



The Esterline Way,
Every Day.

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CEO LETTER: Curtis Reusser

Dear Colleagues:

Delivering what we promise, practicing respect for all people, and conducting ourselves in an ethical, lawful manner in all we do are cornerstones of Esterline's culture and business strategy. By expressing these principles in our work with customers, suppliers, other employees, and in our daily lives, we offer more value to our stakeholders. Whether you are dealing with an important client, a personal friend, or a teacher at your child's school, the foundation of Esterline's value system – what we call "*The Esterline Way*" – uses our core values and our operating system standards to help you successfully embody:

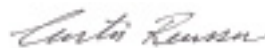
- ▶ High personal and product standards;
- ▶ A spirit of teamwork and accountability in all we do;
- ▶ Inclusion and engagement in our daily work;
- ▶ A focus on training and development; and
- ▶ Open, two-way communication.

The world is becoming more complex. As a global company doing business in this ever changing environment, Esterline relies on every member of the team to make a commitment to our value system and realize the benefits of following *The Esterline Way* every day. It must be our goal as employees to work respectfully with each other and achieve quality in all

we do, to refuse to compromise our integrity and know that our colleagues will do the same, and to always be mindful of the rules and regulations that govern our business and environment.

It's important to point out that there are resources available if you ever have questions. Please read the Code to understand what is expected of you, talk to your supervisor or consult your ethics advisor if you need more information. Also, don't hesitate to use Esterline's confidential Ethics and Compliance Helpline if you see activity that might violate the law or the principles of *The Esterline Way*. This Code booklet is just one of several tools that are here to help you find answers to your questions.

I expect that we will all act with integrity at all times and comply with laws and regulations without exception. It is absolutely critical to our business and our level of success; there is no room for compromise. We have many stakeholders who depend on the integrity of our people and products. We cannot let them down. Together, let's live *The Esterline Way, Every Day*.



Curtis Reusser, CEO





Section 1: Introduction

About the Code

The core, guiding principle of the Esterline Code of Business Conduct and Ethics (the Code) is to follow *The Esterline Way, Every Day*. Doing so reflects our high standards in:

- ▶ the work we do and the people we select to join our team
- ▶ our relationships with customers, suppliers, other employees, and with the communities within which we live
- ▶ the manufacture of our products and support of our employees

What is “The Esterline Way”?

“The Esterline Way” is a phrase used to remind us of the company’s high performance and high integrity culture, which is a key source of strength and success. The central tenets of our value system are to hold ourselves to high standards of performance, always act with integrity, and to respect other people and the law in all we do. In addition, we continually strive to be a valuable, best-in-class partner for all our stakeholders, including customers, employees, and shareholders. The values and principles in this Code are the foundation of *The Esterline Way*.

Our culture is renewed and strengthened every day by the actions of company leaders, by the choices employees make, and by our business practices and relationships. We rely on *The Esterline Way* to guide business decisions and ensure our long-term success. The key characteristics of our people philosophy are:

- ▶ **High standards**—We produce excellent products, employ excellent people, and act with impeccable ethics. We think beyond the moment and strive for improvement, doing things the right way to achieve a world-class reputation.
- ▶ **Teamwork and Accountability**—We focus on results, are pragmatic, and work together to achieve success, all within a lean mindset.
- ▶ **Inclusion and Engagement**—We feel a sense of ownership in the company and in our own work, and we respect and trust the people around us.
- ▶ **Training and Development**—We rely on a network of resources and relationships to deliver value to employees, enabling them to grow and thrive.
- ▶ **Open, Two-Way Communication**—We are humble, open to others’ ideas, and strive to communicate effectively to develop the best solutions.

Making Ethical Decisions

The Code can't address every situation that raises ethical challenges. If you face a situation where the right choice—the ethical choice—is not clear, ask yourself:

What does the Code say?

Even if it doesn't address the situation specifically, does it contain general principles that are relevant?

Are there laws or regulations that apply? When there are legal or regulatory requirements, it's important to follow them, not just do what feels right. If you are uncertain whether legal requirements apply to your work, or don't understand what the law requires, consult a company expert.

Consider an outside perspective. Would you be proud to describe your conduct to someone you respect? Or to a news reporter?

Are there other options? Often, it's possible to find an alternate solution—a choice that's different than the ones under consideration.

If you still have questions, seek help from Esterline resources, such as your manager or ethics advisor.

Why do we have a Code?

The Code is your guide to the company policies and legal requirements that govern how Esterline conducts business around the world. It articulates our shared values and explains our standards in some important areas.

Who does the Code apply to?

The Code applies to everyone at all levels of Esterline – employees, managers, officers, and board members alike. It applies in all company locations – including joint ventures – and in all countries and jurisdictions where we do business. The Code is also supported by more specific corporate and local policies and procedures.

The Code also applies to certain individuals and organizations outside Esterline at any time they represent the company or perform Esterline work. For instance, it applies to temporary employees assigned to work for us. It also applies to independent sales representatives in their dealings with our customers and markets. Esterline only deals with qualified, reputable representatives, and we require them to adhere to our standards of ethical behavior and legal compliance when working on our behalf. While the Code does not extend to all suppliers and third parties, we strive to select business partners who share our values.

