

FORM 10-K
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES
EXCHANGE ACT OF 1934 FOR THE FISCAL YEAR ENDED DECEMBER 31, 2002

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)

Delaware

(State or other jurisdiction of
incorporation or organization)

13-0612970

I.R.S. Employer Identification No.

4 Becker Farm Road, Roseland, NJ

(Address of principal executive offices)

07068

(Zip Code)

Registrant's telephone number, including area code: (973) 597-4700

Securities registered pursuant to Section 12(b) of the Act:

Title of each class -----	Name of each exchange on which registered -----
Common Stock, par value \$1 per share	New York Stock Exchange
Class B Common Stock, par value \$1 per share	New York Stock Exchange

Securities registered pursuant to Section 12(g) of the Act: None

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, and (2) has been subject to such filing requirements
for the past 90 days. Yes No

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K. []

The aggregate market value of the voting stock held by non-affiliates* of the Registrant is \$594,292,905 (based on the closing price of the Registrant's Common Stock and Class B Common Stock on the New York Stock Exchange on March 14, 2003 of \$59.79 and \$57.89, respectively).

Indicate the number of shares outstanding of each of the Registrant's classes of Common Stock, as of the latest practicable date.

Class -----	Number of Shares Outstanding at March 14, 2003 -----
Common Stock, par value \$1 per share	5,905,585
Class B Common Stock, par value \$1 per share	4,382,116

DOCUMENTS INCORPORATED BY REFERENCE

Portions of the Annual Report to Stockholders of the Registrant for the year ended December 31, 2002 are incorporated by reference into Parts II, III, and IV. Portions of the Proxy Statement of the Registrant with respect to the 2003 Annual Meeting of Stockholders are incorporated by reference into Part III.

* All directors and executive officers of the Registrant have been excluded from the amount shown solely because of the definition of the term "affiliate" in the regulations promulgated pursuant to the Securities Exchange Act of 1934. The Registrant disclaims that any of such directors or officers is an affiliate. See material referred to under Item 12, below.

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FORWARD-LOOKING INFORMATION

Except for historical information, this Annual Report on Form 10-K may be deemed to contain "forward-looking" information. Examples of forward-looking information include, but are not limited to, (a) projections of or statements regarding return on investment, future earnings, interest income, other income, earnings or loss per share, investment mix and quality, growth prospects, capital structure and other financial terms, (b) statements of plans and objectives of management, (c) statements of future economic performance, and (d) statements of assumptions, such as economic conditions underlying other statements. Such forward-looking information can be identified by the use of forward-looking terminology such as "believes," "expects," "may," "will," "should," "anticipates," or the negative of any of the foregoing or other variations thereon or comparable terminology, or by discussion of strategy. No assurance can be given that the future results described by the forward-looking information will be achieved. Such statements are subject to risks, uncertainties, and other factors which could cause actual results to differ materially from future results expressed or implied by such forward-looking information. Such statements in this Annual Report include, without limitation, those contained in (a) Item 1. Business, (b) Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations and (c) Item 8. Financial Statements and Supplementary Data including, without limitation, the Environmental Matters Note. Important factors that could cause the actual results to differ materially from those in these forward-looking statements include, among other items, the Corporation's successful execution of internal performance plans; performance issues with key suppliers, subcontractors and business partners; the ability to negotiate financing arrangements with lenders; legal proceedings; changes in the need for additional machinery and equipment and/or in the cost for the expansion of the Corporation's operations; product demand and market acceptance risks; the effect of economic conditions; the impact of competitive products and pricing; product development, commercialization and technological difficulties; unanticipated environmental remediation expenses or claims; capacity and supply constraints or difficulties; an inability to perform customer contracts at anticipated cost levels; changing priorities or reductions in the U.S. government defense budget; contract continuation and future contract awards; U.S. international military budget constraints and determinations; and other factors that generally affect the business of companies operating in the Corporation's segments.

Introduction

Pursuant to the Securities Exchange Act of 1934, the Registrant, Curtiss-Wright Corporation hereby files its Annual Report on Form 10-K for the fiscal year ended December 31, 2002. References in the text to the "Corporation," "Company," "Curtiss-Wright" or the "Registrant" include Curtiss-Wright Corporation and its consolidated subsidiaries unless the context indicates otherwise. References to the Corporation's "Annual Report" are to its 2002 Annual Report to Stockholders, which is attached hereto as Exhibit 13.

PART I

Item 1. Business.

Business Description

Curtiss-Wright Corporation was incorporated in 1929 under the laws of the State of Delaware. The Company reports its operations in three Segments: Motion Control, Flow Control and Metal Treatment.

Motion Control

The motion control segment consists of three main operating divisions that design, develop, manufacture and maintain sophisticated, high performance mechanical systems, drive systems and electronic controls and sensors for aerospace, ground defense, and industrial equipment applications.

The mechanical systems division designs, manufactures and repairs electro-mechanical and hydro-mechanical actuation components and systems, which are designed to position aircraft control surfaces, or to operate canopies, cargo doors, weapons bay doors or other devices used on aircraft. Aircraft applications include actuators and control systems and sensors for the Boeing 737, 747, 757, 767, 777, Airbus A320, A330 and A340, civil air transports and, the Lockheed Martin F-16 Falcon fighter, the Boeing F/A-18 Hornet fighter, the F-22 Raptor fighter, jointly developed by Lockheed Martin and Boeing, the Bell Boeing V-22 Osprey, and the Sikorsky Black Hawk and Seahawk helicopters. Motion Control is also developing flight control actuators for the Engineering and Manufacturing Development phase of Lockheed Martin's F-35 Joint Strike Fighter program. The F-35 is the next generation fighter aircraft being designed for use by all three branches of the U.S. military as well as several foreign governments. The U.S. Air Force's Unmanned Combat Air Vehicle (UCAV) weapons bay door system is another major development effort for the Corporation. The manufacturing of these applications is performed at the Shelby, North Carolina facility.

As a related service within the mechanical systems division, Curtiss-Wright also provides commercial airlines, the military and general aviation customers with component overhaul and repair services. The services provided include the overhaul and repair of hydraulic, pneumatic, mechanical, electro-mechanical, and electronic components, aircraft parts sourcing, and component exchange services for a wide array of aircraft. The division provides these services from facilities in Gastonia, North Carolina; Miami, Florida; and a marketing and distribution facility in Singapore. The division also sells a commercial rescue tool using its "Power Hinge"™ aerospace technology under the trademark Power Hawk'r'. Various accessories and related equipment are also offered for the Power Hawk'r'. The primary use for this tool is the extrication of automobile accident victims.

The mechanical systems division markets its aerospace products using a direct sales force. These products are sold in competition with a number of other suppliers, some of whom have broader product lines and greater financial, technical, and human resources. Competition is primarily on the basis of engineering capability, quality and price and is focused on offering solutions to perform control and actuation functions on a limited number of new production programs. This division's overhaul and repair services are sold in competition with a number of other overhaul and repair providers. Competition in the overhaul and repair business is based upon quality, delivery and price. Marketing is accomplished through independent sales representatives and by direct sales employees.

The sensors and drives division designs, manufactures and distributes electro-mechanical and electro-hydraulic actuation components and systems including electronic controls design for the military tracked and wheeled vehicle, high-speed tilting train, and commercial marine propulsion markets. These products, which are designed and manufactured at the division's facility in Neuhausen am Rheinfall, Switzerland, primarily consist of turret aiming and stabilization systems and suspension systems for armored military vehicles sold to defense equipment manufacturers, and tilting systems for high-speed train applications. The products are sold using a direct sales force to customers primarily in Western Europe, Southeast Asia and South Africa.

The sensors and drives division expanded in April 2002 with the acquisition of the stock of Penny and Giles Controls Ltd., Penny & Giles Controls Inc., Penny and Giles Aerospace Ltd., the assets of Penny & Giles International Plc devoted to its aerospace component business, and the assets of Autronics Corporation. Collectively, the acquired companies develop and manufacture position and fire detection sensors and systems, electronic control hardware, air data computers, joysticks and other electronics for the military and commercial aerospace and industrial markets.

Penny & Giles and Autronics sell their products primarily to prime contractors and system integrators, both directly and through a network of independent sales representatives on a world-wide basis.

The electronics division designs, develops and manufactures mission-critical electronic control systems primarily for defense markets. This division's products are manufactured at our Vista Controls Littleton, Massachusetts and Santa Clarita, California facilities. Products include electronic components and subsystems used in fire control, aiming and stabilization, munitions loading and environmental processors for military ground vehicles. They provide electronic subsystems for the demanding combat platforms in existence today including the Bradley fighting vehicle, the Abrams M1A2/A3 tank, and the Brigade Combat Team Interim Armored Vehicle, which is in the U.S. Army's modernization and transformation efforts. They also provide the mission management and flight control computers used on the U.S. Air Force Global Hawk, a high-altitude and high endurance unmanned aerial vehicle. In February 2002, the Corporation signed a licensing agreement with Viisage Technology, Inc. ("Viisage"), a leader in facial-recognition technology and identification systems, to market and sell their facial-recognition solutions to all agencies associated with the U.S. Department of Defense. Viisage is a related party of the former owner of Vista.

Vista sells their products primarily to the prime contractors and subsystem suppliers, both directly and through a network of independent sales representatives. The addition of these companies provides a North American base of operations for our ground defense vehicle business, while offering opportunities to market and sell additional products to our existing aerospace customers.

Sales by this segment to the Boeing Company in 2002, 2001, and 2000 accounted for 15%, 32% and 33%, respectively, of total segment sales. The loss of the Boeing Company as a customer would have a material adverse effect on this segment. U.S. Government direct and end use sales of this segment in 2002, 2001 and 2000, accounted for 46%, 26% and 17%, respectively, of total segment sales. The loss of this business would also have a material adverse affect on this segment.

The backlog of this segment as of January 31, 2003 was \$166.2 million as compared with \$165.2 million as of January 31, 2002. Of the January 31, 2003 backlog, approximately 86% is expected to be shipped during 2003. None of the business of this segment is seasonal. Raw materials are generally available in adequate quantities from a number of suppliers.

Flow Control

This segment consists of eight operating divisions that design, manufacture, distribute, and service a broad range of highly engineered flow control products for severe service military and commercial applications.

At its Target Rock facility located in East Farmingdale, New York, this segment designs, manufactures, refurbishes and tests highly engineered valves of various types and sizes, such as motor operated and solenoid operated globe, gate, control and safety relief valves. These valves are used to control the flow of liquids and gases and to provide safety relief in high-pressure applications. This division also supplies actuators and controllers for its own valves as well as for valves manufactured by its competitors. The primary customers for these valves are the U.S. Navy, which uses them in nuclear propulsion systems, and owners and operators of commercial power utilities who use them in new and existing nuclear and fossil fuel power plants. All new nuclear plants are outside the U.S. and recent sales for such plants have been in Korea and Taiwan. Sales are made by responding directly to requests for proposals from customers. The production of valves for the U.S. Navy and for new power plants is characterized by long lead times from order placement to delivery.

Through its Enertech operation, the division designs, manufactures, and distributes flow control products for sale into global commercial nuclear power markets from its facility in Brea, California. Enertech's product lines include: snubbers, advanced valves, valve actuators, pumps, test and diagnostic equipment, as well as related diagnostic services. In addition, this operation provides training, on-site services, staff augmentation and engineering programs relating to nuclear power plants. This operation also provides hydraulic power units and components primarily for the automotive and entertainment industries.

Flow Control's Farris Engineering ("Farris") operation is one of the world's leading manufacturers of spring-loaded and pilot operated pressure-relief valves for the processing industries. Farris' primary customers are refineries, petrochemical/chemical plants and pharmaceutical manufacturing facilities. Farris products are manufactured in Brecksville, Ohio and Brantford, Ontario.

