



## Corporate Governance Guidelines

The following guidelines, along with Astronics Corporation's Certificate of Incorporation, By-laws and Charters of the Board Committees, provide the governance framework in which Astronics Corporation's Board of Directors carries out its fiduciary duties.

1. **The Board and Management.** Astronics Corporation's business is conducted by its employees, managers and officers, under the direction of the Chief Executive Officer (CEO) and the oversight of the Board, to enhance the long-term value of Astronics Corporation for its shareholders. The Board of Directors stands in a fiduciary relation to the corporation and, in discharging these fiduciary duties, Directors shall act in a manner that they reasonably believe to be in the best long-term interests of the corporation, in particular, the interests of the shareholders. The Board recognizes that the interests of the corporation and its shareholders are advanced when they take into account the concerns of and the effect of any action upon employees, suppliers, customers, the communities in which operations are established, and other pertinent factors.

2. **Functions of the Board.** The Board of Directors meets not less than four times a year to review and discuss reports by management on the performance of the corporation, its plans and strategies, as well as immediate issues facing the corporation. Directors are expected to attend all scheduled Board and Committee meetings. In addition to its general oversight of management and of the conduct of the corporation's business, the Board performs the following specific functions:

- a. considering, approving, and monitoring fundamental financial and business strategies and major corporate actions;
- b. selecting, evaluating, and determining the compensation of the CEO and overseeing the compensation of the other senior executives;
- c. planning for succession with respect to the position of CEO and monitoring management's succession planning for other senior executives;
- d. assessing major risks facing the corporation and reviewing options for their mitigation and/or elimination; and
- e. working with senior management to ensure standards and procedures are in place for maintaining the integrity of the corporation, the accuracy of the corporation's financial statements, and the compliance by the corporation with laws and the corporation's Code of Business Conduct and Ethics.

The Board of Directors has delegated to the CEO, working with the other senior executives of Astronics Corporation and its affiliates, the authority for managing the business consistent with applicable policies, including the Astronics Corporation Code of Business Conduct and Ethics, and any specific directives from the Board.

**3. Qualifications.** Directors shall possess the highest personal and professional ethics and integrity, and, in performance of their duties as directors, shall represent the long-term interests of the shareholders. The Board believes that its membership should reflect a diversity of experience, gender, race and ethnicity. Directors are selected on the basis of experience and personal capacities, including experience in industries similar to Astronics Corporation's, managerial or other leadership experience; business acumen or particular expertise, business development experience, strategic capability, independence of judgment; familiarity with corporate governance, risk assessment and the responsibilities of directors; standing and reputation as a person of integrity; the potential contribution of each individual to the diversity of backgrounds, experience and competencies which the Nominating/Governance Committee desires to have represented and ability to work constructively with the CEO and the Board.

Directors must devote sufficient time to carrying out their duties and responsibilities effectively, and should be committed to serving on the Board for an extended period of time. Directors are expected to inform the Chairman if there is any significant change in their personal circumstances, including a change in their principal job responsibilities. Directors are expected to attend meetings of the Board and Committees of the Board on which they serve, except for good reason, and be prepared.

Directors who also serve as CEOs or in equivalent positions should not serve on more than two boards of public companies in addition to the Astronics Board, and other Directors should not serve on more than four other boards of public companies in addition to the Astronics Board. Membership on more public company boards by a director for exceptional reasons requires approval by the Nominating/Governance Committee or its chairperson. Directors are expected to notify the Nominating/Governance Committee in writing before accepting election or appointment to any public company board on which they did not serve when appointed to the Astronics Board.

The Board does not believe that arbitrary term limits on Directors' service are appropriate nor does it believe that Directors should expect to be renominated annually. The Board self-evaluation process noted below will be an important determinant for Board tenure.

**4. Independence of Directors.** A majority of the Directors shall be independent, as that term is defined by applicable laws and regulations and in the NASDAQ listing standards. A Director will be considered independent only if the Board has affirmatively determined that the Director has no material relationship with Astronics, either directly or as a partner, shareholder or officer of an organization that has a relationship with Astronics that, based on the requirements of applicable laws and regulations and the NASDAQ listing standard, would impair his or her independent judgment. Not more than three individuals who fail to be determined to be independent Directors shall serve on the Board at any one time, provided, however, that this limitation on the number of non-independent directors shall not require a

Director to resign or retire from the Board prior to the expiration of a term to which he or she was duly elected by the shareholders so long as the Board then has a majority of independent Directors.