No one is exempt from the Code standards and no one—not your manager, not the CEO—can direct you to violate the Code.

Where can I ask questions or report concerns?

If you have questions about Code-related topics or if you're concerned about behavior that might violate the Code, you can discuss your concerns with your supervisor or ethics advisor. You can also call our Helpline.

Please see the final section of this Code for a full list of Esterline Ethics Resources, including the best options to contact for certain types of questions.

Will there be consequences if I speak up?

We really need your help to raise questions when you see issues that concern you. In fact, it's part of everyone's job to speak up and help the company do its business in the right way.

You should not be afraid. Esterline strictly prohibits intimidation or retaliation against anyone who makes an honest, good faith report about a possible violation of the Code, policy, or the law even if it turns out not to be a problem. We also protect anyone who provides information in an investigation. If you are aware of or have concerns about possible retaliation, you should report it just as you would any other Code violation.

A note about waivers:

Under the rare circumstance where a waiver of this Code would be appropriate, Esterline's Chief Ethics Officer or designee might grant a waiver to these Code requirements, provided that the variance is consistent with our values and applicable law. Waivers for corporate directors or executive officers must be approved by the Board of Directors, and will be promptly disclosed in accordance with any applicable law.

For example, a waiver might be appropriate when an apparent conflict of interest is impractical to eliminate, but has been controlled by a special oversight arrangement with a disinterested and independent person.



Note to Managers

Managers and supervisors play an important role in reinforcing *The Esterline Way*. They are often first to spot the signs when something goes wrong.

If you are a supervisor or manager, we expect that you will:

- Set a strong example of ethical conduct.
- Help your team understand that their actions at work should always reflect Esterline's core values.
- Provide employees with training, education, and resources to support compliance with the Code.
- Encourage employees to speak up if they have concerns.
- Understand that reports of serious misconduct must be escalated to our Ethics Resources, for instance:
 - possible violations of Esterline's Trade Right Policies, or the U.S. ITAR (International Transactions in Arms Regulations), or other applicable national security or trade compliance requirements
 - neglect or concealment of product quality or design defects
 - suspected bribery or fraud
 - mistakes or misconduct that could affect financial reporting or pricing formulas
 - actions or omissions that could lead to possible government action against the company
 - indications of harassment or unfair treatment



Section 2: Our Values and Principles

Deliver What We Promise

Excellent Product Quality

We make highly reliable products for use in demanding applications. Our quality standards are built into every product we sell and every service we provide. Shortcuts, carelessness, or attempts to circumvent regulations will not be tolerated.

- ▶ **Comply with all quality requirements and follow all quality procedures.** Ensure your work product meets all applicable specifications and test criteria. Never bypass or neglect our quality controls.
- ▶ **Never falsify records.** All documentation must be accurate, truthful, and complete. Any required certifications must be made by authorized individuals.
- ▶ **Report any problems immediately.** Never ignore an issue or assume someone else will address it.

Q:

We are trying to finalize production on a time-sensitive shipment that requires certification. However, the person who is authorized to make the certification is not available. Can we ship it without the certification? Or can we find someone else to make the certification instead?



A:

If the product requires a certification, it must be certified by a person who is authorized to make the certification. There might be a very small number of people with this type of authorization. You should not send the shipment without the certification, and finding someone else to make the certification is appropriate only if the other person is also formally authorized to make the same certification. If they are not, the shipment will have to wait for the authorized person to return.

The following are examples of inappropriate conduct that are prohibited by our Code:

- An outside auditor who is working onsite pays special attention to a female employee and regularly makes comments about her body and the way she looks.
- A group of employees shuns another individual in their workgroup. They don't offer advice when they see he needs help, ignore his questions, refuse to sit with him at lunch, spread gossip about his personal life, and interrupt him or criticize his ideas in meetings.
- An employee who is from another country is repeatedly turned down for promotion, even though he is more qualified than the people who are ultimately chosen.

Product Safety

Our products are designed for safety, performance, and reliability. In many cases, the well-being of those using our products depends on it. Ensuring the safety of our products is a responsibility that we take very seriously, and we make safety a priority in design, development, and manufacturing.

Timely Delivery and Accurate Documentation

We insist on high standards of truthfulness related to our products and services. This includes representing our products and our work accurately and honestly and delivering in a timely manner.

Practice Mutual Trust & Respect

Maintaining a Respectful Work Environment

Our global workforce and business partners contribute a wide variety of backgrounds, viewpoints, practices, and abilities. Each of us is expected to avoid actions that could be considered rude, disrespectful, discriminatory, or harassing.

