to ensure that non-compliance with such laws, ordinances or governmental rules or regulations or failures to obtain or maintain in effect such licenses, certificates, permits, franchises and other governmental authorizations would not reasonably be expected, individually or in the aggregate, to have a Material Adverse Effect.

9.2. Insurance.

Each of the Issuers will and will cause each of their Subsidiaries to maintain, with financially sound and reputable insurers, insurance with respect to their respective properties and businesses against such casualties and contingencies, of such types, on such terms and in such amounts (including deductibles, co-insurance and self-insurance, if adequate reserves are maintained with respect thereto) as is customary in the case of entities of established reputations engaged in the same or a similar business and similarly situated.

9.3. Maintenance of Properties.

Each of the Issuers will and will cause each of their Subsidiaries to maintain and keep, or cause to be maintained and kept, their respective properties in good repair, working order and condition (other than ordinary wear and tear), so that the business carried on in connection therewith may be properly conducted at all times, provided that this Section shall not prevent any Issuer or any of its Subsidiaries from discontinuing the operation and the maintenance of any of its properties if such discontinuance is desirable in the conduct of its business and the Issuers have concluded that such discontinuance would not, individually or in the aggregate, have a Material Adverse Effect.

9.4. Payment of Taxes.

Each of the Issuers will and will cause each of their Subsidiaries to file all income tax or similar tax returns required to be filed in any jurisdiction and to pay and discharge all taxes shown to be due and payable on such returns and all other taxes, assessments, governmental charges, or levies payable by any of them, to the extent such taxes and assessments have become due and payable and before they have become delinquent and claims for which sums have become due and payable that have or might become a Lien on properties or assets of any Issuer or any Subsidiary, provided that none of the Issuers or any of their Subsidiaries need pay any such tax or assessment or claim if (a) the amount, applicability or validity thereof is contested by such Issuer or such Subsidiary on a timely basis in good faith and in appropriate proceedings, and such Issuer or such Subsidiary has established adequate reserves therefor in accordance with GAAP on the books of such Issuer or such Subsidiary or (b) the nonpayment of all such taxes, assessments and claims in the aggregate would not reasonably be expected to have a Material Adverse Effect.

9.5. Corporate Existence, etc.

Subject to Section 10.2, each of the Issuers will at all times preserve and keep in full force and effect its corporate or limited liability company, as applicable, existence. Subject to Sections 10.2 and 10.3, each of the Issuers will at all times preserve and keep in full force and effect the corporate or limited liability company, as applicable, existence of each of its Subsidiaries (unless merged into the Company or another Subsidiary) and all rights and franchises of the Issuers and their Subsidiaries unless, in the good faith judgment of such Issuer, the termination of or failure to preserve and keep in full force and effect such corporate or limited liability company, as applicable, existence, right or franchise would not, individually or in the aggregate, have a Material Adverse Effect.

9.6. Additional Subsidiary Guarantors.

The Company will cause (a) each Subsidiary which is or becomes a Material Subsidiary (other than an Issuer) or which is designated by the Company as a "Material Subsidiary" pursuant to Section 10.9 and (b) each entity that guarantees or becomes obligated with respect to the obligations of the Company or any other Subsidiary under any Principal Credit Facility, in

each case, to become a Subsidiary Guarantor (provided, that with respect to clause (a) only, any such Subsidiary which is a Foreign Subsidiary will not be required to become a Subsidiary Guarantor if becoming a Subsidiary Guarantor would result in adverse tax consequences to the Company and its Subsidiaries) and concurrently therewith deliver to each holder of a Note:

(i) an executed Subsidiary Guarantee Accession Agreement (as defined in the Subsidiary Guarantee);

(ii) a certificate signed by an authorized responsible officer of such Subsidiary containing representations and warranties on behalf of such Subsidiary to the same effect, mutatis mutandis, as those contained in Sections 5.1, 5.2, 5.6, 5.7 and 5.18 of this Agreement (but with respect to such Subsidiary and such Subsidiary Guarantee Accession Agreement rather than the Company);

(iii) all documents as may be reasonably requested by the Required Holders to evidence the due organization, continuing existence and, where applicable, good standing of such Subsidiary and the due authorization by all requisite action on the part of such Subsidiary of the execution and delivery of such Subsidiary Guarantee Accession Agreement and the performance by such Subsidiary of its obligations thereunder and the Subsidiary Guarantee; and

(iv) an opinion of counsel reasonably satisfactory to the Required Holders covering such matters relating to such Subsidiary and such Subsidiary Guarantee Accession Agreement as the Required Holders may reasonably request.

(c) At the election of the Company and by written notice to each holder of Notes, any Subsidiary Guarantor may be discharged from all of its obligations and liabilities under its Subsidiary Guarantee and shall be automatically released from its obligations thereunder without the need for the execution or delivery of any other document by the holders, provided that (i) if such Subsidiary Guarantor is a guarantor or is otherwise liable for or in respect of any Principal Credit Facility, then such Subsidiary Guarantor has been released and discharged (or will be released and discharged concurrently with the release of such Subsidiary Guarantor under its Subsidiary Guarantee) under such Principal Credit Facility, (ii) at the time of, and after giving effect to, such release and discharge, no Default or Event of Default shall be existing, (iii) no amount is then due and payable under such Subsidiary Guarantee, (iv) if in connection with such Subsidiary Guarantor being released and discharged under any Principal Credit Facility, any fee or other form of consideration is given to any holder of Indebtedness under such Principal Credit Facility for such release, the holders of the Notes shall receive equivalent consideration substantially concurrently therewith and (v) each holder shall have received a certificate of a Responsible Officer certifying as to the matters set forth in clauses (i) through (iv). In the event of any such release, for purposes of Section 10.5, all Indebtedness of such Subsidiary shall be deemed to have been incurred concurrently with such release.

9.7. Most Favored Lender.

(a) If at any time any Principal Credit Facility includes any Net Worth Financial Covenant whether (i) in an existing Principal Credit Facility, (ii) as a new provision in a new or existing Principal Credit Facility or (iii) by way of amendment or other modification of an existing provision (or any defined term used therein), in each case, not included in this Agreement or that would be more beneficial to the holders of the Notes than any analogous provision included in this Agreement (any such Net Worth Financial Covenant, an “**Additional Provision**”), then the Issuers will, within three Business Days after the inclusion of such Additional Provision in such Principal Credit Facility, deliver written notice thereof to each holder of a Note. Such notice shall be

signed by a Responsible Officer and shall refer to the provisions of this Section 9.7 and shall set forth a verbatim statement of such Additional Provision and any defined terms used therein, and related explanatory calculations, as applicable. Thereupon, unless waived in writing by the Required Holders within three Business Days after receipt of such notice by the holders of the Notes, such Additional Provision (and any related definitions) will be deemed automatically incorporated by reference into this Agreement, *mutatis mutandis*, as if set forth fully herein, without any further action required on the part of any Person, effective as of the date that such Additional Provision became effective under such Principal Credit Facility. Thereafter, upon the request of any holder of a Note, the Issuers will, at their expense, enter into any additional agreement or amendment to this Agreement reasonably requested by such holder evidencing any of the foregoing.

(b) So long as no Default or Event of Default has occurred and is continuing:

(i) if any Additional Provision incorporated into this Agreement pursuant to this Section 9.7 is amended or otherwise modified in each relevant Principal Credit Facility with the effect that such Additional Provision is made less restrictive or otherwise less onerous on the Issuers and their Subsidiaries, then such Additional Provision will be deemed so amended in this Agreement, without any further action required on the part of any Person, effective as of the date of such amendment or modification in each relevant Principal Credit Facility,

(ii) if any Additional Provision incorporated into this Agreement pursuant to this Section 9.7 is removed from each relevant Principal Credit Facility, then such Additional Provision will be deemed removed from this Agreement, without any further action required on the part of any Person, effective as of the date of such removal from each relevant Principal Credit Facility, and

(iii) if each Principal Credit Facility including an Additional Provision incorporated into this Agreement pursuant to this Section 9.7 is terminated and no amounts are outstanding thereunder, then such Additional Provision will be deemed removed from this Agreement, without any further action required on the part of any Person, effective as of the date of such termination,

provided that (x) except as provided in Section 17, this Agreement shall not be amended to remove any covenant, undertaking, event of default, restriction or other provision included in this Agreement (other than any Additional Provision included in this Agreement by operation of Section 9.7(a)) or to make any such provision less restrictive on the Issuers and their Subsidiaries, and (y) if any creditor or agent under any Principal Credit Facility is provided any consideration for the amendment or other modification of such Principal Credit Facility, then the holders of Notes shall (concurrently with the provision of such consideration to such creditor or agent) be provided with equivalent consideration on a pro rata basis, and no such amendment, modification or removal of such Additional Provision in or from this Agreement shall be effective unless and until such equivalent consideration is provided to the holders of Notes.

9.8. Rating on the Notes.

(c) The Company will at all times maintain a Debt Rating for each Series of the Notes from an Acceptable Rating Agency.

(d) At any time that the Debt Rating maintained pursuant to clause (a) above is not a public rating, the Company will provide to each holder of a Note (x) at least annually (on or before each anniversary of the date of the Closing) and (y) promptly upon any change in such Debt Rating, an updated Private Rating Letter evidencing such Debt Rating and an updated Private Rating Rationale Report with respect to such Debt Rating. In addition to the foregoing information and any information specifically required to be included in any Private Rating Letter or Private Rating Rationale Report (as set forth in the respective definitions thereof), if the SVO or any other Governmental Authority having jurisdiction over any holder of any Notes from time to time requires any additional information with respect to the Debt Rating of any Series of the Notes, the Company shall use commercially reasonable efforts to procure such information from the Acceptable Rating Agency.

10. NEGATIVE COVENANTS.

Each of the Issuers covenants that so long as any of the Notes are outstanding:

10.1. Transactions with Affiliates.

No Issuer will, and no Issuer will permit any Subsidiary to, enter into directly or indirectly any Material transaction or Material group of related transactions (including without limitation the purchase, lease, sale or exchange of properties of any kind or the rendering of any service) with any Affiliate (other than the Company or another Subsidiary), except pursuant to the reasonable requirements of the Company's or such Subsidiary's business and upon fair and reasonable terms no less favorable to the Company or such Subsidiary than would be obtainable in a comparable arm's length transaction with a Person not an Affiliate.

10.2. Mergers and Consolidations.

No Issuer will, nor will it permit any Subsidiary Guarantor to, consolidate with or merge with any other Person or convey, transfer, sell or lease all or substantially all of its assets in a single transaction or series of transactions to any Person (including, in each case, pursuant to a Delaware LLC Division) unless:

(a) the successor formed by such consolidation or the survivor of such merger or the Person that acquires by conveyance, transfer, sale or lease all or substantially all of the assets of such Issuer or such Subsidiary Guarantor, as the case may be (the "**Successor Corporation**"), shall be a solvent corporation or limited liability company organized and existing under the laws of the United States or any State thereof (including the District of Columbia), and (i) except for any such transaction involving only Issuers and/or only Subsidiary Guarantors or any such transaction where an Issuer and/or Subsidiary Guarantor is the Successor Corporation of any such transaction, such corporation or limited liability company shall have executed and delivered to each holder of any Notes its assumption of the due and punctual performance and observance of each covenant and condition of such Obligor under the applicable Financing Documents in form and substance satisfactory to the Required Holders and (ii) shall have caused to be delivered to each holder of any Notes an opinion reasonably satisfactory to the Required Holders of nationally recognized independent counsel, or other independent counsel reasonably satisfactory to the Required Holders, to the effect that all agreements or instruments effecting such assumption are enforceable in accordance with their respective terms (except as such enforceability may be limited by (x) bankruptcy, insolvency, reorganization, moratorium or other similar laws affecting the

enforcement of creditors' rights generally and (y) general principles of equity) and comply with the terms hereof; and

(b) immediately after giving effect to such transaction, no Default or Event of Default shall have occurred and be continuing and the Company shall have delivered to each holder of the Notes computations evidencing, on a pro forma basis, as if such transaction had occurred the day before the last day of the most recently ended fiscal quarter, compliance (on a consolidated basis) with Section 10.3, Section 10.4, Section 10.5, Section 10.6, Section 10.7 and Section 10.9.

No such conveyance, transfer, sale or lease of all or substantially all of the assets of any Obligor shall have the effect of releasing such Obligor or any Successor Corporation that shall theretofore have become such in the manner prescribed in this Section 10.2 from its liability under (x) this Agreement or the Notes (in the case of the Issuers) or (y) the Subsidiary Guarantee (in the case of any Subsidiary Guarantor), unless, in the case of the conveyance, transfer or lease of substantially all of the assets of a Subsidiary Guarantor, such Subsidiary Guarantor is released from its Subsidiary Guarantee in accordance with Section 9.6(c) in connection with or immediately following such conveyance, transfer, sale or lease.

10.3. Sale of Assets.

No Issuer will nor will any Issuer permit any Subsidiary to make any Asset Disposition unless:

(c) in the good faith opinion of the Company, the Asset Disposition is in exchange for consideration having a Fair Market Value at least equal to that of the property exchanged and is in the best interest of the Company or such Subsidiary;

(d) immediately after giving effect to the Asset Disposition, no Default or Event of Default would exist; and

(e) immediately after giving effect to the Asset Disposition, the Disposition Value of all property that was the subject of any Asset Disposition occurring during the 365 consecutive day period ending on and including the date of such Asset Disposition would not exceed 10% of Consolidated Total Assets determined as of the end of the then most recently ended fiscal quarter of the Company.

If the Net Proceeds arising from any Transfer are applied to a Debt Prepayment Application or a Property Reinvestment Application within 365 days after such Transfer, then such Transfer, only for the purpose of determining compliance with subsection (c) of this Section 10.3 as of any date, shall be deemed not to be an Asset Disposition as of the date of such application.

10.4. Limitation on Consolidated Debt.

(f) The Company will not permit the ratio of Consolidated Debt to Consolidated Total Capitalization, in each case as of the last day of each fiscal quarter of the Company, to be greater than 0.60 to 1.00.

(g) Notwithstanding the foregoing, the Company shall be permitted, on no more than three separate occasions while the Notes are outstanding, to increase the maximum ratio of Consolidated Debt to Consolidated Total Capitalization permitted under Section 10.4(a) to 0.65 to 1.00 (the "**Elevated**

Ratio”) for the four consecutive fiscal quarter end dates following a Material Acquisition. Following the end of an Elevated Ratio Period (as defined below), the Company must be in compliance with Section 10.4(a) for at least one fiscal quarter end date before applying the Elevated Ratio for a subsequent time. Before or in connection with the delivery of financial statements in accordance with Section 7.1(a) or 7.1(b), as applicable, for the first fiscal quarter end date on which the Elevated Ratio will apply, the Company must deliver to each holder of the Notes a written notice from a Senior Financial Officer (an “**Elevated Ratio Notice**”):

(i) describing such Material Acquisition (including the name of the Person or details of the business or undertaking being acquired, the consideration therefor and the date of the closing of such Material Acquisition);

(ii) certifying that the Company is applying the Elevated Ratio in connection with such Material Acquisition and specifying the fiscal quarter end dates in respect of which the Elevated Ratio will apply (which such period shall commence with the fiscal quarter end date of the fiscal quarter in which such Material Acquisition occurred and continue for up to the next three consecutive fiscal quarter end dates, as specified by the Company) (the period commencing on the first day of the fiscal quarter in which such Material Acquisition occurred through the last day of the last consecutive fiscal quarter specified by the Company in the Elevated Ratio Notice, the “**Elevated Ratio Period**”); and

(iii) confirming that during the Elevated Ratio Period and, if as of the last day of the Elevated Ratio Period the Debt Rating on each Series of the Notes is not at least Investment Grade, thereafter until the date as of which an Acceptable Rating Agency has confirmed in writing that the Debt Rating on each Series of the Notes is at least Investment Grade (the period commencing on the day immediately following the Elevated Ratio Period through such date, the “**Additional Interest Period**”), each Note then outstanding shall accrue interest at a rate which is 75 basis points (0.75% per annum) higher than the stated coupon rate of such Note (the “**Elevated Interest Rate**”).

(h) Additional interest resulting from the application of the Elevated Interest Rate with respect to any Note shall:

(i) accrue for the entire Elevated Ratio Period and any Additional Interest Period (including retroactively, as applicable); and

(ii) become due and payable to the holder of such Note commencing on the earlier of (A) the next interest payment date with respect to such Note following delivery of the Elevated Ratio Notice and (B) the date such Note shall have become due and payable as a result of its maturity, prepayment or acceleration.

For the avoidance of doubt, if the Company has, prior to the delivery of an Elevated Ratio Notice, paid interest for any portion of an Elevated Ratio Period at the original stated rate of interest applicable to any Note, the payment due at the time provided in clause (ii) above shall include additional interest at the rate of 75 basis points (0.75% per annum) for such portion of such Elevated Ratio Period.

10.5. Limitation on Priority Debt.

The Company will not at any time permit Priority Debt to exceed 25% of Consolidated Net Worth (determined as of the last day of the most recently ended fiscal quarter of the Company).

10.6. Consolidated Interest Coverage Ratio.

The Company will not permit, as of the end of any fiscal quarter, the ratio of (a) Consolidated EBITDA for the period of the immediately preceding four full fiscal quarters of the Company ending on such date to (b) Consolidated Interest Charges for such period ending on such date, to be less than 3.00 to 1.00.

10.7. Limitation on Liens.

No Issuer will, nor will any Issuer permit any Subsidiary to, directly or indirectly create, incur, assume or permit to exist any Lien on or with respect to any property or assets (including, without limitation, any document or instrument in respect of goods or accounts receivable) of any Issuer or any Subsidiary whether now owned or held or hereafter acquired, or any income or profits therefrom, or assign or otherwise convey any right to receive income or profits except for the following:

(i) Liens for taxes, assessments or other governmental charges which are not yet due and payable or the payment of which is not at the time required by Section 9.4;

(j) statutory Liens of landlords and Liens of carriers, warehousemen, mechanics, materialmen and other similar Liens, in each case, incurred in the ordinary course of business for sums not yet due and payable or the payment of which is not at the time required by Section 9.4;

(k) Liens (other than any Lien imposed by ERISA) incurred or deposits made in the ordinary course of business or the ownership of properties and assets (i) in connection with workers' compensation, unemployment insurance and other types of social security or retirement benefits, or (ii) to secure (or to obtain letters of credit that secure) the performance of tenders, statutory obligations, surety bonds, appeal bonds, bids, leases (other than Capital Leases), performance bonds, purchase, construction or sales contracts and other similar obligations, in each case not incurred or made in connection with the borrowing of money, the obtaining of advances or credit or the payment of the deferred purchase price of property;

(l) Liens resulting from judgments, unless such judgments are not, within 90 days, discharged or stayed pending appeal, or shall not have been discharged within 90 days after the expiration of any such stay;

(m) Liens on property or assets of any Issuer securing Debt of a Subsidiary owed to the Company or to a Wholly-Owned Subsidiary;

(n) Liens in existence on the date hereof and securing the Debt of the Company and its Subsidiaries as set forth in Schedule 5.15;

(o) minor survey exceptions and the like which do not materially detract from the value of such property;

(p) Leases or subleases granted to others, easements, rights-of-way, restrictions and other similar charges or encumbrances, in each case incidental to, and not interfering with, the ownership of property or assets or the ordinary conduct of any Issuer's or any of its Subsidiaries' businesses, provided that such Liens do not, in the aggregate, materially detract from the value of such property;

(q) Liens securing any obligations of a Person existing at the time such Person becomes a Subsidiary or is merged into or consolidated with the Company or a Subsidiary or Liens on an asset existing at the time such asset shall have first been acquired by the Company or any Subsidiary, provided that (i) such Liens shall not extend to or cover any property other than the property subject to such Liens immediately prior to such time, (ii) such Liens shall not have been created in contemplation of such merger, consolidation or acquisition or such Person becoming a Subsidiary, and (iii) the principal amount of the obligations secured by such Liens is not increased after such time;

(r) any Lien created on tangible personal property (or any improvement thereon) to secure all or any part of the purchase price or cost of construction, improvement or development of such tangible personal property (or any improvement thereon), or to secure Debt incurred or assumed to pay all or any part of the purchase price or the cost of construction of tangible personal property (or any improvement thereon) acquired or constructed by the Company or any Subsidiary after the date hereof, provided that:

(i) the principal amount of the Debt secured by any such Lien shall at no time exceed an amount equal to the lesser of (A) the cost to the Company or such Subsidiary of the property (or improvement thereon) so acquired or constructed and (B) the Fair Market Value (as determined in good faith by a Responsible Officer of such Person) of such property and any improvements thereon at the time of such acquisition or construction;

(ii) each such Lien shall extend solely to the item or items of property (or improvement thereon) so acquired or constructed and, if required by the terms of the instrument originally creating such Lien, other property (or improvement thereon) which is an improvement to or is acquired for specific use in connection with such acquired or constructed property (or improvement thereon); and

(iii) any such Lien shall be created contemporaneously with, or within 180 days after, the acquisition or construction of such property (or improvement thereon);

(s) any Lien renewing, extending or refunding Liens permitted by paragraphs (i) and (j) of this Section 10.7, provided that (i) the principal amount of the Debt secured by such Lien immediately prior to such renewal, extension or refunding is not increased or the maturity thereof reduced, (ii) such Lien is not extended to any other property, and (iii) immediately after such extension, renewal, or refunding, no Default or Event of Default would exist;

(t) customary rights of setoff upon deposit accounts and securities accounts of cash in favor of banks or other depository institutions and securities intermediaries; provided that (i) such deposit account or securities account is not a dedicated cash or securities collateral account and is not subject to restrictions against access by the Company or any of its Subsidiaries owning the affected deposit or securities account or other funds maintained with a creditor depository institution, and (ii) such deposit

account or securities account does not provide collateral to the depository institution or securities intermediary;

(u) Liens arising under cash management pooling arrangements entered into in the ordinary course of business; and

(v) Liens not otherwise permitted by subsections (a) through (m) above, provided that Priority Debt shall not at any time exceed 25% of Consolidated Net Worth (determined as of the end of the most recently ended fiscal quarter of the Company for which financial statements have been provided), provided, further, notwithstanding the foregoing, that no Lien created pursuant this Section 10.7(n) shall secure Debt owing under any Principal Credit Facility unless and until the Notes are equally and ratably secured by all property subject to such Lien, in each case pursuant to documentation reasonably satisfactory to the Required Holders.

10.8. Nature of Business.

No Issuer will, nor will any Issuer permit any Subsidiary to, engage to any substantial extent in any business, if as a result, when taken as a whole together with the other Issuers and their Subsidiaries, the general nature of their businesses would be substantially changed from the general nature of their businesses engaged in on the date hereof as described in the Presentation.

10.9. Material Subsidiaries.

The Company will not permit the total assets of all Material Subsidiaries and the Company to be less than 85% of the Consolidated Total Assets as of the end of the most recently completed fiscal quarter for which financial information is available, determined in accordance with GAAP; provided, that the Company shall have the right to designate any of its Subsidiaries that is not then a Material Subsidiary as a Material Subsidiary (regardless of whether it meets the requirements set forth in the definition of such term) in order to comply with the provisions set forth in this Section, so long as such designation is made no later than the last day for delivery of a compliance certificate pursuant to Section 7.2(a) for the fiscal quarter for which such designation is made.

10.10. Terrorism Sanctions Regulations.

The Company will not, and will not permit any Controlled Entity to (a) become (including by virtue of being owned or controlled by a Blocked Person), own or control a Blocked Person or (b) directly or, to the knowledge of the Company, indirectly have any investment in or engage in any dealing or transaction (including any investment, dealing or transaction involving the proceeds of the Notes) with any Person if such investment, dealing or transaction (i) would cause any holder or any affiliate of such holder to be in violation of, or subject to sanctions under, any law or regulation applicable to such holder, or (ii) is prohibited by or subject to sanctions under any U.S. Economic Sanctions Laws.