Sprague Products ("Sprague"), also located in Brecksville, Ohio, manufactures and provides specialty hydraulic and pneumatic valves, air-driven pumps and gas boosters under the "Sprague" and "PowerStar" trade names. Sprague products are used generally in various industrial applications as well as in directional control valves for truck transmissions and car transport carriers.

The segment further expanded its product lines and distribution base through the acquisitions of Solent & Pratt Engineering Ltd. ("S&P"), Peerless Instrument Co. ("Peerless") and Deltavalve USA, LLC ("Deltavalve") in 2001 and the Electro-Mechanical Corporation division ("EMD") and TAPCO International, Inc. ("TAPCO") during 2002.

From its facility in Bridport, England, S&P manufactures high performance butterfly valves and is a global supplier to the petroleum, petrochemical, chemical and process industries.

Peerless designs, develops, manufactures, tests and services specialized instrumentation and control equipment primarily for the U.S. Nuclear Naval program. During March 2003, Peerless relocated its facility from Elmhurst, New York to East Farmingdale, New York.

Deltavalve designs, engineers, and manufactures metal-seated industrial valves used in standard and advanced applications including high-cycle, high-pressure, extreme temperature, and corrosive plant environments. Through the use of new innovative technology, this division developed the DeltaGuard™ valve, which improves the process for unloading the by-product of the crude oil refining process. Deltavalve is located in Salt Lake City, Utah with an assembly and testing facility in Calgary, Alberta, Canada.

In October 2002, the segment acquired EMD, located in Cheswick, PA. EMD is a world leader in the development, design, manufacturing and qualification of critical function electro-dynamic solutions for the United States Navy, and the commercial nuclear utility industry through its relationship with Westinghouse Electric Company. The division designs and manufactures secondary propulsion systems, control rod drive mechanisms, and power conditioning electronics. Additionally, EMD is strengthening its relationship with the Navy by teaming with Northrop Grumman in the design and development of major subsystems for the Navy's Naval Air System Control Electro-Mechanical Aircraft Launch System (EMALS) for installation in its aircraft carrier fleet.

TAPCO designs, engineers and manufactures high-performance metal seated industrial gate valves, butterfly valves, flapper valves, actuators, and internal components used in high-temperature, highly abrasive, and highly corrosive environments in the petrochemical refining industry. It also provides inspection, installation, repair and maintenance, and other field

services for harsh environment flow control systems. TAPCO's main operating facility is located in Houston, Texas. TAPCO also has a small operation in the UK to serve the European market.

Strong competition in flow control products and services is encountered from a large number of domestic and foreign sources. Competition occurs on the basis of technical expertise, price, delivery, contractual terms, previous installation history and reputation for quality. Delivery speed and the proximity of service centers are important with respect to after-market products. Sales to commercial users are accomplished by a combination of direct sales employees and manufacturers' representatives located in our primary market areas. This representation provides sales coverage of nuclear power utilities, principle boiler and reactor builders, architectural engineers, and hydrocarbon processing industry and chemical processing industry plants worldwide. For it's military contracts, the segment receives requests for quotes from prime contractors as a result of being an approved supplier for Naval Propulsion System Pumps and Valves. An outside sales engineer supports non-nuclear sales activities. The segment uses the direct distribution basis for military & commercial valves and associated spare parts.

The backlog of this segment as of January 31, 2003 was \$349.4 million as compared with \$81.4 million as of January 31, 2002. Of the January 31, 2003 backlog, approximately 75% is expected to be shipped during 2003. Approximately 33% of this segment's backlog is comprised of orders with the U.S. Navy through its prime contractor, the Plant Apparatus Division of Bechtel Plant Machinery, Inc., ("Bechtel") a unit of Bechtel Group, Inc. Sales by this segment to Bechtel accounted for 30% and 22% of total segment sales in 2002 and 2001, respectively. The loss of this customer would have a material adverse effect on the business of this segment. None of the business of this segment is seasonal. Raw materials are generally available in adequate quantities from a number of suppliers.

Metal Treatment

This segment of Curtiss-Wright provides approximately 50 metal-treating services, with its principal services being "shot-peening" and "heat-treating." "Shot-peening" is the process by which the durability of metal parts are improved by the bombardment of the part's surface with spherical media such as steel shot, ceramic or glass beads to compress the outer layer of the metal. "Heat-treating" is a metallurgical process of subjecting metal objects to heat and/or cold, or otherwise treating the material to change the physical and/or chemical characteristics or properties of the material. These processes are used principally to improve the service life, strength and durability of metal parts. They are also used to form curvatures in metal panels, which are assembled as wingskins of commercial and military aircraft, and to manufacture reed valves used in compressors. The segment provides these services to a broad spectrum of customers in various industries, including aerospace, automotive, construction equipment, oil, petrochemical, and metal working. Through a combination of acquisitions and new plant openings, this segment continues to increase its network of regional facilities. Operations are now conducted from 44 facilities located in the United States, Canada, England, France, Germany, Sweden and Belgium.

In addition to shot-peening and heat-treating, other products and services include lasershot peening, anodizing, chemical milling, and engineering/testing and field services. In 2002, this segment expanded its reach with the opening of a fourth shot-peening facility in Germany and a lasershot peening facility in California and with the acquisition of a shot-peening facility in Sweden and an aerospace metal finishing facility in New Jersey.

Working extensively with the Lawrence Livermore National Laboratory, the Metal Treatment segment is developing an advanced metal surface treatment process utilizing laser technology. The new laser process is already being used in production to extend the life of critical turbine engine components. Future applications include additional turbine engine components and potentially wing skin forming, allowing for placement of more extreme aerodynamic curvatures of wing skins of greater thickness.

The services and products of this segment are marketed directly by employees of the segment. Although numerous companies compete with the segment in this field and many customers have the resources to perform such services themselves, Curtiss-Wright believes that its greater technical knowledge and quality of workmanship provide a competitive advantage. The segment competes on the basis of quality, service and price.

The backlog of this segment as of January 31, 2003 and 2002 was \$1.1 million for both periods. All of such backlog is expected to be shipped in the first quarter of 2003. The services of this segment are sold with very modest lead times and accordingly, the backlog of this segment is not indicative of future sales. The business of this segment is not seasonal. Raw materials are generally available in adequate quantities from a number of suppliers, and the segment is not materially dependent upon any single source of supply. No single customer accounted for 10% or more of total sales in 2002 and 2000; however, Airbus UK accounted for 13% of total sales in 2001. The loss of this customer would have a material adverse effect on this segment. The active customer base numbers are in excess of 5,000.

Other Information

Government Sales

From 2000 to 2002, the Corporation's direct sales to the U.S. Government and sales for U.S. Government and foreign government end use averaged approximately 29% of consolidated sales over those three years. However, due to acquisitions in 2001 and 2002, the percentage of government sales has increased from 17% in 2000 to 39% in 2002 and is expected to increase slightly in 2003. U.S. Government sales, both direct and indirect, are generally made under standard types of government contracts, including fixed price and fixed price-redeterminable.

In accordance with normal practice in the case of U.S. Government business, 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 by the Corporation of its allowable incurred costs and a proportionate share of the profit

or fee on the work completed, consistent with regulations of the U.S. Government. Contracts for Navy nuclear programs usually provide that Curtiss-Wright absorb most 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.

It is the policy of the Corporation to seek customary progress payments on certain of its contracts. Where such payments are obtained by the Corporation under U.S. Government prime contracts or subcontracts, they are secured by a lien in favor of the government on the materials and work in process allocable or chargeable to the respective contracts. (See Notes 1.G, 6 and 7 to the Consolidated Financial Statements, on pages 35, 40 and 41, respectively, of the Registrant's Annual Report, which notes are incorporated by reference in this Annual Report on Form 10-K.) In the case of most Motion Control and Flow Control products for U.S. Government end use, the contracts typically provide for the retention by the customer of stipulated percentages of the contract price, pending completion of contract closeout conditions.

Research and Development

Research and development expenditures incurred by the Corporation amounted to \$11.6 million in 2002 as compared with \$4.4 million in 2001 and \$3.4 million in 2000. The Corporation owns and is licensed under a number of United States and foreign patents and patent applications, which have been obtained or filed over a period of years. Curtiss-Wright does not consider that the successful conduct of its business is materially dependent upon the protection of any one or more of the patents, patent applications or patent license agreements under which it now operates.

Environmental Protection

The effect of compliance upon the Corporation with present legal requirements concerning protection of the environment is described in Notes 1.N and 16 to the Consolidated Financial Statements which appear on pages 36 and 47 to 48, respectively, of the Registrant's Annual Report and is incorporated by reference in this Annual Report on Form 10-K.

Employees

At the end of 2002, the Corporation had 4,244 employees, 916 of which were represented by labor unions and are covered by collective bargaining agreements.

Certain Financial Information

The industry segment information is described in Note 19 to the Consolidated Financial Statements, which appears on pages 50 to 52 of the Registrant's Annual Report, and is incorporated by reference in this Annual Report on Form 10-K. In 2002, 2001, and 2000, foreign operations of the Corporation generated 22.9%, 17.8%, and 26.4%, respectively, of the

Corporation's pre-tax earnings. The Corporation does not regard the risks associated with these foreign operations to be materially greater than those applicable to its business in the U.S.

Item 2. Properties.

The principal physical properties of the Corporation and its subsidiaries as of January 1, 2003 are described below:

Location	Description (1)	Owned/ Leased	Segment
Cheswick, Pennsylvania	630,000 sq. ft. on 114 acres	Owned	Flow Control
East Farmingdale, New York	215,000 sq. ft. on 11 acres	Owned(2)	Flow Control
Chester, Wales United Kingdom	200,107 sq. ft.	Owned	Metal Treatment
Shelby, North Carolina	137,440 sq. ft. on 29 acres	Owned	Motion Control
Bensalem, Pennsylvania	128,000 sq. ft.	Leased	Metal Treatment
Bensalem, Pennsylvania	89,100 sq. ft. on 4.18 acres	Owned	Metal Treatment
Brampton, Ontario, Canada	86,650 sq. ft. on 8 acres	Owned	Metal Treatment
Christchurch, Dorset United Kingdom	80,900 sq. ft.	Owned(3)	Motion Control
Columbus, Ohio	74,500 sq. ft. on 9 acres	Owned	Metal Treatment
Brecksville Ohio	68,000 sq. ft. on 5.56 acres	Owned	Flow Control
Miami, Florida	65,000 sq. ft. within a business complex	Leased	Motion Control

Location	Description (1)	Owned/ Leased	Segment
Fort Wayne, Indiana	62,589 sq. ft. on 3.2 acres	Owned	Metal Treatment
Littleton, Massachusetts	61,000 sq. ft. within a business complex	Leased	Motion Control
Elmhurst, New York (4)	55,000 sq. ft.	Leased	Flow Control
Gastonia, North Carolina	52,860 sq. ft. on 7.5 acres	Owned	Motion Control
Cwmfelinfach, Wales, United Kingdom	52,500 sq. ft.	Leased	Motion Control
Valencia, California	51,061 sq. ft.	Leased	Motion Control
Irwindale, California	47,604 sq. ft.	Leased	Motion Control
Neuhausen am, Rheinfall, Switzerland	47,350 sq. ft. within a business complex	Leased	Motion Control
Houston, Texas	45,000 sq. ft.	Leased	Flow Control
Pine Brook, New Jersey	45,000 sq. ft. within a business complex	Leased	Motion Control
Mt. Pleasant, Pennsylvania	37,000 sq. ft.	Leased	Flow Control
Romulus, Michigan	35,840 sq. ft.	Leased	Metal Treatment
York, Pennsylvania	32,396 sq. ft. on 3.6 acres	Owned	Metal Treatment
Derby, United Kingdom	32,000 sq. ft.	Owned	Metal Treatment

Location	Description (1)	Owned/ Leased	Segment
Dallas, Texas	31,100 sq. ft.	Owned	Metal Treatment
Brea, California	30,550 sq. ft.	Leased	Flow Control
Lafayette, Louisiana	30,000 sq. ft.	Owned	Metal Treatment
Wichita, Kansas	30,000 sq. ft.	Leased	Metal Treatment

(1) Sizes are approximate. Unless otherwise indicated, all properties are owned in fee, are not subject to any major encumbrance, and are occupied primarily by factory and/or warehouse operations.