- ▶ **Treat people with respect at all times.** Show courtesy and respect to coworkers, subordinates, and supervisors, as well as to customers, suppliers, contractors, and others. Keep in mind that certain types of disrespectful behavior might also be against the law.
- ▶ **Never humiliate, insult, or injure another person.** We all play a role in building a fair and comfortable work environment where people can do their best work. Harassment of any kind—including sexual advances, unwelcome teasing, or bullying—will not be tolerated.
- ▶ **Ensure that hiring, promotions, and other employment decisions are based on merit.** We observe all applicable employment laws. Candidates should be hired and promoted based on merit, not on personal characteristics that are unrelated to the job, such as age, gender, race, disability, or religion. In many regions where we do business, making employment decisions on the basis of personal characteristics like these can violate employment laws.

Q: *I am an engineer and I'm working on a complicated technical project for an important customer. I've just learned that another project team at the company is working on a very similar project for a competitor. We're both facing technical challenges in delivering a good solution. Because the projects are so similar, can we share information to leverage our combined insights?*



A: *It depends. Because you are working on projects for competing companies, there is a risk that your collaboration might lead to a situation where the proprietary information of one company is inappropriately shared with a competitor. Before having any discussions with the other project team, you should discuss the situation with an ethics resource for guidance.*

Workplace Safety

We set high standards for safety and excellence in our operations and expect all employees to share in our commitment, helping to protect themselves and one another from harm.

Data Protection and Privacy

When we hold or work with information from or about customers, employees, suppliers, or other business partners, we must ensure it is properly protected. Many countries have developed detailed laws and regulations about privacy and the protection of personal data. Failure to follow these standards can harm individuals, damage business relationships, and violate the law.

Protecting Intellectual Property and Confidential Information

At work, you might have access to confidential or proprietary information that belongs to suppliers, customers, Esterline, or to the government. Using or disclosing confidential or proprietary information without proper authorization and a valid business reason is not permitted and might harm the company's business or the business of our customers or suppliers.



Keep in mind

Esterline often holds customer or government assets that we are contractually obligated to protect. Protecting Esterline's networks and facilities helps safeguard this information as well as our own.

In addition, we must respect intellectual property that belongs to others, and not use it in our work without authorization.

- ▶ **Follow all safeguards for protecting confidential information and intellectual property.**
- ▶ **Observe confidentiality requirements.** Follow the Confidential Information Agreement, Invention Agreement, or any similar agreement that you signed when you began working with the company. When in doubt, treat company information as confidential.
- ▶ **Reveal confidential information only when there is a business "need to know" and you are authorized to share it.** Do not reveal confidential information to anyone who does not have a valid business need to know the information (including employees of our company). This rule applies even after you leave the company.
- ▶ **Follow proper procedures for releasing the information.** Before sharing confidential information, check to see whether you need to have the recipient sign a non-disclosure agreement.

Protecting Company Assets

We have a responsibility to protect company property and resources and use these assets wisely. These include financial assets as well as physical assets like buildings, vehicles, or computer networks.

- ▶ **Use company assets only for authorized business purposes.** In some cases, limited personal use might be allowed, such as use of the Internet or telephone. For the most part, Esterline assets should be used only for authorized business purposes that are related to your job responsibilities.
- ▶ **Follow all security measures.** This might include diligent visitor screening and check-in procedures or careful adherence to the security of sensitive products or areas.
- ▶ **Protect our networks and information systems.** Follow all IT security requirements, especially when working remotely. Also, never use our systems in ways that could be perceived as illegal, harassing or offensive.

Speaking for Esterline

To maintain a clear and consistent message, Esterline only permits certain people to speak publicly for the company. This helps to ensure that the general public is accurately informed of the company's business and positions.

- ▶ **Do not speak to the media or make public statements on Esterline's behalf.** Most employees are not authorized to speak publicly for the company. Esterline's corporate communications office typically issues press releases, handles questions from the media, and coordinates statements about pending issues of public interest. Only engage in these activities if you have been assigned specific responsibility for that communication by Esterline.
- ▶ **Communication of financial information to people outside the company is prohibited, except by specifically authorized corporate officers.** As a public company, we must observe laws that govern how we disclose financial information. Only individuals authorized by Esterline's corporate office may disclose financial information to people outside the company.

- ▶ **Be careful when using social media.**

With today's technology, it's possible to appear to distribute information or speak on the company's behalf without fully realizing it or intending to do so. To be safe, avoid commenting on company or industry developments on social media.

Don't share information about current work projects online. Also, you should not make recommendations on social media about any person or organization related to your work experience with them as this might be taken to be an endorsement by Esterline.

Appropriate Social Media Use

Wireless communications, web technologies and social networking media bring countless opportunities to stay connected with each other and to share ideas and experiences. You should always ensure that your workplace use of personal wireless devices and participation in online social networking shows professional judgment, responsibility and consideration for others.

- ▶ **Keep your personal and professional lives separate online.** Avoid mentioning your position or current projects in your personal postings.



Note

Certain individuals at Esterline are expressly authorized to engage in lobbying activities on the company's behalf. This part of the Code refers to personal political activity by employees, not Company-sponsored political activity intended to benefit the business, its employees, or customers.