11. EVENTS OF DEFAULT.

An “**Event of Default**” shall exist if any of the following conditions or events shall occur and be continuing:

(a) any Issuer defaults in the payment of any principal or Make-Whole Amount, if any, on any Note when the same becomes due and payable, whether at maturity or at a date fixed for prepayment or by declaration or otherwise;
or

(b) any Issuer defaults in the payment of any interest on any Note for more than five Business Days after the same becomes due and payable; or

(c) any Issuer defaults in the performance of or compliance with any term contained in Section 9.6, Section 10 or any Additional Provision and such default is not remedied within five Business Days after the earlier of (i) a Responsible Officer obtaining actual knowledge of such default and (ii) the Company receiving written notice of such default from any holder of a Note (any such written notice to be identified as a “notice of default” and to refer specifically to this paragraph (c) of Section 11); or

(d) any Obligor defaults in the performance of or compliance with any term contained herein (other than those referred to in paragraphs (a), (b) and (c) of this Section 11) or in any other Financing Document and such default is not remedied within 30 days after the earlier of (i) a Responsible Officer obtaining actual knowledge of such default and (ii) the Company receiving written notice of such default from any holder of a Note (any such written notice to be identified as a “notice of default” and to refer specifically to this paragraph (d) of Section 11); or

(e) any representation or warranty made in writing by or on behalf of any Obligor or by any officer of such Obligor in any Financing Document or in any writing furnished in connection with the transactions contemplated hereby proves to have been false or incorrect in any material respect on the date as of which made; or

(f)(i) any Issuer or any Material Subsidiary is in default (as principal or as guarantor or other surety) in the payment of any principal of or premium or make-whole amount or interest on any Debt that is outstanding in an aggregate principal amount of at least \$50,000,000 beyond any period of grace provided with respect thereto, or (ii) any Issuer or any Material Subsidiary is in default in the performance of or compliance with any term (including, without limitation, any Financial Covenant) of any evidence of any Debt in an aggregate outstanding principal amount of at least \$50,000,000 or of any mortgage, indenture or other agreement relating thereto or any other condition exists, and as a consequence of such default or condition such Debt has become, or has been declared (or, solely with respect to a default in the performance of or compliance with any Financial Covenant, one or more Persons are entitled to declare such Debt to be) due and payable before its stated maturity or before its regularly scheduled dates of payment; or

(g) any Issuer or any Material Subsidiary (i) is generally not paying, or admits in writing its inability to pay, its debts as they become due, (ii) files, or consents by answer or otherwise to the filing against it of, a petition for relief or reorganization or arrangement or any other petition in bankruptcy, for liquidation or to take advantage of any bankruptcy, insolvency, reorganization, moratorium or other similar law of any jurisdiction, (iii) makes an assignment for the benefit of its creditors, (iv) consents to the appointment of a custodian, receiver, trustee or other officer with similar powers with respect to it or with respect to any substantial part of its property, (v) is adjudicated as insolvent or to be liquidated, or (vi) takes corporate or similar action for the purpose of any of the foregoing; or

(h) a court or governmental authority of competent jurisdiction enters an order appointing, without consent by any Issuer or any Material Subsidiary, a custodian, receiver, trustee or other officer with similar powers with respect to it or with respect to any substantial part of its property, or constituting an order for relief or approving a petition for relief or reorganization or any other petition in

bankruptcy or for liquidation or to take advantage of any bankruptcy or insolvency law of any jurisdiction, or ordering the dissolution, winding-up or liquidation of any Issuer or any Material Subsidiary, or any such petition shall be filed against any Issuer or any Material Subsidiary and such petition shall not be dismissed within 90 days; or

(i) a final judgment or judgments for the payment of money aggregating in excess of \$50,000,000 are rendered against one or more of the Issuers and any of their Material Subsidiaries and which judgments are not (i) covered by independent third-party insurance as to which the insurer does not dispute coverage or (ii) within 90 days after entry thereof, bonded, discharged, vacated, paid and satisfied in full or stayed pending appeal, or are not discharged, vacated or paid and satisfied within 90 days after the expiration of such stay; or

(j)[Intentionally Omitted]; or

(k) if (i) any Plan shall fail to satisfy the minimum funding standards of ERISA or the Code for any plan year or part thereof or a waiver of such standards or extension of any amortization period is sought or granted under section 412 of the Code, (ii) a notice of intent to terminate any Plan shall have been or is reasonably expected to be filed with the PBGC or the PBGC shall have instituted proceedings under ERISA section 4042 to terminate or appoint a trustee to administer any Plan or the PBGC shall have notified the Issuers or any ERISA Affiliate that a Plan may become a subject of any such proceedings, (iii) there is any “amount of unfunded benefit liabilities” (within the meaning of section 4001(a)(18) of ERISA) under one or more Plans, determined in accordance with Title IV of ERISA, (iv) the aggregate present value of accrued benefit liabilities under all funded Non-U.S. Plans exceeds the aggregate current value of the assets of such Non-U.S. Plans allocable to such liabilities, (v) any Issuer, any Material Subsidiary or any ERISA Affiliate shall have incurred or is reasonably expected to incur any liability pursuant to Title I or IV of ERISA or the penalty or excise tax provisions of the Code relating to employee benefit plans, or (vi) any Issuer or any ERISA Affiliate withdraws from any Multiemployer Plan, (vii) any Issuer or any Material Subsidiary establishes or amends any employee welfare benefit plan that provides post-employment welfare benefits in a manner that would increase the liability of such Issuer or any Material Subsidiary thereunder, (viii) any Issuer or any Material Subsidiary fails to administer or maintain a Non-U.S. Plan in compliance with the requirements of any and all applicable laws, statutes, rules, regulations or court orders or any Non-U.S. Plan is involuntarily terminated or wound up, or (ix) any Issuer or any Material Subsidiary becomes subject to the imposition of a financial penalty (which for this purpose shall mean any tax, penalty or other liability, whether by way of indemnity or otherwise) with respect to one or more Non-U.S. Plans; and any such event or events described in clauses (i) through (ix) above, either individually or together with any other such event or events, would reasonably be expected to have a Material Adverse Effect; or

(l) any Subsidiary Guarantee shall cease to be in full force and effect, any Subsidiary Guarantor or any Person acting on behalf of any Subsidiary Guarantor shall contest in any manner the validity, binding nature or enforceability of any Subsidiary Guarantee, or the obligations of any Subsidiary Guarantor under any Subsidiary Guarantee are not or cease to be legal, valid, binding and enforceable in accordance with the terms of such Subsidiary Guarantee.

As used in this Section 11(k), the terms “**employee benefit plan**” and “**employee welfare benefit plan**” shall have the respective meanings assigned to such terms in section 3 of ERISA.

12. REMEDIES ON DEFAULT, ETC.

12.1. Acceleration.

(a) If an Event of Default with respect to any Issuer described in Section 11(g) or 11(h) (other than an Event of Default described in clause (i) of Section 11(g) or described in clause (vi) of paragraph (g) by virtue of the fact that such clause encompasses clause (i) of Section 11(g)) has occurred, all the Notes then outstanding shall automatically become immediately due and payable.

(b) If any other Event of Default has occurred and is continuing, the Required Holders may at any time at its or their option, by notice or notices to the Company, declare all the Notes then outstanding to be immediately due and payable.

(c) If any Event of Default described in Section 11(a) or 11(b) has occurred and is continuing, any holder or holders of Notes at the time outstanding affected by such Event of Default may at any time, at its or their option, by notice or notices to the Company, declare all the Notes held by it or them to be immediately due and payable.

Upon any Notes becoming due and payable under this Section 12.1, whether automatically or by declaration, such Notes will forthwith mature and the entire unpaid principal amount of such Notes, plus (x) all accrued and unpaid interest thereon and (y) the Make-Whole Amount determined in respect of such principal amount (to the full extent permitted by applicable law), shall all be immediately due and payable, in each and every case without presentment, demand, protest or further notice, all of which are hereby waived. Each of the Issuers acknowledges, and the parties hereto agree, that each holder of a Note has the right to maintain its investment in the Notes free from repayment by the Issuers (except as herein specifically provided for) and that the provision for payment of a Make-Whole Amount by the Issuers in the event that the Notes are prepaid or are accelerated as a result of an Event of Default, is intended to provide compensation for the deprivation of such right under such circumstances.

12.2. Other Remedies.

If any Default or Event of Default has occurred and is continuing, and irrespective of whether any Notes have become or have been declared immediately due and payable under Section 12.1, the holder of any Note at the time outstanding may proceed to protect and enforce the rights of such holder by an action at law, suit in equity or other appropriate proceeding, whether for the specific performance of any agreement contained herein, in any Note or in the Subsidiary Guarantee, or for an injunction against a violation of any of the terms hereof or thereof, or in aid of the exercise of any power granted hereby or thereby or by law or otherwise.

12.3. Rescission.

At any time after any Notes have been declared due and payable pursuant to clause (b) or (c) of Section 12.1, the Required Holders, by written notice to the Company, may rescind and annul any such declaration and its consequences if (a) the Company has paid all overdue interest on the Notes, all principal of and Make-Whole Amount, if any, on any Notes that are due and payable and are unpaid other than by reason of such declaration, and all interest on such overdue principal and Make-Whole Amount, if any, and (to the extent permitted by applicable law) any overdue interest in respect of the Notes of any Series, at the Default Rate for such Series, (b) all

Events of Default and Defaults, other than non-payment of amounts that have become due solely by reason of such declaration, have been cured or have been waived pursuant to Section 17, and (c) no judgment or decree has been entered for the payment of any monies due pursuant hereto or to the Notes. No rescission and annulment under this Section 12.3 will extend to or affect any subsequent Event of Default or Default or impair any right consequent thereon.

12.4. No Waivers or Election of Remedies, Expenses, etc.

No course of dealing and no delay on the part of any holder of any Note in exercising any right, power or remedy shall operate as a waiver thereof or otherwise prejudice such holder's rights, powers or remedies. No right, power or remedy conferred by this Agreement, the Subsidiary Guarantee or by any Note upon any holder thereof shall be exclusive of any other right, power or remedy referred to herein or therein or now or hereafter available at law, in equity, by statute or otherwise. Without limiting the obligations of the Issuers under Section 15, the Issuers will pay to the holder of each Note on demand such further amount as shall be sufficient to cover all costs and expenses of such holder incurred in any enforcement or collection under this Section 12, including, without limitation, reasonable attorneys' fees, expenses and disbursements.

13. REGISTRATION; EXCHANGE; SUBSTITUTION OF NOTES.

13.1. Registration of Notes.

The Company shall keep at its principal executive office a register for the registration and registration of transfers of Notes. The name and address of each holder of one or more Notes, each transfer thereof and the name and address of each transferee of one or more Notes shall be registered in such register. If any holder of one or more Notes is a nominee, then (a) the name and address of the beneficial owner of such Note or Notes shall also be registered in such register as an owner and holder thereof and (b) at any such beneficial owner's option, either such beneficial owner or its nominee may execute any amendment, waiver or consent pursuant to this Agreement. Prior to due presentment for registration of transfer, the Person in whose name any Note shall be registered shall be deemed and treated as the owner and holder thereof for all purposes hereof, and the Company shall not be affected by any notice or knowledge to the contrary. The Company shall give to any holder of a Note that is an Institutional Investor promptly upon request therefor, a complete and correct copy of the names and addresses of all registered holders of Notes.

13.2. Transfer and Exchange of Notes.

Upon surrender of any Note to the Company at the address and to the attention of the designated officer (all as specified in Section 18) for registration of transfer or exchange (and in the case of a surrender for registration of transfer, duly endorsed or accompanied by a written instrument of transfer duly executed by the registered holder of such Note or its attorney duly authorized in writing and accompanied by the address and other information for notices of each transferee of such Note or part thereof), within 10 Business Days the Issuers shall execute and deliver, at the Issuers' expense (except as provided below), one or more new Notes of such Series (as requested by the holder thereof) in exchange therefor, in an aggregate principal amount equal to the unpaid principal amount of the surrendered Note and each bearing the same legend as appears on the surrendered Note provided, however, that the Company shall not be required to execute any new Note, or register the transfer of any Note, to a transferee who is a Competitor of any Obligor. Each such new Note shall be payable to such Person as such holder may request and shall be substantially in the form of such Note for such Series as set forth in Exhibit 1.1(a) or Exhibit 1.1(b), as applicable. Each such new Note shall be dated and bear interest from the date to which interest shall have been paid on the surrendered Note or dated the date of the

surrendered Note if no interest shall have been paid thereon. The Issuers may require payment of a sum sufficient to cover any stamp tax or governmental charge imposed in respect of any such transfer of Notes. Notes shall not be transferred in denominations of less than \$250,000, provided that if necessary to enable the registration of transfer by a holder of its entire holding of Notes, one Note may be in a denomination of less than \$250,000. Each holder that transfers Notes shall be deemed to have represented and warranted to the Issuers that such transfer has been effected in compliance with applicable securities laws. Any transferee, by its acceptance of a Note registered in its name (or the name of its nominee), shall be deemed to have made the representation set forth in Section 6 hereof and shall have agreed to abide by the provisions of Section 20 hereof.

13.3. Replacement of Notes.

Upon receipt by the Company at the address and to the attention of the designated officer (all as specified in Section 18) of evidence reasonably satisfactory to it of the ownership of and the loss, theft, destruction or mutilation of any Note (which evidence shall be, in the case of an Institutional Investor, notice from such Institutional Investor of such ownership and such loss, theft, destruction or mutilation), and

(a) in the case of loss, theft or destruction, of an executed certificate of loss including an indemnity reasonably satisfactory to it (provided that if the holder of such Note is, or is a nominee for, an original purchaser or another holder of a Note with a minimum net worth of at least \$50,000,000, such Person's own unsecured agreement of indemnity shall be deemed to be satisfactory), or

(b) in the case of mutilation, upon surrender and cancellation thereof,

within 10 Business Days, the Issuers at their own expense shall execute and deliver, in lieu thereof, a new Note of the same Series, dated and bearing interest from the date to which interest shall have been paid on such lost, stolen, destroyed or mutilated Note or dated the date of such lost, stolen, destroyed or mutilated Note if no interest shall have been paid thereon, bearing the same legend as appears on such lost, stolen, destroyed or mutilated Note.

14. PAYMENTS ON NOTES.

14.1. Place of Payment.

Subject to Section 14.2, payments of principal, Make-Whole Amount, if any, and interest becoming due and payable on the Notes shall be made in Parsippany, New Jersey at the principal office of the Company in such jurisdiction. The Issuers may at any time, by notice to each holder of a Note, change the place of payment of the Notes so long as such place of payment shall be either the principal office of the Company in the United States or the principal office of a bank or trust company in the United States.

14.2. Home Office Payment.

So long as any Purchaser or its nominee shall be the holder of any Note, and notwithstanding anything contained in Section 14.1 or in such Note to the contrary, the Issuers will pay all sums becoming due on such Note for principal, Make-Whole Amount, if any, and interest by the method and at the address specified for such purpose opposite such Purchaser's name in Schedule A, or by such other method or at such other address as such Purchaser shall have from time to time specified to the Issuers in writing for such purpose, without the presentation or surrender of such Note or the making of any notation thereon, except that upon written request of the Issuers made concurrently with or reasonably promptly after payment or

prepayment in full of any Note, such Purchaser shall surrender such Note for cancellation, reasonably promptly after any such request, to the Company at its principal executive office or at the place of payment most recently designated by the Issuers pursuant to Section 14.1. Prior to any sale or other disposition of any Note held by any Purchaser or its nominee such Purchaser will, at its election, either endorse thereon the amount of principal paid thereon and the last date to which interest has been paid thereon or surrender such Note to the Company in exchange for a new Note or Notes pursuant to Section 13.2. The Issuers will afford the benefits of this Section 14.2 to any Institutional Investor that is the direct or indirect transferee of any Note purchased by such Purchaser under this Agreement and that has made the same agreement relating to such Note as such Purchaser has made in this Section 14.2.

14.3. Status of Purchasers.

(a) Any Purchaser or holder of Notes that is a “United States person” within the meaning of § 7701(a)(30) of the Code shall deliver to the Company copies of executed originals of Internal Revenue Service Form W-9 or such other documentation or information prescribed by applicable laws and reasonably requested by the Company as will enable the Company to determine whether or not such Purchaser or holder of Notes is subject to backup withholding or information reporting requirements under the Code.

(b) Each Purchaser or holder of Notes that is not a “United States person” within the meaning of § 7701(a)(30) of the Code (a “**foreign Purchaser**”) and that is entitled to an exemption from or reduction of any United States withholding tax (including each participant that acquired a participation from a foreign Purchaser) shall deliver to the Company (or, in the case of a participant, to the Purchaser or holder of Notes from which the related participation shall have been purchased) in such number of copies as shall be reasonably requested by the recipient on or prior to the date on which such foreign Purchaser becomes a holder of a Note (or on or prior to the date on which such participant acquires its participation from a Purchaser or a holder of Notes) (and from time to time thereafter upon the reasonable request of the Company or when a lapse in time or a change in circumstance renders the prior certificates obsolete), but only if such foreign Purchaser is legally entitled to do so, whichever of the following is applicable:

(i) executed originals of Internal Revenue Service Form W 8BEN, W 8ECI or W 8IMY and any required supporting documentation (or any successor or other applicable form prescribed by the IRS certifying as to such Purchaser’s or such holder’s entitlement to a reduction of or complete exemption from United States withholding tax),

(ii) in the case of a foreign Purchaser claiming the benefits of the exemption for portfolio interest under section 881(c) of the Code, (x) a certificate to the effect that such foreign Purchaser is not (A) a “bank” within the meaning of section 881(c)(3)(A) of the Code, (B) a “ten percent shareholder” of the Company within the meaning of section 881(c)(3)(B) of the Code, or (C) a “controlled foreign corporation” described in section 881(c)(3)(C) of the Code and (y) executed originals of Internal Revenue Service Form W-8BEN, or

(iii) executed originals of any other form prescribed by applicable law as a basis for claiming exemption from or a reduction in United States Federal withholding tax duly completed together with such supplementary documentation

as may be prescribed by applicable law to permit the Company to determine the withholding or deduction required to be made.

(c) If a payment made to a Purchaser or holder of Notes hereunder would be subject to U.S. federal withholding Tax imposed by FATCA if such Purchaser or such holder of Notes were to fail to comply with the applicable reporting requirements of FATCA (including those contained in Section 1471(b) or 1472(b) of the Code, as applicable), such Purchaser or such holder of Notes shall deliver to the Company, at the time or times prescribed by law and at such time or times reasonably requested by the Company, such documentation prescribed by applicable law (including as prescribed by Section 1471(b)(3)(C)(i) of the Code) and such additional documentation reasonably requested by the Company as may be necessary for the Company to comply with its obligations under FATCA, to determine that such Purchaser or holder of Notes has or has not complied with such Purchaser's or such holder's obligations under FATCA or to determine the amount to deduct and withhold from such payment.

(d) Each Purchaser and each holder of Notes shall promptly notify the Company of any change in circumstances which would modify or render invalid any such claimed exemption or reduction.

15. EXPENSES, ETC.

15.1. Transaction Expenses.

Whether or not the transactions contemplated hereby are consummated, the Issuers will pay all costs and expenses (including reasonable attorneys' fees of a special counsel and, if reasonably required, local or other counsel) incurred by each Purchaser or holder of a Note in connection with such transactions and in connection with any amendments, waivers or consents under or in respect of this Agreement, the Subsidiary Guarantee or the Notes (whether or not such amendment, waiver or consent becomes effective), including, without limitation: (a) the costs and expenses incurred in enforcing or defending (or determining whether or how to enforce or defend) any rights under this Agreement, the Subsidiary Guarantee or the Notes or in responding to any subpoena or other legal process or informal investigative demand issued in connection with this Agreement, the Subsidiary Guarantee or the Notes, or by reason of being a holder of any Note, and (b) the costs and expenses, including financial advisors' fees, incurred in connection with the insolvency or bankruptcy of any Obligor or any Subsidiary or in connection with any work-out or restructuring of the transactions contemplated hereby, by the Notes and the Subsidiary Guarantee, provided, however, that the Issuers shall only be liable under this Section 15.1 for the reasonable attorney's fees of a single special counsel and, if reasonably required, a single local counsel in each jurisdiction where any Issuer or Subsidiary Guarantor conducts business, in each case acting on behalf of the holders of Notes as a group, unless, in the reasonable judgment of any holder of Notes a conflict exists between such holder of Notes and any other holder of Notes, in which event the Issuers shall be obligated to pay the fees and expenses of such additional counsel or counsels as shall be necessary to eliminate such conflict. The Issuers will pay, and will save each Purchaser and each other holder of a Note harmless from, all claims in respect of any fees, costs or expenses if any, of brokers and finders (other than those retained by any Purchaser).

15.2. Survival.

The joint and several obligations of the Issuers under this Section 15 will survive the payment or transfer of any Note, the enforcement, amendment or waiver of any provision of this Agreement, the Notes or the Subsidiary Guarantee, and the termination of this Agreement.

16. SURVIVAL OF REPRESENTATIONS AND WARRANTIES; ENTIRE AGREEMENT.

All representations and warranties contained herein shall survive the execution and delivery of this Agreement and the Notes, the purchase or transfer by any Purchaser or any holder of any Note or portion thereof or interest therein and shall expire upon the payment in full of all amounts in respect of the Notes, and may be relied upon by any subsequent holder of a Note, regardless of any investigation made at any time by or on behalf of such Purchaser or any other holder of a Note. All statements contained in any certificate or other instrument delivered by or on behalf of the Issuers pursuant to this Agreement shall be deemed representations and warranties of the Issuers under this Agreement. Subject to the preceding sentence, this Agreement, the Subsidiary Guarantee and the Notes embody the entire agreement and understanding between each Purchaser and the Issuers and supersede all prior agreements and understandings relating to the subject matter hereof.

17. AMENDMENT AND WAIVER.

17.1. Requirements.

This Agreement and the Notes may be amended, and the observance of any term hereof or of the Notes may be waived (either retroactively or prospectively), with (and only with) the written consent of the Issuers and the Required Holders, except that (a) no amendment or waiver of any of the provisions of any of Sections 1, 2, 3, 4, 5, 6 or 21 hereof, or any defined term (as it is used therein), will be effective as to any Purchaser unless consented to by such Purchaser in writing, and (b) no such amendment or waiver may, without the written consent of the holder of each Note at the time outstanding affected thereby, (i) subject to the provisions of Section 12 relating to acceleration or rescission, change the amount or time of any prepayment or payment of principal of, or reduce the rate or change the time of payment or method of computation of interest or of the Make-Whole Amount on, the Notes, (ii) change the percentage of the principal amount of the Notes the holders of which are required to consent to any such amendment or waiver, or (iii) amend any of Sections 8 (except as set forth in the second sentence of Section 8.2), 11(a), 11(b), 12, 17 or 20.

17.2. Solicitation of Holders of Notes.

(a) Solicitation. The Issuers will provide each holder of a Note with sufficient information, sufficiently far in advance of the date a decision is required, to enable such holder to make an informed and considered decision with respect to any proposed amendment, waiver or consent in respect of any of the provisions hereof, the Subsidiary Guarantee or of the Notes. The Issuers will deliver executed or true and correct copies of each amendment, waiver or consent effected pursuant to the provisions of this Section 17 to each holder of outstanding Notes promptly following the date on which it is executed and delivered by, or receives the consent or approval of, the requisite holders of Notes.

(b) Payment. The Issuers will not directly or indirectly pay or cause to be paid any remuneration, whether by way of supplemental or additional interest, fee or otherwise, or grant any security, or other right or preferred treatment, to any holder of a Note as consideration for or as an inducement to the entering into by any such holder of Notes of any waiver or amendment of any of the terms and provisions hereof, of the Notes or of the Subsidiary Guarantee unless such remuneration is concurrently paid, or security is concurrently granted, on the same terms, ratably to each such holder of a Note even if such holder did not consent to such waiver or amendment.

(c) Consent in Contemplation of Transfer. Any consent made pursuant to this Section 17.2 by the holder of any Note that has transferred or has agreed to transfer such Note to (i) the Company, (ii) any Subsidiary or any other Affiliate or (iii) any other Person in connection with, or in anticipation of, such other Person acquiring, making a tender offer for or merging with the Company and/or any of its Affiliates, in each case in connection with such consent, shall be void and of no force or effect except solely as to such holder, and any amendments effected or waivers granted or to be effected or granted that would not have been or would not be so effected or granted but for such consent (and the consents of all other holders of Notes that were acquired under the same or similar conditions) shall be void and of no force or effect except solely as to such transferring holder.

17.3. Binding Effect, etc.

Any amendment or waiver consented to as provided in this Section 17 applies equally to all holders of Notes and is binding upon them and upon each future holder of any Note and upon the Issuers without regard to whether such Note has been marked to indicate such amendment or waiver. No such amendment or waiver will extend to or affect any obligation, covenant, agreement, Default or Event of Default not expressly amended or waived or impair any right consequent thereon. No course of dealing between any Issuer and the holder of any Note nor any delay in exercising any rights hereunder or under any Note shall operate as a waiver of any rights of any holder of such Note. As used herein, the term “**Agreement**” and references thereto shall mean this Agreement as it may from time to time be amended or supplemented.

17.4. Notes held by the Issuers, etc.

Solely for the purpose of determining whether the holders of the requisite percentage of the aggregate principal amount of Notes then outstanding approved or consented to any amendment, waiver or consent to be given under this Agreement, the Subsidiary Guarantee or the Notes, or have directed the taking of any action provided herein, in the Subsidiary Guarantee or in the Notes to be taken upon the direction of the holders of a specified percentage of the aggregate principal amount of Notes then outstanding, Notes directly or indirectly owned by any of the Issuers or any of their Affiliates shall be deemed not to be outstanding.

18. NOTICES.

Except to the extent otherwise provided in Section 7.4, all notices and communications provided for hereunder shall be in writing and sent (a) by telecopy if the sender on the same day sends a confirming copy of such notice by an internationally recognized overnight delivery service (charges prepaid), or (b) by registered or certified mail with return receipt requested (postage prepaid), or (c) by an internationally recognized overnight delivery service (charges prepaid). Any such notice must be sent:

(i) if to any Purchaser or its nominee, to such Purchaser or its nominee at the address specified for such communications in Schedule A, or at such other address as such Purchaser or its nominee shall have specified to the Issuers in writing,

(ii) if to any other holder of any Note, to such holder at such address as such other holder shall have specified to the Issuers in writing, or

(iii) if to any Issuer, at its address set forth at the beginning hereof to the attention of Marc O’Casal, telecopier: (973) 541-3699, or at such other address as such Issuer shall have specified to the holder of each Note in writing.

A courtesy copy of any notices sent to any holders of Notes shall also be sent to Morgan, Lewis & Bockius LLP, One State Street, Hartford, Connecticut 06103 to the attention of Tori Weir, tori.weir@morganlewis.com. Notices under this Section 18 will be deemed given only when actually received.

19. REPRODUCTION OF DOCUMENTS.

This Agreement and all documents relating hereto, including, without limitation, (a) consents, waivers and modifications that may hereafter be executed, (b) documents received by any Purchaser at the Closing (except the Notes themselves), and (c) financial statements, certificates and other information previously or hereafter furnished to the Purchasers, may be reproduced by the Purchasers by any photographic, photostatic, microfilm, microcard, miniature photographic or other similar process and the Purchasers may destroy any original document so reproduced. The Issuers agree and stipulate that, to the extent permitted by applicable law, any such reproduction shall be admissible in evidence as the original itself in any judicial or administrative proceeding (whether or not the original is in existence and whether or not such reproduction was made by such Purchaser in the regular course of business) and any enlargement, facsimile or further reproduction of such reproduction shall likewise be admissible in evidence. This Section 19 shall not prohibit any Issuer or any other holder of Notes from contesting any such reproduction to the same extent that it could contest the original, or from introducing evidence to demonstrate the inaccuracy of any such reproduction.

20. CONFIDENTIAL INFORMATION.

For the purposes of this Section 20, “**Confidential Information**” means information delivered to any Purchaser by or on behalf of the Company or any Subsidiary in connection with the transactions contemplated by or otherwise pursuant to this Agreement, provided that such term does not include information that (a) was publicly known or otherwise known to such Purchaser prior to the time of such disclosure, (b) subsequently becomes publicly known through no act or omission by such Purchaser or any person acting on its behalf, (c) otherwise becomes known to such Purchaser other than through disclosure by any Issuer or any Subsidiary or by any Person known by such Purchaser to be acting in breach of any duty of confidentiality owed to any Issuer or any Subsidiary, or (d) constitutes financial statements delivered to such Purchaser under Section 7.1 that are otherwise publicly available. Each Purchaser will maintain the confidentiality of such Confidential Information in accordance with procedures adopted by such Purchaser in good faith to protect confidential information of third parties delivered to such Purchaser, provided that such Purchaser may deliver or disclose Confidential Information to (i) such Purchaser’s directors, officers, employees, agents, attorneys and affiliates, (to the extent such disclosure reasonably relates to the administration of the investment represented by such Purchaser’s Notes), (ii) its financial advisors and other professional advisors who agree to hold confidential the Confidential Information substantially in accordance with the terms of this Section 20, (iii) any other holder of any Note, (iv) any Institutional Investor to which such Purchaser sells or offers to sell such Note or any part thereof or any participation therein (if such Person has agreed in writing prior to its receipt of such Confidential Information to be bound by the provisions of this Section 20), (v) any Person from which such Purchaser offers to purchase any security of the Issuers (if such Person has agreed in writing prior to its receipt of such Confidential Information to be bound by the provisions of this Section 20), (vi) any federal or state regulatory authority having jurisdiction over such Purchaser, (vii) the National Association of Insurance Commissioners or any similar organization, or any nationally recognized rating agency that requires access to information about such Purchaser’s investment portfolio, (viii) any other Person to which such delivery or disclosure may be necessary or appropriate (A) to effect compliance with any law, rule, regulation or order applicable to such Purchaser, (B) in response to any subpoena or other legal process, (C) in connection with any litigation to which such Purchaser is a party or (D) if an Event of Default has occurred and is continuing, to the extent

such Purchaser may reasonably determine such delivery and disclosure to be necessary or appropriate in the enforcement or for the protection of its rights and remedies under its Notes, the Subsidiary Guarantee and this Agreement, or (ix) any and all Persons, without limitation, to the extent any such Confidential Information pertains to the United States federal tax treatment and United States federal tax structure of the transaction contemplated by this Agreement or constitutes materials of any kind (including opinions or other United States federal tax analyses) that are provided to the holders of Notes relating to such United States federal tax treatment and United States federal tax structure. The foregoing clause (ix) is intended to cause the transaction contemplated hereby not to be treated as having been offered under conditions of confidentiality for purposes of Sections 1.6011-4(b)(3) and 301.6111-2(a)(2)(ii) (or any successor provisions) of the United States Treasury Regulations issued under the Code and shall be construed in a manner consistent with such purpose. Each holder of a Note, by its acceptance of a Note, will be deemed to have agreed to be bound by and to be entitled to the benefits of this Section 20 as though it were a party to this Agreement. On reasonable request by the Issuers in connection with the delivery to any holder of a Note of information required to be delivered to such holder under this Agreement or requested by such holder (other than a holder that is a party to this Agreement or its nominee), such holder will enter into an agreement with the Issuers embodying the provisions of this Section 20.