(2) The Bank of New York, as successor trustee for the Suffolk County Industrial Development Agency, has a Uniform Commercial Code lien on approximately six acres of land and the building located thereon in connection with the issuance of industrial revenue bonds.

(3) The Corporation owns the building and has a long-term lease for the land.

(4) During March 2003, Flow Control's Peerless operating division moved its operations from Elmhurst, NY to East Farmingdale, NY.

In addition to the properties listed above, the Corporation leases an aggregate of approximately 398,000 square feet of space at thirty different locations in the United States, Canada, England, Germany, and Sweden and owns buildings encompassing about 339,000 square feet in seventeen different locations in the United States, Canada, France, Germany, Korea, Belgium and England. None of these properties individually are material to the Corporation's business.

As of December 31, 2002, the Corporation leased approximately 14,000 square feet of space in Lyndhurst, New Jersey, for its corporate office. On February 28, 2003, the Corporation terminated this lease and moved its corporate headquarters to Roseland, NJ, where it leases approximately 18,700 square feet of office space.

The buildings on the properties referred to in this Item are well maintained, in good condition, and are suitable and adequate for the uses presently being made of them.

The Registrant currently owns 450,000 square feet of space situated on 39.8 acres of property located in Fairfield, New Jersey (the "Fairfield Property"). The Fairfield Property is being held for sale and the Corporation continues to review third party proposals to purchase the Fairfield Property. On December 20, 2001 the Corporation sold its Wood-Ridge Business Complex for \$51 million, which is located in Wood-Ridge, New Jersey. The business complex comprised approximately 2.3 million square feet of rental space situated on 138 acres of land. In January 2002, the Corporation sold 21 acres of land located in Hardwick Township, New Jersey. In September 2002, the Corporation sold approximately 7.4 acres of land in Lyndhurst, New Jersey.

Item 3. Legal Proceedings.

In the ordinary course of business, the Corporation and its subsidiaries are subject to various pending claims, lawsuits and contingent liabilities. The Corporation does not believe that disposition of any of these matters will have a material adverse effect on the Corporation's consolidated financial position or results of operations.

Item 4. Submission of Matters to a Vote of Security Holders.

Not applicable.

PART II

Item 5. Market for the Registrant's Common Stock
And Related Stockholder Matters.

See the information contained in the Registrant's Annual Report on the inside back cover under the captions "Stock Price Range," "Dividends," and "Stock Exchange Listing" which information is incorporated herein by reference. The approximate total number of record holders of the Common Stock, \$1.00 par value, and the Class B Common Stock, \$1.00 par value, of the Registrant was 7,980 as of March 14, 2003.

Item 6. Selected Financial Data.

See the information contained in the Registrant's Annual Report on page 20 under the caption "Consolidated Selected Financial Data," which information is incorporated herein by reference.

Item 7. Management's Discussion and Analysis of Financial
Condition and Results of Operations.

See the information contained in the Registrant's Annual Report on pages 21 through 28, under the caption "Management's Discussion and Analysis of Financial Condition and Results of Operations," which information is incorporated herein by reference.

Item 7A. Quantitative and Qualitative Disclosures About Market Risk.

See the information contained in the Registrant's Annual Report on page 29, under the caption "Quantitative and Qualitative Disclosures About Market Risk," which information is incorporated herein by reference.

Item 8. Financial Statements and Supplementary Data.

The following Consolidated Financial Statements of the Registrant and its subsidiaries, and supplementary financial information, are included in the Registrant's Annual Report, which information is incorporated herein by reference.

Consolidated Statements of Earnings for the years ended December 31, 2002, 2001, and 2000, page 31.

Consolidated Balance Sheets at December 31, 2002 and 2001, page 32.

Consolidated Statements of Cash Flows for the years ended December 31, 2002, 2001, and 2000, page 33.

Consolidated Statements of Stockholders' Equity for the years ended December 31, 2002, 2001, and 2000, page 34.

Notes to Consolidated Financial Statements, pages 35 through 53, inclusive, and Quarterly Results of Operations, page 20.

Report of Independent Accountants for the years ended December 31, 2002, 2001, and 2000, page 30.

Item 9. Changes in and Disagreements with Accountants
On Accounting and Financial Disclosure.

Information required by this Item is included in the Registrant's Form 8-K filed on March 26, 2002, which information is incorporated herein by reference.

PART III

Item 10. Directors and Executive Officers
Of the Registrant.

Information required in connection with directors and executive officers is set forth below, as well as under the caption "Election of Directors," in the Registrant's Proxy Statement with respect to the Corporation's 2003 Annual Meeting of Stockholders (the "Proxy Statement"), which information is incorporated herein by reference.

Executive Officers of the Registrant

The following table sets forth the names, ages, and principal occupations and employment of all executive officers of the Registrant. The period of service is for at least the past five years and such occupations and employment are with Curtiss-Wright Corporation, except as otherwise indicated:

Name	Principal Occupation and Employment	Age
Martin R. Benante	Chairman of the Board of Directors and Chief Executive Officer since April 2000; formerly President and Chief Operating Officer from April 1999 to April 2000; formerly Vice President of the Corporation from April 1996 to April 1999; President of Curtiss-Wright Flow Control Corporation, a wholly-owned subsidiary from March 1995 to April 1999	50
George J. Yohrling	Executive Vice President since May 2001; President, Curtiss-Wright Controls, Inc., a wholly-owned subsidiary, since April 1998; Executive Vice President for Aerospace Operations of Curtiss-Wright Controls, Inc. from April 1997 to April 1998; Senior Vice President from July 1996 to April 1997 of Curtiss-Wright Controls, Inc.; Vice President and General Manager of Curtiss-Wright Controls/Shelby, Inc., then a wholly-owned subsidiary, since 1985.	62
Joseph Napoleon	Executive Vice President since May 2001; President, Curtiss-Wright Flow Control Corporation, a wholly-owned subsidiary, since August 1999; Vice President and General Manager of Curtiss-Wright Flow Control Corporation from April 1999 to August 1999; Vice President, Curtiss-Wright Flow Control Corporation from October 1995 to April 1999.	56
Edward Bloom	Vice President since June 2002; President of Metal Improvement Company, Inc., a wholly-owned subsidiary, since June 2002; formerly Executive Vice President of Metal Improvement Company, Inc. from December 1995 to June 2002.	61

Name	Principal Occupation and Employment	Age
Glenn E. Tynan	Vice President of Finance and Chief Financial Officer since June 2002; Controller from June 2000 to May 2002; Vice President and Corporate Controller of the Movado Group from 1999 to 2000; Corporate Controller of Dexter Corporation from 1998 to 1999; Vice President Finance and Controller of Lightolier from 1995 to 1998.	44
Michael Denton	Secretary and General Counsel since August 2001; Corporate Counsel of Honeywell International, Inc. (previously AlliedSignal Inc.) from 1993 to 2001.	47
Gary J. Benschip	Treasurer since February 1993.	55
Kevin McClurg	Corporate Controller since September 2002; Assistant Controller from February 2002 to September 2002; Director of Accounting of Toys R Us, Inc. until January 2002; Director of International Reporting of Random House from January 1998 to May 2001;	37

The executive officers of the Registrant are elected by the Board of Directors at its annual organizational meeting and hold office until the organization meeting in the subsequent year or until a respective successor is chosen and qualified.

There are no family relationships among these officers, or between any of them and any director of Curtiss-Wright Corporation, nor any arrangements or understandings between any officer and any other person pursuant to which the officer was elected.

Section 16(a) Beneficial Ownership Reporting Compliance

Information required by Item 405 of Regulation S-K is set forth in the Proxy Statement under the caption "Section 16(a) Beneficial Ownership Reporting Compliance," which information is incorporated herein by reference.

Item 11. Executive Compensation.

Information required by this Item is included under the captions "Executive Compensation" and in the "Summary Compensation Table" in the Registrant's Proxy Statement, which information is incorporated herein by reference.

Item 12. Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters.

Information required by this Item is contained in Note 15 to the Consolidated Financial Statements, which appears on pages 46 and 47 of Registrant's Annual Report, and Registrant's Proxy Statement, all of which information is incorporated herein by reference: (i) the information under the caption "Security Ownership and Transactions with Certain Beneficial Owners" and (ii) the information included under the caption "Election of Directors."

Item 13. Certain Relationships and Related Transactions.

Information required by this Item is included under the captions "Executive Compensation" and "Security Ownership and Transactions with Certain Beneficial Owners" in the Registrant's Proxy Statement, which information is incorporated herein by reference.

Item 14. Controls And Procedures.

During the 90-day period prior to the filing date of this report, management, including the Corporation's Principal Executive Officer and Chief Financial Officer, evaluated the effectiveness of the design and operation of the Corporation's disclosure controls and procedures. Based upon, and as of the date of that evaluation, the Principal Executive Officer and Chief Financial Officer concluded that the disclosure controls and procedures were effective, in all material respects, to ensure that information required to be disclosed in the reports the Corporation files and submits under the Exchange Act is recorded, processed, summarized and reported as and when required.

There have been no significant changes in the Corporation's internal controls or in other factors that could significantly affect internal controls, subsequent to the date the Chief Executive Officer and Chief Financial Officer completed their evaluation.

PART IV

Item 15. Exhibits, Financial Statement Schedule and Reports on Form 8-K.

(a)(1) Financial Statements:

The following Consolidated Financial Statements of the Registrant and supplementary financial information, included in the Registrant's Annual Report, are incorporated herein by reference in Item 8:

- (i) Consolidated Statements of Earnings for the years ended December 31, 2002, 2001, and 2000, page 31.

- (ii) Consolidated Balance Sheets at December 31, 2002 and 2001, page 32.
- (iii) Consolidated Statements of Cash Flows for the years ended December 31, 2002, 2001, and 2000, page 33.
- (iv) Consolidated Statements of Stockholders' Equity for the years ended December 31, 2002, 2001, and 2000, page 34.
- (v) Notes to Consolidated Financial Statements, pages 35 through 53, inclusive, and Quarterly Results of Operations, page 20.
- (vi) Report of Independent Accountants for the years ended December 31, 2002, 2001, and 2000, page 30.

(a)(2) Financial Statement Schedules:

The items listed below are presented herein on pages 31 and 32 of this Form 10-K.

Report of Independent Accountants on Financial Statement Schedule
Schedule II - Valuation and Qualifying Accounts

Schedules other than those listed above have been omitted, since they are not required, are not applicable, or because the required information is included in the financial statements or notes thereto.

(a)(3) Other Matters - Subsequent Events

See the information contained in the Registrant's Annual Report on page 28 under the caption "Recent Developments" and on page 53 under the caption "Subsequent Events", which information is incorporated herein by reference.

Exhibits:

- (2) Plan of acquisition, reorganization, arrangement, liquidation, or succession
 - (2)(i) Second Amended and Restated Distribution Agreement, dated as of August 17, 2001, between the Company and Unitrin, Inc. (incorporated by reference to Appendix A to the Registrant's Proxy Statement Schedule on 14A with respect to the recapitalization of the Company dated September 5, 2001).
 - (2)(ii) Second Amended and Restated Agreement and Plan of Merger, dated as of August 17, 2001, among the Company,

Unitrin, Inc., and CW Disposition Company (incorporated by reference to Appendix B to the Registrant's Proxy Statement Schedule on 14A with respect to the recapitalization of the Company dated September 5, 2001).