- ▶ **Avoid public comments involving our industry.** It's best not to post your opinions or any information about the company, our customers, or the industry generally unless you are authorized to do so as part of your job.
- ▶ **Write for the record.** Most things posted online can be accessed years later. Sometimes, a comment intended for a small, known group can find its way to unexpected audiences.

Community Activities, Political Involvement, and Political Contributions

You are encouraged to become involved in civic affairs and political activities as a private citizen. However, when you become involved in such matters, you must do so strictly as a private individual, not as a representative of the company. You must also take care that your activities do not interfere with your work responsibilities. While the company might adopt certain charitable causes, you should not assume that your personal involvements have company support.

- ▶ **Keep political involvement personal.** Unless engaging in a company-sponsored activity, you should limit involvement in political and community activities to your personal time. Don't use work time for political activities and do not fundraise for political causes or promote political candidates while at work.
- ▶ **Don't involve Esterline funds or assets.** You must obtain approval before using company facilities, equipment, funds or other assets to benefit any political party, campaign, or charitable cause. Also, unless you have obtained approval, do not make a political or charitable contribution using company funds or in the company's name.
- ▶ **Don't use your position at Esterline to support your personal political activities.** For instance, managers may not pressure their employees to contribute to a cause or to vote a particular way.

Use Integrity and Ethical Conduct

Offering or Providing Business Courtesies (Gifts, Entertainment, and Hospitality)

Business courtesies like gifts of modest value or reasonable hospitality and entertainment can be an appropriate way to build goodwill in a business relationship. However, it's important to consider the circumstances in which the courtesies are offered and to use good judgment.

We want to avoid even the appearance of attempting to win business through the use of excessive or lavish gifts, entertainment, or hospitality. Appearing to do so could affect our credibility and reputation in the marketplace.

- ▶ **Use business courtesies appropriately.** Typical business courtesies are reasonable, modest, and infrequent—a meal at a moderately priced restaurant or a token gift. Also, they are generally offered in the course of business—for instance, lunch during a meeting—rather than as an event in themselves. However, the definition of “reasonable” can vary based on the circumstances. Please exercise sound business judgment and, if you are at all uncertain regarding whether a business

courtesy is appropriate, seek guidance from your supervisor or an ethics advisor before offering the business courtesy.

- ▶ **Gifts of cash or cash equivalents are prohibited.** Gifts of money—or cash equivalents like gift cards, gift certificates, or savings bonds—are not appropriate business courtesies.
- ▶ **Obtain approval when necessary.** Make sure you have approval before offering or providing anything of value in the course of a business relationship. In some cases, you might need to get approvals in writing. Also, confirm that the proposed expenditure is appropriate to local custom and the law.
- ▶ **Avoid creating a “quid pro quo” (“this for that”) situation.** Do not provide any gifts, entertainment, or hospitality that could appear to influence the recipient’s business judgment. Avoid entertainment or gifts that coincide with purchasing or sales decisions, especially where these could look like a favor granted in return.
- ▶ **Document all expenditures properly.** Gifts, entertainment, and hospitality expenditures must be properly recorded in our books. Never conceal or misrepresent spending.

Accepting Business Courtesies

Just as it's important to avoid improperly influencing someone else, each of us must avoid accepting anything that could even appear to influence our own business judgment. This is true even if you believe you can accept and remain impartial.

- ▶ **We allow nominal gifts and entertainment.** “Nominal” means something small—a gesture or social courtesy, typically offered in connection with performing company business. Decline any business entertainment or gifts that are either lavish or offered frequently—even modest expenditures add up over time.
- ▶ **Consider the cultural context.** When you're doing business outside of your own culture or country, consider whether you need additional guidance to understand what's appropriate.
- ▶ **When unsure, decline.** You should especially decline:
 - Cash or cash equivalents.
 - Any offer that appears to be improper, including attempts to obtain favorable treatment.

Q:

I recently spent a week helping with the logistics of an airshow. Afterwards, I received a digital media device of modest value in the mail from the airshow sponsor, a customer of ours. Am I required to decline the gift?



A:

It depends. Start by discussing it with your supervisor or an ethics advisor. There are many variables that might affect the decision, from the value of the digital media device to whether or not you are in a decision-making role related to the customer. In certain cases, it might be acceptable to keep the gift. In others, the right course of action might be to politely decline or return the gift, or, to avoid insult, to donate it to a charitable cause, or use it as a prize in a company raffle.

- Any offer that coincides with a purchasing decision by Esterline—especially if you will be part of the decision.
- Gifts or entertainment of more than nominal value. It might be necessary to gather information to learn the value of what you have been offered—for instance, if you are invited to a sporting event or receive a bottle of wine. If the value is too high, decline the offer or send back the gift.
- Any offer of a loan arrangement or loan payment from someone who does business with our company. (This does not refer to normal market loans made by recognized financial institutions.)
- Side payments or kickbacks offered by suppliers. Any such offers should be reported to your supervisor or ethics advisor.
- Free or discounted products or services from suppliers or other business partners.

