

## **ESTERLINE TECHNOLOGIES CORPORATION**

### **Compensation Committee Charter**

#### **Purpose and Authority**

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

As the Committee deems appropriate, it may retain independent compensation, legal, accounting, and other professional advisors to assist the Committee without seeking Board approval with respect to the retention, termination, fees or other terms for any such advisors.

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

#### **Composition**

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

#### **Duties and Responsibilities**

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

1. Meet at least twice a year, in addition to any special meetings that may be called. Such meetings shall, where possible, be held in conjunction with scheduled meetings of the Board. In the absence of a member designated by the Board to serve as Chair, the members of the

Committee may appoint from among their number a person to preside at their meetings. When appropriate, the Committee may meet in separate executive session with management, employees, internal audit, or the independent auditor to discuss matters the Committee, or those persons, believe warrant Committee attention.

2. Develop, evaluate, and recommend to the Board for its approval:
  - a. Executive compensation philosophy, policies, programs, and practices.
  - b. Corporate goals and objectives relevant to the Chief Executive Officer's compensation.
  - c. An appraisal of the Chief Executive Officer's performance, and that of other corporate officers, in light of Corporate goals and objectives, and in accordance with the method established by the Nominating and Corporate Governance Committee.
  - d. Total compensation opportunities for the Chief Executive Officer based on the Committee's appraisal. In doing so, the Committee shall consider the Corporation's performance and relative shareholder return, the value of incentive awards to chief executive officers at comparable companies, and awards given to the Chief Executive Officer in past years.
  - e. The forms and level of compensation appropriate for other corporate officers with base salaries in excess of \$125,000.
  - f. The Annual and Long Term Incentive Compensation Plans for officers, including the proposed level of participation and the subsequent actual payout computation for each officer.
  - g. Submission to the Corporation's shareholders incentive compensation plans and equity-based plans and amendments thereto.
  - h. Any special executive employment, compensation, or retirement arrangements.
  - i. All Internal Revenue Service tax-qualified and non-qualified retirement plans, and all plan amendments that are non-administrative in nature; the designation of the trustee and the execution of trust agreements for any such plan(s); the termination, merger, or consolidation of any such plan(s); the extension of plan participation to employees of affiliates or subsidiaries.
  - j. Compensation for Board members, and for those who serve as committee chairs or in other roles determined by the Board.
3. Implement and oversee succession planning for corporate officer positions in accordance with guidelines established by the Nominating and Corporate Governance Committee.
4. Administer and fulfill all obligations required by any Esterline incentive compensation plan, or equity-based plan.

5. Fulfill fiduciary functions with respect to Corporate retirement plans; periodically review plan administration, participation, and regulatory compliance for such plans.
6. Submit to the Board copies of the minutes of all Committee meetings and report to the Board on any significant matters arising from the Committee's work, including awards for top executives, and any special executive employment, compensation, or retirement arrangements.
7. Prepare the report on executive compensation required by the rules of the Securities and Exchange Commission to be included in the Corporation's annual proxy statement.
8. Obtain or perform an annual evaluation of Committee performance and make applicable changes to Committee practices, or recommendations to the Board for improvement.

### **Evaluation**

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