In the event that as a condition to receiving access to information relating to the Company or its Subsidiaries in connection with the transactions contemplated by or otherwise pursuant to this Agreement, any Purchaser or holder of a Note is required to agree to a confidentiality undertaking (whether through Intralinks, another secure website, a secure virtual workspace or otherwise) which is different from this Section 20, this Section 20 shall not be amended thereby and, as between such Purchaser or such holder and the Company, this Section 20 shall supersede any such other confidentiality undertaking.

21. SUBSTITUTION OF PURCHASER.

Each Purchaser shall have the right to substitute any one of its Affiliates as the purchaser of the Notes that such Purchaser has agreed to purchase hereunder, by written notice to the Issuers, which notice shall be signed by both such Purchaser and such Affiliate, shall contain such Affiliate's agreement to be bound by this Agreement and shall contain a confirmation by such Affiliate of the accuracy with respect to it of the representations set forth in Section 6. Upon receipt of such notice, wherever the word "Purchaser" is used in this Agreement (other than in this Section 21), such word shall be deemed to refer to such Affiliate in lieu of such original Purchaser. In the event that such Affiliate is so substituted as a purchaser hereunder and such Affiliate thereafter transfers to such Purchaser all of the Notes then held by such Affiliate, upon receipt by the Issuers of notice of such transfer, wherever the word "Purchaser" is used in this Agreement (other than in this Section 21), such word shall no longer be deemed to refer to such Affiliate, but shall refer to such Purchaser, and such Purchaser shall have all the rights of an original holder of the Notes under this Agreement.

22. MISCELLANEOUS.

22.1. Successors and Assigns.

All covenants and other agreements contained in this Agreement by or on behalf of any of the parties hereto bind and inure to the benefit of their respective successors and assigns (including, without limitation, any subsequent holder of a Note) whether so expressed or not, except that, subject to Section 10.2, the Company may not assign or otherwise transfer any of its rights or obligations hereunder or under the Notes without the prior written consent of each holder. Nothing in this Agreement, expressed or implied, shall be construed to confer upon any

Person (other than the parties hereto and their respective successors and assigns permitted hereby) any legal or equitable right, remedy or claim under or by reason of this Agreement.

22.2. Payments Due on Non-Business Days.

Anything in this Agreement or the Notes to the contrary notwithstanding (but without limiting the requirement in Section 8.6 that the notice of any optional prepayment specify a Business Day as the date fixed for such prepayment), any payment of principal of or Make-Whole Amount or interest on any Note that is due on a date other than a Business Day shall be made on the next succeeding Business Day without including the additional days elapsed in the computation of the interest payable on such next succeeding Business Day; provided that if the maturity date of any Note is a date other than a Business Day, the payment otherwise due on such maturity date shall be made on the next succeeding Business Day and shall include the additional days elapsed in the computation of interest payable on such next succeeding Business Day.

22.3. Severability.

Any provision of this Agreement that is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof, and any such prohibition or unenforceability in any jurisdiction shall (to the full extent permitted by law) not invalidate or render unenforceable such provision in any other jurisdiction.

22.4. Accounting Terms.

(a) All accounting terms used herein which are not expressly defined in this Agreement have the meanings respectively given to them in accordance with GAAP. Except as otherwise specifically provided herein, (a) all computations made pursuant to this Agreement shall be made in accordance with GAAP, and (b) all financial statements shall be prepared in accordance with GAAP. If the Issuers notify the holders of Notes that, in the Issuers' reasonable opinion, or if the Required Holders notify the Issuers that, in the Required Holders' reasonable opinion, as a result of changes in GAAP from time to time ("**Subsequent Changes**"), any of the covenants contained in Sections 10.4, 10.5, 10.6, 10.7 or 10.9, or any of the defined terms used therein no longer apply as intended such that such covenants are materially more or less restrictive to the Issuers than are such covenants immediately prior to giving effect to such Subsequent Changes, the Issuers and the holders of Notes shall negotiate in good faith to reset or amend such covenants or defined terms so as to negate such Subsequent Changes, or to establish alternative covenants or defined terms. Until the Issuers and the Required Holders so agree to reset, amend or establish alternative covenants or defined terms, the covenants contained in Sections 10.4, 10.5, 10.6, 10.7 and 10.9, together with the relevant defined terms, shall continue to apply and compliance therewith shall be determined assuming that the Subsequent Changes shall not have occurred ("**Static GAAP**"). During any period that compliance with any covenants shall be determined pursuant to Static GAAP, the Issuers shall include relevant reconciliations in reasonable detail between GAAP and Static GAAP with respect to the applicable covenant compliance calculations contained in each certificate of a Senior Financial Officer delivered pursuant to Section 7.2(a) during such period. Subject to the immediately preceding sentence, at the sole election of the Company and upon written notice to the registered holders of the Notes but without any requirement to obtain any prior consent or waiver from any holders of the Notes, the Issuers and their Subsidiaries may adopt IFRS in lieu of GAAP for purposes of making all future computations and preparing all future financial statements pursuant to this Agreement or any other Financing Document.

(b) For purposes of determining compliance with the financial covenants contained in this Agreement, any election by the Company to measure an item of Debt using fair value (as permitted by Financial Accounting Standards Board Accounting Standards Codification 825-10-25 (formerly known as FASB 159) or any similar accounting standard) shall be disregarded and such determination shall be made as if such election had not been made.

(c) Notwithstanding anything to the contrary herein, at no time and under no circumstances shall any lease, which is or would be deemed by GAAP as in effect prior to January 1, 2019 to be an operating lease, be treated as a finance lease for purposes of this Agreement, including, without limitation, in determining compliance with Section 10.4, Section 10.5 or the calculation of the terms Consolidated Debt, Consolidated Net Worth, Consolidated Total Assets or Debt, regardless of whether GAAP or any other form of accounting standards are being applied at any such time or under any such circumstances.

22.5. Construction.

Each covenant contained herein shall be construed (absent express provision to the contrary) as being independent of each other covenant contained herein, so that compliance with any one covenant shall not (absent such an express contrary provision) be deemed to excuse compliance with any other covenant. Where any provision herein refers to action to be taken by any Person, or which such Person is prohibited from taking, such provision shall be applicable whether such action is taken directly or indirectly by such Person.

Defined terms herein shall apply equally to the singular and plural forms of the terms defined. Whenever the context may require, any pronoun shall include the corresponding masculine, feminine and neuter forms. The words “include,” “includes” and “including” shall be deemed to be followed by the phrase “without limitation.” The word “will” shall be construed to have the same meaning and effect as the word “shall.” Unless the context requires otherwise (a) any definition of or reference to any agreement, instrument or other document herein shall be construed as referring to such agreement, instrument or other document as from time to time amended, restated, supplemented or otherwise modified (subject to any restrictions on such amendments, supplements or modifications set forth herein) and, for purposes of the Notes, shall also include any such notes issued in substitution therefor pursuant to Section 13, (b) subject to Section 22.1, any reference herein to any Person shall be construed to include such Person’s successors and assigns, (c) the words “herein,” “hereof” and “hereunder,” and words of similar import, shall be construed to refer to this Agreement in its entirety and not to any particular provision hereof, (d) all references herein to Sections, Exhibits and Schedules shall be construed to refer to Sections of, and Exhibits and Schedules to, this Agreement, and (e) any reference to any law or regulation herein shall, unless otherwise specified, refer to such law or regulation as amended, modified or supplemented from time to time

22.6. Counterparts.

This Agreement may be executed in any number of counterparts, each of which shall be an original but all of which together shall constitute one instrument. Each counterpart may consist of a number of copies hereof, each signed by less than all, but together signed by all, of the parties hereto. The parties agree to electronic contracting and signatures with respect to this Agreement and the other Financing Documents (other than the Notes). Delivery of an electronic signature to, or a signed copy of, this Agreement and such other Financing Documents (other than the Notes) by facsimile, email or other electronic transmission shall be fully binding on the parties to the same extent as the delivery of the signed originals and shall be admissible into evidence for all purposes. The words “execution”, “execute”, “signed”, “signature”, and words

of like import in or related to any document to be signed in connection with this Agreement and the other Financing Documents (other than the Notes) shall be deemed to include electronic signatures, the electronic matching of assignment terms and contract formations on electronic platforms approved by the Company, or the keeping of records in electronic form, each of which shall be of the same legal effect, validity or enforceability as a manually executed signature or the use of a paper-based recordkeeping system, as the case may be, to the extent and as provided for in any applicable law, including the Federal Electronic Signatures in Global and National Commerce Act, the New York State Electronic Signatures and Records Act, or any other similar state laws based on the Uniform Electronic Transactions Act. Notwithstanding the foregoing, if any Purchaser shall request manually signed counterpart signatures to any Financing Document, each Issuer hereby agrees to use its reasonable endeavors to provide such manually signed signature pages as soon as reasonably practicable.

22.7. Governing Law.

THIS AGREEMENT SHALL BE CONSTRUED AND ENFORCED IN ACCORDANCE WITH, AND THE RIGHTS OF THE PARTIES SHALL BE GOVERNED BY, THE LAW OF THE STATE OF NEW YORK EXCLUDING CHOICE-OF-LAW PRINCIPLES OF THE LAW OF SUCH STATE THAT WOULD REQUIRE THE APPLICATION OF THE LAWS OF A JURISDICTION OTHER THAN SUCH STATE.

22.8. Jurisdiction and Process; Waiver of Jury Trial.

(d) Each Issuer irrevocably submits to the non-exclusive jurisdiction of any New York State or federal court sitting in the Borough of Manhattan, The City of New York, over any suit, action or proceeding arising out of or relating to this Agreement, the Subsidiary Guarantee or the Notes. To the fullest extent permitted by applicable law, each Issuer irrevocably waives and agrees not to assert, by way of motion, as a defense or otherwise, any claim that it is not subject to the jurisdiction of any such court, any objection that it may now or hereafter have to the laying of the venue of any such suit, action or proceeding brought in any such court and any claim that any such suit, action or proceeding brought in any such court has been brought in an inconvenient forum.

(e) The Company agrees, to the fullest extent permitted by applicable law, that a final judgment in any suit, action or proceeding of the nature referred to in Section 22.8(a) brought in any such court shall be conclusive and binding upon it subject to rights of appeal, as the case may be, and may be enforced in the courts of the United States of America or the State of New York (or any other courts to the jurisdiction of which it or any of its assets is or may be subject) by a suit upon such judgment.

(f) Each Issuer consents to process being served by or on behalf of any holder of Notes in any suit, action or proceeding of the nature referred to in Section 22.8(a) by mailing a copy thereof by registered, certified priority or express mail (or any substantially similar form of mail), postage prepaid, return receipt or delivery confirmation requested, to it at its address specified in Section 18 or at such other address of which such holder shall then have been notified pursuant to said Section. Each Issuer agrees that such service upon receipt (i) shall be deemed in every respect effective service of process upon it in any such suit, action or proceeding and (ii) shall, to the fullest extent permitted by applicable law, be taken and held to be valid personal service upon and personal delivery to it. Notices hereunder shall be conclusively presumed received as evidenced by a delivery receipt furnished by the United States Postal Service or any reputable commercial delivery service.

(g) Nothing in this Section 22.8 shall affect the right of any holder of a Note to serve process in any manner permitted by law, or limit any right that the holders of any of the Notes may have to bring proceedings against any Issuer in the courts of any appropriate jurisdiction or to enforce in any lawful manner a judgment obtained in one jurisdiction in any other jurisdiction.

(h) The parties hereto hereby waive trial by jury in any action brought on or with respect to this Agreement, the Notes or any other document executed in connection herewith or therewith.

[Remainder of page intentionally left blank; next page is signature page.]

If each Purchaser is in agreement with the foregoing, please sign the form of agreement on the accompanying counterpart of this Agreement and return it to the Issuers, whereupon the foregoing shall become a binding agreement between the Purchasers and the Issuers.

Very truly yours,

**CURTISS-WRIGHT CORPORATION
CURTISS-WRIGHT CONTROLS, INC.
METAL IMPROVEMENT COMPANY,
LLC
CURTISS-WRIGHT FLOW CONTROL
CORPORATION
CURTISS-WRIGHT FLOW CONTROL
SERVICE, LLC
CURTISS-WRIGHT ELECTRO-MECHANICAL CORPORATION
CURTISS-WRIGHT SURFACE TECHNOLOGIES LLC**

By: _____
Name:
Title:

[Signature page to Curtiss-Wright Corporation, et al Note Purchase Agreement (2022)]

The foregoing is hereby
agreed to as of the
date thereof.

EMPOWER ANNUITY INSURANCE COMPANY OF AMERICA

By: _____
Name:
Title:

MASSACHUSETTS MUTUAL LIFE INSURANCE COMPANY

By: Empower Capital Management, LLC, as Investment Manager

By: _____
Name:
Title:

THE CANADA LIFE ASSURANCE COMPANY

By: _____
Name:
Title:
By: _____
Name:
Title:

THE CANADA LIFE INSURANCE COMPANY OF CANADA

By: _____
Name:
Title:
By: _____
Name:
Title:

METROPOLITAN LIFE INSURANCE COMPANY

By: MetLife Investment Management, LLC, Its Investment Manager

By: _____
Name:
Title: Authorized Signatory

BRIGHTHOUSE LIFE INSURANCE COMPANY

By: MetLife Investment Management, LLC, Its Investment Manager

By: _____
Name:
Title: Authorized Signatory

FARMERS PROPERTY AND CASUALTY INSURANCE COMPANY

By: MetLife Investment Management, LLC, Its Investment Manager

By: _____
Name:
Title: Authorized Signatory

MISSOURI REINSURANCE, INC.

By: MetLife Investment Management, LLC, Its Investment Manager

By: _____
Name:
Title: Authorized Signatory

NEW YORK LIFE INSURANCE COMPANY

By: NYL Investors LLC, its Investment Manager

By: _____
Name:
Title:

NEW YORK LIFE INSURANCE AND ANNUITY CORPORATION

By: NYL Investors LLC, its Investment Manager

By: _____
Name:
Title:

NEW YORK LIFE INSURANCE AND ANNUITY CORPORATION INSTITUTIONALLY OWNED LIFE INSURANCE SEPARATE ACCOUNT (BOLI 30C)

By: NYL Investors LLC, its Investment Manager

By: _____

Name:

Title:

THE BANK OF NEW YORK MELLON, A BANKING CORPORATION ORGANIZED UNDER THE LAWS OF NEW YORK, NOT IN ITS INDIVIDUAL CAPACITY BUT SOLELY AS TRUSTEE UNDER THAT CERTAIN TRUST AGREEMENT DATED AS OF JULY 1ST, 2015 BETWEEN NEW YORK LIFE INSURANCE COMPANY, AS GRANTOR, JOHN HANCOCK LIFE INSURANCE COMPANY (U.S.A.), AS BENEFICIARY, JOHN HANCOCK LIFE INSURANCE COMPANY OF NEW YORK, AS BENEFICIARY, AND THE BANK OF NEW YORK MELLON, AS TRUSTEE

By: New York Life Insurance Company, its attorney-in-fact

By: NYL Investors LLC, its Investment Manager

By: _____

Name:

Title:

STATE FARM LIFE INSURANCE COMPANY

By: _____

Name: Michelle K. Marsh

Title: Investment Professional

By: _____

Name: Jeffrey Attwood

Title: Investment Professional

STATE FARM LIFE AND ACCIDENT ASSURANCE COMPANY

By: _____

Name: Michelle K. Marsh

Title: Investment Professional

By: _____

Name: Jeffrey Attwood

Title: Investment Professional

**VOYA RETIREMENT INSURANCE AND ANNUITY COMPANY
RELIASTAR LIFE INSURANCE COMPANY**

By: Voya Investment Management LLC, as Agent

By: _____
Name:
Title:

**BPCE VIE
AMERICAN SECURITY INSURANCE COMPANY
UNITED SERVICE PROTECTION CORPORATION
VIRGINIA SURETY COMPANY, INC.
AMERICAN BANKERS INSURANCE COMPANY OF FLORIDA
BRIGHOUSE LIFE INSURANCE COMPANY
BRIGHOUSE LIFE INSURANCE COMPANY OF NY
THE SAVINGS BANK MUTUAL LIFE INSURANCE COMPANY OF MASSACHUSETTS
CHESAPEAKE EMPLOYERS' INSURANCE COMPANY
METROPOLITAN LIFE INSURANCE COMPANY SEPARATE ACCOUNT 894**

By: Voya Investment Management LLC, as Agent

By: _____
Name:
Title:

VOYA PRIVATE CREDIT TRUST FUND-GOLDMAN SACHS

By: Voya Investment Trust Co., as Trustee

By: _____
Name:
Title:

BRIGHOUSE LIFE INSURANCE COMPANY

BY: Brighthouse Services, LLC, as Advisor
BY: Barings LLC, as Investment Manager

By: _____
Name:
Title:

**MUFG FUND SERVICES (CAYMAN) LIMITED, ACTING SOLELY IN
ITS CAPACITY AS TRUSTEE OF BRIGHT – IV FUND, A SUB-FUND
OF GLOBAL PRIVATE CREDIT UMBRELLA UNIT TRUST**

By: Barings LLC as Investment Adviser

By _____

Name:

Title:

* Trustee's obligations in such capacity will be solely the obligations of the Trustee acting on behalf of Bright – IV Fund, and that no creditor will have any recourse against any of the Trustee, (or any of its directors, officers or employees) for any claims, losses, damages, liabilities, indemnities or other obligations whatsoever in connection with actions taken by the Trustee, with any recourse to the Trustee limited to the assets of Bright – IV Fund

[Signature page to Curtiss-Wright Corporation, et al Note Purchase Agreement (2022)]

TEACHERS INSURANCE AND ANNUITY ASSOCIATION OF AMERICA,
a New York domiciled life insurance company

By: Nuveen Alternatives Advisors LLC,
a Delaware limited liability company,
its investment manager

By: _____
Name:
Title:

THE LINCOLN NATIONAL LIFE INSURANCE COMPANY

By: Nuveen Alternatives Advisors LLC,
a Delaware limited liability company,
its investment manager

By: _____
Name:
Title:

[Signature page to Curtiss-Wright Corporation, et al Note Purchase Agreement (2022)]

UNITED OF OMAHA LIFE INSURANCE COMPANY

By: _____
Name:
Title:

[Signature page to Curtiss-Wright Corporation, et al Note Purchase Agreement (2022)]

HARTFORD LIFE AND ACCIDENT INSURANCE COMPANY

By: Hartford Investment Management Company,
its investment manager

By: _____
Name:
Title:

[Signature page to Curtiss-Wright Corporation, et al Note Purchase Agreement (2022)]

WOODMEN OF THE WORLD LIFE INSURANCE SOCIETY

By: _____

Name: Shawn Bengtson

Title: Vice President & Chief Investment Officer

By: _____

Name: Dean R. Holdsworth

Title: Director – Mortgage and Real Estate Investment

SOUTHERN FARM BUREAU LIFE INSURANCE COMPANY

By: _____

Name: Bradley Blakney

Title: Portfolio Manage

[Signature page to Curtiss-Wright Corporation, et al Note Purchase Agreement]

SCHEDULE A

**SCHEDULE A
INFORMATION AS TO PURCHASERS**

Schedule A-1

DB1/ 131461627.9

DEFINED TERMS

As used herein, the following terms have the respective meanings set forth below or set forth in the Section hereof following such term:

“**Acceptable Rating Agency**” means S&P Global Ratings, a division of S&P Global, Inc, Moody’s Investors Service, Inc., Kroll Bond Rating Agency or DBRS Morningstar, as long as such credit rating agency is a “nationally recognized statistical rating organization” recognized by the SEC and is approved as a “Credit Rating Provider” (or other similar designation) by the NAIC.

“**Additional Interest Period**” is defined in Section 10.4(b)(iii).

“**Additional Provision**” is defined in Section 9.7(a).

“**Affiliate**” means, at any time, and with respect to any Person, any other Person that at such time directly or indirectly through one or more intermediaries Controls, or is Controlled by, or is under common Control with, such first Person. Unless the context otherwise clearly requires, any reference to an “Affiliate” is a reference to an Affiliate of the Company.

“**Agreement**” is defined in Section 17.3.

“**Anti-Corruption Laws**” means any law or regulation in a U.S. or any non-U.S. jurisdiction regarding bribery or any other corrupt activity, including the U.S. Foreign Corrupt Practices Act and the U.K. Bribery Act 2010.

“**Anti-Money Laundering Laws**” means any law or regulation in a U.S. or any non-U.S. jurisdiction regarding money laundering, drug trafficking, terrorist-related activities or other money laundering predicate crimes, including the Currency and Foreign Transactions Reporting Act of 1970 (otherwise known as the Bank Secrecy Act) and the USA PATRIOT Act.

“**Asset Disposition**” means any Transfer except:

(a) any:

(i) Transfer from a Subsidiary to the Company or a Wholly-Owned Subsidiary;

(ii) Transfer from the Company to a Wholly-Owned Subsidiary; and

(iii) Transfer from the Company or a Wholly-Owned Subsidiary to a Subsidiary (other than a Wholly-Owned Subsidiary) or from a Subsidiary to another Subsidiary, which in either case is for Fair Market Value;

so long as immediately before and immediately after the consummation of any such Transfer and after giving effect thereto, no Default or Event of Default exists; and

(b) any Transfer made in the ordinary course of business and involving only property that is either (i) inventory held for sale or (ii) equipment, fixtures, supplies or materials that are obsolete or inoperative.

“**Assured Obligation**” means any Indebtedness or other obligation or liability.

“**Attributable Indebtedness**” means, on any date, (a) in respect of any capital lease of any Person, the capitalized amount thereof that would appear on a balance sheet of such Person prepared as of such date in accordance with GAAP, and (b) in respect of any Synthetic Lease Obligation, the capitalized amount of the remaining lease payments under the relevant lease that would appear on a balance sheet of such Person prepared as of such date in accordance with GAAP if such lease were accounted for as a capital lease.

“**Blocked Person**” means (a) a Person whose name appears on the list of Specially Designated Nationals and Blocked Persons published by OFAC, (b) a Person, entity, organization, country or regime that is blocked or a target of sanctions that have been imposed under U.S. Economic Sanctions Laws or (c) a Person that is an agent, department or instrumentality of, or is otherwise beneficially owned by, controlled by or acting on behalf of, directly or indirectly, any Person, entity, organization, country or regime described in clause (a) or (b).

“**Business Day**” means any day other than a Saturday, a Sunday or a day on which commercial banks in New York City are required or authorized to be closed.

“**Capital Lease**” means, at any time, a lease with respect to which the lessee is required concurrently to recognize the acquisition of an asset and the incurrence of a liability in accordance with GAAP.

“**Capital Stock**” means any class of capital stock, share capital or similar equity interest of a Person.

“**Change in Control**” is defined in Section 8.3(g).

“**Change in Control Offer Response Date**” is defined in Section 8.3(c).

“**Change in Control Proposed Prepayment Date**” is defined in Section 8.3(b).

“**Closing**” is defined in Section 3.

“**Code**” means the Internal Revenue Code of 1986, as amended from time to time, and the rules and regulations promulgated thereunder from time to time.

“**Company**” is defined in the introductory paragraph of this Agreement or any successor that becomes such in the manner prescribed in Section 10.2.

“**Competitor**” means any Person which is involved, directly or indirectly, to a material extent in the business of providing highly engineered valves, pumps, motors, generators, electronics, systems and related products that regulate the flow of liquids and gases in severe service environments in power generation, oil and gas processing, naval defense and general industrial, or provides ruggedized shipboard enclosures and electronic subsystems for the defense market, or provides tactical data link software for aerospace and defense markets, or provides applications for flight controls and testing, mechanical actuation and drive systems, sensing and electronic computing system applications services or metal treatment services that enhance the performance and extend the life of critical components utilized in aerospace, automotive/transportation, power generation and general industrial markets; provided that in no event shall any Institutional Investor that maintains purely passive investments in any Person that is a Competitor be deemed a Competitor.

“**Confidential Information**” is defined in Section 20.

“**Consolidated Debt**” means, as of any date of determination, the total of all Debt of the Company and its Subsidiaries outstanding on such date, after eliminating all offsetting debits and credits between the Company and its Subsidiaries and all other items required to be eliminated in the course of preparation of consolidated financial statements of the Company and its Subsidiaries in accordance with GAAP.

“**Consolidated EBITDA**” means, for any period, for the Company and its Subsidiaries on a consolidated basis, the sum of (a) Consolidated Net Income for such period, plus (b) Consolidated Interest Charges for such period, plus (c) consolidated foreign, federal and state income tax expenses for such period, plus (d) depreciation and amortization for such period, plus (e) extraordinary losses for such period, minus (f) extraordinary gains for such period.

“**Consolidated Interest Charges**” means, for any period, for the Company and its Subsidiaries on a consolidated basis, the sum of interest expense (whether cash or non-cash) determined in accordance with GAAP for the relevant period ended on such date, including, in any event, interest expense with respect to Indebtedness of the Company and its Subsidiaries, interest expense for the relevant period that has been capitalized on the balance sheet and interest expense with respect to any Deemed Debt.