- (2)(iii) Asset Purchase and Sale Agreement dated October 25, 2001 between Lau Acquisition Corporation, Lau Defense Systems, LLC, Vista Controls Corporation and Curtiss-Wright Corporation (incorporated by reference to Exhibit 2.3 to the Registrant's Quarterly Report on Form 10-Q for the period ended September 30, 2001).
 - (2)(iv) Real Estate Sale and Purchase Agreement dated August 2, 2001 between Curtiss-Wright Corporation, Curtiss-Wright Flight Systems, Inc. and Shaw Achas, LLC (incorporated by reference to Exhibit 2.1 to the Registrant's Current Report on Form 8-K, filed January 4, 2002).
 - (2)(v) Addendum to Real Estate Sale and Purchase Agreement dated September 10, 2001 by and between Curtiss-Wright Corporation, Curtiss-Wright Flight Systems, Inc. and Shaw Achas, LLC (incorporated by reference to Exhibit 2.2 to the Registrant's Current Report on Form 8-K, filed January 4, 2002).
 - (2)(vi) Share and Asset Purchase Agreement dated February 19, 2002 between Spirent Plc. and Curtiss-Wright Corporation (incorporated by reference to Exhibit 2.1 to the Registrant's Current Report on Form 8-K, filed April 15, 2002).
 - (2)(vii) Asset Purchase Agreement dated October 25, 2002 between Westinghouse Government Services Company LLC and Curtiss-Wright Corporation (incorporated by reference to Exhibit 2.1 to the Registrant's Current Report on Form 8-K, filed November 12, 2002).
- (3) Articles of Incorporation and By-laws of the Registrant
- (3)(i) Restated Certificate of Incorporation as amended November 29, 2001 (incorporated by reference to Appendix C-1 to Registrant's Proxy Statement on Schedule 14A with respect to the recapitalization of the Company dated September 5, 2001).

- (3)(ii) By-laws as amended through November 29, 2001 (incorporated by reference to Appendix D-1 to Registrant's Proxy Statement on Schedule 14A with respect to the recapitalization of the Company dated September 5, 2001).
- (4) Instruments defining the rights of security holders, including indentures
- (4)(i) Agreement to furnish to the Commission upon request, a copy of any long-term debt instrument where the amount of the securities authorized thereunder does not exceed 10% of the total assets of the Registrant and its subsidiaries on a consolidated basis (incorporated by reference to Exhibit 4 to Registrant's Annual Report on Form 10-K for the year ended December 31, 1985).
- (4)(ii) Revolving Credit Agreement dated May 13, 2002 between Registrant, the Lenders parties thereto from time to time, the Issuing Banks referred to therein and The Bank of Nova Scotia (incorporated by reference to Exhibit 4.1 to Registrant's Quarterly Report on Form 10-Q for the Quarter ended March 31, 2002).
- (4)(iii) Short-Term Credit Agreement dated May 13, 2002 between Registrant, the Lenders parties thereto from time to time, the Issuing Banks referred to therein and The Bank of Nova Scotia (incorporated by reference to Exhibit 4.2 to Registrant's Quarterly Report on Form 10-Q for the Quarter ended March 31, 2002).
- (4)(iv) Amended and Restated Rights Agreement, dated as of November 6, 2000, as amended and restated as of November 20, 2001, between the Company and Mellon Investor Services LLC (f/k/a ChaseMellon Shareholder Services, L.L.C.), as Rights Agent, (incorporated by reference to Exhibit 4 to the Registrant's Report on Form 8-K, filed November 20, 2001).
- (4)(v) Amendment to Restated Rights Agreement dated February 1, 2002 naming American Stock Transfer & Trust Company as Rights Agent, (incorporated by reference to Exhibit 4(iv) to the Registrant's Annual Report on Form 10-K, filed March 18, 2002).
- (10) Material Contracts:

- (i) Modified Incentive Compensation Plan, as amended November 9, 1989 (incorporated by reference to Exhibit 10(a) to Registrant's Quarterly Report on Form 10-Q for the period ended September 30, 1989).*
- (ii) Curtiss-Wright Corporation 1995 Long-Term Incentive Plan (incorporated by reference to Exhibit 4.1 to Registrant's Form S-8 Registration Statement No. 95602114 filed December 15, 1995).*
- (iii) Revised Standard Employment Severance Agreement with Certain Management of Curtiss-Wright (incorporated by reference to Exhibit 10 to Registrant's Quarterly Report on Form 10-Q for the period ended June 30, 2001).*
- (iv) Retirement Benefits Restoration Plan as amended April 15, 1997 (incorporated by reference to Exhibit 10 to Registrant's Quarterly Report on Form 10-Q for the period ended June 30, 1997).*
- (v) Restated and Amended Curtiss-Wright Corporation Retirement Plan as amended through February 28, 2002, (incorporated by reference to Exhibit (10)(v) to Registrant's Annual Report on Form 10-K for the year ended December 31, 2001).
- (vi) Restated and Amended Curtiss-Wright Corporation Savings and Investment Plan dated February 28, 2002, (incorporated by reference to Exhibit (10)(v) to Registrant's Annual Report on Form 10-K for the year ended December 31, 2001).
- (vii) Curtiss-Wright Electro-Mechanical Division Pension Plan dated October 29, 2002, filed herewith.*
- (viii) Curtiss-Wright Corporation 1996 Stock Plan for Non-Employee Directors (incorporated by reference to Exhibit 4.1 to Registrant's Form S-8 Registration Statement No. 96583181, filed June 19, 1996).*
- (ix) Curtiss-Wright Corporation Executive Deferred Compensation Plan effective November 18, 1997 (incorporated by reference to Exhibit (10)(viii) to

Registrant's Annual Report on Form 10-K for the year ended December 31, 1997).*

- (x) Change In Control Severance Protection Agreement dated July 9, 2001 between the Registrant and Chief Executive Officer of the Registrant (incorporated by reference to Exhibit 10.1 to Registrant's Quarterly Report on Form 10-Q for the period ended September 30, 2001).*
- (xi) Standard Change In Control Severance Protection Agreement dated July 9, 2001 between the Registrant and Key Executives of the Registrant (incorporated by reference to the Registrant's Quarterly Report on Form 10-Q for the period ended September 30, 2001).*
- (xii) Trust Agreement dated January 20, 1998 by and between Curtiss-Wright Corporation and PNC Bank, National Association (incorporated by reference to Exhibit 10(a) to Registrant's Quarterly Report on Form 10-Q for the period ended March 31, 1998).*
- (xiii) Consulting Agreement dated April 10, 2000 between Registrant and David Lasky, (incorporated by reference to Exhibit (10)(xi) to Registrant's Annual Report on Form 10-K for the year ended December 31, 2000).*
- (xiv) Standard Supplemental Retirement Agreement dated April 27, 1999 between the registrant and certain Officers of the Registrant (incorporated by reference to Exhibit 10 to Registrant's Quarterly Report on Form 10-Q for the period ended June 30, 2000).*
- (xv) Mutual Separation Agreement dated June 26, 2001 between Brian D. O'Neill and Registrant, (incorporated by reference to Exhibit (10)(xiv) to Registrant's Annual Report on Form 10-K for the year ended December 31, 2001).*
- (xvi) Mutual Separation Agreement dated November 12, 2001 between Robert A. Bosi and Registrant, (incorporated by reference to Exhibit (10)(xv) to Registrant's Annual Report on Form 10-K for the year ended December 31, 2001).*

- (xvii) Consulting Agreement dated June 18, 2002 between Registrant and Gerald Nachman (incorporated by reference to Exhibit 10.1 to Registrant's Quarterly Report on Form 10-Q for the period ended June 30, 2002).*
- (13) Annual Report to Stockholders for the year ended December 31, 2002.
- (16) Letter from PricewaterhouseCoopers LLP, dated March 25, 2003 (incorporated by reference to Registrant's Form 8-K, filed March 26, 2003).
- (21) Subsidiaries of the Registrant.
- (23) Consents of Experts and Counsel - see Consent of Independent Accountants.
- (99.1) Certification of Martin R. Benante, Chairman and CEO, Pursuant to Section 906 of the Sarbanes Oxley Act of 2002, filed herewith
- (99.2) Certification of Glenn E. Tynan, Chief Financial Officer, Pursuant to Section 906 of the Sarbanes Oxley Act of 2002, filed herewith.

*Management contract or compensatory plan or arrangement

(b) Reports on Form 8-K

- (i) On November 12, 2002 the Company filed a report on Form 8-K reporting the acquisition of certain assets of the Electro-Mechanical Division of Westinghouse Government Services Company, LLC.
- (ii) On December 12, 2002, the Company filed a report on Form 8-K announcing that the assets relating to the acquisition of the Electro-Mechanical Division of Westinghouse Government Services Company, LLC did not meet the reporting thresholds under Item 7 of Form 8-K.

Date: March 28, 2003

By: /s/ S. Marce Fuller

S. Marce Fuller
Director

Date: March 28, 2003

By: /s/ David Lasky

David Lasky
Director

Date: March 28, 2003

By: /s/ William B. Mitchell

William B. Mitchell
Director

Date: March 28, 2003

By: /s/ John R. Myers

John R. Myers
Director

Date: March 28, 2003

By: /s/ William W. Sihler

William W. Sihler
Director

Date: March 28, 2003

By: /s/ J. McLain Stewart

J. McLain Stewart
Director

CERTIFICATIONS

I, Martin R. Benante, certify that:

1. I have reviewed this annual report on Form 10-K of Curtiss-Wright Corporation;

2. Based on my knowledge, this annual 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 annual report;

3. Based on my knowledge, the financial statements, and other financial information included in this annual 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 annual report;

4. The registrant's other certifying officers and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-14 and 15d-14) for the registrant and we have:

- a) designed such disclosure controls and procedures 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 annual report is being prepared;
- b) evaluated the effectiveness of the registrant 's disclosure controls and procedures as of a date within 90 days prior to the filing date of this annual report (the "Evaluation Date"); and
- c) presented in this annual report our conclusions about the effectiveness of the disclosure controls and procedures based on our evaluation as of the Evaluation Date;

5. The registrant's other certifying officers and I have disclosed, based on our most recent evaluation, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent function):

- a) all significant deficiencies in the design or operation of internal controls which could adversely affect the registrant's ability to record, process, summarize and report financial data and have identified for the registrant 's auditors any material weaknesses in internal controls; and
- b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal controls; and

6. The registrant's other certifying officers and I have indicated in this annual report whether or not there were significant changes in internal controls or in other factors that could significantly affect internal controls subsequent to the date of our most recent evaluation, including any corrective actions with regard to significant deficiencies and material weaknesses.

Date: March 28, 2003

/s/ Martin R. Benante

Chief Executive Officer

I, Glenn E. Tynan, certify that:

1. I have reviewed this annual report on Form 10-K of Curtiss-Wright Corporation;

2. Based on my knowledge, this annual 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 annual report;

3. Based on my knowledge, the financial statements, and other financial information included in this annual 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 annual report;

4. The registrant's other certifying officers and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-14 and 15d-14) for the registrant and we have:

- a) designed such disclosure controls and procedures 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 annual report is being prepared;
- b) evaluated the effectiveness of the registrant's disclosure controls and procedures as of a date within 90 days prior to the filing date of this annual report (the "Evaluation Date"); and
- c) presented in this annual report our conclusions about the effectiveness of the disclosure controls and procedures based on our evaluation as of the Evaluation Date;

5. The registrant's other certifying officers and I have disclosed, based on our most recent evaluation, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent function):

- a) all significant deficiencies in the design or operation of internal controls which could adversely affect the registrant's ability to record, process, summarize and report financial data and have identified for the registrant's auditors any material weaknesses in internal controls; and
- b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal controls; and

6. The registrant's other certifying officers and I have indicated in this annual report whether or not there were significant changes in internal controls or in other factors that could significantly affect internal controls subsequent to the date of our most recent evaluation, including any corrective actions with regard to significant deficiencies and material weaknesses.