Bribery and Corruption

We conduct business with integrity and believe our business success should rest on the excellence of our products and services. Bribery and other corrupt actions are absolutely prohibited throughout our global operations.

Esterline does not offer or accept bribes, kickbacks, or other inappropriate payments, regardless of local practice or perceived customs. We also do not allow facilitation payments (“grease payments”), which are small, informal payments made to expedite a routine action by government personnel. Even if your intentions are honorable, it’s important to consider how things might appear. Even the perception of bribery can damage our reputation.

- ▶ **Follow all anti-bribery laws.** Bribery is illegal in most, if not all, places where we do business. In addition, laws like the U.S. Foreign Corrupt Practices Act and the U.K. Bribery Act extend beyond national borders to activity carried out in other countries. The penalties for bribery are severe, carrying legal liability for both the company and the individuals involved.



Recognizing Bribery

The anti-bribery rules are very strict. In many cases, it doesn't matter if the value offered is very small or if there is little benefit to Esterline. If the offer was made with the expectation or hope of a business advantage in return, it can be considered bribery regardless of the value.

Bribery occurs when:

- anything of value, whether tangible or intangible
- is offered, promised, given, requested, demanded, or accepted
- directly or through intermediaries

- for purposes of influencing a person in a position of trust and responsibility, including but not exclusive to, a government official
- to perform a function improperly or compromise his/her discretion
- or with knowledge that the acceptance of the advantage is improper

At Esterline, we prohibit giving **anything** of value when it's intended to obtain an improper advantage—for instance, inducing someone in a position of trust and responsibility to compromise their responsibilities.

- ▶ **Understand that “bribery” is broadly defined.** Bribery is more than just outright payments or gifts of cash. It can also include providing anything of value such as unusual discounts, free travel, excessive hospitality and entertainment, the loan of a car or money, speaking fees, or consulting agreements—especially if these are used to obtain a commercial advantage.
- ▶ **Be very careful in your interactions with government officials.** Many countries have especially strict rules that prohibit you—or a sales rep or consultant acting for you—from offering or giving anything of value to a government official.
- ▶ **Be sure you know whether you're dealing with a “government official.”** In some countries, the businesses we deal with are quasi-governmental enterprises. The managers you deal with in those organizations should be treated as “government officials” with whom you must be particularly careful.

- ▶ **Never offer or accept a kickback.** A “kickback” is an under-the-table payment or other hidden advantage—such as an informal discount—that a seller gives a buyer in exchange for business. It is a type of bribe, and it is illegal. If someone offers you a kickback, refuse it and tell your supervisor or ethics advisor immediately.
- ▶ **Do not try to do something indirectly that you are prohibited from doing directly.** Don’t instruct sales reps or other intermediaries to take actions that you aren’t permitted to take. Similarly, if you are prohibited from hiring a government official, you also can’t hire a member of that official’s family.
- ▶ **Communicate our expectations to sales reps, consultants, brokers, or other third parties who act for the company.** Most anti-bribery laws that apply to us also apply to third parties acting on our behalf. Never ask someone to take an action that violates our policy or the law. If you supervise or interact with third parties, watch carefully for signs that bribery might be taking place. In some cases, you can be held personally responsible for their mistakes or bribes.

Accurate Communications and Records

All communications and records should be accurate, truthful, and professional. Records must be securely maintained and archived in accordance with record retention policies.

Never create false records either knowingly or through carelessness. Don’t alter or conceal records in an attempt to hide something. If you need to change a record, make sure to follow the authorized process so the change and its rationale are documented and approved.

Company retention of an employee’s personal data, employment files, and electronic communications is strictly regulated in some countries. These regulations must be respected.

Here are a few examples of items we consider company records:

- Work time and attendance statistics
- Product testing or certifications
- Expense reports
- Customer billings
- Invoices and shipping documents

These are also considered records:

- Business emails on your work computer
- Handwritten notes taken during a meeting
- Employment records
- Business communications on a company mobile device
- Data kept in various computer systems—e.g., ERP, CRM, HRIS
- Engineering drawings and specifications

Note

Falsification of financial records is treated very severely, even if it involves only small amounts. A \$50 error in our financial accounting is probably not material to the company's overall prospects. A \$50 concealment could be.

Integrity of Financial Records

We are honest and transparent about our operations and performance. Our financial statements, books, and records accurately reflect the true nature of all transactions, no matter how large or small.

- ▶ **Follow company accounting policies and procedures.** Company management relies on financial records compiled from all levels of the organization to make business decisions and produce external reports, including reports to our shareholders and filings with government agencies. We record, retain, and report information in keeping with Esterline requirements and Generally Accepted Accounting Principles (GAAP).
- ▶ **Supply proper documentation for financial transactions.** For example, expense reports should be supported by proper receipts.
- ▶ **Never engage in concealment, falsification, or cover up.** Dishonesty related to financial matters is absolutely prohibited. Funds should be used only for their documented purposes. It is never appropriate to keep Esterline funds in "slush" or "off the books" funds that are not documented in our books and records.
- ▶ **Be careful and accurate.** Be careful that all information related to financial records is correct. Even small errors—for instance, mistakes or omissions in ERP records that generate cost information—can accumulate over time. Incomplete or incorrect records can be seriously misleading and create the appearance of dishonesty.