The Board will annually review all commercial and charitable relationships of Directors to determine if there is a material relationship that would preclude the Board from making an affirmative determination that an individual Director is independent. To facilitate this review, each non-employee Director will annually provide information regarding the Director's business and other relationships with Astronics, its affiliates and senior management to enable the Board to evaluate the Director's independence. This determination will be disclosed in the proxy statement for Astronics Corporation's annual meeting of shareholders.

**5. Selection of Chairman and Chief Executive Officer.** At present, the Board has determined that combining the roles of the Chief Executive Officer and Chairman is in the best interests of the corporation. The Board should be free to reconsider that determination in the future.

**6. Role of the Lead Director.** In addition to the Chairman, the Board has a Lead Director. The principal role of the Lead Director is to serve as liaison between the Chairman and CEO and the Directors. The specific responsibilities of the Lead Director are, among others, to:

- (i) collaborate with the Chairman and CEO to ensure the appropriate flow of information to the Board;
- (ii) consult with the Chairman and CEO regarding Board agenda items;
- (iii) coordinate and develop the agenda for and preside at sessions of the Board's independent Directors, and as appropriate, communicate to the Chairman and CEO the substance of the discussions;
- (iv) in the absence of the Chairman, act as Chair of meetings of the Board;
- (v) recommend, when necessary, special meetings of the Board; and
- (vi) act as principal liaison between the Directors and the Chairman and CEO on sensitive issues.

**7. Size of Board and Selection Process.** It is the sense of the Board that a size of 7 to 9 members is about right for the corporation in light of its size and complexity of its business. The Board proposes a slate of nominees to the shareholders for election to the Board. Shareholders may propose nominees for consideration by the Nominating/Governance Committee by submitting the names and supporting information according to the deadlines set forth in the corporation's proxy statement for its most recent annual meeting to: Secretary, Astronics Corporation, 130 Commerce Way, East Aurora, New York 14052. Between annual shareholder meetings, the Board may elect Directors to fill vacancies to serve until the next annual meeting.

**8. Board Meeting Agendas.** The Chairman of the Board and the Chief Executive Officer (if the Chairman is not the Chief Executive Officer) shall work jointly to establish the agenda for each Board meeting, and any Director may request items to be included on the agenda. If the Chairman is the Chief Executive Officer, the agenda shall be established by the Chairman and the Lead Director. Ample time is scheduled for each Board meeting to assure full discussion of important matters whether included on the agenda or not. Agendas always include financial and operating reports in addition to other reports, such as business unit and subject matter presentations, that could enhance a Director's perspective and knowledge on various matters. Agenda and meeting materials are distributed in advance of Board and Committee meetings, and each Director has a duty to review the materials prior to the meeting.

**9. Board Committees.** The Board has established the following Committees to assist the Board in discharging its responsibilities: (i) Audit; (ii) Compensation; and (iii) Nominating/Governance. All members of the Committees of the Board serve at the pleasure of the Board. The current charters of these Committees are published on Astronics Corporation's Web site and will be mailed to shareholders upon written request. The Committee Chairs report the highlights of their meetings to the full Board following each meeting of the respective Committee. The Board has the flexibility to form a new committee or disband a current committee.

**10. Independence of Committee Members.** Current membership of the Audit, Compensation and Nominating/Governance Committees satisfies the independence requirements discussed in Section 4 above. Members of the Audit Committee and the Compensation Committee are each also required to satisfy certain additional Nasdaq independence requirements.

**11. Executive Sessions of Non-Management and Independent Directors.** The independent Directors will be offered the opportunity to meet in executive session in connection with regular meetings of the Board. The Lead Director will preside at all Executive Sessions of the independent Directors.

**12. Board and Committee Evaluations.** The Board and each of the Committees shall perform annual self-evaluations. The Nominating/Governance Committee will develop and conduct the Board evaluation and will ensure that each Committee of the Board conducts its ownself-evaluation.