“**Consolidated Net Income**” means, for any period, the net income (or loss) of the Company and its Subsidiaries for such period (taken as a cumulative whole), as determined in accordance with GAAP, after eliminating all offsetting debits and credits between the Company and its Subsidiaries and all other items required to be eliminated in the course of the preparation of consolidated financial statements of the Company and its Subsidiaries in accordance with GAAP.

“**Consolidated Net Worth**” means, as of any date, the sum of (a) total stockholders’ equity in the Company and its Subsidiaries as of such date, determined on a consolidated basis in accordance with GAAP, minus (b) to the extent included in clause (a), all amounts properly attributable to minority interests, if any, in the stock and surplus of Subsidiaries, minus (c) any increase in the amount of Consolidated Net Worth attributable to a write up in the book value of any asset on the books of the Company and its Subsidiaries resulting from a revaluation thereof subsequent to December 31, 2021, minus (d) the amounts, if any, at which any shares of capital stock of the Company or any Subsidiary appear as an asset on the balance sheet from which Consolidated Net Worth is determined for purposes of this definition.

“**Consolidated Total Assets**” means, as of any date, the total assets of the Company and its Subsidiaries which would be shown as assets on a consolidated balance sheet of the Company and its Subsidiaries as of such date prepared in accordance with GAAP, after eliminating all amounts properly attributable to minority interests, if any, in the stock and surplus of Subsidiaries.

“**Consolidated Total Capitalization**” means, as of any date, the sum of Consolidated Net Worth and Consolidated Debt.

“**Control**” means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of a Person, whether through the ownership of voting securities, by contract or otherwise; and the terms “Controlled” and “Controlling” shall have meanings correlative to the foregoing.

“**Control Event**” is defined in Section 8.3(h).

“**Controlled Entity**” means (a) any of the Subsidiaries of the Company and any of their or the Company’s respective Controlled Affiliates and (b) if the Company has a parent company, such parent company and its Controlled Affiliates.

“**C-W Controls**” is defined in the introductory paragraph of this Agreement.

“**C-W Electro-Mechanical**” is defined in the introductory paragraph of this Agreement.

“**C-W Flow**” is defined in the introductory paragraph of this Agreement.

“**C-W Flow Control Service**” is defined in the introductory paragraph of this Agreement.

“**C-W Surface**” is defined in the introductory paragraph of this Agreement.

“**Debt**” means, with respect to any Person, at any time, without duplication,

(a) its liabilities for borrowed money and its redemption obligations in respect of mandatorily redeemable Preferred Stock to the extent such redemption obligations are required to be paid with cash or other consideration (other than shares of Capital Stock);

(b) its liabilities for the deferred purchase price of property acquired by such Person (excluding accounts payable arising in the ordinary course of business but including all liabilities created or arising under any conditional sale or other title retention agreement with respect to any such property);

(c) all liabilities appearing on its balance sheet in accordance with GAAP in respect of Capital Leases;

(d) all liabilities for borrowed money secured by any Lien with respect to any property owned by such Person (whether or not it has assumed or otherwise become liable for such liabilities); and

(e) any Guaranty of such Person with respect to liabilities of a type described in any of clauses (a) through (d) hereof.

Debt of any Person shall include all obligations of such Person of the character described in clauses (a) through (e) to the extent such Person remains legally liable in respect thereof notwithstanding that any such obligation is deemed to be extinguished under GAAP.

“**Debt Prepayment Application**” means, with respect to any Transfer of any property, the application by any Obligor or any Subsidiary, as the case may be, of cash in an amount equal to the Net Proceeds with respect to such Transfer to pay Senior Debt (other than (a) Senior Debt owing to the Company or any of its Subsidiaries or any Affiliate and (b) Senior Debt in respect of any revolving credit or similar facility providing any Obligor or any such Subsidiary with the right to obtain loans or other extensions of credit from time to time, unless in connection with such payment of Senior Debt the availability of credit under such credit facility is permanently reduced by an amount not less than the amount of such proceeds applied to the payment of such Senior Debt), *provided* that in the course of making such application the Issuers shall offer to prepay each outstanding Note, in accordance with Section 8.4, in a principal amount which equals the Ratable Portion of the holder of such Note in respect of such Transfer. If any holder of a Note rejects such offer of prepayment, then, for purposes of the preceding sentence only, the

Obligors nevertheless will be deemed to have paid Senior Debt in an amount equal to the Ratable Portion of the holder of such Note in respect of such Transfer.

“**Debt Prepayment Transfer**” is defined in Section 8.4(a).

“**Debt Rating**” means the debt rating of each Series of the Notes as determined from time to time by any Acceptable Rating Agency.

“**Deemed Debt**” means the amount of indebtedness incurred by the Company and its consolidated Subsidiaries and any special purpose corporation or trust which is an Affiliate of the Company or any of its Subsidiaries in connection with any accounts receivable or inventory financing facility, whether or not shown on the balance sheet of the Company or such Subsidiary in accordance with GAAP to the extent not included in the definition of Indebtedness. For purposes of determining the amount of Deemed Debt incurred by any Person in connection with any accounts receivable or inventory financing transaction, the amount of all contingent obligations of such Person shall be included as well as non-recourse indebtedness incurred in connection with such transaction. Deemed Debt shall not include operating leases.

“**Deemed Guarantor**” means a Person who is deemed subject to a Guarantee in respect of any Assured Obligation of another Person (the “**Deemed Obligor**”) because such Person directly or indirectly guarantees, becomes surety for, endorses, assumes, agrees to indemnify the Deemed Obligor against, or otherwise agrees, becomes or remains liable (contingently or otherwise) for, such Assured Obligation.

“**Deemed Obligor**” shall have the meaning set forth in the definition of “Deemed Guarantor”.

“**Default**” means an event or condition the occurrence or existence of which would, with the lapse of time or the giving of notice or both, become an Event of Default.

“**Default Rate**” means that rate of interest per annum that is the greater of (a) 2% per annum above the rate of interest stated in clause (a) of the first paragraph of the Notes or (b) 2% per annum over the rate of interest publicly announced from time to time by JPMorgan Chase Bank, N.A. in New York, New York as its “base” or “prime” rate.

“**Delaware LLC**” and “**Delaware LLCs**” means, individually and collectively, any limited liability company organized or formed under the laws of the State of Delaware.

“**Delaware Divided LLC**” means any Delaware LLC which has been formed upon consummation of a Delaware LLC Division.

“**Delaware LLC Division**” means the statutory division of any Delaware LLC into two or more Delaware LLCs pursuant to Section 18-217 of the Delaware Limited Liability Company Act.

“**Disposition Value**” means, at any time, with respect to any property:

(a) in the case of property that does not constitute Subsidiary Stock, the book value thereof, valued at the time of such disposition in good faith by the Company, and

(b) in the case of property that constitutes Subsidiary Stock, an amount equal to that percentage of book value of the assets of the Subsidiary that issued such stock as is equal to the percentage that the book value of such Subsidiary Stock represents of the book value of all of the outstanding Capital Stock of such Subsidiary (assuming, in

making such calculations, that all Securities convertible into such Capital Stock are so converted and giving full effect to all transactions that would occur or be required in connection with such conversion) determined at the time of the disposition thereof in good faith by the Company.

“**Elevated Interest Rate**” is defined in Section 10.4(b)(iii).

“**Elevated Ratio**” is defined in Section 10.4(b).

“**Elevated Ratio Notice**” is defined in Section 10.4(b).

“**Elevated Ratio Period**” is defined in Section 10.4(b)(ii).

“**Environmental Laws**” means any and all Federal, state, local, and foreign statutes, laws, regulations, ordinances, rules, judgments, orders, decrees, permits, concessions, grants, franchises, licenses, agreements or governmental restrictions relating to pollution and the protection of the environment or the release of any materials into the environment, including but not limited to those related to hazardous substances or wastes, air emissions and discharges to waste or public systems.

“**Equity Interests**” means, with respect to any Person, all of the shares of capital stock of (or other ownership or profit interests in) such Person, all of the warrants, options or other rights for the purchase or acquisition from such Person of shares of capital stock of (or other ownership or profit interests in) such Person, all of the securities convertible into or exchangeable for shares of capital stock of (or other ownership or profit interests in) such Person or warrants, rights or options for the purchase or acquisition from such Person of such shares (or such other interests), and all of the other ownership or profit interests in such Person (including partnership, member or trust interests therein), whether voting or nonvoting, and whether or not such shares, warrants, options, rights or other interests are outstanding on any date of determination.

“**ERISA**” means the Employee Retirement Income Security Act of 1974, as amended from time to time, and the rules and regulations promulgated thereunder from time to time in effect.

“**ERISA Affiliate**” means any trade or business (whether or not incorporated) that is treated as a single employer together with any Issuer under section 414 of the Code.

“**Event of Default**” is defined in Section 11.

“**Exchange Act**” means the Securities Exchange Act of 1934, as amended.

“**Fair Market Value**” means, at any date of determination and with respect to any property, the sale value of such property that would be realized in an arm’s-length sale at such time between an informed and willing buyer and an informed and willing seller (neither being under a compulsion to buy or sell).

“**FATCA**” means Sections 1471 through 1474 of the Code as of the date hereof, and any substantially similar amendments thereto and any current or future regulations or official interpretations thereof.

“**Financial Covenant**” means any covenant (whether set forth as a covenant, undertaking, event of default, restriction or other provision) that requires the Company or any Material Subsidiary to achieve or maintain a stated level of financial condition or performance and includes, without limitation, any requirement that the Company or any Material Subsidiary:

(a) maintain a specified level of net worth, shareholders' equity, total assets, cash flow or net income;

(b) maintain any relationship of any component of its capital structure to any other component thereof (including, without limitation, the relationship of indebtedness, senior indebtedness or subordinated indebtedness to total capitalization or to net worth); or

(c) maintain any measure of its ability to service its indebtedness (including, without limitation, exceeding any specified ratio of revenues, cash flow or net income to indebtedness, interest expense, rental expense, capital expenditures and/or scheduled payments of indebtedness).

"Financing Documents" means the Notes, this Agreement and the Subsidiary Guarantee, and each other document, guaranty, instrument or agreement delivered in connection with the transactions contemplated hereby, as each may be amended, restated or otherwise modified from time to time.

"foreign Purchaser" is defined in Section 14.3(b).

"Foreign Subsidiary" means any Subsidiary that is organized under the laws of a jurisdiction other than the United States, a State thereof or the District of Columbia.

"GAAP" means (a) generally accepted accounting principles as in effect from time to time in the United States of America and (b) IFRS at any time that the Company prepares its financial statements in accordance with IFRS.

"Governmental Authority" means:

(a) the government of:

(i) the United States of America or any State or other political subdivision thereof, or

(i) any jurisdiction in which the Company or any Subsidiary conducts all or any part of its business, or which asserts jurisdiction over any properties of the Company or any Subsidiary, or

(b) any entity exercising executive, legislative, judicial, regulatory or administrative functions of, or pertaining to, any such government.

"Governmental Official" means any governmental office or employee, employee of any government-owned or government-controlled entity, political party, any official of a political party, candidate for political office, official of any public international organization or anyone else acting in an official capacity.

"Guarantee" means (a) to purchase or assume, or to supply funds for the payment, purchase or satisfaction of, an Assured Obligation, (b) to make any loan, advance, capital contribution or other investment in, or to purchase or lease any property or services from, a Deemed Obligor (i) to maintain the solvency of a Deemed Obligor, (ii) to enable a Deemed Obligor to meet any other financial condition, (iii) to enable a Deemed Obligor to satisfy any Assured Obligation or to make any Restricted Payment or any other payment, or (iv) to assure the holder of such Assured Obligation against loss, (c) to purchase or lease property or services from a Deemed Obligor regardless of the nondelivery of or failure to furnish of such property or

services, or (d) in respect of any other transaction the effect of which is to assure the payment or performance (or payment of damages or other remedy in the event of nonpayment or nonperformance) of any Assured Obligation. Without limitation, a Guarantee shall be deemed to exist if a Deemed Guarantor agrees, becomes or remains liable (contingently or otherwise), directly or indirectly for any of the foregoing.

“**Guaranty**” means, with respect to any Person, any obligation (except the endorsement in the ordinary course of business of negotiable instruments for deposit or collection) of such Person guaranteeing or in effect guaranteeing any indebtedness, dividend or other obligation of any other Person in any manner, whether directly or indirectly, including (without limitation) obligations incurred through an agreement, contingent or otherwise, by such Person:

- (a) to purchase such indebtedness or obligation or any property constituting security therefor;
- (b) to advance or supply funds (i) for the purchase or payment of such indebtedness or obligation, or (ii) to maintain any working capital or other balance sheet condition or any income statement condition of any other Person or otherwise to advance or make available funds for the purchase or payment of such indebtedness or obligation;
- (c) to lease properties or to purchase properties or services primarily for the purpose of assuring the owner of such indebtedness or obligation of the ability of any other Person to make payment of the indebtedness or obligation; or
- (d) otherwise to assure the owner of such indebtedness or obligation against loss in respect thereof.

In any computation of the indebtedness or other liabilities of the obligor under any Guaranty, the indebtedness or other obligations that are the subject of such Guaranty shall be assumed to be direct obligations of such obligor.

“**holder**” means, with respect to any Note, the Person in whose name such Note is registered in the register maintained by the Company pursuant to Section 13.1, provided, however, that if such Person is a nominee, then for the purposes of Sections 7, 12, 17.2 and 18 and any related definitions in this Schedule , “holder” shall mean the beneficial owner of such Note whose name and address appears in such register.

“**IFRS**” means, collectively:

- (a) each International Financial Reporting Standard;
- (b) International Accounting Standards (IAS); and
- (c) Interpretations,

where:

(x) “International Financial Reporting Standard” means each financial reporting standard issued by the International Accounting Standards Board (IASB);

(y) “International Accounting Standards” means the financial reporting standards issued by the International Accounting Standards Committee of the IASB; and

(z) “Interpretations” means the explanations from time to time of the application of International Financial Reporting Standards to particular transactions, arrangements or circumstances (issued by the International Financial Reporting Interpretations Committee of the IASB or its predecessor, the Standing Interpretations Committee,

as each may be amended from time to time.

“**Indebtedness**” means, as to any Person at a particular time, without duplication, all of the following, whether or not included as indebtedness or liabilities in accordance with GAAP:

(a) all obligations of such Person for borrowed money and all obligations of such Person evidenced by bonds, debentures, notes, loan agreements or other similar instruments;

(b) all direct or contingent obligations of such Person arising under letters of credit (including standby and commercial but excluding standby letters of credit issued for the account of such Person in connection with bids on proposed contracts by such Person), bankers’ acceptances, bank guaranties, surety bonds and similar instruments;

(c) net obligations of such Person under any Swap Contract;

(d) all obligations of such Person to pay the deferred purchase price of property or services (other than trade accounts payable in the ordinary course of business);

(e) indebtedness (excluding prepaid interest thereon) secured by a Lien on property owned or being purchased by such Person (including indebtedness arising under conditional sales or other title retention agreements), whether or not such indebtedness shall have been assumed by such Person or is limited in recourse;

(f) capital leases and Synthetic Lease Obligations;

(g) all obligations of such Person to purchase, redeem, retire, defease or otherwise make any payment in respect of any Equity Interest in such Person or any other Person, valued, in the case of a redeemable preferred interest, at the greater of its voluntary or involuntary liquidation preference plus accrued and unpaid dividends; and

(h) all Guarantees of such Person in respect of any of the foregoing.

For all purposes hereof, the Indebtedness of any Person shall include the Indebtedness of any partnership or joint venture (other than a joint venture that is itself a corporation or limited liability company) in which such Person is a general partner or a joint venturer, unless such Indebtedness is expressly made non-recourse to such Person. The amount of any net obligation under any Swap Contract on any date shall be deemed to be the Swap Termination Value as of such date. The amount of any capital lease or Synthetic Lease Obligation as of any date shall be deemed to be the amount of Attributable Indebtedness in respect thereof as of such date.

“**INHAM Exemption**” is defined in Section 6.2(e).

“**Institutional Investor**” means (a) any Purchaser of a Note, (b) any holder of a Note holding more than 5% of the aggregate principal amount of the Notes then outstanding, and (c) any institutional accredited investor as defined in Rule 501(a)(1), (2), (3) or (7) of Regulation D under the Securities Act and any investment fund having assets of at least \$100,000,000 that is in the business of investing in securities issued by other Persons, regardless of legal form.

“**Investment Grade**” means a rating of BBB- by S&P Global Ratings, a division of S&P Global, Inc, Baa3 by Moody’s Investors Service, Inc., BBB- by Kroll Bond Rating Agency or BBB(low) by DBRS Morningstar (as applicable), or, in each case, better.

“**Issuers**” is defined in the introductory paragraph of this Agreement.

“**knowledge**” when used with respect to any Issuer or any Responsible Officer to qualify a representation or warranty of such Issuer or such Responsible Officer, shall be deemed to be the actual knowledge of such Responsible Officer.

“**Lien**” means, with respect to any Person, any mortgage, lien, pledge, charge, security interest or other encumbrance, or any interest or title of any vendor, lessor, lender or other secured party to or of such Person under any conditional sale or other title retention agreement or Capital Lease, upon or with respect to any property or asset of such Person (including in the case of stock, stockholder agreements, voting trust agreements and all similar arrangements).

“**Make-Whole Amount**” is defined in Section 8.8.

“**Material**” means material in relation to the business, operations, affairs, financial condition, assets, or properties of the Company and its Subsidiaries, taken as a whole.

“**Material Acquisition**” means any acquisition or series of related acquisitions by the Company or any of its Subsidiaries of a Person, business or undertaking for which the consideration, including all cash, equity, assumption of liabilities or other forms of consideration, whenever payable or given, is at least \$100,000,000 (or its equivalent in any other currency).

“**Material Adverse Effect**” means a material adverse effect on (a) the business, operations, affairs, financial condition, assets or properties and results of operations of the Company and its Subsidiaries, taken as a whole, (b) the ability of any Issuer to perform its obligations under this Agreement and the Notes, or of any Material Subsidiary to perform its obligations under the Subsidiary Guarantee or (c) the validity or enforceability of this Agreement, the Notes, or the Subsidiary Guarantee.

“**Material Subsidiary**” means, as of any date, any Subsidiary of the Company (a) which together with its Subsidiaries (determined on a consolidated basis), has assets with a book value greater than or equal to twenty percent (20%) of the Consolidated Total Assets of the Company and its Subsidiaries, as of the end of the most recently completed fiscal quarter for which financial information is then available, (b) which, together with its Subsidiaries (determined on a consolidated basis), has greater than twenty percent (20%) of the net revenues of the Company and Subsidiaries on a consolidated basis for the most recent fiscal quarter for which financial information is then available, all determined in accordance with GAAP, or (c) designated as a Material Subsidiary pursuant to Section 10.9.

“**Metal**” is defined in the introductory paragraph of this Agreement.

“**Multiemployer Plan**” means any Plan that is a “multiemployer plan” (as such term is defined in section 4001(a)(3) of ERISA).

“**NAIC**” is defined in Section 4.8.

“**NAIC Annual Statement**” is defined in Section 6.2(a).

“**Net Proceeds**” means, with respect to any Transfer of any property by any Person, an amount equal to the difference of:

(a) the aggregate amount of the consideration (valued at the Fair Market Value of such consideration at the time of the consummation of such Transfer) received by such Person in respect of such Transfer, minus

(b) all ordinary and reasonable out-of-pocket costs and expenses actually incurred by such Person in connection with such Transfer.

“**Net Worth Financial Covenant**” means any covenant (whether set forth as a covenant, undertaking, event of default, restriction or other provision) that requires the Company or any Subsidiary, on a consolidated basis or otherwise, to achieve or maintain a specified level of net worth or shareholders’ equity.

“**Non-U.S. Plan**” means any plan, fund or other similar program that (a) is established or maintained outside the United States of America by the Company or any Subsidiary primarily for the benefit of employees of the Company or one or more Subsidiaries residing outside the United States of America, which plan, fund or other similar program provides, or results in, retirement income, a deferral of income in contemplation of retirement or payments to be made upon termination of employment, and (b) is not subject to ERISA or the Code.

“**Notes**” is defined in Section 1.

“**Obligors**” means, collectively, the Issuers and the Subsidiary Guarantors.

“**OFAC**” means the Office of Foreign Assets Control of the United States Department of the Treasury.

“**OFAC Sanctions Program**” means any economic or trade sanction that OFAC is responsible for administering and enforcing. A list of OFAC Sanctions Programs may be found at <http://www.treasury.gov/resource-center/sanctions/Programs/Pages/Programs.aspx>.

“**Officer’s Certificate**” means a certificate of a Senior Financial Officer or of any other officer of the Company or any Subsidiary, as the context may require, whose responsibilities extend to the subject matter of such certificate.

“**PBGC**” means the Pension Benefit Guaranty Corporation referred to and defined in ERISA or any successor thereto.

“**Person**” means an individual, partnership, corporation, limited liability company, association, joint venture, trust, unincorporated organization, or a government or agency or political subdivision thereof.

“**Plan**” means an “employee benefit plan” (as defined in section 3(3) of ERISA) subject to Title I of ERISA that is or, within the preceding five years, has been established or maintained, or to which contributions are or, within the preceding five years, have been made or

required to be made, by any Issuer or any ERISA Affiliate or with respect to which such Issuer or any ERISA Affiliate may have any liability.

“**Preferred Stock**” means any class of capital stock of a Person that is preferred over any other class of capital stock (or similar equity interest) of such Person as to the payment of dividends or the payment of any amount upon liquidation or dissolution of such Person.

“**Presentation**” is defined in Section 5.3.

“**Principal Credit Facility**” means any agreement (including, without limitation, any note purchase agreement) or facility providing credit availability in excess of \$150,000,000 to the Company and/or any of its Subsidiaries, as such agreement or facility may be amended, restated, supplemented or otherwise modified from time to time and together with increases, refinancings and replacements thereof, in whole or in part.

“**Priority Debt**” means, as of any date, (without duplication) the sum of (a) all outstanding Debt of any Subsidiary (other than (i) an Issuer or a Subsidiary Guarantor, (ii) Debt of any Subsidiary owing solely to the Company or any Wholly-Owned Subsidiary, or (iii) Debt outstanding at the time such Person becomes a Subsidiary) and (b) all Debt of any Issuer or any Subsidiary Guarantor secured by any Lien (other than Liens under clauses (a) through (e) and clauses (g) through (m) of Section 10.7).

“**Private Rating Letter**” means a letter issued by an Acceptable Rating Agency in connection with any private debt rating for a Series of the Notes, which (a) sets forth the Debt Rating for such Series of the Notes, (b) refers to the Private Placement Number issued by the PPN CUSIP Unit of CUSIP Global Services (in cooperation with the SVO) in respect of such Series of the Notes, (c) addresses the likelihood of payment of both principal and interest on the Notes (which requirement shall be deemed satisfied if either (x) such letter includes confirmation that the rating reflects the Acceptable Rating Agency’s assessment of the Company’s ability to make timely payment of principal and interest on the Notes or a similar statement or (y) such letter is silent as to the Acceptable Rating Agency’s assessment of the likelihood of payment of both principal and interest and does not include any indication to the contrary), (d) includes such other information describing the relevant terms of the Notes as may be required from time to time by the SVO or any other Governmental Authority having jurisdiction over any holder of any Notes and (e) shall not be subject to confidentiality provisions or other restrictions which would prevent or limit the letter from being shared with the SVO or any other Governmental Authority having jurisdiction over any holder of any Notes.

“**Private Rating Rationale Report**” means, with respect to any Private Rating Letter, a report issued by the Acceptable Rating Agency in connection with such Private Rating Letter setting forth an analytical review of the Notes explaining the transaction structure, methodology relied upon, and, as appropriate, analysis of the credit, legal, and operational risks and mitigants supporting the assigned Debt Rating for the relevant Series of the Notes, in each case, on the letterhead of the Acceptable Rating Agency or its controlled website and generally consistent with the work product that an Acceptable Rating Agency would produce for a similar publicly rated security and otherwise in form and substance generally required by the SVO or any other Governmental Authority having jurisdiction over any holder of any Notes from time to time. Such report shall not be subject to confidentiality provisions or other restrictions which would prevent or limit the report from being shared with the SVO or any other Governmental Authority having jurisdiction over any holder of any Notes.

“**property**” or “**properties**” means, unless otherwise specifically limited, real or personal property of any kind, tangible or intangible, choate or inchoate.

“Property Reinvestment Application” means, with respect to any Transfer of property, the application of an amount equal to the Net Proceeds with respect to such Transfer to the acquisition by any Issuer or any Subsidiary of either (a) Capital Stock, whether directly or indirectly, in a new operating Subsidiary or (b) operating assets of a generally similar nature (excluding, for the avoidance of doubt, cash and cash equivalents), and, in each case, of at least equivalent Fair Market Value (less all ordinary and reasonable out of pocket costs and expenses actually incurred by such Person in connection with such Transfer and such acquisition) to the property so Transferred, engaged in or to be used in the principal business of the Issuers and their Subsidiaries as conducted immediately prior to such Transfer or in a business generally related to such principal business.

“PTE” is defined in Section 6.2(a).

“Purchaser” or **“Purchasers”** means each of the purchasers that has executed and delivered this Agreement to the Company and such Purchaser’s successors and assigns (so long as any such assignment complies with Section 13.2), provided, however, that any Purchaser of a Note that ceases to be the registered holder or a beneficial owner (through a nominee) of such Note as the result of a transfer thereof pursuant to Section 13.2 shall cease to be included within the meaning of “Purchaser” of such Note for the purposes of this Agreement upon such transfer.

“QPAM Exemption” is defined in Section 6.2(d).

“Ratable Portion” means, in respect of any holder of any Note and any Transfer contemplated by the definition of Debt Prepayment Application, an amount equal to the product of:

(a) the Net Proceeds being offered to be applied to the payment of Senior Debt, multiplied by

(b) a fraction the numerator of which is the outstanding principal amount of such Note and the denominator of which is the aggregate outstanding principal amount of Senior Debt at the time of such Transfer determined on a consolidated basis in accordance with GAAP.

“Required Holders” means, at any time, (a) for purposes of the second sentence of Section 8.2 only, the holders of at least a majority in principal amount of the Series of Notes being offered to be prepaid at such time and (b) for all other purposes of this Agreement, the holders of at least a majority in principal amount of the Notes at the time outstanding (exclusive of, in the case of clauses (a) and/or (b), Notes then owned by the Company or any of its Affiliates).

“Responsible Officer” means any Senior Financial Officer and any other officer of any Issuer or any Subsidiary Guarantor with responsibility for the administration of the relevant portion of this Agreement or the Subsidiary Guarantee, as applicable.