Conflict of Interest and Improper Influence

There must be no question about the integrity of our decision-making. Each one of us has an obligation to deal fairly with customers, suppliers, competitors and employees. Anyone in a position to make or influence company business decisions must be alert to possible personal conflicts of interest, both real and perceived. Similarly, we are expected not to act against the company's interests, even in the case where it might benefit us personally to do so.

- ▶ **Avoid outside employment that might be problematic.** Employees working in second jobs outside the company must be certain that these do not conflict with their work at Esterline. Potential conflicts include conflicting work schedules, declining productivity, or disclosure or use of confidential and/or proprietary company information. You may not work for a competitor of the company or for a customer or supplier. To avoid conflicts of interest, outside work generally should be reviewed with your supervisor in advance.
- ▶ **Avoid investments that might create a conflict.** This includes holding a substantial financial interest in a competitor, business partner, or supplier.

- ▶ **Avoid conflicts involving family members.**

The following are all potential conflicts of interest and should be disclosed to management so they can be resolved:

- » Supervising or making employment decisions about a family member or someone with whom you socialize or have a personal relationship
 - » Having access to employee data, or having authority or influence over employment or compensation decisions, if you have a family member or a close personal relationship with someone who works in the company
 - » Representing Esterline in a situation where you, your family, or someone with whom you have a close personal relationship has any significant personal interest
- ▶ **Meet the highest ethical standards in source selection, bid awards, and contract negotiation.** We buy only materials and services that will meet our performance, quality, and delivery requirements. We also encourage competition among our suppliers and buy from qualified suppliers at the lowest total cost.

Conflict of Interest

A conflict of interest occurs when a personal benefit, activity, or relationship interferes or appears to interfere with your job duties. You should especially watch for situations where your personal interests make it difficult or impossible to be objective and fair in carrying out your job responsibilities.



Esterline's Point of View

We want to hire the most qualified job candidates and work with the best vendors, suppliers, and partners. Making decisions because of personal relationships rather than quality can weaken our business and damage our working environment.

Every employee who is in a position to manage people or to make purchasing decisions should understand our expectations in this area. If you have any kind of personal relationship with a potential job candidate, another employee, or with a business partner, you must disclose the relationship to your supervisor or ethics advisor promptly. You will be expected to remove yourself from any decisions where the company determines there could be a perceived or actual conflict of interest.

- ▶ **Do not take personal advantage of opportunities that could benefit the company.** You are expected to promote the company's interests in your work. If, as part of your job, you learn about an opportunity that would benefit Esterline, you may not take personal advantage of that opportunity at the company's expense.
- ▶ **Disclose outside professional activity.** If you want to speak at a conference, publish an article, or serve on an industry committee or board of directors, notify your supervisor or ethics advisor as soon as possible. The company will review the situation, clarify your role, and decide whether to approve your involvement.
- ▶ **Disclose any conflicts and work to resolve them.** If you discover that you have an actual conflict of interest, or are involved in a situation that might be perceived as a conflict, you are expected to disclose it and then work with the company to resolve it.

Comply with Laws and Regulations

Fair Competition

Most countries where we do business have laws designed to ensure that competition is fair and honest.

Generally speaking, we must never enter into agreements with competitors that might restrict competition. Similarly, we must never use unethical or illegal methods to gather information about companies that compete with us.

- ▶ **Don't share competitive or proprietary information with competitors.** Sharing information with competitors can lead to charges of anti-competitive collaboration. It's best to keep most aspects of our business confidential. As a rule of thumb, don't discuss something that you wouldn't print in a sales brochure or include in a trade show display. This includes topics related to price, including actual prices, discount schedules, costs, suppliers, customers, products, territories, markets, production levels, or terms and conditions of sale.

- ▶ **Be aware that meetings with competitors can be risky.** Anti-competitive discussions can happen easily in casual settings and without either party intending to break the law. If you attend industry events or meetings with competitors, make sure you understand fair competition law requirements. If a competitor tries to start a discussion about competitive topics, tell them you are uncomfortable with the subject, end the conversation immediately, and tell your supervisor or ethics advisor.
- ▶ **Collect competitive information only through proper channels.** While it can be proper to collect information about our competitors, this must be done legally and appropriately. Never misrepresent yourself or use other illegal or unethical methods. If someone offers you competitive information that you know or suspect was obtained improperly, refuse it and report the incident.



Note on Fair Dealing

Each one of us has an obligation to deal fairly with the company's customers, suppliers, competitors, and employees. No one should take unfair advantage of another through manipulation, concealment, abuse of privileged information, misrepresentation of material facts, or any other unfair practice.

Insider Information and Stock Transactions


Trading on inside information is illegal and a violation of Esterline policy. It can result in serious legal consequences for both the company and the individuals involved.