Date: March 28, 2003

/s/ Glenn E. Tynan

Chief Financial Officer

PRICEWATERHOUSECOOPERS LLP [LOGO]

PricewaterhouseCoopers LLP
400 Campus Drive
P.O. Box 988
Florham Park, NJ 07932
Telephone (973) 236 4000
Facsimile (973) 236 5000

REPORT OF INDEPENDENT ACCOUNTANTS ON
FINANCIAL STATEMENT SCHEDULE

To the Board of Directors
Of Curtiss-Wright Corporation:

Our audits of the consolidated financial statements referred to in our report dated March 12, 2003, except for Note 21, for which the date is March 19, 2003, appearing in the 2002 Annual Report to Shareholders of Curtiss-Wright Corporation (which report and consolidated financial statements are incorporated by reference in this Annual Report on Form 10-K) also included an audit of the financial statement schedule listed in Item 15(a)(2) of this Form 10-K. In our opinion, this financial statement schedule presents fairly, in all material respects, the information set forth therein when read in conjunction with the related consolidated financial statements.

/s/PricewaterhouseCoopers LLP
PRICEWATERHOUSECOOPERS LLP
Florham Park, New Jersey
March 12, 2003, except for Note 21,
as to which the date is March 19, 2003

CURTISS-WRIGHT CORPORATION and SUBSIDIARIES
SCHEDULE II - VALUATION and QUALIFYING ACCOUNTS
for the years ended December 31, 2002, 2001, and 2000
(In thousands)

Description	Balance at Beginning of Period	Additions		Deductions (Describe)	Balance at End of Period
		Charged to Costs and Expenses	Charged to Other Accounts (Describe)		
Deducted from assets to which they apply:					
Year-ended December 31, 2002					
Reserves for inventory obsolescence	\$ 14,384	\$ 2,400	\$8,105 (A)	\$ 612 (E)	\$24,277
Reserves for doubtful accounts and notes	2,117	197	546 (B)	690 (F)	2,170
Total	\$ 16,501	\$ 2,597	\$8,651	\$ 1,302	\$26,447
Year-ended December 31, 2001					
Reserves for inventory obsolescence	\$ 10,944	\$ 1,857	\$ 1,841 (C)	\$ 258 (G)	\$14,384
Reserves for doubtful accounts and notes	2,659	882	527 (D)	1,951 (F)	2,117
Total	\$ 13,603	\$ 2,739	\$ 2,368	\$ 2,209	\$16,501
Year-ended December 31, 2000					
Reserves for inventory obsolescence	\$ 10,511	\$ 1,146	\$ --	\$ 713 (H)	\$10,944
Reserves for doubtful accounts and notes	3,230	803	--	1,374 (F)	2,659
Total	\$ 13,741	\$ 1,949	\$ --	\$ 2,087	\$13,603

Notes:

- (A) Includes amounts acquired from the purchase of Electro-Mechanical Division, Penny & Giles and Autronics, finalization of purchase accounting adjustments of Lau Defense Systems and Vista Controls, and a currency translation adjustment.
- (B) Relates primarily to amounts acquired from the purchase of Penny & Giles and Autronics.
- (C) Relates primarily to amounts acquired from the purchase of Lau Defense Systems and Vista Controls, Peerless Instrument and Solent & Pratt.
- (D) Relates primarily to amounts acquired from the purchase of Lau Defense Systems, Peerless Instrument and Solent & Pratt.
- (E) Deductions relate to the scraping of obsolete inventory.
- (F) Deductions relate primarily to the write-off of accounts receivable, net of recoveries.
- (G) Deductions relate primarily to release of reserves no longer required.
- (H) Deductions relate to the scraping of obsolete inventory and release of reserves no longer required.

(I) EXHIBIT INDEX

The following is an index of the exhibits
included in this report or incorporated
herein by reference.

Exhibit No.	Name	Page
(2)(i)	Second Amended and Restated Distribution Agreement, dated as of August 17, 2001, between the Company and Unitrin, Inc. (incorporated by reference to Appendix A to the Registrant's Proxy Statement Schedule on 14A with respect to the recapitalization of the Company dated September 5, 2001).	*
(2)(ii)	Second Amended and Restated Agreement and Plan of Merger, dated as of August 17, 2001, among the Company, Unitrin, Inc., and CW Disposition Company (incorporated by reference to Appendix B to the Registrant's Proxy Statement Schedule on 14A with respect to the recapitalization of the Company dated September 5, 2001).	*
(2)(iii)	Asset Purchase and Sale Agreement dated October 25, 2001 between Lau Acquisition Corporation, Lau Defense Systems, LLC, Vista Controls Corporation and Curtiss-Wright Corporation. (incorporated by reference to Exhibit 2.3 to the Registrant's Quarterly Report on Form 10-Q for the period ended September 30, 2001).	*
(2)(iv)	Real Estate Sale and Purchase Agreement dated August 2, 2001 between Curtiss-Wright Corporation, Curtiss-Wright Flight Systems, Inc. and Shaw Achas, LLC (incorporated by reference to Exhibit 2.1 to the Registrant's Current Report on Form 8-K, filed January 4, 2002).	*
(2)(v)	Addendum to Real Estate Sale and Purchase Agreement dated September 10, 2001 by and between Curtiss-Wright Corporation Curtiss-Wright Flight Systems, Inc. and Shaw Achas, LLC (incorporated by reference to Exhibit 2.2 to the Registrant's Current Report on Form 8-K, filed January 4, 2002).	*
(2)(vi)	Share and Asset Purchase Agreement dated February 19, 2002 between Spirent Plc. and Curtiss-Wright Corporation (incorporated by reference to Exhibit 2.1 to the Registrant's Current Report on Form 8-K, filed April 15, 2002).	*

Exhibit No.	Name	Page
(2)(vii)	Asset Purchase Agreement dated October 25, 2002 between Westinghouse Government Services Company LLC and Curtiss-Wright Corporation (incorporated by reference to Exhibit 2.1 to the Registrant's Current Report on Form 8-K, filed November 12, 2002).	*
(3)(i)	Restated Certificate of Incorporation as amended November 29, 2001 (incorporated by reference to Appendix C-1 to Registrant's Proxy Statement on Schedule 14A with respect to the recapitalization of the Company dated September 5, 2001).	*
(3)(ii)	By-laws as amended through November 29, 2001 (incorporated by reference to Appendix D-1 to Registrant's Proxy Statement on Schedule 14A with respect to the recapitalization of the Company dated September 5, 2001).	*
(4)(i)	Agreement to furnish to the Commission upon request, a copy of any long-term debt instrument where the amount of the securities authorized thereunder does not exceed 10% of the total assets of the Registrant and its subsidiaries on a consolidated basis (incorporated by reference to Exhibit 4 to Registrant's Annual Report on Form 10-K for the year ended December 31, 1985).	*
(4)(ii)	Revolving Credit Agreement dated May 13, 2002 between Registrant, the Lenders parties thereto from time to time, the Issuing Banks referred to therein and The Bank of Nova Scotia (incorporated by reference to Exhibit 4.1 to Registrant's Quarterly Report on Form 10-Q for the Quarter ended March 31, 2002).	*
(4)(iii)	Short-Term Credit Agreement dated May 13, 2002 between Registrant, the Lenders parties thereto from time to time, the Issuing Banks referred to therein and The Bank of Nova Scotia (incorporated by reference to Exhibit 4.2 to Registrant's Quarterly Report on Form 10-Q for the Quarter ended March 31, 2002).	*
(4)(iv)	Amended and Restated Rights Agreement, dated as of November 6, 2000, as amended and restated as of November 20, 2001, between the Company and Mellon	*

Exhibit No.	Name	Page
	Investor Services LLC (f/k/a ChaseMellon Shareholder Services, L.L.C.), as Rights Agent, (incorporated by reference to Exhibit 4 to the Registrant's Report on Form 8-K, filed November 20, 2001).	38
(4)(v)	Amendment to Restated Rights Agreement dated February 1, 2002 naming American Stock Transfer & Trust Company as Rights Agent, (incorporated by reference to Exhibit 4(iv) to the Registrant's Annual Report on Form 10-K, filed March 18, 2002).	*
(10)(i)	Modified Incentive Compensation Plan, as amended November 9, 1989 (incorporated by reference to Exhibit 10(a) to Registrant's Quarterly Report on Form 10-Q for the period ended September 30, 1989).**	*
(10)(ii)	Curtiss-Wright Corporation 1995 Long-Term Incentive Plan (incorporated by reference to Exhibit 4.1 to Registrant's Form S-8 Registration Statement No. 95602114 filed December 15, 1995).**	*
(10)(iii)	Revised Standard Employment Severance Agreement with Certain Management of Curtiss-Wright (incorporated by reference to Exhibit 10 to Registrant's Quarterly Report on Form 10-Q for the period ended June 30, 2001).**	*
(10)(iv)	Retirement Benefits Restoration Plan as amended April 15, 1997 (incorporated by reference to Exhibit 10 to Registrant's Quarterly Report on Form 10-Q for the period ended June 30, 1997).**	*
(10)(v)	Restated and Amended Curtiss-Wright Corporation Retirement Plan as amended through February 28, 2002, (incorporated by reference to Exhibit (10)(v) to Registrant's Annual Report on Form 10-K for the year ended December 31, 2001).	*
(10)(vi)	Restated and Amended Curtiss-Wright Corporation Savings and Investment Plan dated February 28, 2002, (incorporated by reference to Exhibit (10)(v) to Registrant's Annual Report on Form 10-K for the year ended December 31, 2001).	*

Exhibit No.	Name	Page
(10)(vii)	Curtiss-Wright Electro-Mechanical Division Pension Plan dated October 29, 2002, filed herewith.**	
(10)(viii)	Curtiss-Wright Corporation 1996 Stock Plan for Non-Employee Directors (incorporated by reference to Exhibit 4.1 to Registrant's Form S-8 Registration Statement No. 96583181, filed June 19, 1996).**	*
(10)(ix)	Curtiss-Wright Corporation Executive Deferred Compensation Plan effective November 18, 1997 (incorporated by reference to Exhibit (10)(viii) to Registrant's Annual Report on Form 10-K for the year ended December 31, 1997).**	*
(10)(x)	Change In Control Severance Protection Agreement dated July 9, 2001 between the Registrant and Chief Executive Officer of the Registrant (incorporated by reference to Exhibit 10.1 to Registrant's Quarterly Report on Form 10-Q for the period ended September 30, 2001).**	*
(10)(xi)	Standard Change In Control Severance Protection Agreement dated July 9, 2001 between the Registrant and Key Executives of the Registrant (incorporated by reference to the Registrant's Quarterly Report on Form 10-Q for the period ended September 30, 2001).**	*
(10)(xii)	Trust Agreement dated January 20, 1998 by and between Curtiss-Wright Corporation and PNC Bank, National Association (incorporated by reference to Exhibit 10(a) to Registrant's Quarterly Report on Form 10-Q for the period ended March 31, 1998).**	*
(10)(xiii)	Consulting Agreement dated April 10, 2000 between Registrant and David Lasky, (incorporated by reference to Exhibit (10)(xi) to Registrant's Annual Report on Form 10-K for the year ended December 31, 2000).**	*
(10)(xiv)	Standard Supplemental Retirement Agreement dated April 27, 1999 between the registrant and certain Officers of the Registrant (incorporated by reference to Exhibit 10 to Registrant's Quarterly Report on Form 10-Q for the period ended June 30, 2000).**	*

Exhibit No.	Name	Page
(10)(xv)	Mutual Separation Agreement dated June 26, 2001 between Brian D. O'Neill and Registrant, (incorporated by reference to Exhibit (10)(xiv) to Registrant's Annual Report on Form 10-K for the year ended December 31, 2001).**	*
(10)(xvi)	Mutual Separation Agreement dated November 12, 2001 between Robert A. Bosi and Registrant, (incorporated by reference to Exhibit (10)(xv) to Registrant's Annual Report on Form 10-K for the year ended December 31, 2001).**	*
(10)(xvii)	Consulting Agreement dated June 18, 2002 between Registrant and Gerald Nachman (incorporated by reference to Exhibit 10.1 to Registrant's Quarterly Report on Form 10-Q for the period ended June 30, 2002).**	*
(13)	Annual Report to Stockholders for the year ended December 31, 2002.	107
(16)	Letter from PricewaterhouseCoopers LLP, dated March 25, 2003 (incorporated by reference to Registrant's Form 8-K, filed March 26, 2003).	*
(21)	Subsidiaries of the Registrant.	108
(23)	Consents of Experts and Counsel - see Consent of Independent Accountants.	109
(99.1)	Certification of Martin R. Benante, Chairman and Chief Executive Officer, Pursuant to Section 906 of the Sarbanes Oxley Act of 2002.	110
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* Incorporated by reference as noted.