“Restricted Payment” means any dividend or other distribution (whether in cash, securities or other property) with respect to any capital stock or other Equity Interest of the Company or any Subsidiary, or any payment (whether in cash, securities or other property), including any sinking fund or similar deposit, on account of the purchase, redemption, retirement, acquisition, cancellation or termination of any such capital stock or other Equity Interest, or on account of any return of capital to the Company’s stockholders, partners or members (or the equivalent Person thereof).

“Securities Act” means the Securities Act of 1933, as amended from time to time.

“**Security**” has the meaning set forth in Section 2(1) of the Securities Act.

“**Senior Debt**” means the Notes and any Debt of the Company or its Subsidiaries that by its terms is not in any manner subordinated in right of payment to any other unsecured Debt of the Company or any Subsidiary.

“**Senior Financial Officer**” means the chief financial officer, principal accounting officer, treasurer or controller of the Company or any Subsidiary, as the context may require.

“**Series**” means any one or more Series of Notes issued hereunder.

“**Series L Notes**” is defined in Section 1.1(a).

“**Series M Notes**” is defined in Section 1.1(b).

“**Side Letter**” is defined in Section 4.11.

“**Source**” is defined in Section 6.2.

“**State Sanctions List**” means a list that is adopted by any state Governmental Authority within the United States of America pertaining to Persons that engage in investment or other commercial activities in Iran or any other country that is a target of economic sanctions imposed under U.S. Economic Sanctions Laws.

“**Subsidiary**” means, as to any Person, any other Person in which such first Person or one or more of its Subsidiaries or such first Person and one or more of its Subsidiaries owns sufficient equity or voting interests to enable it or them (as a group) ordinarily, in the absence of contingencies, to elect a majority of the directors (or Persons performing similar functions) of such second Person, and any partnership or joint venture if more than a 50% interest in the profits or capital thereof is owned by such first Person or one or more of its Subsidiaries or such first Person and one or more of its Subsidiaries (unless such partnership or joint venture can and does ordinarily take major business actions without the prior approval of such Person or one or more of its Subsidiaries). Unless the context otherwise clearly requires, any reference to a “Subsidiary” is a reference to a Subsidiary of the Company.

“**Subsidiary Guarantee**” is defined in Section 1.2.

“**Subsidiary Guarantor**” means any Subsidiary that has executed and delivered the Subsidiary Guarantee or the accession agreement thereto pursuant to the provisions of this Agreement and the Subsidiary Guarantee.

“**Subsidiary Stock**” means, with respect to any Person, the Capital Stock (or any options or warrants to purchase stock, shares or other Securities exchangeable for or convertible into stock or shares) of any Subsidiary of such Person.

“**Successor Corporation**” is defined in Section 10.2.

“**SVO**” means the Securities Valuation Office of the NAIC.

“**Swap Contract**” means (a) any and all rate swap transactions, basis swaps, credit derivative transactions, forward rate transactions, commodity swaps, commodity options, forward commodity contracts, equity or equity index swaps or options, bond or bond price or bond index swaps or options or forward bond or forward bond price or forward bond index transactions, interest rate options, forward foreign exchange transactions, cap transactions, floor

transactions, collar transactions, currency swap transactions, cross-currency rate swap transactions, currency options, spot contracts, or any other similar transactions or any combination of any of the foregoing (including any options to enter into any of the foregoing), whether or not any such transaction is governed by or subject to any master agreement, and (b) any and all transactions of any kind, and the related confirmations, which are subject to the terms and conditions of, or governed by, any form of master agreement published by the International Swaps and Derivatives Association, Inc., any International Foreign Exchange Master Agreement, or any other master agreement (any such master agreement, together with any related schedules, a “**Master Agreement**”), including any such obligations or liabilities under any Master Agreement.

“**Swap Termination Value**” means, in respect of any one or more Swap Contracts, after taking into account the effect of any legally enforceable netting agreement relating to such Swap Contracts, (a) for any date on or after the date such Swap Contracts have been closed out and termination value(s) determined in accordance therewith, such termination value(s), and (b) for any date prior to the date referenced in clause (a), the amount(s) determined as the mark-to-market value(s) for such Swap Contracts, as determined based upon one or more mid-market or other readily available quotations provided by any recognized dealer in such Swap Contracts (which may include a holder or any Affiliate of a holder).

“**Synthetic Lease Obligation**” means the monetary obligation of a Person under (a) a so-called synthetic, off-balance sheet or tax retention lease, or (b) an agreement for the use or possession of property creating obligations that do not appear on the balance sheet of such Person but which, upon the insolvency or bankruptcy of such Person, would be characterized as the indebtedness of such Person (without regard to accounting treatment).

“**Transfer**” means, with respect to any Person, any transaction in which such Person sells, conveys, transfers or leases (as lessor) any of its property, including, without limitation, any transfer or issuance of any Subsidiary Stock and any disposition of property to a Delaware Divided LLC pursuant to a Delaware LLC Division. For purposes of determining the application of the Net Proceeds in respect of any Transfer, the Company may designate any Transfer as one or more separate Transfers each yielding separate Net Proceeds. In any such case, (a) the Disposition Value of any property subject to each such separate Transfer and (b) the amount of Consolidated Total Assets attributable to any property subject to each such separate Transfer shall be determined by ratably allocating the aggregate Disposition Value of, and the aggregate Consolidated Total Assets attributable to, all property subject to all such separate Transfers to each such separate Transfer on a proportionate basis.

“**Transfer Prepayment Date**” is defined in Section 8.4(a).

“**Transfer Prepayment Offer**” is defined in Section 8.4(a).

“**USA PATRIOT Act**” means United States Public Law 107-56, Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism (USA PATRIOT ACT) Act of 2001, as amended from time to time, and the rules and regulations promulgated thereunder from time to time in effect.

“**U.S. Economic Sanctions**” means those laws, executive orders, enabling legislation or regulations administered and enforced by the United States pursuant to which economic sanctions have been imposed on any Person, entity, organization, country or regime, including the Trading with the Enemy Act, the International Emergency Economic Powers Act, the Iran Sanctions Act, the Sudan Accountability and Divestment Act and any other OFAC Sanctions Program.

“Voting Stock” means, with respect to any Person, capital stock (or other equity interests) of any class or classes of a corporation, an association or another business entity the holders of which are ordinarily, in the absence of contingencies, entitled to vote in the election of corporate directors (or individuals performing similar functions) of such Person or which permit the holders thereof to control the management of such Person, including general partnership interests in a partnership and membership interests in a limited liability company.

“Wholly-Owned Subsidiary” means, at any time, any Subsidiary one hundred percent (100%) of all of the equity interests (except directors’ qualifying shares) and voting interests of which are owned by any one or more of the Company and the Company’s other Wholly-Owned Subsidiaries at such time.

Schedule B-16

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SCHEDULE 1.2

Subsidiary Guarantors

DY4 Inc.
Williams Controls, Inc.
Williams Controls Industries, Inc.

Schedule 3

DB1/ 131461627.9

SCHEDULE 3

PAYMENT INSTRUCTIONS AT THE CLOSING

Payments by wire should be made to:

Bank: BNY Mellon Bank
500 Ross Street
Pittsburgh, PA
ABA: 043 000 261
Account: 166-3113
Account Name: Curtiss-Wright Corporation

Schedule 3

DB1/ 131461627.9

SCHEDULE 4.9
CHANGES IN CORPORATE STRUCTURE

None

Schedule 4.9

DB1/ 131461627.9

SCHEDULE 5.3
DISCLOSURE MATERIALS

None

Schedule 5.3

DB1/ 131461627.9

SCHEDULE 5.4

**SUBSIDIARIES OF THE COMPANY &
OWNERSHIP OF SUBSIDIARY STOCK**

Curtiss-Wright Corporation and Subsidiaries

<u>Name of Company</u>	<u>Jurisdiction of Organization</u>	<u>Equity Interest</u>
Curtiss-Wright Corporation	Delaware	
Metal Improvement Company, LLC	Delaware	100% - CWST
Curtiss-Wright Surface Technologies, LLC	Delaware	100% - CWC
Curtiss-Wright Surface Technologies AB	Sweden	100% - MIC
Curtiss-Wright Electro-Mechanical Corporation	Delaware	100% - CWFC
Curtiss-Wright Flow Control Corporation	New York	100% - CWC
Curtiss-Wright Flow Control Company Canada	Nova Scotia, Canada	100% - CWFC
Curtiss-Wright Flow Control Service, LLC	Delaware	100% - CWC
Curtiss-Wright Flow Control (U.K.) Ltd.	England	100% - CWCV
Curtiss-Wright Flow Control Korea Co Ltd.	Korea	100% - CWFC
Curtiss-Wright Netherlands CV (Partnership)	Netherlands	44.56% - CWCtrls
		2.55% - CWC
		52.9% - CWFC
Curtiss-Wright Netherlands BV	Netherlands	100% - CWCV
Curtiss-Wright Controls, Inc.	Delaware	100% - CWC
Curtiss-Wright Antriebstechnik, GmbH	Switzerland	99.95% - CWCtrls
		0.05% - CWC
Curtiss-Wright Controls (UK) Ltd.	England	100% - CWCV
Curtiss-Wright Controls Integrated Sensing, Inc	Delaware	100% - CWCtrls
Dy4, Inc.	Delaware	100% - CWCtrls
Dy4 Systems, Inc.	Ontario, Canada	100% - CWCtrls
Dy4 Systems UK Limited	England	100% - D4S
Indal Technologies, Inc.	Ontario, Canada	100% - CWCtrls
Novatronics, Inc.	Prince Edward Is.,	100% - CWAT
Peerless Instrument Co., Inc.	New York	100% - CWC
Penny & Giles Controls, Ltd	England	100% - CWCLTD
Penny & Giles Aerospace, Ltd.	England	100% - CWCLTD
Penny & Giles GmbH	Germany	100% - CWBV
Primagraphics Limited	England	100% - CWCLTD
Curtiss-Wright Controls Electronic Systems, Inc.	California	100% - CWCtrls
Curtiss-Wright Controls AS	Norway	100% - D4I
Solenoid Valve Closed Joint Stock Company Splav	Russia JV	50% - CWFC
Curtiss-Wright Surface Technologies	Mexico	99% - MIC
Mexico, S.A.de C.V.		1% - CWST
Metal Improvement Company Technology Service		
(Suzhou) Ltd	China	100% - MIC
Metal Improvement Company Technology Service		
(Tianjin) Ltd	China	100% - MIC
Curtiss-Wright Surface Technologies India Private	India	48.97% - MIC
Limited		51.03% - CWST
Metal Improvement GmbH	Switzerland	100% - MIC
Curtiss-Wright (Tianjin) Flow Control Co. Ltd.	China	100% - CWFC

Schedule 5.4-1

Curtiss-Wright Surface Technologies SP. z.o.o	Poland	100% - CWSTAB
Curtiss-Wright Surface Technologies, Unipessoal Lda.	Portugal	100% - CCRS
Component Coatings and Repair Services Ltd.	England	100% - CWCV
EST Group, Inc.	Pennsylvania	100% - CWFC
EST Group B.V.	Netherlands	100% - CWFC
Farris Brasil Industria de Valvulas Ltda.	Brazil	50% - CWFC
	50% - CWC	
Nova Machine Products, Inc.	Delaware	100% - CWFSC
Curtiss-Wright Controls de Mexico, S.A.de C.V.	Mexico	99.98% - CWIS
		0.02% - CWCtrls
The Parvus Corporation	Utah	100% - CWCtrls
Curtiss-Wright Controls Costa Rica, S.A.	Costa Rica	100% - CWCtrls
ACRA Control Inc.	Maryland	100% - CWCtrls
ACRA Control Limited	Ireland	100% - CWCLTD
Arens Controls Company LLC	Illinois	100% - CWCtrls
Mechetronics Asia Limited	Hong Kong	100% - CWCLTD
Teletronics Technology Corporation	Delaware	100% - CWCtrls
Tactical Communications Group LLC	Delaware	100% - TTC
901D Holdings, LLC	Delaware	100% - PIC
901D LLC	New York	100% - 901D
Dyna-Flo Control Valve Services Ltd	Alberta, Canada	100% - CWFC
D-Flo Services Inc.	Texas	100% - DFC
Dyna-Flo Control Valve Services Dalian Ltd	China	100% - DFC
IMR Test Labs - Singapore Pte. Ltd.	Singapore	100% - MIC
Williams Controls Inc.	Delaware	100% - CWCtrls
Williams Controls Industries, Inc.	Delaware	100% - WCI
Williams Controls India Private Limited	India	99% - WCI
	1% - WCII	
Williams Controls Europe GmbH	Germany	100% - WCI
Williams (Suzhou) Controls Co. Ltd	China	100% - WCI
Exlar Corp.	Minnesota	100% - CWCtrls
Exlar Europe GmbH	Germany	100% - EXL
A.P. Services LLC	Delaware	100% - CWFSC
Curtiss-Wright Arresting Systems SAS	France	100% - CWEMC

KEY

CCRS - Component Coatings and Repair Services Ltd.
CWAT - Curtiss-Wright Antriebstechnik, GmbH
CWBV - Curtiss-Wright Netherlands BV
CWC – Curtiss-Wright Corporation
CWCLTD - Curtiss-Wright Controls (UK) Ltd.
CWCtrls – Curtiss-Wright Controls, Inc.
CWCV - Curtiss-Wright Netherlands CV
CWEMC - Curtiss-Wright Electro-Mechanical Corporation
CWFC – Curtiss-Wright Flow Control Corporation
CWFCP - CWFC Phonix Group GmbH
CWFSC – Curtiss-Wright Flow Control Service, LLC

CWIS – Curtiss-Wright Integrated Sensing, Inc.
CWLTD - - Curtiss-Wright Flow Control (UK) Ltd.
CWST – Curtiss-Wright Surface Technologies, LLC
CWSTAB - Curtiss-Wright Surface Technologies AB
D4I – Dy 4, Inc.
D4S – Dy 4 Systems, Inc.
DFC - Dyna-Flo Control Valve Services Ltd
EXL - Exlar Corp.
MIC – Metal Improvement Company, LLC
PAWB - Phonix Armaturen-WerkeBregel Gmbh
PIC - Peerless Instrument Co., Inc.
STR - Strack Gmbh
TTC -Teletronics Technology Corporation
WCI - Williams Controls Inc.
WCII - Williams Controls Industries Inc.
901D - 901D Holdings, LLC

Schedule 5.4-3

DB1/ 131461627.9

SCHEDULE 5.5

FINANCIAL STATEMENTS

Annual Report for the fiscal years ending December 31, 2019, December 31, 2020, and December 31, 2021, and corresponding financial statements as filed with the United States Securities and Exchange Commission on Forms 10-K for same period.

Schedule 5.5

DB1/ 131461627.9

SCHEDULE 5.8

CERTAIN LITIGATION

**SIGNIFICANT OUTSTANDING LEGAL PROCEEDINGS AGAINST CURTISS-WRIGHT CORPORATION AND
CONSOLIDATED SUBSIDIARIES**

None

Schedule 5.8

DB1/ 131461627.9

SCHEDULE 5.10
TITLE TO PROPERTY

None

Schedule 5.10

DB1/ 131461627.9

SCHEDULE 5.11
LICENSES & PERMITS

None

Schedule 5.11

DB1/ 131461627.9

SCHEDULE 5.12

ERISA AFFILIATES, EMPLOYEE BENEFIT PLANS

Benefit Plans

Curtiss-Wright Corporation Retirement Plan
Curtiss-Wright Corporation Savings & Investment Plan
Curtiss-Wright Electro Mechanical Division Pension Plan (CWEMC only)
Curtiss-Wright Corporation Executive Deferred Compensation Plan
Curtiss-Wright Corporation Employee Stock Purchase Plan
Curtiss-Wright Corporation Benefits Restoration Plan
Curtiss-Wright Corporation Employee Health Benefit Plans (medical, dental and prescription)
Curtiss-Wright Corporation Tuition Plan (not offered at MIC)
Curtiss-Wright Corporation Life Insurance
Curtiss-Wright Corporation Long Term Disability
Curtiss-Wright Corporation Salary Continuation Plan
Curtiss-Wright Corporation Flexible Spending Account
Curtiss-Wright Corporation Business Travel Accident Insurance
Curtiss-Wright Corporation Voluntary Accident Insurance
Curtiss-Wright Corporation Survivor Support Plan
Curtiss-Wright Corporation Severance Allowance Plans
Curtiss-Wright Corporation Legal Plan
Curtiss-Wright Corporation Son's & Daughter's Scholarship Program
Curtiss-Wright Group Legal Plan
Curtiss-Wright Group Financial Planning Plan
Curtiss-Wright Corporation Long Term Incentive Program
Curtiss-Wright Corporation Incentive Compensation Program
Curtiss-Wright Corporation Short Term Disability (NJ, NY, CA)
Curtiss-Wright Corporation Relocation Program
Curtiss-Wright Financial Planning Program (Officer plan)
Curtiss-Wright Executive Physical Plan (Officer and VP/GM level only)
Washington Group International, Inc. Government Services Executive Pension Plan
Curtiss-Wright Corporation Retirement Savings Restoration Plan

Schedule 5.12

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SCHEDULE 5.15

EXISTING DEBT IN EXCESS OF \$1,000,000

Debt

Credit Agreement dated May 17, 2022 among the Company, certain other subsidiaries of the Company, JPMorgan Chase Bank, N.A., as administrative agent and the lenders party thereto. The facility offers a maximum of \$750 million, with a \$250 million accordion, over five years to the Company. The facility expires May 17, 2027.

\$200MM in 4.24% Series E Senior Guaranteed Notes due December 1, 2026.

\$202.5MM in 3.70% Series F Senior Guaranteed Notes due February 26, 2023.

\$90MM in 3.85% Series G Senior Guaranteed Notes due February 26, 2025.

\$67.5MM 4.05% Series H Senior Guaranteed Notes due February 26, 2028.

\$90MM 4.11% Series I Senior Guaranteed Notes due September 26, 2028.

\$150MM 3.10% Series J Senior Guaranteed Notes due August 13, 2030.

\$150MM 3.20% Series K Senior Guaranteed Notes due August 13, 2032.

Schedule 5.15

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SCHEDULE 5.16

FOREIGN ASSETS CONTROL REGULATIONS

On January 29, 2020 Curtiss-Wright filed an Initial Notice of Voluntary Self-Disclosure of certain activity that may have violated the Ukraine-Related Sanctions Regulations codified at 31 CFR 589, and Directive 3 under Executive Order 13662, "Blocking Property of Additional Persons Contributing to the Situation in Ukraine" ("Directive 3"). Curtiss-Wright has retained outside counsel to conduct an investigation into this matter in order to identify the root cause, implement appropriate remedial measures, and provide OFAC with a supplement to the Initial disclosure. The investigation revealed that two long-time customers were not originally captured by newly implemented Russian sanctions. Sometime in 2019, and unbeknown to Curtiss-Wright, both customers were "acquired" by a sanctioned company. Change of ownership resulted in beneficial ownership sanctions now capturing our two long-time customers.

Newly implemented sanctions prohibit credit terms over 30 days. Curtiss-Wright terms were more than 30 days. A contracts administrator believing he needed to modify the existing invoices for product already shipped, changed the terms to 30 days so banks would allow payments. Counsel has classified this matter as a low to medium infraction that may result in a fine. Counsel has noted that there are two mitigating factors regarding the infraction: (i) the individual acted individually and not with consent of management, and (ii) the individual's employment was terminated upon discovery of the actions. We do not believe this will result in a material adverse effect. Curtiss-Wright has still not received a response from OFAC.

Schedule 5.16

DB1/ 131461627.9

EXHIBIT 1.1(a)

FORM OF SERIES L NOTE

THIS NOTE HAS NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE “SECURITIES ACT”) OR ANY APPLICABLE SECURITIES LAWS OF THE STATES OF THE UNITED STATES, AND MAY NOT BE SOLD OR OTHERWISE TRANSFERRED IN THE ABSENCE OF SUCH REGISTRATION OR AN APPLICABLE EXEMPTION THEREFROM.

**CURTISS-WRIGHT CORPORATION
CURTISS-WRIGHT CONTROLS, INC.
METAL IMPROVEMENT COMPANY, LLC
CURTISS-WRIGHT FLOW CONTROL CORPORATION
CURTISS-WRIGHT FLOW CONTROL SERVICE, LLC
CURTISS-WRIGHT ELECTRO-MECHANICAL CORPORATION
CURTISS-WRIGHT SURFACE TECHNOLOGIES LLC**

4.49% SERIES L SENIOR GUARANTEED NOTE DUE OCTOBER 27, 2032

No. RL-[] [Date]
\$[] PPN: 23157# AM1

FOR VALUE RECEIVED, each of the undersigned, **CURTISS-WRIGHT CORPORATION**, a Delaware corporation (together with its successors and assigns, the “**Company**”), **CURTISS-WRIGHT CONTROLS, INC.**, a Delaware corporation (together with its successors and assigns, “**C-W Controls**”), **METAL IMPROVEMENT COMPANY, LLC**, a Delaware limited liability company (together with its successors and assigns, “**Metal**”), **CURTISS-WRIGHT FLOW CONTROL CORPORATION**, a New York corporation (together with its successors and assigns, “**C-W Flow**”), **CURTISS-WRIGHT FLOW CONTROL SERVICE, LLC**, a Delaware limited liability company (together with its successors and assigns “**C-W Flow Control Service**”), **CURTISS-WRIGHT ELECTRO-MECHANICAL CORPORATION**, a Delaware corporation (together with its successors and assigns “**C-W Electro-Mechanical**”) and **CURTISS-WRIGHT SURFACE TECHNOLOGIES LLC**, a Delaware limited liability company (“**C-W Surface**” and together with the Company, C-W Controls, Metal, C-W Flow, C-W Flow Control Service and C-W Electro-Mechanical, individually, an “**Issuer**” and collectively, the “**Issuers**”), hereby jointly and severally promises to pay to [] or registered assigns, the principal sum of [] **DOLLARS** (\$[]) on October 27, 2032 with interest (computed on the basis of a 360-day year of twelve 30-day months) (a) on the unpaid balance thereof at the rate of 4.49% per annum from the date hereof (subject to adjustment as set forth in the Note Purchase Agreement), payable semiannually, on the 27th day of April and October in each year, commencing with the April 27 or October 27 next succeeding the date hereof, until the principal hereof shall have become due and payable, and (b) to the extent permitted by law on any overdue payment (including any overdue prepayment) of principal, any overdue payment of interest and any overdue payment of any Make-Whole Amount (as defined in the Note Purchase Agreement referred to below), payable semiannually as aforesaid (or, at the option of the registered holder hereof, on demand), at the Default Rate (as defined in the Note Purchase Agreement referred to below).

Payments of principal of, interest on and any Make-Whole Amount with respect to this Note are to be made in lawful money of the United States of America at the address shown in the

Exhibit 1.1(a)

register maintained by the Company for such purpose or at such other place as the Issuers shall have designated by written notice to the holder of this Note as provided in the Note Purchase Agreement referred to below.

This Note is one of a series of Series L Senior Guaranteed Notes (herein called the “**Notes**”) issued pursuant to that certain Note Purchase Agreement, dated as of October 27, 2022 (as from time to time amended, the “**Note Purchase Agreement**”), between the Issuers and the respective purchasers named therein and is entitled to the benefits thereof. Each holder of this Note will be deemed, by its acceptance hereof, (a) to have agreed to the confidentiality provisions set forth in Section 20 of the Note Purchase Agreement and (b) to have made the representations set forth in Section 6 of the Note Purchase Agreement.

This Note is a registered Note and, as provided in the Note Purchase Agreement, upon surrender of this Note for registration of transfer, duly endorsed, or accompanied by a written instrument of transfer duly executed, by the registered holder hereof or such holder’s attorney duly authorized in writing, a new Note for a like principal amount will be issued to, and registered in the name of, the transferee. Prior to due presentment for registration of transfer, the Issuers may treat the person in whose name this Note is registered as the owner hereof for the purpose of receiving payment and for all other purposes, and the Issuers will not be affected by any notice to the contrary.

This Note is subject to optional prepayment, in whole or from time to time in part, at the times and on the terms specified in the Note Purchase Agreement, but not otherwise.

If an Event of Default, as defined in the Note Purchase Agreement, occurs and is continuing, the principal of this Note may be declared or otherwise become due and payable in the manner, at the price (including any applicable Make-Whole Amount) and with the effect provided in the Note Purchase Agreement.

Exhibit 1.1(a)

DB1/ 131461627.9

THIS NOTE SHALL BE CONSTRUED AND ENFORCED IN ACCORDANCE WITH, AND THE RIGHTS OF THE PARTIES SHALL BE GOVERNED BY, THE LAW OF THE STATE OF NEW YORK EXCLUDING CHOICE-OF-LAW PRINCIPLES OF THE LAW OF SUCH STATE THAT WOULD REQUIRE THE APPLICATION OF THE LAWS OF A JURISDICTION OTHER THAN SUCH STATE.

**CURTISS-WRIGHT CORPORATION
CURTISS-WRIGHT CONTROLS, INC.
METAL IMPROVEMENT COMPANY,
LLC
CURTISS-WRIGHT FLOW CONTROL
CORPORATION
CURTISS-WRIGHT FLOW CONTROL
SERVICE, LLC
CURTISS-WRIGHT ELECTRO-MECHANICAL CORPORATION
CURTISS-WRIGHT SURFACE TECHNOLOGIES LLC**

By: _____
Name:
Title:

Exhibit 1.1(a)

DB1/ 131461627.9

203EXHIBIT 1.1(b)

FORM OF SERIES M NOTE

THIS NOTE HAS NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE “SECURITIES ACT”) OR ANY APPLICABLE SECURITIES LAWS OF THE STATES OF THE UNITED STATES, AND MAY NOT BE SOLD OR OTHERWISE TRANSFERRED IN THE ABSENCE OF SUCH REGISTRATION OR AN APPLICABLE EXEMPTION THEREFROM.