- ▶ **Don't trade when you know inside information about Esterline.** Do not buy or sell company stock when you are aware of meaningful business information that has not become public.
- ▶ **Don't share inside information with anyone.** Do not disclose any meaningful non-public information about our company or about any other publicly held company, except as authorized in the legitimate course of business. If you share information and someone trades based on it, you can be held liable for "tipping."

- ▶ **Don't trade when you know inside information about another company.**

From time to time, you might learn inside information about other companies as part of your work at Esterline. Do not buy or sell the stock of any other publicly held company while you are aware of meaningful non-public information.

If you have questions about whether you have inside information that could restrict your investment decisions, be sure to talk with your supervisor or ethics advisor. Please note that officers and directors are subject to a separate insider trading policy that applies to their specific roles.



Q: *What is inside information?*

A: *Any information that would have a material effect on the company's stock if it were known generally. For instance:*

- Non-public sales information or other financial data*
- Significant changes in personnel*
- The initiation or conclusion of a legal action or government investigation*

If you have this kind of information about Esterline or another company, do not engage in a stock transaction.

Q: *How does this apply to the Employee Stock Purchase Plan?*

A: *Insider trading concerns should not affect the standard operation of the stock purchase plan—in other words, routine and regular purchases decided in advance and made over time. However, if you think you might have inside information related to Esterline, you should not make any changes in your plan participation or stock ownership, such as increasing your contribution or deciding to sell shares.*

Did You Know?

Export restrictions apply to:

- hardware
- software
- support equipment
- test equipment
- samples
- demonstration units
- technical data, whether contained in writing, electronic transmissions, conversations, drawings or photographs
- technology, including mobile phones and laptops carried across borders

A technology export occurs whenever technical information is transmitted to a foreign person or entity—or sometimes even to a person in the same country when the technology is of U.S. origin. This is true whether the technical information is transmitted in person or by telephone, fax, email, regular mail, or another method.

Exports, Imports, and Trade Compliance

As a global company working on critical aerospace and defense products, we are subject to the complex world of international trade. This is a highly regulated area. You need to know how to recognize situations with export or import control implications and then work with company resources any time you are not completely familiar with how to comply with all applicable laws and regulations.

- ▶ **Understand the nature of trade compliance.** Trade compliance involves regulations that control the release of critical technologies, technical data, software code, equipment, information, and services to foreign nationals or foreign countries for reasons of foreign policy and national security. Issues related to trade compliance include: licensing, Jurisdiction & Classification, Prohibited Party validation, risk of diversion, and transfers of technical data.
- ▶ **Understand the scope of what is considered an export.** “Exports” are defined broadly and can include both the shipment of products and the transfer of information, for instance through e-mail, online postings, or even in conversation. It’s considered an export to carry certain technology across national borders, such as software on a mobile phone or an electronic document in a laptop file.
- ▶ **Recognize that trade controls might limit where certain goods or information can be shipped or serviced.** It might be necessary to obtain a license before exporting certain products or technology. We might be restricted from posting technical information on the Internet or sending it by e-mail to a citizen of another country or even a colleague. In other cases, local law might prohibit the sale altogether.
- ▶ **Beware of potential violations of the Arms Export Control Act (AECA) or the International Traffic in Arms Regulations (ITAR).** Violations of the AECA or the ITAR can stem from relatively simple mistakes in visitor management, brokering, or IT network administration. When in doubt if an activity has AECA/ITAR implications, contact a company trade compliance expert for assistance.
- ▶ **Know how to respond to sanctions and boycott requests.** This is a complicated area where regulations might conflict. If you receive a request to refrain from doing business with a certain country or its citizens, or to certify that you don’t currently do business with that country or its citizens, consult with company trade compliance experts before you respond.

Government Contracting

When we engage in government contracting work, we are subject to various procurement laws and regulations, with requirements that vary by country. In most cases, these laws and regulations set stricter and more complex standards than our Code and other policies related to commercial business. For example, some government contract laws require us to provide cost and pricing data to the potential government customer. This type of information is not usually disclosed in a private business transaction.

In addition to following our Code and other policy standards, all employees who work on government contracts and subcontracts must know and observe any additional requirements and restrictions. In particular, there is a high standard of accuracy for records related to government projects: all communications and records must contain accurate, complete, and current information. This includes all proposals, estimates, claims, certifications, test results, bills, and recording of related work hours.

Environmental Compliance

As responsible corporate citizens, our operations are dedicated to protecting human health, natural resources, and the local and global environment.

This dedication includes the integration of sound environmental practices into our business decisions and incorporating risk-based, cost-effective management practices into our activities.

Human Rights

Esterline is committed to supporting fundamental human rights and believes in the dignity and worth of all individuals. As such, we treat all people around the world with fairness and respect. We do not use or allow the use of child, slave or forced labor or human trafficking in Esterline's business activities. We condemn any degrading treatment of individuals and are committed to providing safe working conditions. In addition, our business partners must demonstrate an on-going commitment to the health and safety of their workers and operate in compliance with human rights laws.