** Management contract or compensatory plan or arrangement.

STATEMENT OF DIFFERENCES

The trademark symbol shall be expressed as..... 'TM'
The registered trademark symbol shall be expressed as..... 'r'

CURTISS-WRIGHT ELECTRO-MECHANICAL DIVISION
PENSION PLAN

Effective as of
October 29, 2002

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CURTISS-WRIGHT ELECTRO-MECHANICAL DIVISION
PENSION PLAN

INTRODUCTION

This Curtiss-Wright Electro-Mechanical Division Pension Plan ("the Plan") is effective as of October 29, 2002 ("the Effective Date"). It has been established to provide retirement benefits for eligible employees of the Curtiss-Wright Electro-Mechanical Corporation ("EMD"), a wholly owned subsidiary of Curtiss-Wright Flow Control Corporation ("CWFC"), a wholly owned subsidiary of Curtiss-Wright Corporation.

CWFC acquired the operations that comprise EMD from Westinghouse Government Services Company LLC. ("WGSC"), a subsidiary of Washington Group International, Inc. ("WGI"), in a transaction that was effective as of the Effective Date.

Prior to the acquisition of EMD by CWFC, eligible employees at EMD participated in the Westinghouse Government Services Group Pension Plan ("the Predecessor Plan"), a pension plan maintained by WGSC and qualified under section 401(a) of the Code. In accordance with an agreement between CWFC and WGSC, assets and liabilities under the Predecessor Plan ("the Transferred Assets and Liabilities"), determined as of the Effective Date, were transferred to the Plan in a transaction that complied with section 414(l) of the Code. The Transferred Assets and Liabilities comprised liabilities for benefits of participants in the Predecessor Plan who were employed at EMD as of the Effective Date and for benefits of participants in the Predecessor Plan who had terminated employment at EMD a vested right to a deferred benefit from the Predecessor Plan or who had commenced receiving benefits from the Predecessor Plan prior to the Effective Date.

The provisions of the Plan, as set forth herein, are intended to apply to participants who were employed at EMD on or after the Effective Date. Benefits taken into account in the determination of the Transferred Assets and Liabilities that are payable to participants who had terminated or retired from employment at EMD prior to the Effective Date shall be determined in accordance with the terms of the Predecessor Plan as in effect on the date the participant terminated or retired from employment at EMD.

For employees whose benefits were taken into account in the determination of the Transferred Assets and Liabilities ("the WGSC Transferees"), "Compensation", "Credited Service", and "Eligibility Service" under this Plan include compensation, credited service, and eligibility service under the terms of the Predecessor Plan for periods prior to the effective date of such transfer.

Origin and Scope of the Predecessor Plan:

The Predecessor Plan was first effective on April 1, 1999 and was established subsequent to the acquisition of EMD and certain other businesses from CBS Corporation ("CBS") by WGNH Acquisition LLC, an indirect subsidiary of WGI. The Predecessor Plan generally mirrored the provisions of the GESCO Residual Pension Plan ("the GESCO Plan"), a pension plan maintained by CBS, as then in effect. Subsequent to the establishment of the Predecessor

Plan, assets and liabilities under the GESCO Plan were transferred to the Predecessor Plan in a transaction that complied with section 414(l) of the Code.

The Predecessor Plan generally included the provisions of the GESCO Plan that were applicable prior to the effective date of the Predecessor Plan, which provisions set out the benefits, rights, and features that applied with respect to service under the GESCO Plan prior to the effective date of the Predecessor Plan. For the individuals whose benefits were taken into account in the determination of the transfer of assets and liabilities from the GESCO Plan to the Predecessor Plan ("the GESCO Transferees"), "Compensation", "Credited Service", and "Eligibility Service" under the Predecessor Plan include compensation, credited service, and eligibility service under the terms of the GESCO Plan for periods prior to the effective date of such transfer.

Intent and Construction:

The Plan is intended to comply with the qualification requirements of section 401(a) of the Code and applicable regulations and rulings thereunder, and shall be construed in accordance with such intention.

The Plan is conditioned upon and subject to obtaining such approval of the Commissioner of Internal Revenue as may be necessary to establish the deductibility for income tax purposes of any and all contributions hereunder, other than Employee contributions.

SECTION 1 - DEFINITIONS

Whenever used in this Plan, masculine pronouns include both men and women unless the context indicates otherwise. Wherever used in this Plan:

1. "Administrative Committee" means the person(s) appointed by the Company as the "named fiduciary" of the Plan, within the meaning of section 402(a)(2) of ERISA, with respect to Plan administrative matters.
2. "Administrator" means the Company or such other person(s) designated by the Company as responsible for Plan administration.
3. "Affiliated Entity" means a subsidiary company that is at least fifty percent (50%) owned by the Company or a partnership or a joint venture in which the Company is at least a fifty percent (50%) owner that has not been designated as an Employer. The term Affiliated Entity shall also include all entities in the Controlled Group of each Employer.
4. "Board of Directors" or "Board" means the Board of Directors of the Company.
5. "Career Accumulation" means the amounts accumulated pursuant to Subsection 4.A.1 of the Plan.
6. "Casual Employee" means a person who is hired either:
 - (a) for a predetermined limited period not to exceed three (3) months, or
 - (b) for the purpose of completing a specific task that is anticipated not to exceed five (5) months, and for whom the Employer has no expectation of continued employment beyond the completion of that task.

The determination of who is a Casual Employee shall be made on a uniform and nondiscriminatory basis.
7. "Company" means Curtiss-Wright Corporation, a corporation organized under the laws of the state of Delaware.
8. "Compensation" means (a) wages within the meaning of section 3401 (a) of the Code and all other payments of compensation to an Employee by the Employer (in the course of the Employer's trade or business) for which the Employer is required to furnish the Employee a written statement on Form W-2 under sections 6041(d), 6051(a)(3), and 6052 of the Code; and (b) amounts contributed by the Employer pursuant to a salary reduction agreement that are not includible in the gross income of the Employee under sections 125, 402(e)(3), 402(h) of the Code and, effective as of January 1, 2001, section 132(f) of the Code. Notwithstanding the preceding sentence, the term Compensation shall exclude the following: reimbursements or other expense allowances; fringe benefits (cash or noncash); moving expenses; deferred

compensation; welfare benefits; amounts paid under a long-term incentive plan; and 50% of any annual incentive award paid under a management incentive program. Effective as of January 1, 2001, Compensation shall also exclude any retention bonus, suggestion award, and other non-performance-related awards or bonuses.

For Plan Years beginning on or after January 1, 1989 but before December 31, 1993, Compensation shall not exceed \$200,000 (or such greater amount as may be permitted by the Secretary of the Treasury or his delegate).

For Plan Years beginning on or after January 1, 1994, the Compensation taken into account under the Plan shall not exceed \$150,000 as adjusted by the Commissioner for increases in the cost of living in accordance with section 401(a)(17)(B) of the Code. In addition, (i) with respect to CBS Transferred Individuals (as defined in Subsection 1.12.C) for the 1999 Plan Year, the Compensation taken into account under the Predecessor Plan, when added to compensation taken into account under the GESCO Plan (as defined in the Introduction to this Plan) for the period from January 1, 1999 through March 31, 1999, shall not exceed \$160,000, and (ii) the Compensation taken into account under the Predecessor Plan, when added to compensation previously earned during a Plan Year from Westinghouse Electric Company LLC (or an at least 50%-owned subsidiary thereof), shall not exceed the limit described in the preceding sentence in effect for such Plan Year.

For Plan Years beginning on or after January 1, 2002, the annual compensation of each Participant taken into account under the Plan shall not exceed \$200,000, as adjusted for cost-of-living increases in accordance with Section 401(a)(17)(B) of the Code. In determining benefit accruals in Plan Years beginning on or after January 1, 2002, the annual compensation limit described in this paragraph shall be taken into account, for determination periods beginning before January 1, 2002.

For Plan Years beginning prior to January 1, 1997, in determining the Compensation of an Employee for purposes of this limit, the rules of section 414(q)(6) of the Internal Revenue Code shall apply, except in applying such rules, the term "family" shall include only the spouse of the Employee and any lineal descendants of the Employee who have not attained age 19 before the close of the year. If, as a result of the application of such rules, the adjusted annual compensation limit is exceeded, then the limitation shall be prorated among the affected individuals in proportion to each such individual's Compensation determined under this Section prior to the application of this limitation.

For "WGSC Transferees" as defined in the Introduction to this Plan, Compensation for periods prior to the Effective Date shall include any compensation credited under the Predecessor Plan prior to the Effective Date. For "GESCO Transferees" as defined in the Introduction to this Plan, Compensation for periods prior to January 1, 2000 shall include any compensation credited under the GESCO Residual Pension Plan prior to January 1, 2000.

9. "Controlled Group" means, with respect to an Employer:

- (a) any corporation which is a member of a controlled group of corporations, within the meaning of section 1563(a) of the Code, determined without regard to sections 1563(a)(4) and (e)(3)(C), including such Employer;
- (b) any trade or business under common control with such Employer, within the meaning of section 414(c) of the Code;
- (c) any employer which is included with such Employer in an affiliated service group, within the meaning of section 414(m) of the Code; or
- (d) any other entity required to be aggregated with such Employer pursuant to regulations under section 414(o) of the Code.

For purposes of Appendix B, "more than fifty percent (50%)" shall be substituted for "eighty percent (80%)" each place it appears in section 1563(a)(1) of the Code or section 1.414(c)-2 of the Income Tax Regulations.

10. "Credited Service" means service which is used to determine pension amounts. For periods on and after January 1, 1995, an Employee (including a part-time Employee or Casual Employee) will not earn Credited Service unless he had an election to contribute in effect for such period, except to the extent provided in Subsections 3.E and 4.E. Credited Service shall be based on the following:
- A. For all Employees, except part-time Employees and Casual Employees who are regularly scheduled to work less than 24 hours per week, Credited Service means all periods of service as an Employee with the Employer for which the Employer is directly or indirectly paid, or entitled to payment, by the Employer for the performance of duties, and time spent on any of the following (provided that, for Casual Employees, only hours worked on or after October 1, 1997 shall be counted in determining Credited Service):
 - (1) furlough;
 - (2) disability up to a maximum continuous period of 2 years;
 - (3) leaves of absence (other than military leaves and leaves for personal reasons including educational leaves) up to a maximum of 6 years, except that, in the case of a leave of absence continuing after December 31, 1994, no more than 2 years of Credited Service will be granted under this provision unless, prior to the expiration of such 2 year period, the Employee demonstrates to the satisfaction of the Administrator that he is expected to resume performing services for an Employer immediately following the conclusion of such leave;
 - (4) military leaves of absence up to a maximum equal to that period of time during which reemployment is required under applicable Federal statutes; and
 - (5) Layoff up to a maximum continuous period of 1 year for any Layoff that commenced on or after January 1, 1976.