**CURTISS-WRIGHT CORPORATION
CURTISS-WRIGHT CONTROLS, INC.
METAL IMPROVEMENT COMPANY, LLC
CURTISS-WRIGHT FLOW CONTROL CORPORATION
CURTISS-WRIGHT FLOW CONTROL SERVICE, LLC
CURTISS-WRIGHT ELECTRO-MECHANICAL CORPORATION
CURTISS-WRIGHT SURFACE TECHNOLOGIES LLC**

4.64% SERIES M SENIOR GUARANTEED NOTE DUE OCTOBER 27, 2034

No. RM-[] [Date]
\$[] PPN: 23157# AN9

FOR VALUE RECEIVED, each of the undersigned, **CURTISS-WRIGHT CORPORATION**, a Delaware corporation (together with its successors and assigns, the “**Company**”), **CURTISS-WRIGHT CONTROLS, INC.**, a Delaware corporation (together with its successors and assigns, “**C-W Controls**”), **METAL IMPROVEMENT COMPANY, LLC**, a Delaware limited liability company (together with its successors and assigns, “**Metal**”), **CURTISS-WRIGHT FLOW CONTROL CORPORATION**, a New York corporation (together with its successors and assigns, “**C-W Flow**”), **CURTISS-WRIGHT FLOW CONTROL SERVICE, LLC**, a Delaware limited liability company (together with its successors and assigns “**C-W Flow Control Service**”), **CURTISS-WRIGHT ELECTRO-MECHANICAL CORPORATION**, a Delaware corporation (together with its successors and assigns “**C-W Electro-Mechanical**”) and **CURTISS-WRIGHT SURFACE TECHNOLOGIES LLC**, a Delaware limited liability company (“**C-W Surface**” and together with the Company, C-W Controls, Metal, C-W Flow, C-W Flow Control Service and C-W Electro-Mechanical, individually, an “**Issuer**” and collectively, the “**Issuers**”), hereby jointly and severally promises to pay to [] or registered assigns, the principal sum of [] **DOLLARS** (\$[]) on October 27, 2034 with interest (computed on the basis of a 360-day year of twelve 30-day months) (a) on the unpaid balance thereof at the rate of 4.64% per annum from the date hereof (subject to adjustment as set forth in the Note Purchase Agreement), payable semiannually, on the 27th day of April and October in each year, commencing with the April 27 or October 27 next succeeding the date hereof, until the principal hereof shall have become due and payable, and (b) to the extent permitted by law on any overdue payment (including any overdue prepayment) of principal, any overdue payment of interest and any overdue payment of any Make-Whole Amount (as defined in the Note Purchase Agreement referred to below), payable semiannually as aforesaid (or, at the option of the registered holder hereof, on demand), at a rate per annum from time to time equal to the Default Rate (as defined in the Note Purchase Agreement referred to below).

Payments of principal of, interest on and any Make-Whole Amount with respect to this Note are to be made in lawful money of the United States of America at the address shown in the

Exhibit 1.1(b)-1

DB1/ 131461627.9

register maintained by the Company for such purpose or at such other place as the Issuers shall have designated by written notice to the holder of this Note as provided in the Note Purchase Agreement referred to below.

This Note is one of a series of Series M Senior Guaranteed Notes (herein called the “**Notes**”) issued pursuant to that certain Note Purchase Agreement, dated as of October 27, 2022 (as from time to time amended, the “**Note Purchase Agreement**”), between the Issuers and the respective purchasers named therein and is entitled to the benefits thereof. Each holder of this Note will be deemed, by its acceptance hereof, (a) to have agreed to the confidentiality provisions set forth in Section 20 of the Note Purchase Agreement and (b) to have made the representations set forth in Section 6 of the Note Purchase Agreement.

This Note is a registered Note and, as provided in the Note Purchase Agreement, upon surrender of this Note for registration of transfer, duly endorsed, or accompanied by a written instrument of transfer duly executed, by the registered holder hereof or such holder’s attorney duly authorized in writing, a new Note for a like principal amount will be issued to, and registered in the name of, the transferee. Prior to due presentment for registration of transfer, the Issuers may treat the person in whose name this Note is registered as the owner hereof for the purpose of receiving payment and for all other purposes, and the Issuers will not be affected by any notice to the contrary.

This Note is subject to optional prepayment, in whole or from time to time in part, at the times and on the terms specified in the Note Purchase Agreement, but not otherwise.

If an Event of Default, as defined in the Note Purchase Agreement, occurs and is continuing, the principal of this Note may be declared or otherwise become due and payable in the manner, at the price (including any applicable Make-Whole Amount) and with the effect provided in the Note Purchase Agreement.

Exhibit 1.1(b)-1

DB1/ 131461627.9

THIS NOTE SHALL BE CONSTRUED AND ENFORCED IN ACCORDANCE WITH, AND THE RIGHTS OF THE PARTIES SHALL BE GOVERNED BY, THE LAW OF THE STATE OF NEW YORK EXCLUDING CHOICE-OF-LAW PRINCIPLES OF THE LAW OF SUCH STATE THAT WOULD REQUIRE THE APPLICATION OF THE LAWS OF A JURISDICTION OTHER THAN SUCH STATE.

**CURTISS-WRIGHT CORPORATION
CURTISS-WRIGHT CONTROLS, INC.
METAL IMPROVEMENT COMPANY,
LLC
CURTISS-WRIGHT FLOW CONTROL
CORPORATION
CURTISS-WRIGHT FLOW CONTROL
SERVICE, LLC
CURTISS-WRIGHT ELECTRO-MECHANICAL CORPORATION
CURTISS-WRIGHT SURFACE TECHNOLOGIES LLC**

By: _____
Name:
Title:

Exhibit 1.1(b)-1

DB1/ 131461627.9

EXHIBIT 1.2
FORM OF SUBSIDIARY GUARANTEE
SUBSIDIARY GUARANTEE AGREEMENT

This **SUBSIDIARY GUARANTEE AGREEMENT** (as the same may hereafter be amended, supplemented or otherwise modified, this “**Guarantee**”), dated as of October 27, 2022, is made by each of the entities on the signature page hereto under the heading “Subsidiary Guarantors” (together with their successors and assigns, the “**Subsidiary Guarantors**” and each individually a “**Subsidiary Guarantor**”) in favor of the Noteholders (defined below).

RECITALS:

WHEREAS, each Subsidiary Guarantor is a direct or indirect Subsidiary of Curtiss-Wright Corporation, a Delaware corporation (together with its successors and assigns, the “**Company**”);

WHEREAS, the Company, Curtiss-Wright Controls, Inc., a Delaware corporation (together with its successors and assigns, “**C-W Controls**”), Metal Improvement Company, LLC, a Delaware limited liability company (together with its successors and assigns, “**Metal**”), Curtiss-Wright Flow Control Corporation, a New York corporation (together with its successors and assigns, “**C-W Flow**”), Curtiss-Wright Flow Control Service, LLC, a Delaware limited liability company (together with its successors and assigns, “**C-W Flow Control Service**”), Curtiss-Wright Electro-Mechanical Corporation, a Delaware corporation (together with its successors and assigns, “**C-W Electro-Mechanical**”) and Curtiss-Wright Surface Technologies LLC, a Delaware limited liability company (together with its successors and assigns, “**C-W Surface**” and together with the Company, C-W Controls, Metal, C-W Flow, C-W Electro-Mechanical and C-W Flow Control Service, individually, an “**Issuer**” and collectively, the “**Issuers**”) have entered into a certain Note Purchase Agreement, dated as of the date hereof (as may be amended, modified, restated or replaced from time to time, the “**Note Purchase Agreement**”), with each of the Purchasers listed on Schedule A attached thereto (collectively, the “**Purchasers**”, and together with their successors and assigns including, without limitation, future holders of the Notes (defined below), herein collectively referred to as the “**Noteholders**”), pursuant to which the Issuers, among other things, are issuing to the Purchasers (a) \$200,000,000 aggregate principal amount of their joint and several 4.49% Series L Senior Guaranteed Notes due October 27, 2032 (including any amendments, restatements or modifications from time to time, the “**Series L Notes**”) and (b) \$100,000,000 aggregate principal amount of their joint and several 4.64% Series M Senior Guaranteed Notes due October 27, 2034 (including any amendments, restatements or modifications from time to time, the “**Series M Notes**”, and together with the Series L Notes, collectively, the “**Notes**”, such term to include any such notes issued in substitution therefor pursuant to Section 13 of the Note Purchase Agreement); and

WHEREAS, to induce each Purchaser to purchase the Notes and as a condition precedent to the consummation of the transactions contemplated by the Note Purchase Agreement, each Subsidiary Guarantor is required pursuant to the Note Purchase Agreement to guaranty jointly and severally and unconditionally all of the obligations of the Issuers under and in respect of the Notes, the Note Purchase Agreement and the other Financing Documents pursuant to the terms and provisions hereof.

NOW THEREFORE, in consideration of the foregoing, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged and confirmed, each of the Subsidiary Guarantors hereby agrees as follows:

1. DEFINITIONS.

All capitalized terms used herein and not defined herein have the respective meanings given them in the Note Purchase Agreement.

2. GUARANTEE.

2.1. Guaranteed Obligations.

Each Subsidiary Guarantor, in consideration of the execution and delivery of the Note Purchase Agreement and the purchase of the Notes by the Purchasers, hereby irrevocably, unconditionally, and absolutely guarantees, on a joint and several and continuing basis with each other Subsidiary Guarantor, to each Noteholder as and for such Subsidiary Guarantor's own debt, until final and indefeasible payment of the amounts referred to in clause (a) below has been made:

(a) the due and punctual payment by the Issuers of the principal of, and interest, and the Make-Whole Amount (if any) on, the Notes at any time outstanding and the due and punctual payment of all other amounts payable, including, without limitation, all fees and expenses and all other Debt owing by the Issuers to the Noteholders under the Note Purchase Agreement, the Notes and the other Financing Documents (including, without limitation, monetary obligations incurred during the pendency of any bankruptcy, insolvency, winding-up, receivership or other similar proceeding regardless of whether allowed or allowable in such proceeding including, without limitation, interest accrued on the Notes during any such proceeding), in each case when and as the same shall become due and payable, whether at maturity, pursuant to mandatory or optional prepayment, by acceleration or otherwise, all in accordance with the terms and provisions hereof and thereof; it being the intent of each Subsidiary Guarantor that the guarantee set forth herein shall be a continuing guarantee of payment and not a guarantee of collection; and

(b) the punctual and faithful performance, keeping, observance, and fulfillment by the Issuers of all duties, agreements, covenants and obligations of the Issuers contained in the Note Purchase Agreement, the Notes and the other Financing Documents.

All of the obligations set forth in clause (a) and clause (b) of this Section 2.1 are referred to herein as the "**Guaranteed Obligations**".

2.2. Payments and Performance.

In the event that the Issuers fail to make, on or before the due date thereof, any payment to be made in respect of the Guaranteed Obligations or if the Issuers shall fail to perform, keep, observe, or fulfill any other obligation referred to in clause (a) or clause (b) of Section 2.1 in the manner provided in the Note Purchase Agreement, the Notes and the other Financing Documents, the Subsidiary Guarantors shall cause forthwith to be paid the moneys, or to be performed, kept, observed, or fulfilled each of such obligations in respect of which such failure has occurred in accordance with the terms and provisions of the Note Purchase Agreement, the Notes and the other Financing Documents. In furtherance of the foregoing, if an Event of Default shall exist, all of the Guaranteed Obligations shall, upon notice provided to the Subsidiary Guarantors by the Required Holders, forthwith become due and payable without

further notice, regardless of whether the acceleration of the Notes shall be stayed, enjoined, delayed or otherwise prevented.

2.3. Releases.

Each Subsidiary Guarantor consents and agrees that, without any notice whatsoever to or by such Subsidiary Guarantor and without impairing, releasing, abating, deferring, suspending, reducing, terminating or otherwise affecting the obligations of such Subsidiary Guarantor hereunder, each Noteholder, by action or inaction, may:

(a) compromise or settle, renew or extend the period of duration or the time for the payment, or discharge the performance of, or may refuse to, or otherwise not, enforce, or may, by action or inaction, release all or any one or more parties to, any one or more of the Note Purchase Agreement, the Notes, any other Financing Document or any other guarantee or agreement or instrument related thereto or hereto;

(b) assign, sell or transfer, or otherwise dispose of, any one or more of the Notes;

(c) grant waivers, extensions, consents and other indulgences of any kind whatsoever to any Issuer, any Subsidiary Guarantor or any other Person liable in any manner in respect of all or any part of the Guaranteed Obligations;

(d) amend, modify or supplement in any manner whatsoever and at any time (or from time to time) any one or more of the Note Purchase Agreement, the Notes, any other Financing Document, any other guarantee or any agreement or instrument related thereto or hereto;

(e) release or substitute any one or more of the Subsidiary Guarantors, the endorsers or any other guarantors of the Guaranteed Obligations whether parties hereto or not, or obtain any additional endorsers or any other guarantors of the Guaranteed Obligations; and

(f) sell, exchange, release, accept, surrender or enforce rights in, or fail to obtain or perfect or to maintain, or caused to be obtained, perfected or maintained, the perfection of any Lien or other security interest or charge on, by action or inaction, any property at any time pledged or granted as security in respect of the Guaranteed Obligations, whether so pledged or granted by any Issuer, any Subsidiary Guarantor or any other Person.

Each Subsidiary Guarantor hereby ratifies and confirms any such action specified in this Section 2.3 and agrees that the same shall be binding upon such Subsidiary Guarantor, whether or not such Subsidiary Guarantor shall have consented thereto or received notice thereof. Each Subsidiary Guarantor hereby waives any and all defenses, counterclaims or offsets which such Subsidiary Guarantor might or could have by reason thereof.

2.4. Waivers.

To the fullest extent permitted by law, each Subsidiary Guarantor hereby waives:

(a) notice of acceptance of this Guarantee;

(b) notice of any purchase or acceptance of the Notes under the Note Purchase Agreement, or the creation, existence or acquisition of any of the Guaranteed Obligations,

subject to such Subsidiary Guarantor's right to make inquiry of each Noteholder to ascertain the amount of the Guaranteed Obligations at any reasonable time;

(c) notice of the amount of the Guaranteed Obligations, subject to such Subsidiary Guarantor's right to make inquiry of each Noteholder to ascertain the amount of the Guaranteed Obligations at any reasonable time;

(d) notice of adverse change in the financial condition of the Issuers or any other guarantor or any other fact that might increase such Subsidiary Guarantor's risk hereunder;

(e) notice of presentment for payment, demand, protest, and notice thereof as to the Notes or any other instrument;

(f) except to the extent set forth in Section 2.2 hereof, notice of any Default or Event of Default;

(g) all other notices and demands to which such Subsidiary Guarantor might otherwise be entitled (except if such notice or demand is specifically otherwise required to be given to such Subsidiary Guarantor under this Guarantee);

(h) the right by statute or otherwise to require any or each Noteholder to institute suit against any Issuer, any Subsidiary Guarantor or any other guarantor or to exhaust the rights and remedies of any or each Noteholder against any Issuer, any Subsidiary Guarantor, or any other guarantor, such Subsidiary Guarantor being bound to the payment of each and all Guaranteed Obligations, whether now existing or hereafter accruing, as fully as if such Guaranteed Obligations were directly owing to each Noteholder by such Subsidiary Guarantor;

(i) any defense arising by reason of any disability or other defense (other than the defense that the Guaranteed Obligations shall have been fully and finally performed and indefeasibly paid) of the Issuers or by reason of the cessation from any cause whatsoever of the liability of any of the Issuers in respect thereof;

(j) any stay (except in connection with a pending appeal), valuation, appraisal, redemption or extension law now or at any time hereafter in force that, but for this waiver, might be applicable to any sale of property of such Subsidiary Guarantor made under any judgment, order or decree based on the Note Purchase Agreement or this Guarantee, or any other Financing Document and such Subsidiary Guarantor covenants that it will not at any time insist upon or plead, or in any manner claim or take the benefit or advantage of, any such law; and

(k) at all times prior to the full and final performance and indefeasible payment of the Guaranteed Obligations, any claim of any nature arising out of any right of indemnity, contribution, reimbursement, indemnification or any similar right or any claim of subrogation (whether such right or claim arises under contract, common law or statutory or civil law) arising in respect of any payment made under this Guarantee or in connection with this Guarantee, against any Issuer or any Subsidiary Guarantor or the estate of any Issuer (including Liens on the property of any Issuer or the estate of any Issuer or any Subsidiary Guarantor), in each case whether or not any Issuer or any Subsidiary Guarantor at any time shall be the subject of any proceeding brought under any bankruptcy law, and such Subsidiary Guarantor further agrees that it will not file any claims against any Issuer or any Subsidiary Guarantor or the estate of any Issuer or any

Subsidiary Guarantor in the course of any such proceeding or otherwise, and further agrees that each Noteholder may specifically enforce the provisions of this clause (k).

2.5. Marshaling; Invalid Payments.

Each Subsidiary Guarantor consents and agrees:

(a) that each Noteholder, and each Person acting for the benefit of one or more of the Noteholders, shall be under no obligation to marshal any assets in favor of the Subsidiary Guarantors or against or in payment of any or all of the Guaranteed Obligations; and

(b) that, to the extent that the Issuers make a payment or payments to any Noteholder, which payment or payments or any part thereof are subsequently invalidated, declared to be fraudulent or preferential, set aside or required, for any of the foregoing reasons or for any other reason, to be repaid or paid over to a custodian, trustee, receiver, administrative receiver, administrator or any other party or officer under any bankruptcy law, other common or civil law, or equitable cause, then, to the extent of such payment or repayment, the obligation or part thereof intended to be satisfied thereby shall be revived and continued in full force and effect as if such payment or payments had not been made and the Subsidiary Guarantors shall be primarily liable for such obligation.

2.6. Immediate Liability.

Each Subsidiary Guarantor agrees that the liability of the Subsidiary Guarantors in respect of this Guarantee shall be immediate and shall not be contingent upon the exercise or enforcement by any Noteholder or any other Person of whatever remedies such Noteholder or other Person may have against any Issuer, any Subsidiary Guarantor or any other guarantor or the enforcement of any Lien or realization upon any security such Noteholder or other Person may at any time possess.

2.7. Primary Obligations.

This Guarantee is a primary and original obligation of each Subsidiary Guarantor and is an absolute, unconditional, continuing and irrevocable joint and several guaranty of payment and performance of the Guaranteed Obligations and shall remain in full force and effect regardless of any action by any Noteholder specified in Section 2.3 or any future changes in conditions, including, without limitation, change of law or any invalidity or irregularity with respect to the issuance or assumption of any obligations (including, without limitation, the Notes) of or by any Issuer, any Subsidiary Guarantor or any other guarantor, or with respect to the execution and delivery of any agreement (including, without limitation, the Notes, the Note Purchase Agreement and any other Financing Document) of the Issuers or any other Person.

2.8. No Reduction or Defense.

The obligations of the Subsidiary Guarantors under this Guarantee, and the rights of any Noteholder to enforce such obligations by any proceedings, whether by action at law, suit in equity or otherwise, shall not be subject to any reduction, limitation, impairment or termination, whether by reason of any claim of any character whatsoever or otherwise, including, without limitation, claims of waiver, release, surrender, alteration or compromise, and shall not be subject to any defense (other than any defense based upon the irrevocable payment and performance in full of the obligations of the Issuers under the Note Purchase Agreement and the Notes), set-off, counterclaim, recoupment or termination whatsoever.

Without limiting the generality of the foregoing, the obligations of the Subsidiary Guarantors shall not be discharged or impaired by:

(a) any default (including, without limitation, any Default or Event of Default), failure or delay, willful or otherwise, in the performance of any obligations by any Subsidiary Guarantor, any Issuer, any Subsidiary or any of their respective Affiliates;

(b) any proceeding of, or involving, any Issuer, any Subsidiary Guarantor or any other Subsidiary under any bankruptcy law, or any merger, consolidation, reorganization, dissolution, liquidation, sale of assets or winding-up or change in corporate constitution or corporate identity or loss of corporate identity of any Issuer, any Subsidiary Guarantor any of the other Subsidiaries or any of their respective Affiliates;

(c) any incapacity or lack of power, authority or legal personality of, or dissolution or change in the members or status of, any Issuer or any other Person;

(d) impossibility or illegality of performance on the part of the any Issuer under the Notes, the Note Purchase Agreement, any other Financing Document or any other instruments or agreements;

(e) the invalidity, irregularity or unenforceability of the Notes, the Note Purchase Agreement, any other Financing Document or any other instruments or agreements;

(f) in respect of any Issuer or any other Person, any change of circumstances, whether or not foreseen or foreseeable, whether or not imputable to any Issuer or any other Person, or other impossibility of performance through fire, explosion, accident, labor disturbance, floods, droughts, embargoes, wars (whether or not declared), terrorist activities, civil commotions, acts of God or the public enemy, delays or failure of suppliers or carriers, inability to obtain materials or any other causes affecting performance, or any other force majeure, whether or not beyond the control of any Issuer or any other Person and whether or not of the kind hereinbefore specified;

(g) any attachment, claim, demand, charge, Lien, order, process or any other happening or event or reason, similar or dissimilar to the foregoing, or any withholding or diminution at the source, by reason of any taxes, assessments, expenses, indebtedness, obligations or liabilities of any character, foreseen or unforeseen, and whether or not valid, incurred by or against any Person, corporation or entity, or any claims, demands, charges or Liens of any nature, foreseen or unforeseen, incurred by any Person, or against any sums payable under the Note Purchase Agreement, the Notes or any other Financing Document, so that such sums would be rendered inadequate or would be unavailable to make the payments herein provided; or

(h) any order, judgment, decree, ruling or regulation (whether or not valid) of any court of any nation or of any political subdivision thereof or any Governmental Authority, or any other action, happening, event or reason whatsoever which shall delay, interfere with, hinder or prevent, or in any way adversely affect, the performance by any Issuer of any of its obligations under the Note Purchase Agreement, the Notes or any other Financing Document.

2.9. No Election.

Each Noteholder shall, individually or collectively, have the right to seek recourse against each Subsidiary Guarantor to the fullest extent provided for herein for its joint and several

obligations under this Guarantee. No election to proceed in one form of action or proceeding, or against any party, or on any obligation, shall constitute a waiver of such Noteholder's right to proceed in any other form of action or proceeding or against other parties unless such Noteholder has expressly waived such right in writing. Specifically, but without limiting the generality of the foregoing, no action or proceeding by or on behalf of any Noteholder against any Issuer, any Subsidiary Guarantor or any other Person under any document or instrument evidencing obligations of the Issuers or such other Person to or for the benefit of such Noteholder shall serve to diminish the liability of any Subsidiary Guarantor under this Guarantee except to the extent that such Noteholder unconditionally shall have realized payment by such action or proceeding.

2.10. Severability.

Each of the rights and remedies granted under this Guarantee to each Noteholder in respect of the Notes held by such Noteholder may be exercised by such Noteholder without notice to, or the consent of or any other action by, any other Noteholder.

2.11. Appropriations.

Until all amounts which may be or become payable by the Issuers under or in connection with the Note Purchase Agreement, the Notes and the other Financing Documents, or by the Subsidiary Guarantors under or in connection with this Guarantee, have been irrevocably paid in full, any Noteholder (or any trustee or agent on its behalf) may refrain from applying or enforcing any other moneys, security or rights held or received by such Noteholder (or any trustee or agent on its behalf) in respect of those amounts, or apply and enforce the same in such manner and order as it sees fit (whether against those amounts or otherwise) and the Subsidiary Guarantors shall not be entitled to the benefit of the same.

2.12. Other Enforcement Rights.

Each Noteholder may proceed to protect and enforce this Guarantee by suit or suits or proceedings in equity, at law or in bankruptcy or insolvency, and whether for the specific performance of any covenant or agreement contained herein or in execution or aid of any power herein granted; or for the recovery of judgment for the obligations hereby guaranteed or for the enforcement of any other proper, legal or equitable remedy available under applicable law.

2.13. Restoration of Rights and Remedies.

If any Noteholder shall have instituted any proceeding to enforce any right or remedy against any or all Subsidiary Guarantors under this Guarantee or otherwise and such proceeding shall have been discontinued or abandoned for any reason, or shall have been determined adversely to such Noteholder, then and in every such case each such Noteholder, the Issuers and the Subsidiary Guarantors shall, except as may be limited or affected by any determination in such proceeding, be restored severally and respectively to its respective former position hereunder, and thereafter the rights and remedies of such Noteholder shall continue as though no such proceeding had been instituted.

2.14. Survival; Term of Guaranty.

So long as the Guaranteed Obligations shall not have been fully and finally performed and indefeasibly paid, the obligations of the Subsidiary Guarantors under this Guarantee shall survive the transfer and payment of any Note and the payment in full of all the Notes. Subject to Section 9.6(c) in the Note Purchase Agreement, this Guarantee and all guarantees, covenants and agreements of the Subsidiary Guarantors contained herein shall continue in full force and effect and shall not be discharged until such time as all of the Guaranteed Obligations and all other

obligations hereunder shall be indefeasibly paid in full and shall be subject to reinstatement pursuant to Section 2.13.

2.15. Subordination.

(i) Upon the occurrence and continuance of an Event of Default, the payment of any amounts due with respect to any Debt of the Issuers for money borrowed or credit received then or thereafter owed to the Subsidiary Guarantors shall be automatically subordinated to the prior payment in full of all of the Guaranteed Obligations. Each Subsidiary Guarantor agrees, after the occurrence and during the continuation of an Event of Default, no Subsidiary Guarantor will demand, sue for or otherwise exercise any remedies seeking to collect any such Debt of any Issuer to any Subsidiary Guarantor until all of the Guaranteed Obligations shall have been paid in full. If, notwithstanding the foregoing sentence, any Subsidiary Guarantor shall collect, enforce or receive any amounts in respect of such Debt while any Guaranteed Obligations are still outstanding, such amounts shall be collected, enforced and received by such Subsidiary Guarantor as trustee for the Noteholders and be paid over to the Noteholders on account of the Guaranteed Obligations without affecting in any manner the liability of any Subsidiary Guarantor under the other provisions of this Guarantee.

(j) Each Subsidiary Guarantor hereby agrees that to the extent a Subsidiary Guarantor shall have paid more than its proportionate share of any payment made hereunder, such Subsidiary Guarantor shall be entitled to seek and receive contribution from and against any other Subsidiary Guarantor hereunder that has not paid its proportionate share of such payment. Each Subsidiary Guarantor's right of contribution shall be subject to the terms and conditions of Section 2.15(a) hereof. The provisions of this Section shall in no respect limit the obligations and liabilities of any Subsidiary Guarantor to any Noteholder, and each Subsidiary Guarantor shall remain liable to each Noteholder for the full amount guaranteed by such Subsidiary Guarantor hereunder.

3. REPRESENTATIONS AND WARRANTIES.

Each Subsidiary Guarantor hereby represents and warrants to the Noteholders that:

3.1. Affirmation of Representations and Warranties in Note Purchase Agreement.

Each Subsidiary Guarantor hereby represents and warrants that each of the representations and warranties made by the Issuers in the Note Purchase Agreement as to it is true and correct.

3.2. Economic Benefit.

The Subsidiary Guarantors and the Issuers operate as separate businesses but are considered a single consolidated business group of companies for purposes of GAAP and are dependent upon each other for and in connection with their respective business activities and financial resources. The execution and delivery by the Noteholders of the Note Purchase Agreement and the maintenance of certain financial accommodations thereunder constitute an economic benefit to the Subsidiary Guarantors and the incurrence by the Issuers of the Debt under the Note Purchase Agreement and the Notes is in the best interests of the Subsidiary Guarantors. The board of directors (or similar governing body) of each Subsidiary Guarantor has deemed it advisable and in the best interest of such Subsidiary Guarantor that the transactions provided for in the Note Purchase Agreement and herein be consummated.