**13. Ethics and Conflicts of Interest.** The Board expects Astronics Directors, as well as officers and employees, to act ethically at all times and to affirm their adherence to the policies composing the Astronics Corporation Code of Business Conduct and Ethics, including, without limitation, a prohibition on trading on inside information. The independent Directors must approve any waiver of the Code for senior executives or Directors, and any such waiver must be promptly disclosed to shareholders in accordance with relevant laws and NASDAQ listing rules. If an actual or potential conflict of interest arises for a Director, the Director will promptly inform the Chairman of the Audit Committee who will bring the matter to the attention of the Board. If a significant conflict exists and cannot be resolved, the Director is expected to resign.

Each Director will recuse himself or herself from any discussion or decision affecting his or her personal, business or professional interests. The Board shall resolve any ethical or conflict of interest issue involving the CEO or other executive officers of the corporation, and the CEO shall resolve any ethical or conflict of interest issue involving anyone other than a Director or an executive officer of the corporation and inform the Board of his action.

**14. Compensation of Board.** The Nominating/Governance Committee has the responsibility for recommending to the Board compensation and benefits for non-employee Directors. In discharging this duty, the Nominating/Governance Committee is guided by three goals: compensation should fairly pay Directors for work required in a company of Astronics Corporation's size and scope; compensation should align Directors' interests with the long-term interests of shareholders; and the structure of the compensation should be simple, transparent and easy to understand. Employee Directors shall receive no Director compensation.

**15. Director Stock Ownership.** The Board believes that, in order to align the interests of the Directors and shareholders, Directors should have a significant financial stake in the corporation. Within four years of joining the Board or within four years of adoption of these guidelines, whichever is later, each non-employee Director is expected to accumulate and maintain ownership of at least the number of shares equal to 400% of the annual cash retainer for the applicable calendar year, divided by the average of the closing price of a share of Astronics Corporation Common Stock for the previous calendar year.

**16. Board Interaction with Shareholders.** The Board believes that management should speak for the corporation. Accordingly, each Director will refer all inquiries from shareholders, analysts, the press or customers to the CEO.

**17. Succession Plan.** The Board shall plan for the succession of the CEO. To assist the Board, the CEO will present an annual succession planning summary to the Board and will advise the Board of his recommendations and evaluations of potential successors. The Compensation Committee will assure assessment and feedback by the Board of Directors to the CEO on the strategic leadership, development, and internal and external representation of the corporation.

**18. Annual Compensation Review of Senior Management.** The Compensation Committee shall review and approve annual performance objectives for the CEO, evaluate the CEO's performance against these objectives, and make recommendations to the Board of Directors for the CEO's annual salary based on this evaluation. The Committee shall also annually review performance and approve annual salaries for the other executive officers as proposed by the CEO. The Committee reviews for all senior executive officers the determination of annual and long-term incentive awards earned in accordance with Astronics Corporation's employee benefit plans and reports to the Board for endorsement.

**19. Access to Senior Management.** The Board believes that the primary and most constructive interaction with management is through the normal process of scheduled Board and Committee meetings, whether they be on regular business or special matters, at which any discussions can best be informed by the collective and varied knowledge and experience of Directors and management. The Board also recognizes, however, that matters of integrity and corporate conduct, were they to arise, may call for direct access to senior management. As is

judicious under these circumstances, independent Directors are free to contact executive officers and other senior managers of the corporation without senior corporate management present.

20. **Access to Independent Advisors.** The Board and its Committees shall have the right at any time to retain independent outside financial, legal or other advisors.

21. **Director Orientation.** The corporation's Corporate Counsel and the Chief Financial Officer are responsible for providing an orientation for new Directors, and for periodically providing materials or briefing sessions for all Directors on subjects that would assist them in discharging their duties.

22. **Web Site.** These guidelines shall be posted on Astronics Corporation's Web site, and Astronics Corporation's annual report on Form 10-K shall state that copies of these guidelines and the aforementioned charters are available on Astronics Corporation's Web site or in writing and that copies of the same are available to any shareholder who requests them.

Adopted December 10, 2019  
Revised February 26, 2021