If while an Employee is on disability leave of absence under Subsection 1.10.A.(2) above, he is laid off, he shall begin to accrue Credited Service only under Subsection 1.10.A.(5) above from that time and shall continue to be credited with Credited Service under Subsection 1.10.A.(5) for up to 1 year; but in no event shall the combined Credited Service under Subsections 1.10.A.(2) and 1.10.A.(5) exceed 2 years.

Credited Service shall be expressed in whole years and fractions thereof. Any fraction of a year shall be expressed as a decimal figure determined by completed months for the year divided by twelve, plus completed days in any incomplete month divided by 365.

- B. For part-time Employees and Casual Employees who are regularly scheduled to work less than 24 hours per week, for any calendar year each such Employee shall receive Credited Service which shall be determined by dividing the number of hours worked in that calendar year by 2,000, subject to a maximum of 1 full year, provided that, for Casual Employees, only hours worked on or after October 1, 1997 shall be counted in determining Credited Service.

For the purposes of this Subsection 1.10.B (and Subsection 1.12.B and Subsection 1.12.E), hours worked shall mean: (i) each hour for which an Employee is paid, or entitled to payment, for the performance of duties for the Employer (which hours will be credited to the calendar year in which the duties are performed); (ii) each hour for which an employee is paid, or entitled to payment, by the Employer on account of a period of time during which no duties are performed due to vacation, holiday, illness, incapacity (including disability), Layoff, jury duty, military duty or leave of absence (provided that no more than 501 hours will be credited for any single continuous period whether or not such period occurs in a single calendar year, and that hours will be calculated and credited pursuant to section 2530.200b-2 of the Labor regulations); and (iii) each hour for which back pay, irrespective of mitigation of damages, is either awarded or agreed to by the Employer (which hours will be credited to the calendar year to which the award or agreement pertains rather than the calendar year in which the award, agreement, or payment is made), excluding any hours credited under (i) or (ii) above.

For any Plan Year in which an Employee falls into both category A above and this category B, he shall receive Credited Service under the category, which is most advantageous to him.

- C. Periods of employment in an Excluded Unit shall not count as Credited Service.
- D. A former Employee who is rehired by an Employer will be eligible only for those benefits for which he was eligible at the time of his prior separation under the Plan in effect at that time until the earliest of the following occurs: (1) he has been re-employed for at least 6 consecutive months; (2) he has reached his Normal Retirement Date; (3) he has been Involuntarily Separated; or (4) he elects early retirement because of a scheduled Layoff.

E. For "WGSC Transferees" as defined in the Introduction to this Plan, Credited Service for periods prior to the Effective Date shall include any credited service credited under the Predecessor Plan prior to the Effective Date. For "GESCO Transferees" as defined in the Introduction to this Plan, Credited Service for periods prior to January 1, 2000 shall include any credited service credited under the GESCO Plan prior to January 1, 2000.

11. "Effective Date" means October 29, 2002.

12. "Eligibility Service" means service that is taken into account in determining whether an Employee is a Vested Employee. Eligibility Service shall be determined as follows:

A. For periods on or after January 1, 2002 for all Employees including part-time Employees and Casual Employees, Eligibility Service means all periods of service as an Employee (including as a leased employee as defined in section 414(n)(2) of the Code) with the Employer, an Affiliated Entity, or in an Excluded Unit for which the Employee is directly or indirectly paid, or entitled to payment, by the Employer for the performance of duties, and time spent on any of the following:

- (1) furlough;
- (2) disability up to a maximum continuous period of 2 years;
- (3) leaves of absence (other than military leaves and leaves for personal reasons including educational leaves) up to a maximum of 6 years, except that no more than 2 years of Eligibility Service will be granted under this provision unless, prior to the expiration of such 2 year period, the Employee demonstrates to the satisfaction of the Administrator that he is expected to resume performing services for an Employer immediately following the conclusion of such leave;
- (4) military leaves of absence up to a maximum equal to that period of time during which re-employment is required under applicable Federal statutes; and
- (5) Layoff up to a maximum continuous period of 1 year.

If while an Employee is on disability leave of absence under Subsection 1.12.A.(2) above, he is laid off, he shall begin to accrue Eligibility Service only under Subsection 1.12.A.(5) above from that time and shall continue to be credited with Eligibility Service under Subsection 1.12.A.(5) for up to 1 year; but in no event shall the combined Eligibility Service under Subsections 1.12.A(2) and 1.12.A.(5) exceed 2 years.

Eligibility Service shall be expressed in whole years and fractions thereof. Any fraction of a year shall be expressed as a decimal figure determined by completed months for the year divided by twelve, plus completed days in any incomplete month divided by 365. The Eligibility Service computation period

Notwithstanding the foregoing, this Subsection 1.12.A shall not start a new Eligibility Service computation period as of January 1, 2002 for any Employee other than a part-time Employee or Casual Employee who is regularly scheduled to work less than 24 hours per week.

- B. (1) For periods before January 1, 2002, for any Employee other than a part-time Employee or Casual Employee who is regularly scheduled to work less than 24 hours per week, Eligibility Service means all Credited Service, all service that would be Credited Service except that the Employee elected not to contribute, periods of employment with an Affiliated Entity or in an Excluded Unit, and periods of employment as a leased employee (as defined in section 414(n)(2) of the Internal Revenue Code).
- (2) For periods before January 1, 2002, for a part-time Employee or Casual Employee who is regularly scheduled to work less than 24 hours per week, each such Employee shall receive 1 full year of Eligibility Service for any calendar year in which he works at least 1,000 hours (even if such Employee would earn less than 1 full year of Credited Service during such calendar year). If such Employee works less than 1,000 hours in any calendar year, his Eligibility Service shall equal his Credited Service for that calendar year. For the purposes of this paragraph, hours worked shall be determined under the second paragraph of Subsection 1.10.B. (including periods of employment with an Affiliated Entity or in an Excluded Unit, and periods of employment as a leased employee (as defined in section 414(n)(2) of the Internal Revenue Code)).

For Plan Years beginning on or after January 1, 1976 and before January 1, 1998, the case of a Casual Employee who later becomes an Employee, such period shall receive 1 full year of Eligibility Service for any calendar year in which he worked at least 1,000 hours as a Casual Employee.

For periods before January 1, 2002, for any Plan Year in which an Employee falls into both category (1) and (2) above, he shall receive Eligibility Service under the category, which is most advantageous to him.

- C. For any Employee (other than, for periods before January 1, 2002, a part-time Employee or Casual Employee who is regularly scheduled to work less than 24 hours per week):
- (1) If the Employee is absent from service for any reason which does not otherwise qualify him for Credited Service or Eligibility Service under the Plan, and such absence is not due to quit, discharge, release, retirement, or death, he shall receive Eligibility Service of up to 1 year for any continuous period of absence.
- (2) If the Employee is separated from service by reason of a quit, discharge, release, or retirement, and then is re-employed within 12 months of the date he was separated, the Employee's Eligibility Service

shall include the period between the date he was separated and the date he was reemployed.

- (3) Notwithstanding the provisions of (1) and (2) above, if, during an absence from service of 12 months or less for any reason other than a quit, discharge, release, or retirement, the Employee is separated from service by reason of a quit, discharge, release, or retirement and then is reemployed within 12 months of the date on which he was first absent from service, the Employee's Eligibility Service shall include the period between his last day worked and the date he returns to work.
- D. For an individual identified as a "business employee" in Section 5.5(a) of the Asset Purchase Agreement dated June 25, 1998 between CBS Corporation and WGNH Acquisition, LLC relating to CBS Corporation's Government and Environmental Services Business and who commences employment with WGSC or an affiliated entity of WGSC in connection with such agreement (a "CBS Transferred Individual"), Eligibility Service for any period prior to commencement of employment for WGSC or an affiliated entity of WGSC shall include any eligibility service credited under the Westinghouse Pension Plan, as in effect on March 31, 1999.
- E. For an individual who is identified as an "Employee" in Section 3.15(a) of the Asset Purchase Agreement dated October 25, 2002 between WGSC and Curtiss-Wright Electro-Mechanical Corporation relating to the purchase of certain assets related to WGSC's Electro-Mechanical Division and who commences employment with the Employer or an Affiliated Entity in connection with such agreement, Eligibility Service for any period prior to commencement of employment for the Employer or an Affiliated Entity of WGSC shall include any eligibility service credited under the Predecessor, as in effect on October 28, 2002.
- F. For Employees who are not described in paragraphs D or E above, Eligibility Service shall include any eligibility service credited under the Westinghouse Pension Plan, excluding (1) service so credited under the Westinghouse Pension Plan on account of service for a subsidiary, division, or other business unit of Viacom, Inc. (formerly CBS Corporation) that was not part of Westinghouse Electric Corporation prior to November 24, 1995, and (2) service so credited under the Westinghouse Pension Plan on account of service for a former subsidiary, division, or other business unit of Viacom, Inc. (formerly CBS Corporation) after such entity ceased to be an employer or affiliated entity under the Westinghouse Pension Plan.
- G. Eligibility Service shall also include any service with (1) Westinghouse Electric Company LLC (or any of its at least 50%-owned subsidiaries), or (2) WGI (formerly Morrison Knudsen Corporation) or any of its at least 50% owned subsidiaries, or (3) British Nuclear Fuels plc, or any of its at least 50%-owned subsidiaries; provided, however, that an individual who is a Pensioner or who has received a distribution of his entire vested benefit under the Plan shall not receive credit for Eligibility Service for any period of employment with Westinghouse Electric Company LLC or British Nuclear Fuels plc (or any of

their at least 50%-owned subsidiaries) unless and until such individual, after becoming a Pensioner or receiving a distribution of his entire vested benefit under the Plan, has an hour worked (as defined in Subsection 1.10.B) for an Employer, Excluded Unit, or Affiliated Entity.

- H. Eligibility Service shall also include (i) all vesting service granted to the Employee under a qualified retirement plan sponsored and maintained by Washington Group International ("WGI") and (ii) all vesting service that would have been granted to the Employee under (i) above if the Employee had first been hired by WGI and then transferred to employment covered by the Predecessor Plan. Such Eligibility Service shall only be taken into account to the extent the Employee has not otherwise received Eligibility Service under the Predecessor Plan for the identical time period.
13. "Employee" means a person who is either (i) not represented by a labor organization, or (ii) is represented by a labor organization or other representative which has entered into a written agreement with an Employer providing for participation in this Plan by the Employees in such unit, provided:
- (a) such person is in the service of an Employer, and he is not (i) employed in an Excluded Unit, (ii) a Casual Employee prior to October 1, 1997, nor a leased employee (as defined in section 414(n)(2) of the Internal Revenue Code), or (iii) employed in a foreign jurisdiction and paid through a foreign payroll system; or
 - (b) such person is a citizen of the United States or a resident alien (as defined in section 7701(b) of the Code) who is an employee either of a domestic subsidiary (as defined in section 407 of the Internal Revenue Code) or of a foreign subsidiary as to which the Company has entered into an agreement under section 3121(1) of the Internal Revenue Code and with respect to whom contributions under a funded plan of deferred compensation (whether or not described in section 401(a), 403(a), or 405(a) of the Internal Revenue Code) are not provided by any person other than the Employer with respect to the remuneration paid to the citizen or resident alien by the domestic or foreign subsidiary.
14. "Employer" means (a) the Company, (b) an at least 50%-owned subsidiary of the Company, or (c) an entity designated as an Employer in Appendix D.
15. "ERISA" means the Employee Retirement Income Security Act of 1974, as amended.
16. "Excluded Unit" means any group, or other organizational unit, of employees of the Company, other than (a) the Electro-Mechanical Division of Curtiss-Wright Flow Control Corporation and (b) any group or unit that has been designated by the Administrative Committee as eligible to participate in this Plan. With respect to the Predecessor Plan, Excluded Unit means all units of WGSC except for those units designated by WGSC as eligible to participate in the Predecessor Plan.
17. "Flat Rate" means the method used for determining pension amounts as described in Subsection 4.A.2 and Section 19 of the Plan.