3.3. Solvency.

The fair value of the business and assets of the Subsidiary Guarantors, taken as a whole, after taking into account the likelihood of any payment being required in respect of any contingent liability (including, without limitation, the Guaranteed Obligations), is in excess of the amount that will be required to pay their liabilities (including, without limitation, contingent, subordinated, unmatured and unliquidated liabilities on existing debts, as such liabilities may become absolute and matured), in each case both before and after giving effect to the transactions contemplated by this Guarantee, the Note Purchase Agreement, the Notes and the other Financing Documents. After giving effect to the transactions contemplated by this Guarantee and the other Financing Documents, the Subsidiary Guarantors, taken as a whole, will not be rendered insolvent nor will they be engaged in any business or transaction, or about to engage in any business or transaction, for which they have unreasonably small capital, and the Subsidiary Guarantors, taken as a whole, have no intent to hinder, delay or defraud any entity to which they are, or will become, on or after the date of the Closing, indebted or to incur debts that would be beyond their ability to pay as they mature.

3.4. Independent Credit Evaluation.

Each Subsidiary Guarantor has independently, and without reliance on any information supplied by any one or more of the Noteholders, taken, and will continue to take, whatever steps such Subsidiary Guarantor deems necessary to evaluate the financial condition and affairs of the Issuers, and the Noteholders shall have no duty to advise any Subsidiary Guarantor of information at any time known to the Noteholders regarding such financial condition or affairs.

3.5. No Representation By Noteholders.

Except as set forth in Section 6 of the Note Purchase Agreement, none of the Noteholders nor any trustee or agent acting on its behalf has made any representation, warranty or statement to any Subsidiary Guarantor to induce any Subsidiary Guarantor to execute this Guarantee.

3.6. Survival.

All representations and warranties made by each Subsidiary Guarantor herein shall survive the execution hereof and may be relied upon by the Noteholders as being true and accurate until the Guaranteed Obligations are fully and irrevocably paid.

4. COVENANTS.

Each Subsidiary Guarantor hereby covenants and agrees that, so long as any part of the Guaranteed Obligations shall remain unpaid, such Subsidiary Guarantor will perform and observe, and cause each of its Subsidiaries to perform and observe, all of the terms, covenants and agreements set forth in the Note Purchase Agreement on its or their part to be performed or observed or that the Issuers have agreed to cause any Subsidiary Guarantor or such Subsidiaries to perform or observe.

5. SUCCESSORS AND ASSIGNS.

This Guarantee shall bind the successors, assignees, trustees, and administrators of each Subsidiary Guarantor and shall inure to the benefit of the Noteholders, and each of their respective successors, transferees, participants and assignees as provided in the Note Purchase Agreement; except that, subject to Section 10.2 of the Note Purchase Agreement, the Subsidiary Guarantors may not assign or otherwise transfer any of their rights or obligations hereunder without the prior written consent of each Noteholder. Nothing in this Guarantee, expressed or

implied, shall be construed to confer upon any Person (other than the parties hereto and their respective successors and assigns permitted hereby) any legal or equitable right, remedy or claim under or by reason of this Guarantee.

6. AMENDMENTS AND WAIVERS.

This Subsidiary Guarantee may be amended, and the observance of any term hereof may be waived (either retroactively or prospectively), with (and only with) the written consent of each Subsidiary Guarantor and the Required Holders, except that no amendment or waiver (a) of Section 2 or 6 hereof, or any defined term (as it is used therein), or (b) which results in the limitation of the liability of any Guarantor hereunder (other than amendments to Section 13) will be effective as to any Noteholder unless consented to by such Noteholder in writing. No failure by the Noteholders to exercise, and no delay by the Noteholders in exercising, any right, remedy, power or privilege hereunder shall operate as a waiver thereof, nor shall any single or partial exercise by the Noteholders of any right, remedy, power or privilege hereunder preclude any other exercise thereof, or the exercise of any other right, remedy, power or privilege.

7. RIGHTS CUMULATIVE.

Each of the rights and remedies of the Noteholders under this Guarantee shall be in addition to all of their other rights and remedies under the Note Purchase Agreement and applicable law, and nothing in this Guarantee shall be construed as limiting any such rights or remedies.

9. SEVERABILITY.

Any provision of this Guarantee which is prohibited, unenforceable or not authorized in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition, unenforceability or nonauthorization without invalidating the remaining provisions hereof, and any such prohibition, unenforceability or nonauthorization in any jurisdiction shall (to the fullest extent permitted by law) not invalidate or render unenforceable such provision in any other jurisdiction.

10. GOVERNING LAW.

THIS GUARANTEE SHALL BE CONSTRUED AND ENFORCED IN ACCORDANCE WITH, AND THE RIGHTS OF THE PARTIES SHALL BE GOVERNED BY, THE LAW OF THE STATE OF NEW YORK EXCLUDING CHOICE-OF-LAW PRINCIPLES OF THE LAW OF SUCH STATE THAT WOULD REQUIRE THE APPLICATION OF THE LAWS OF A JURISDICTION OTHER THAN SUCH STATE.

11. JURISDICTION AND PROCESS; WAIVER OF JURY TRIAL.

(a) Each Subsidiary Guarantor irrevocably submits to the non-exclusive jurisdiction of any New York State or federal court sitting in the Borough of Manhattan, The City of New York, over any suit, action or proceeding arising out of or relating to this Guarantee. To the fullest extent permitted by applicable law, each Subsidiary Guarantor irrevocably waives and agrees not to assert, by way of motion, as a defense or otherwise, any claim that it is not subject to the jurisdiction of any such court, any objection that it may now or hereafter have to the laying of the venue of any such suit, action or proceeding brought in any such court and any claim that any such suit, action or proceeding brought in any such court has been brought in an inconvenient forum.

(a) The Subsidiary Guarantors agree, to the fullest extent permitted by applicable law, that a final judgment in any suit, action or proceeding of the nature referred to in Section 11(a) brought in any such court shall be conclusive and binding upon it subject to rights of appeal, as the case may be, and may be enforced in the courts of the United States of America or the State of New York (or any other courts to the jurisdiction of which it or any of its assets is or may be subject) by a suit upon such judgment.

(b) Each Subsidiary Guarantor consents to process being served by or on behalf of any Noteholder in any suit, action or proceeding of the nature referred to in Section 11(a) by mailing a copy thereof by registered, certified priority or express mail (or any substantially similar form of mail), postage prepaid, return receipt or delivery receipt requested, to it at its address specified in Section 15 or at such other address of which such Noteholder shall then have been notified pursuant to said Section. Each Subsidiary Guarantor agrees that such service upon receipt (i) shall be deemed in every respect effective service of process upon it in any such suit, action or proceeding and (ii) shall, to the fullest extent permitted by applicable law, be taken and held to be valid personal service upon and personal delivery to it. Notices hereunder shall be conclusively presumed received as evidenced by a delivery receipt furnished by the United States Postal Service or any reputable commercial delivery service.

(c) Nothing in this Section 11 shall affect the right of any Noteholder to serve process in any manner permitted by law, or limit any right that any Noteholder may have to bring proceedings against any Subsidiary Guarantor in the courts of any appropriate jurisdiction or to enforce in any lawful manner a judgment obtained in one jurisdiction in any other jurisdiction.

(d) Each of the Subsidiary Guarantors hereby waives trial by jury in any action brought on or with respect to this Guarantee or any other document executed in connection herewith or therewith.

12. SECTION HEADINGS.

Section headings are for convenience only and shall not affect the interpretation of this Guarantee.

13. LIMITATION OF LIABILITY.

NOTWITHSTANDING ANYTHING CONTAINED IN THIS GUARANTEE TO THE CONTRARY, THE OBLIGATIONS OF EACH SUBSIDIARY GUARANTOR HEREUNDER AT ANY TIME SHALL BE LIMITED TO THE MAXIMUM AMOUNT AS WILL RESULT IN THE OBLIGATIONS OF SUCH SUBSIDIARY GUARANTOR UNDER THIS GUARANTEE NOT CONSTITUTING A FRAUDULENT TRANSFER OR CONVEYANCE FOR PURPOSES OF ANY BANKRUPTCY, LIQUIDATION, ASSIGNMENT FOR THE BENEFIT OF CREDITORS, CONSERVATORSHIP, MORATORIUM, RECEIVERSHIP, INSOLVENCY, REARRANGEMENT, REORGANIZATION OR SIMILAR DEBTOR RELIEF LAWS OF THE UNITED STATES OR OTHER APPLICABLE JURISDICTIONS IN EFFECT FROM TIME TO TIME TO THE EXTENT APPLICABLE TO THIS GUARANTEE AND THE OBLIGATIONS OF EACH SUBSIDIARY GUARANTOR HEREUNDER.

14. ENTIRE AGREEMENT.

This Guarantee, together with the Note Purchase Agreement, the Notes and the other Financing Documents, embodies the entire agreement among the Subsidiary Guarantors and the Noteholders relating to the subject matter hereof and supersedes all prior agreements, representations and understandings, if any, relating to the subject matter hereof.

15. COMMUNICATIONS.

All notices and other communications to the Noteholders or any Subsidiary Guarantor hereunder shall be in writing, shall be delivered in the manner and with the effect, as provided by the Note Purchase Agreement, and shall be addressed to such Subsidiary Guarantor as set forth in Annex A hereto and to the Noteholders as set forth in the Note Purchase Agreement.

16. ADDITIONAL SUBSIDIARY GUARANTORS.

Upon the execution and delivery by any Person of an accession agreement in substantially the form of Annex B hereto (each, a “**Subsidiary Guarantee Accession Agreement**”), (i) such Person shall be referred to as an “**Additional Subsidiary Guarantor**” and shall become and be a Subsidiary Guarantor hereunder, and each reference in this Guarantee to a “**Subsidiary Guarantor**” shall also mean and be a reference to such Additional Subsidiary Guarantor, and each reference in any other Financing Document to a “**Subsidiary Guarantor**” shall also mean and be a reference to such Additional Subsidiary Guarantor, and (ii) each reference herein to “this Guarantee”, “hereunder”, “hereof” or words of like import referring to this Guarantee, and each reference in any other Financing Document to the “Subsidiary Guarantee”, “thereunder”, “thereof” or words of like import referring to this Guarantee, shall mean and be a reference to this Guarantee as supplemented by such Subsidiary Guarantee Accession Agreement.

17. DUPLICATE ORIGINALS.

Two or more duplicate counterpart originals hereof may be signed by the parties, each of which shall be an original but all of which together shall constitute one and the same instrument. The parties agree to electronic contracting and signatures with respect to this Guarantee. Delivery of an electronic signature to, or a signed copy of, this Guarantee by facsimile, email or other electronic transmission shall be fully binding on the parties to the same extent as the delivery of the signed originals and shall be admissible into evidence for all purposes. The words “execution”, “execute”, “signed”, “signature”, and words of like import in or related to any document to be signed in connection with this Guarantee shall be deemed to include electronic signatures, the electronic matching of assignment terms and contract formations on electronic platforms approved by the Company on behalf of the Subsidiary Guarantors, or the keeping of records in electronic form, each of which shall be of the same legal effect, validity or enforceability as a manually executed signature or the use of a paper-based recordkeeping system, as the case may be, to the extent and as provided for in any applicable law, including the Federal Electronic Signatures in Global and National Commerce Act, the New York State Electronic Signatures and Records Act, or any other similar state laws based on the Uniform Electronic Transactions Act. Notwithstanding the foregoing, if any Noteholder shall request manually signed counterpart signatures to this Guarantee, each Subsidiary Guarantors hereby agrees to use its reasonable endeavors to provide such manually signed signature pages as soon as reasonably practicable.

[Remainder of page intentionally left blank. Signature page follows.]

IN WITNESS WHEREOF, each Subsidiary Guarantor has caused this Guarantee to be duly executed and delivered by its officer thereunto duly authorized as of the date first above written.

SUBSIDIARY GUARANTORS:

DY4 INC.

WILLIAMS CONTROLS, INC.

WILLIAMS CONTROLS INDUSTRIES, INC.

By: _____

Name:

Title:

[Signature page to Subsidiary Guarantee]

ANNEX A

NOTICE ADDRESSES OF SUBSIDIARY GUARANTORS:

DY4 Inc.
Williams Controls, Inc.
Williams Controls Industries, Inc.

c/o Curtiss-Wright Corporation
130 Harbour Place Drive, Suite 300
Davidson, NC 28036

ANNEX B

SUBSIDIARY GUARANTOR
ACCESSION AGREEMENT

[NAME OF ADDITIONAL SUBSIDIARY GUARANTOR]

To each of the holders of Notes:

Date: [Month] [Day], 20[]

Reference is made to:

(a) that certain Note Purchase Agreement, dated as of October 27, 2022 (as amended from time to time, the “**Note Purchase Agreement**”), by and among Curtiss-Wright Corporation, a Delaware corporation, (together with its successors and assigns, the “**Company**”), Curtiss-Wright Controls, Inc., a Delaware corporation (together with its successors and assigns, “**C-W Controls**”), Metal Improvement Company, LLC, a Delaware limited liability company (together with its successors and assigns, “**Metal**”), Curtiss-Wright Flow Control Corporation, a New York corporation (together with its successors and assigns, “**C-W Flow**”), Curtiss-Wright Flow Control Service, LLC, a Delaware limited liability company (together with its successors and assigns, “**C-W Flow Control Service**”), Curtiss-Wright Electro-Mechanical Corporation, a Delaware corporation (together with its successors and assigns, “**C-W Electro-Mechanical**”) and Curtiss-Wright Surface Technologies LLC, a Delaware limited liability company (together with its successors and assigns, “**C-W Surface**” and together with the Company, C-W Controls, Metal, C-W Flow, C-W Electro-Mechanical and C-W Flow Control Service, individually, an “**Issuer**” and collectively, the “**Issuers**”), and the purchasers listed on Schedule A attached thereto (the “**Purchasers**”, and together with their successors and assigns including, without limitation, future holders of the Notes (defined below), herein collectively referred to as the “**Noteholders**”), pursuant to which the Issuers sold, and the Purchasers bought the Issuers’ joint and several (a) \$200,000,000 aggregate principal amount of their 4.49% Series L Senior Guaranteed Notes due October 27, 2032 (including any amendments, restatements or modifications from time to time, the “**Series L Notes**”) and (b) \$100,000,000 aggregate principal amount of their 4.64% Series M Senior Guaranteed Notes due October 27, 2034 (including any amendments, restatements or modifications from time to time, the “**Series M Notes**”, and together with the Series L Notes, collectively, the “**Notes**”); and

(b) that certain Subsidiary Guarantee Agreement (as amended from time to time, the “**Subsidiary Guarantee**”) in the form attached to the Note Purchase Agreement as Exhibit 1.2, executed and delivered by one or more Persons on October 27, 2022 and identified on Part A of Annex 1 attached hereto[, as amended and supplemented by [each/that certain] Subsidiary Guarantor Accession Agreement identified on Part B of Annex 1 attached hereto].

Capitalized terms used herein and not otherwise defined herein have the meanings specified in the Note Purchase Agreement and the Subsidiary Guarantee, as applicable.

1. ACCESSION OF ADDITIONAL SUBSIDIARY.

In accordance with the terms of Section 9.6 of the Note Purchase Agreement, [*Insert Name of Additional Subsidiary Guarantor*], a [] [corporation][limited liability company] (the “**Additional Subsidiary Guarantor**”), by the execution and delivery of this Subsidiary Guarantor Accession Agreement, does hereby agree to become, and does hereby become, (a) a party to the Subsidiary Guarantee and (b) bound by the terms and conditions of the Subsidiary Guarantee, including, without limitation, becoming jointly and severally liable with the other Subsidiary Guarantors for the Guaranteed Obligations (as defined in the Subsidiary Guarantee) and for the due and punctual performance and observance of all the covenants in the Notes and the Note Purchase Agreement to be performed or observed by the Issuers, all as more particularly provided for in Section 2 of the Subsidiary Guarantee. The Subsidiary Guarantee is hereby, without any further action, amended to add the Additional Subsidiary Guarantor as a “Subsidiary Guarantor” and signatory to the Subsidiary Guarantee.

2. REPRESENTATIONS AND WARRANTIES OF THE ADDITIONAL SUBSIDIARY GUARANTOR.

The Additional Subsidiary Guarantor hereby makes, as of the date hereof and only as to itself in its capacity as a Subsidiary Guarantor under the Subsidiary Guarantee and/or as a Subsidiary, each of the representations and warranties set forth in Section 5 to the Note Purchase Agreement that are applicable to a Subsidiary and each of the representations and warranties set forth in Section 3 of the Subsidiary Guarantee made by each Subsidiary Guarantor.

3. DELIVERIES BY ADDITIONAL SUBSIDIARY GUARANTOR.

The Additional Subsidiary Guarantor hereby delivers to each of the Noteholders, contemporaneously with the delivery of this Subsidiary Guarantor Accession Agreement, each of the documents and certificates set forth on Annex 2 hereto.

4. MISCELLANEOUS.

4.1. Effective Date.

This Subsidiary Guarantor Accession Agreement shall become effective on the date on which this agreement and each of the documents or certificates set forth on Annex 2 are sent to the Noteholders at the addresses and by a means stipulated in Section 18 of the Note Purchase Agreement.

4.2. Expenses.

The Additional Subsidiary Guarantor agrees that it will pay, on the date this Subsidiary Guarantee Accession Agreement becomes effective, the statement for the reasonable fees and the disbursements of a single special counsel of the Noteholders presented on or prior to such date.

4.3. Section Headings, etc.

The titles of the Sections appear as a matter of convenience only, do not constitute a part hereof and shall not affect the construction hereof. The words “herein”, “hereof”, “hereunder” and “hereto” refer to this Subsidiary Guarantor Accession Agreement as a whole and not to any particular Section or other subdivision.

4.4 Governing Law.

THIS SUBSIDIARY GUARANTOR ACCESSION AGREEMENT SHALL BE CONSTRUED AND ENFORCED IN ACCORDANCE WITH, AND THE RIGHTS OF THE PARTIES SHALL BE GOVERNED BY, THE LAW OF THE STATE OF NEW YORK EXCLUDING CHOICE-OF-LAW PRINCIPLES OF THE LAW OF SUCH STATE THAT WOULD REQUIRE THE APPLICATION OF THE LAWS OF A JURISDICTION OTHER THAN SUCH STATE.

4.5. Successors and Assigns.

This Subsidiary Guarantor Accession Agreement shall inure to the benefit of and be binding upon the successors and assigns of the Additional Subsidiary Guarantor.

4.6 Communications.

The address for notices and other communications to be delivered to the Additional Subsidiary Guarantor pursuant to Section 15 of the Subsidiary Guarantee is set forth below the signature of such Additional Subsidiary Guarantor.

[Remainder of page intentionally blank; next page is signature page]

IN WITNESS WHEREOF, the Additional Subsidiary Guarantor has caused this Subsidiary Guarantor Accession Agreement to be executed on its behalf by a duly authorized officer or agent thereof as of the date first above written.

Very truly yours,

Additional Subsidiary Guarantor:

[NAME OF ADDITIONAL SUBSIDIARY GUARANTOR]

By _____

Name:

Title:

Notice Address for the Additional Subsidiary Guarantor:

Annex 1
Existing Subsidiary Guarantor Accession Agreements and Guarantees

Part A-Existing Subsidiary Guarantees:

[To be Completed]

Part B- Existing Subsidiary Guarantor Accession Agreements:

[To be Completed]

Annex 2
Additional Documents and Instruments

(a) A certified copy of the resolutions of the board of directors (or similar governing body) of the Additional Subsidiary Guarantor approving the execution and delivery of this Subsidiary Guarantor Accession Agreement and the accession of the Additional Subsidiary Guarantor to the Subsidiary Guarantee and the performance of its obligations thereunder and authorizing the person or persons signing this Subsidiary Guarantor Accession Agreement and any other documents to be delivered pursuant hereto to sign the same on behalf of the Additional Subsidiary Guarantor.

(b) Authenticated signatures of the person or persons specified in the board resolutions referred to in clause (a) above.

(c) The articles of incorporation or other organic formation documents of the Additional Subsidiary Guarantor, certified as being up to date by the secretary of the Additional Subsidiary Guarantor (including, if relevant, copies of all amending resolutions or other amendments).

(d) An opinion or opinions of counsel (which, for the avoidance of doubt, may be from one or more Associate General Counsel to the Company) in form and substance reasonably satisfactory to the Required Holders, confirming that (i) such Additional Subsidiary Guarantor's obligations hereunder and under the Subsidiary Guarantee are legal, valid, binding and enforceable against such Additional Subsidiary Guarantor (except as such enforceability may be limited by (A) bankruptcy, insolvency, reorganization, moratorium or other similar laws affecting the enforcement of creditors' rights generally and (B) general principles of equity), (ii) the execution, delivery and performance of this Subsidiary Guarantor Accession Agreement will not violate any law in the jurisdiction of incorporation and (iii) no government approvals, consents, registrations or filings are required in the jurisdiction of incorporation by such Additional Subsidiary Guarantor in connection with the execution, delivery and performance of its obligations hereunder and under the Subsidiary Guarantee, provided that such opinion or opinions shall be subject to customary exceptions and qualifications.

EXHIBIT 4.4(a)(i)

**FORM OF OPINION OF
GENERAL COUNSEL TO THE COMPANY**

October 27, 2022

To Each of the Purchasers Listed
on Annex I attached hereto
Ladies and Gentlemen:

I am the General Counsel of Curtiss-Wright Corporation, a Delaware corporation ("Curtiss-Wright") and, in such capacity, I am delivering this opinion to the purchasers in connection with Note Purchase Agreement dated as of October 27, 2022 (the "Note Purchase Agreement") among the Issuers and the purchasers listed in Schedule A attached thereto (collectively, the "Purchasers"). The Note Purchase Agreement, the Notes, the Subsidiary Guarantee and the Side Letter are collectively referred to herein as the "Transaction Documents". Capitalized terms not otherwise defined herein shall have the meanings ascribed to such terms in the Note Purchase Agreement.

In rendering this opinion, I have examined originals or copies, certified or otherwise identified to my satisfaction, of such documents, corporate records, certificates of public officials and of officers of the Issuers and the Subsidiary Guarantors (collectively, the "Issuing Entities") and other instruments and have conducted such other investigations of fact and law as I have deemed necessary or advisable for purposes of this opinion. I have examined, among other documents, the following documents:

- (i) the Certificates of Incorporation and Bylaws of Curtiss-Wright, Curtiss-Wright Controls, Inc., a Delaware corporation, Curtiss-Wright Flow Control Corporation, a New York corporation ("C-W Flow"), and Curtiss-Wright Electro-Mechanical Corporation, a Delaware corporation;
 - (ii) the Certificates of Formation and Operating Agreements for Curtiss-Wright Flow Control Service, LLC, a Delaware limited liability company, Metal Improvement Company, LLC, a Delaware limited liability company and Curtiss-Wright Surface Technologies LLC, a Delaware limited liability company;
 - (iii) the Certificates of Incorporation and Bylaws of Williams Controls Industries, Inc., a Delaware corporation, Williams Controls, Inc., a Delaware corporation, and DY4 Inc., a Delaware corporation;
 - (iv) certificates dated no earlier than October 24, 2022 of the Secretaries of State of Delaware and New York certifying as to the good standing of each of the Issuing Entities in their respective jurisdictions of organization;
 - (v) counterparts executed by the Issuing Entities of each of the Transaction Documents to which such Issuing Entities are parties; and
-

(vi) the offeree letter delivered by BofA Securities, Inc., J.P. Morgan Securities LLC and Wells Fargo Securities, LLC, pursuant to Section 4.13 of the Note Purchase Agreement dated October 27, 2022 (the "Offeree Letter"),

With your permission, I have assumed without any independent investigation (a) that each party to the Transaction Documents (other than the Issuing Entities) (i) is duly organized, validly existing and in good standing under the laws of the jurisdiction of its incorporation or organization; (ii) is duly authorized to execute and deliver the Transaction Documents and to consummate the transactions contemplated by such Transaction Documents; and (iii) has the full power and authority to enter into the same for the purposes set forth therein; (b) that the Transaction Documents have been duly executed and delivered by each of the parties thereto (other than the Issuing Entities), are in full force and effect with respect to such parties (other than the Issuing Entities) and are the legal, valid and binding obligations of such parties, enforceable against such parties (other than the Issuing Entities) in accordance with the terms thereof; and (c) in respect of all documents and instruments which were submitted to me, the capacity of natural persons, the genuineness of all signatures (other than those of representatives of the Issuing Entities on documents on which an opinion is expressed herein), the authenticity of all documents and instruments submitted to me as originals, the conformity to the originals of all documents and instruments submitted to me as copies and the execution of all documents and instruments in the form of such documents and instruments submitted to me in execution form. As to matters of fact relevant to the opinions herein, I have relied upon the statements, representations and warranties set forth in the Transaction Documents and the Offeree Letter.

Upon the basis of and subject to the foregoing, and subject to the exceptions, limitations, assumptions and qualifications set forth below, I am of the opinion that:

1. Each Issuing Entity (other than C-W Flow) is either a corporation or limited liability company duly organized, existing and in good standing under the laws of its state of incorporation or organization, as the case may be, has the corporate or limited liability company power and authority to enter into, deliver and perform under and pursuant to the Transaction Documents to which it is a party, to own its property and to carry on its business as it is now conducted, and is duly qualified to do business in each jurisdiction where the character of the property owned by it therein or in which the transaction of its business makes such qualification necessary, except where the failure to so qualify would not have a Material Adverse Effect.
 2. The execution, delivery and performance by each Issuing Entity (other than C-W Flow) of the Transaction Documents to which it is a party has been duly authorized by all necessary corporate or limited liability company, as the case may be, action.
 3. The Transaction Documents to which each Issuing Entity (other than C-W Flow) is a party have been duly and validly executed and delivered by such Issuing Entity.
-

4. The execution and delivery of the Transaction Documents by each Issuing Entity (other than C-W Flow), the consummation of the transactions therein contemplated, and compliance with the terms and provisions thereof by such Issuing Entity will not conflict with or result in any breach of the terms and conditions of the Certificate of Incorporation or Bylaws or the Certificate of Formation or Operating Agreement of any such Issuing Entity, as applicable.

5. The execution and delivery of the Transaction Documents by each Issuing Entity, the consummation of the transactions therein contemplated, and compliance with the terms and provisions thereof, to the best of my knowledge, after due inquiry, will not conflict with or result in any breach of the terms and conditions of any order, writ, injunction or decree of any court or Governmental Authority or of any agreement or instrument to which such Issuing Entity is bound or to which such Issuing Entity is subject, or constitute a default thereunder.

6. With respect to each Issuing Entity, all consents required to issue and sell the Notes and to execute and deliver the Transaction Documents to which it is a party have been obtained.