An aerial photograph showing a large-scale agricultural or plantation landscape. The top half of the image is dominated by a grid of young, green trees planted in neat rows, with narrow dirt paths or roads separating them. Below this, the terrain transitions into large, rectangular plots of lush green crops, likely corn or soybeans, which are also arranged in a structured, grid-like pattern. The overall scene conveys a sense of organized, large-scale land management.

Section 3: A Shared Culture of Integrity

The Esterline Way and its high ethical standards are essential to our growth and success. We need your intellect, your energy, and most of all your integrity.

If you ever have a question about the right thing to do, please take the extra steps needed to find the answer. You can read the Code, talk to your supervisor, or consult your ethics advisor. Of course, you can always use Esterline's confidential Ethics and Compliance Helpline. Please remember there are several resources to help you find the answer.

If you learn about or suspect a violation of the Code or law, you are encouraged to report it.

Our Ethics Resources and How To Use Them

- ▶ **Your manager:** In many cases, your manager or supervisor should be your first point of contact. Get their help when you need to clarify the Code, policy, or legal requirements related to your job responsibilities or to discuss concerns about behavior that might violate the Code.
- ▶ **Human Resources:** Contact Human Resources for any general employment concerns, including:
 - » hiring & promotion decisions or performance reviews
 - » your manager's conduct, whether toward you or someone else
 - » work relationships or behavior issues, such as harassment, unfair treatment, or bullying
- ▶ **Segment Vice President of Human Resources/Segment Compliance Director:** If the above Ethics Resources are unable to resolve the issue or if you are not comfortable approaching them, go to the Segment Vice President of Human Resources or, if a trade compliance matter, you may also go to the Segment Compliance Director.
- ▶ **General Counsel:** When you have exhausted all other Ethics Resources, contact Esterline's General Counsel.

Ethics and Compliance Helpline: The Ethics and Compliance Helpline is available anytime by telephone, mail, or online through the Esterline.com website. You are welcome to use it as a first step if you are uncertain or uncomfortable about contacting the other resources listed above. The Ethics and Compliance Helpline is also available to report trade compliance-related matters, such as possible violations of the Arms Export Control Act (AECA) or the International Traffic in Arms Regulations (ITAR). In the U.S. and certain other locations where the law allows, you will have a choice of remaining anonymous if you prefer.

LOG-ON:

www.esterline.com

Select: Corporate Governance -> Ethics and Compliance Helpline

OR CALL:

Belgium 00-800-1777-9999	France 00-800-1777-9999	Italy 00-800-1777-9999	Singapore 00-800-1777-9999
Brazil 00-800-1777-9999	Germany 00-800-1777-9999	Japan (English and Japanese) 00-800-1777-9999	United Kingdom 00-800-1777-9999
Canada 800-461-9330	Hong Kong 00-800-1777-9999	Mexico (English) 00-800-1777-9999	United States 800-461-9330
China 00-800-1777-9999	India 00-800-100-3428	Mexico (Spanish) 001-866-376-0139	
Dominican Republic 00-800-1777-9999	Israel 00-800-1777-9999		

For countries not listed, please see the Esterline Ethics and Compliance Helpline policy.

OR WRITE:

Ethics and Compliance Helpline
Esterline Technologies Corporation
500 108th Avenue NE, Suite 1500
Bellevue, WA 98004

For Marolles-en-Brie, write to:

Ethics Select Committee
Esterline Technologies Management France SAS
7, ter rue de la porte de Buc
7800 Versailles
France

Reporting Issues in the European Union

Reports made in or about a person in a member state of the European Union must comply with the data privacy and labor laws of the EU and the member state. In France, Germany, and Belgium, the reported topics are limited to those defined in the Esterline Ethics and Compliance Helpline policy. Anonymous reporting is discouraged. Reports will be processed in accordance with the laws of the member state.

Support for Good Faith Reporting

Reports made in good faith help us investigate and address issues that could harm or disrupt our business. Esterline recognizes that raising concerns can be uncomfortable and the company is committed to fostering an environment where people who bring good faith concerns are supported by a prompt, professional, and diligent process.

All reports and concerns will be assessed in a timely fashion and efforts will be made to respect confidentiality where possible. If a violation has occurred, the company will take corrective action. Alternately, an investigation might reveal there was no violation, and that the reporter honestly misunderstood the situation, or was not in a position to have all the pertinent information.

The company will be as open as it reasonably can in replying to reports. However, privacy protections or other important legal or business reasons might limit the company's ability to share the results of its investigation, even with the person who reported the issue. In any event, be assured that an investigation will take place for all reports made.

We expect employees who make reports or participate in investigations to provide information that is truthful and not intended to be false or misleading. Like any other misconduct, intentionally filing untruthful reports is likely to result in disciplinary action.

Esterline will not tolerate retaliation or disrespectful behavior aimed at an individual who makes a good faith ethics report or provides truthful information in an investigation. Anyone found to have retaliated against an individual in such circumstances will be subject to disciplinary action.