The foregoing opinions are subject to the following exceptions, limitations, assumptions and qualifications:

A. I am qualified to practice law only in the States of New Jersey and Pennsylvania and I express no opinions as to the laws of any other jurisdictions, except, that the opinions in paragraphs 1, 2, 3 and 6 above address the General Corporation Law of the State of Delaware ("DGCL") and the Delaware Limited Liability Company Act ("DLLCA"). My knowledge with respect to the DGCL and the DLLCA is derived solely from a reading of those statutes as currently in effect and publicly available to me in published form without consideration or review of any judicial or other interpretations thereof, and without consulting local counsel in respect thereof. In addition, I have made no inquiry into, and express no opinion with respect to, any state or foreign securities or "blue sky" laws, rules or regulations, or any orders, decrees, laws, ordinances, treaties, rules, regulations or any common law of any federal, state, provincial, territorial, municipal or any other domestic, foreign or multi-national jurisdiction (collectively, "Legal Requirements") applicable to tax, antitrust, land use or title, safety, employee pensions and benefits, environmental, hazardous material or hazardous activities, patent, copyright, trademark, trade secret or trade name matters, or which may be applicable to the subject transactions because of the nature or extent of the business conducted or the assets owned by any parties to the Transaction Documents, or the effect on the transactions contemplated by the Transaction Documents of noncompliance under any such applicable Legal Requirements. I further disclaim any opinion as to any Legal Requirements or other promulgation of any state, regional, local, foreign or multi-national Governmental Authority or as to any related state, regional, local foreign or multi-national judicial or administrative opinion interpreting or enforcing any such Legal Requirement or other such promulgation.

B. These opinions are furnished solely for your benefit in connection with the transactions contemplated by the Transaction Documents. I agree that the Purchasers may rely and are relying hereon in connection with the consummation of the transactions contemplated by the Transaction Documents. Morgan, Lewis & Bockius LLP, special counsel to the Purchasers, may rely on this opinion for the sole purpose of rendering its opinion to be rendered pursuant to Section 4.4(b) of the Note Purchase Agreement. In addition, each of the Purchasers may furnish copies hereof (a) to its independent auditors and attorneys, (b) to any state or federal authority having regulatory jurisdiction over it including, without limitation, the National Association of Insurance Commissioners (NAIC), (c) to its Affiliates, and its and their respective directors, officers, employees, auditors and professional advisors, (d) pursuant to an order or legal process of any court or governmental agency, (e) to any potential transferees of the Notes and (f) to subsequent holders of the Notes that comply with the provisions of Section 13.2 of the Note Purchase Agreement and may not be filed with or furnished to any other Governmental Authority or other Person, without the prior written consent of the undersigned. Subsequent holders of the Notes may rely on this opinion as if it were specifically addressed to them. These opinions are limited to the matters set forth herein, and no opinion may be inferred or implied beyond the matters expressly stated in this letter. These opinions are furnished as of the date hereof, and I expressly disclaim any obligation to advise you or any other party of changes of law or fact that occur after the date hereof even though such change may affect the legal analysis, a legal conclusion or a factual confirmation herein.

[Remainder of Page Intentionally Left Blank]

Very truly yours,

Paul J. Ferdenzi

EXHIBIT 4.4(a)(ii)

**FORM OF OPINION OF
ASSOCIATE GENERAL COUNSEL TO THE COMPANY**

October 27, 2022

To Each of the Purchasers Listed on Annex 1 attached hereto

Ladies and Gentlemen:

I am the Associate General Counsel of Curtiss-Wright Corporation, a Delaware corporation ("Curtiss-Wright") and, in such capacity, I am delivering this opinion to the purchasers in connection with Note Purchase Agreement dated as of October 27, 2022 (the "Note Purchase Agreement") among Curtiss-Wright, Curtiss-Wright Controls, Inc., a Delaware corporation ("C-W Controls"), Curtiss-Wright Electro-Mechanical Corporation, a Delaware corporation ("C-W Electro-Mechanical"), Metal Improvement Company, LLC, a Delaware limited liability company ("Metal"), Curtiss-Wright Flow Control Corporation, a New York corporation ("C-W Flow"), Curtiss-Wright Flow Control Service, LLC, a Delaware limited liability company ("C-W Flow Control Service") and Curtiss-Wright Surface Technologies LLC, a Delaware limited liability company ("C-W Surface Technologies" and together with the Company, C-W Controls, C-W Electro-Mechanical, Metal, C-W Flow and C-W Flow Control Service, individually, an "Issuer" and collectively, the "Issuers") and the purchasers listed on Schedule A attached thereto (collectively, the "Purchasers") in connection with (A) the negotiation, preparation, execution and delivery of (i) the Note Purchase Agreement, (ii) the Subsidiary Guarantee Agreement dated as October 27, 2022 executed by Williams Controls Industries, Inc., a Delaware corporation ("Industries"), Williams Controls, Inc., a Delaware corporation ("Williams Controls"), DY4 Inc., a Delaware corporation ("DY4" and together with Industries and Williams Controls, each individually, a "Subsidiary Guarantor" and collectively, the "Subsidiary Guarantors") (the "Subsidiary Guarantee") and (iii) the Side Letter dated October 27, 2022 among the Issuers and Purchasers (the "Side Letter") and (B) the negotiation, execution, sale and delivery of (i) \$200,000,000 aggregate principal amount of the Issuers' joint and several 4.49% Series L Senior Guaranteed Notes due October 27, 2032 (the "Series L Notes") and (ii) \$100,000,000 aggregate principal amount of the Issuers' joint and several 4.64% Series M Senior Guaranteed Notes due October 27, 2034 (the "Series M Notes", and collectively with the Series L Notes, the "Notes") to the Purchasers pursuant to the Note Purchase Agreement in transactions intended to qualify for an exemption from registration under the Securities Act of 1933, as amended (the "Securities Act"). The Note Purchase Agreement, the Notes, the Subsidiary Guarantee and the Side Letter are collectively referred to herein as the "Transaction Agreements". Capitalized terms not otherwise defined herein shall have the meanings ascribed thereto in the Note Purchase Agreement. This opinion is being furnished to you pursuant to Section 4.4(a) of the Note Purchase Agreement.

In rendering the opinions expressed below, I have examined and relied upon the original, conformed, facsimile or photostatic or other reproduction documents, including, without limitation, documents furnished to me electronically in portable document format (i.e., pdf copies) or copies certified to my satisfaction, of (i) the Transaction Agreements, (ii) the respective certificates of incorporation and bylaws of the Issuers (other than C-W Flow Control Service, Metal and C-W Surface Technologies) and the Subsidiary Guarantors (each as amended to the date hereof), (iii) the respective Certificates of Formation and Operating Agreements of C-W Flow Control Service, Metal and C-W Surface Technologies, (iv) minutes and records of the corporate and limited liability company proceedings, as appropriate, of the Issuers and the Subsidiary Guarantors, (v) documents and certificates of public officials, (vi) certificates of officers of the Issuers and the Subsidiary Guarantors, (vii) the offeree letter delivered by BofA Securities, Inc., J.P. Morgan Securities LLC and Wells Fargo Securities, LLC, pursuant to Section 4.13 of the Note Purchase

Agreement dated October 27, 2022 (the "Offeree Letter"), (viii) the opinion letter of Paul Ferdenzi, Esq. General Counsel of the Issuers and the Subsidiary Guarantors delivered pursuant to Section 4.4(a) of the Note Purchase Agreement dated October 27, 2022 (other than with respect to those opinions relating to the laws of the State of New York and/or the State of Delaware) and (ix) such other instruments and documents as I have deemed necessary as a basis for expressing the opinions hereinafter set forth and as have been furnished to me by the Issuers and the Subsidiary Guarantors.

As such counsel, I have made such legal and factual examinations and inquiries as I have deemed advisable or necessary for the purposes of rendering this opinion. In addition, I have examined originals or copies of documents, corporate records and other writings that I consider relevant for the purposes of this opinion. In such examination, I have assumed the completeness of all documents submitted to me as original, certified, conformed, facsimile or reproduction documents, including, without limitation, documents furnished to me electronically in portable document format (i.e., pdf copies) and the conformity to original documents of all documents submitted to me as certified, conformed, facsimile or reproduction copies or forms of original documents, the authenticity of the originals of such documents and the execution of all documents and instruments in the form of such documents submitted to me in execution form. I have also assumed the genuineness of all signatures, the legal capacity for all purposes relevant hereto of all natural persons and, with respect to all parties to agreements or instruments relevant hereto other than the Issuers and the Subsidiary Guarantors, that such parties are each corporations or legal entities, duly organized, validly existing and in good standing under the laws of their respective jurisdictions of incorporation or formation, have the requisite power and authority (corporate or otherwise) to execute, deliver and perform such agreements or instruments, that such agreements or instruments have been duly authorized by all requisite action (corporate or otherwise), executed and delivered by such parties, the authority of all signatories to sign on behalf of their principals, if any, and that such agreements or instruments are the legal, valid, binding and enforceable obligations of such parties. As to questions of fact material to my opinions, I have relied upon the representations and warranties made in or pursuant to the Note Purchase Agreement, the Side Letter, the Subsidiary Guarantee, the Offeree Letter and upon certificates of officers of the Issuers and the Subsidiary Guarantors and of public officials.

Except to the extent expressly set forth herein, I have not undertaken any independent investigation to determine the existence or absence of any fact, or reviewed any agreements or other documents to which any of the Issuers or the Subsidiary Guarantors is a party or by which any of them or their assets are bound or affected (including, without limitation, any offering document, filings with the United States Securities and Exchange Commission or financial statements, including any notes thereto), other than the Transaction Agreements and no inference as to my knowledge of the existence or absence of any fact should be drawn from my representation of the Issuers or the Subsidiary Guarantors or the rendering of the opinions set forth below. I have not undertaken, nor am I in a position to undertake, any independent investigation to verify: the accuracy and completeness of the information, representations and warranties contained in any of the Transaction Agreements or in any other information furnished to any prospective purchaser of the Notes or of any interest therein, the qualifications or accredited investor status of any Purchaser, or the compliance with the covenants and undertakings by any of the parties to any of the Transaction Agreements.

The opinions hereinafter expressed are subject to the following qualifications:

- A. My opinion in paragraph 3 with respect to the enforceability of the Transaction Agreements is subject to:
 - a) the effect of bankruptcy, insolvency, reorganization, fraudulent conveyance or transfer, moratorium or other similar laws relating to or affecting the rights and remedies of
-

creditors (and by the possible judicial application of laws or governmental action affecting the rights of creditors generally);

b) the effect of general principles of equity, regardless of whether enforcement is considered in a proceeding in equity or at law (including the possible unavailability of specific performance, injunctive relief or any other equitable remedy), concepts of materiality, reasonableness, good faith and fair dealing, and the discretion of the court before which any proceeding therefor may be brought; and

c) the possible limitation that provisions providing for the indemnification of or contribution to a party with respect to a liability may be limited by (i) laws rendering unenforceable indemnification or contribution contrary to United States federal or state securities laws and the public policy underlying such laws and (ii) laws limiting the enforceability of provisions exculpating or exempting a party from, or requiring indemnification of or contribution to a party for, its own action or inaction, to the extent such action or inaction involves gross negligence, recklessness or willful or unlawful conduct.

B. I express no opinion as to compliance with the anti-fraud provisions of state, federal and foreign laws, rules and regulations in connection with the offer and sale of the Notes.

C. I am a member of the Bar of the State of New York and I am not expressing any opinion as to any matter relating to laws of any jurisdiction other than the federal laws of the United States of America, the laws of the State of New York, the Delaware General Corporation Law ("DGCL") and the Delaware Limited Liability Company Act ("DLLCA"). Furthermore, my knowledge with respect to the DGCL and the DLLCA is derived solely from a reading of those statutes as currently in effect and publicly available to me in published form without consideration or review of any judicial or other interpretations thereof. In addition, I have made no inquiry into, and express no opinion with respect to, any United States state or any foreign securities or "blue sky" laws, rules or regulations, or any orders, decrees, laws, ordinances, treaties, rules, regulations or any common law of any federal, state, provincial, territorial, municipal or any other domestic, foreign or multi-national jurisdiction (collectively, "Legal Requirements") applicable to tax, antitrust, land use or title, safety, employee pensions and benefits, environmental, hazardous material or hazardous activities, patent, copyright, trademark, trade secret or trade name matters, or which may be applicable to the subject transactions because of the nature or extent of the business conducted or the assets owned by any parties to the Transaction Agreements, or the effect on the transactions contemplated by the Transaction Agreements of noncompliance under any such applicable Legal Requirements. I further disclaim any opinion as to any Legal Requirement or other promulgation of any domestic, foreign or multi-national Governmental Authority or as to any related domestic, foreign or multi-national judicial or administrative opinion interpreting or enforcing any such Legal Requirement or other such promulgation. I call to your attention that I am not licensed to practice in the State of Delaware.

D. My opinion set forth in paragraphs 1 below as to the legal existence and good standing of C-W Flow in the State of New York is based solely on a certificate from the Secretary of State of the State of New York.

E. My opinions relate solely to the express provisions of the Transaction Agreements and I express no opinion as to any other oral or written agreements or understandings between the Issuers and the Subsidiary Guarantors and any of the other parties thereto.

F. Provisions of the Transaction Agreements requiring that waivers must be in writing may not be binding or enforceable if a non-executory oral agreement has been created modifying any such provision or an implied agreement by trade practice or course of conduct has given rise to a waiver.

G. I have made no examination and express no opinion whatsoever as to the accuracy or completeness of any Schedules to the Note Purchase Agreement.

H. I express no opinion as to the enforceability of any provisions of any of the Transaction Agreements relating to the waiver by the Issuers or the Subsidiary Guarantors of claims, defenses, rights granted by law, notice, opportunity for hearing, evidentiary requirements, statutes of limitation, or procedural rights;

I. I have assumed that each of the Purchasers will comply in all material respects with all agreements and Legal Requirements applicable to each of them in respect of the Transaction Agreements and the transactions contemplated thereby.

J. I have assumed that all consents required to issue and sell the Notes and to execute, deliver and perform the Transaction Agreements (other than those required under United States federal law or the laws of the States of New York or Delaware (subject to the qualification set forth in paragraph K with respect to the registration or qualification of the Notes, the Subsidiary Guarantee or of any interests therein under the state securities or "blue sky" laws of such jurisdictions as to which I do not render any opinion hereunder)) have been obtained by each Issuer and each Subsidiary Guarantor party thereto and that the execution, delivery or performance of the Transaction Agreements will not conflict with or result in any breach of the terms and conditions of any agreement or order, judgment, writ, injunction or decree of any court or Governmental Authority.

K. My opinion in paragraph 4 does not relate to the registration requirements under the Securities Act or any securities laws of any other jurisdiction, which opinion is set forth in paragraph 6. My opinion in paragraph 6 relates only to the registration requirements of the Securities Act and the qualification requirements of the Trust Indenture Act of 1939, as amended ("Trust Indenture Act"), as they relate to the offer and sale of the Notes in the United States of America. I have not considered any other Legal Requirements in rendering such opinion. In particular, I express no opinion with respect to: the registration or qualification of the Notes, the Subsidiary Guarantee or of any interests therein under any United States state securities or "blue sky" laws or under the laws of any other jurisdiction; the circumstances under which the Notes or any interest therein can be sold in any other jurisdiction or can be resold in the United States or elsewhere or to U.S. persons (as defined in Regulation S promulgated under the Securities Act); the sufficiency, adequacy, completeness or accuracy of the disclosures contained in any of the Transaction Agreements or any other offering materials or in any other information furnished to any prospective purchaser of the Notes (including, without limitation, any filings by any of the Issuers with the United States Securities and Exchange Commission); or the antifraud provisions of the Securities Act or any such other securities laws and the rules and regulations promulgated thereunder. I express no opinion on compliance with federal, state or foreign requirements for the registration of broker-dealers or the effect that non-compliance therewith may have on the offer and sale of the Notes or any interest therein.

L. In rendering my opinion in paragraph 6, I have further assumed that the offer and sale of the Notes or of any interest therein by the Issuers and each Person authorized to offer the Notes or of any interest therein on behalf of the Issuers has been made solely in the United States to accredited investors as such term is defined in Rule 501(a) of Regulation D promulgated under the Securities Act, in compliance with all applicable state securities or "blue sky" laws and the applicable

securities laws of all other jurisdictions and did not involve any "general solicitation" as defined in Regulation D; and that none of the Issuers, Subsidiary Guarantors nor any holder of the Notes shall after the Closing take or omit to take any action that shall adversely affect the availability of any exemption from registration of the Notes and the Subsidiary Guarantee and of any interest therein, under any applicable securities laws, and in particular, that the Issuers shall not offer and sell any securities, which offer and sale, when integrated with the offer and sale of the Notes and of any interest therein, could be deemed to convert the offer and sale of the Notes and of any interest therein into a public offering of securities requiring registration under Section 5 of the Securities Act.

M. I express no opinion regarding the enforceability of provisions in the Transaction Agreements to the effect that a guarantor is liable (i) even in the event a court finds that provisions of the Guaranteed Obligations (as defined in the Subsidiary Guarantee) have been materially modified or (ii) as a primary obligor, and not as a surety.

The opinions expressed below are further qualified insofar as those opinions are subject to the effect of generally applicable rules of law that:

I. limit or affect the enforcement of provisions of a contract that purport to require waiver of the obligations of good faith, fair dealing, diligence and reasonableness or purport to release, exculpate or exempt a party from, or require indemnification of a party for, liability for its own action or inaction, to the extent the action or inaction involves gross negligence, recklessness, willful misconduct or unlawful conduct;

II. (i) provide that forum selection clauses in contracts are not necessarily binding on courts and (ii) relate to the discretion of the court before which any proceeding therefor may be brought, including, without limitation, the recognition of the choice of law provisions in the Transaction Agreements by a court sitting outside the State of New York;

III. limit the availability of a remedy under certain circumstances where another remedy has been elected or when the entire controversy doctrine is applicable to the claim for which a remedy is sought;

IV. may, where less than all of a contract may be unenforceable, limit the enforceability of the balance of the contract to circumstances in which the unenforceable portion is an essential part of the agreed exchange;

V. govern and afford judicial discretion regarding the determination of damages and entitlement to the rights of set-off, indemnification and contribution, liquidated damages, default interest, late charges, monetary penalties, prepayment or make whole premiums or payments, the payment of attorneys' fees and other costs of collection or other economic remedies; or

VI. may permit a party who has materially failed to render or offer performance required by the contract to cure that failure unless (i) permitting a cure would unreasonably hinder the aggrieved party from making substitute arrangements for performance, or (ii) it was important in the circumstances to the aggrieved party that performance occur by the date stated in the contract.

Based upon and subject to the foregoing, I am of the opinion that:

1. C-W Flow is a corporation duly incorporated, validly existing and in good standing under the laws of the State of New York, with all requisite legal power and authority to issue and sell the Notes and to execute and deliver the Note Purchase Agreement and the Notes and to perform its obligations in connection therewith.
2. The Transaction Agreements to which C-W Flow is a party have each been duly and validly authorized, executed and delivered by C-W Flow.
3. The Transaction Agreements constitute the legal, valid and binding obligations of the Issuers and the Subsidiary Guarantors, enforceable in accordance with their respective terms.
4. Neither the execution and delivery of, nor compliance with the terms of, the Transaction Agreements by C-W Flow will conflict with, result in a breach of, or constitute a default under or violate its organizational documents or any resolution of its board of directors.
5. Neither the execution and delivery of, nor compliance with the terms of, the Transaction Agreements by any of the Issuers or the Subsidiary Guarantors party thereto, will conflict with, result in a breach of, or constitute a default under or violate any federal or New York statute or law or any rule or regulation issued pursuant to any federal or New York statute or law. This paragraph 5 is limited with regard to statute, law, rule or regulation to such statute, law, rule or regulation that in my experience is typically applicable to transactions of the nature contemplated by the Transaction Agreements or generally applicable to companies engaged in the same line of business as the Issuers and the Subsidiary Guarantors.
6. No registration of the Notes or the Subsidiary Guarantee under the Securities Act, and no qualification of an indenture under the Trust Indenture Act with respect thereto, is required for the offer and sale of the Notes by the Issuers in the manner contemplated by the Note Purchase Agreement or the execution and delivery of the Subsidiary Guarantee by the Subsidiary Guarantors.
7. The extension of credit under the Notes does not violate Regulations T, U, or X of the Board of Governors of the Federal Reserve System.
8. No Issuer nor any Subsidiary Guarantor is an "investment company" or a company "controlled" by an "Investment Company" within the meaning of the Investment Company Act of 1940, as amended.
9. No Issuer nor any Subsidiary Guarantor is a "holding company" subject to regulation under the Public Utility Holding Company Act of 2005, as amended.

I acknowledge that this opinion is being issued pursuant to Section 4.4(a) of the Note Purchase Agreement and I agree that the Purchasers may rely and are relying hereon in connection with the consummation of the transactions contemplated by the Transaction Agreements. Morgan, Lewis & Bockius LLP, special counsel to the Purchasers, may rely on this opinion for the sole purpose of rendering its opinion to be rendered pursuant to Section 4.4(b) of the Note Purchase Agreement. In addition, each Purchaser may furnish copies hereof (a) to its independent auditors and attorneys, (b) to any state or federal authority having regulatory jurisdiction over it including, without limitation, the National Association of Insurance Commissioners (NAIC), (c) to its Affiliates, and its and their respective directors, officers, employees, auditors and professional advisors (d) pursuant to an order

or legal process of any court or governmental agency, (e) to any potential transferees of the Notes and (f) to subsequent holders of the Notes that comply with the provisions of Section 13.2 of the Note Purchase Agreement and this opinion may not be filed with or furnished to any other Governmental Authority or other Person, without the prior written consent of the undersigned. Subsequent holders of the Notes may rely on this opinion as if it were specifically addressed to them. These opinions are limited to the matters set forth herein, and no opinion may be inferred or implied beyond the matters expressly stated in this letter. These opinions are furnished as of the date hereof, and I expressly disclaim any obligation to advise the Purchasers or any subsequent holders of the Notes or any other party of changes of law or fact that occur after the date hereof even though such change may affect the legal analysis, a legal conclusion or a factual confirmation herein.

Very truly yours,

George P. McDonald

EXHIBIT 4.11
FORM OF SIDE LETTER

October 27, 2022

CURTISS-WRIGHT CORPORATION
CURTISS-WRIGHT CONTROLS, INC.
METAL IMPROVEMENT COMPANY, LLC
CURTISS-WRIGHT FLOW CONTROL CORPORATION
CURTISS-WRIGHT FLOW CONTROL SERVICE, LLC
CURTISS-WRIGHT ELECTRO-MECHANICAL CORPORATION
CURTISS-WRIGHT SURFACE TECHNOLOGIES, LLC
130 Harbour Place Drive, Suite 300
Davidson, NC 28036

Dear Ladies and Gentlemen:

Reference is made to that certain Note Purchase Agreement dated as of October 27, 2022 (as amended, supplemented or otherwise modified from time to time, the “**Note Agreement**”) among Curtiss-Wright Corporation, Curtiss-Wright Controls, Inc., Metal Improvement Company, LLC, Curtiss-Wright Flow Control Corporation, Curtiss-Wright Flow Control Service, LLC, Curtiss-Wright Electro-Mechanical Corporation and Curtiss-Wright Surface Technologies LLC (collectively, the “**Issuers**”) and each of the Purchasers party thereto. Unless otherwise defined, capitalized terms used in this letter have the meanings described in the Note Agreement.

Each of the Issuers acknowledges and agrees that no Foreign Subsidiary will become a Designated Borrower (as defined as of the date hereof in that certain Credit Agreement, dated as of May 17, 2022, by and among the Company, certain of its Subsidiaries, JPMorgan Chase Bank, N.A., as administrative agent, swing line lender and L/C issuer, and the other lenders party thereto, the “**JPM Credit Agreement**”) under the JPM Credit Agreement after the date hereof until the expiration date of the JPM Credit Agreement and any increases, refinancings and replacements thereof. If Issuers are required or need to add any Designated Borrowers to the JPM Credit Agreement, any such Designated Borrower will not borrow under the JPM Credit Agreement without the prior written consent of the holders of the Notes. Each of the parties hereto acknowledges and agrees that the failure by the Issuers to comply with the terms of this letter shall constitute an Event of Default and provide the holders of the Notes with all of the rights and remedies under the Note Agreement, and at law.

This letter shall be construed and enforced in accordance with, and the rights of the parties shall be governed by, the law of the State of New York excluding choice-of-law principles of the law of such state that would require the application of the laws of a jurisdiction other than such state.

[Remainder of page intentionally left blank. Signature pages follow.]

Please confirm your agreement to the foregoing by signing this letter in the place provided.

Very truly yours,

[Insert Purchaser Signature Pages]

[Signature Page to Side Letter]

We confirm the understanding set forth
in the foregoing letter:

**CURTISS-WRIGHT CORPORATION
CURTISS-WRIGHT CONTROLS, INC.
METAL IMPROVEMENT COMPANY, LLC
CURTISS-WRIGHT FLOW CONTROL CORPORATION
CURTISS-WRIGHT FLOW CONTROL SERVICE, LLC
CURTISS-WRIGHT ELECTRO-MECHANICAL CORPORATION
CURTISS-WRIGHT SURFACE TECHNOLOGIES LLC**

By: _____
Name:
Title:

4.49% SERIES L SENIOR GUARANTEED NOTES DUE OCTOBER 27, 2032

THIS NOTE HAS NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT") OR ANY APPLICABLE SECURITIES LAWS OF THE STATES OF THE UNITED STATES, AND MAY NOT BE SOLD OR OTHERWISE TRANSFERRED IN THE ABSENCE OF SUCH REGISTRATION OR AN APPLICABLE EXEMPTION THEREFROM.

4.64% SERIES M SENIOR GUARANTEED NOTES DUE OCTOBER 27, 2034

THIS NOTE HAS NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT") OR ANY APPLICABLE SECURITIES LAWS OF THE STATES OF THE UNITED STATES, AND MAY NOT BE SOLD OR OTHERWISE TRANSFERRED IN THE ABSENCE OF SUCH REGISTRATION OR AN APPLICABLE EXEMPTION THEREFROM.

Subsidiaries of the Registrant

The information below is provided as of December 31, 2022 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
Curtiss-Wright Flow Control Service, LLC	Delaware
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 22, 2023, 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, 2022.

/s/ Deloitte & Touche LLP

Parsippany, New Jersey
February 22, 2023

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 22, 2023

/s/ Lynn M. Bamford

Lynn M. Bamford

Chair 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 22, 2023

/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, 2022 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), Lynn M. Bamford, as Chair 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
Chair and Chief Executive Officer
February 22, 2023

/s/ K. Christopher Farkas

K. Christopher Farkas
Vice President and Chief Financial Officer
February 22, 2023