18. "Fiduciary" means the Company, other Employers, the Administrative Committee, the Investment Committee, the Trustee, and the Investment Managers, but only to the extent of those specific duties and responsibilities allocated to each for Plan and Trust administration as described in Section 12 and the Trust Agreement. No person or entity shall function or be deemed to function as a fiduciary in connection with actions affecting the design of the Plan, including, without limitation, amendments, designations of participating Employers and Excluded Units, and adoption of rules relating to acquisitions, sales and other dispositions under Section 14.
19. "Frozen Credited Service" means an Employee's Credited Service for periods prior to January 1, 1995,
20. "Frozen Early Retirement Pension" means, in the case of an Employee who elects to retire early pursuant to Subsection 2.C, the monthly amount payable under Subsection 5.A.1.(a) or the greater of the monthly amount payable under Subsection 5.A.2.(a) or 5.A.2.(b), whichever applies, taking into account all of the Employee's Eligibility Service, and taking into account, in the case of early retirement prior to January 1, 1995, any amounts payable under Subsection 5.B.
21. "Frozen Normal Retirement Pension" means the greater of the monthly amount payable under Subsection 4.A.1 or Section 19 to an Employee or terminated Vested Employee solely as a result of his Frozen Credited Service.
22. "Highly Compensated Employee" means any Employee who:
- (1) was a 5% owner, as defined in section 416(b)(1)(B)(i) of the Code at any time during the year or the preceding year, or
 - (2) for the preceding year had compensation from the Company or a Controlled Group member in excess of \$80,000. The \$80,000 amount is adjusted at the same time and in the same manner as under section 415(d) of the Code, except that the base period is the calendar quarter ending September 30, 1996.
- For purposes of determining which Employees shall be deemed Highly Compensated Employees, the applicable year of the Plan for which a determination is being made is called a determination year and the preceding 12-month period is called a look-back year.
- A Highly Compensated Former Employee is determined based on the rules applicable to determining Highly Compensated Employee status for the determination year in which the Employee separated from service, in accordance with section 1.414(q)-1T, Q&A-4 of the Income Tax Regulations and IRS Notice 97-75.
23. "Hourly-Paid Employee" means a daywork or incentive Employee whose basic Compensation the Employer computes and pays on an hourly rate.
24. "Internal Revenue Code" or "Code" means the Internal Revenue Code of 1986, as amended.

25. "Investment Committee" means the person(s) that may be appointed by the Company, in its discretion, as the "named fiduciary" of the Plan, within the meaning of section 402(a)(2) of ERISA, with respect to Plan investments.
26. "Investment Manager" means any Fiduciary:
- (a) who has the power to manage, acquire, or dispose of any asset of the Plan;
 - (b) who is (i) registered as an investment advisor under the Investment Advisers Act of 1940; (ii) a bank, as defined in that Act; (iii) an insurance company qualified to perform services described in Subsection 1.25(a) under the laws of more than one State; or (iv) a subsidiary of the Company authorized to perform investment management services; and
 - (c) who has acknowledged in writing that he is a Fiduciary with respect to the Plan.
27. "Joint Annuitant" means an individual designated by an Employee as eligible to receive the survivor benefit provided by Subsection 10.C.3 or 10.C.4.
28. "Layoff" means the termination of the employment of an Employee with an Employer through no fault of his own for lack of work for reasons associated with the business where such Employer determines, on a uniform and nondiscriminatory basis, there is a reasonable expectation of recall within 1 year.
- Notwithstanding the foregoing, a person who would otherwise be considered to be on Layoff may take action, which would result in the severance of his relationship with the Employer. At the time such action is taken, that person shall become a voluntary quit and shall no longer be considered on Layoff.
29. "Non-Vested Employee" means an Employee who has less than 5 years of Eligibility Service.
30. "Normal Retirement Date" means, with respect to an Employee, the later of (a) the first day of the month following his 65th birthday, or (b) the first day of the month following his completion of 5 years of Eligibility Service.
31. "PBGC" means the Pension Benefit Guaranty Corporation.
32. "Pensioner" means a person receiving a pension under the Plan, and shall include any person with respect to whom liability for pension payments was transferred from the Predecessor Plan to the Plan.
33. "Plan" means the Curtiss-Wright Electro-Mechanical Division Pension Plan, as herein set forth or as hereafter amended.
34. "Plan Year" means the period beginning on October 29, 2002 ("the Effective Date") and ending on December 31, 2002 and each calendar year commencing on or after January 1, 2003. Notwithstanding the foregoing sentence, for the purpose of determining the Compensation, Credited Service, and Eligibility Service of an individual

who is identified as an "Employee" in Section 3.15(a) of the Asset Purchase Agreement dated October 25, 2002 between Curtiss-Wright Electro-Mechanical Corporation and WGSC providing for the purchase of certain assets related to WGSC's Electro-Mechanical Division and who commences employment with the Employer or an Affiliated Entity in connection with such agreement, the calendar year beginning on January 1, 2002 shall be deemed to be a Plan Year, and for the purpose of determining the Compensation, Credited Service, and Eligibility Service for WGSC Transferees, as defined in the Introduction to the Plan, each plan year of the Predecessor Plan shall be taken into account.

35. "Predecessor Plan" means the Westinghouse Government Services Group Pension Plan, as in effect on the day prior to the Effective Date. To the extent that the Predecessor Plan took account of the provisions of the GESCO Plan in determining the benefits payable to participants thereunder, the GESCO Plan shall also be deemed to be a Predecessor Plan.
36. "Salaried Employee" means an Employee whose basic Compensation the Employer computes and pays on a weekly or monthly rate.
37. "Surviving Spouse" means the spouse of an Employee or former Employee on the earlier of the date he dies or becomes a Pensioner or a former spouse named as a Surviving Spouse pursuant to a Qualified Domestic Relations Order as defined in Subsection 17.A.
38. "Trust Agreement" means the agreement, or agreements, as from time to time amended, which constitute a part of the Plan under which the assets of the Plan are held in trust.
39. "Trustee" means the corporation or individual appointed by the Investment Committee to hold the assets of the Plan in trust pursuant to the Trust Agreement.
40. "Vested Employee" means an Employee who has completed 5 years or more of Eligibility Service, or a former Employee who satisfied the vesting requirements of the Plan or the Predecessor Plan which were in effect at the time he ceased to accrue Eligibility Service, provided this sentence shall be effective September 1, 1988.
41. "With Interest" means interest compounded annually computed from the end of the calendar year in which contributions have been made to the first of the month in which a computation is being made, at the following rates: (i) for Plan Years beginning before 1976, at the annual rate prescribed by the Predecessor Plan as in effect for such Plan Years; (ii) for Plan Years beginning after 1975 and before 1988, at the annual rate of 5%; (iii) for Plan Years beginning after 1987 and before the date benefits commence, at the annual rate of 120% of the Federal mid-term rate (as in effect under section 1274 of the Code for the first month of the Plan Year); and (iv) for periods beginning when benefits commence until the Normal Retirement Date, at the annual rate which would be used under the Plan under section 417(e)(3) of the Code and section 1.417(e)-1 of the Income Tax Regulations in effect as of the date benefits commence.

SECTION 2 - ELIGIBILITY FOR RETIREMENT

- A. An Employee's Normal Retirement Date is defined in Subsection 1.30. The pension of any Employee is nonforfeitable if such Employee is alive on his Normal Retirement Date.
- B. Any person who is accruing Eligibility Service on the day preceding his Normal Retirement Date may retire with a Normal Retirement Pension pursuant to Section 4 on his Normal Retirement Date or on the first day of any month following his Normal Retirement Date.
- C. Any person who is accruing Eligibility Service and (i) is at least age 60 and has completed 10 or more years of Eligibility Service or (ii) is at least age 58 and has completed 30 or more years of Eligibility Service may elect to retire and receive an Early Retirement Pension pursuant to Section 5 on the first day of any month thereafter up to his Normal Retirement Date. Subsections 19.D and 19.E set out additional circumstances under which a person may receive an Early Retirement Pension.
- D. No person who is working for an Affiliated Entity, or a successor employer with whom the Company has entered into a reciprocal service agreement may elect an Early Retirement Pension under this Plan which commences prior to the date he ceases to be employed by such Affiliated Entity, or successor employer.
- E. All applications for Normal Retirement Pensions and Early Retirement Pensions must be submitted in writing in accordance with such procedures as the Administrator shall prescribe prior to the applicant's desired retirement date. No pensions shall be payable for any period prior to the elected retirement date.
- F. Notwithstanding any other provision of this Plan to the contrary, a Vested Employee's pension or any death benefit payable under Subsection 7.D shall commence, at the election of the Vested Employee, no later than the 60th day after the latest of the close of the Plan Year in which (i) the Vested Employee or the Beneficiary, as applicable, attains age 65, (ii) the 10th anniversary of the year in which the Vested Employee commenced participation occurs, or (iii) the Vested Employee terminates his service with the Employer and any other Controlled Group member.

SECTION 3 - ELIGIBILITY AND EMPLOYEE CONTRIBUTIONS

All Employees are eligible to participate in the Plan and to elect to make contributions thereunder.

- A. Each Employee may elect to make contributions and to accrue a monthly pension in accordance with the formulas described in Subsections 4.A.1 and 4.A.2.
- B. An Employee with an election to contribute in effect shall contribute 1 1/2% of his Compensation. The most recent contribution election under the Predecessor Plan of a WGSC Transferee (as defined in the Introduction to the Plan) who was eligible to participate in the Predecessor Plan prior to such individual's transfer to an Employer shall remain in effect under the Plan (subject to Subsection 3.C).
- C. All elections to contribute shall become effective immediately for an Employee who is hired or rehired, provided, however, that an election previously in effect shall be reinstated if the Employee is rehired in the same calendar year. An Employee who has waived his right to contribute shall nevertheless have the right, effective on a succeeding January 1, to elect to contribute.
- D. This Subsection 3.D applies prior to January 1, 1995 to an Employee who was disabled or on a leave of absence (including a military leave). Such an Employee who had elected to contribute and who was on a leave of absence or absent from work due to disability for at least a month was, for as long as he continued to accrue Credited Service pursuant to Subsection 1.10, eligible to make contributions to the Plan. Such contributions were payable monthly based on his rate of Compensation in effect immediately preceding the first payroll period for which he did not receive a regular paycheck. Contributions for any calendar month were required to be made no later than the 15th day of the following month. If such an Employee at any time during his leave of absence or disability elected not to continue to make contributions, he was not permitted to start contributions again until he returned to work. If such an Employee elected not to contribute as described above, he nevertheless continued to be considered a contributing Employee for the purpose of Subsection 4.A.2.
- E. This Subsection 3.E applies on and after January 1, 1995 to an Employee who is disabled or on a leave of absence (including a military leave) and not receiving Compensation. Such an Employee shall not make contributions to this Plan for the period of such disability or leave of absence. If such an Employee had an election to contribute in effect immediately prior to becoming disabled or beginning his leave of absence, he shall, for as long as he would have continued to accrue Credited Service if he were still contributing, nevertheless be deemed to have an election to contribute in effect for purposes of Subsections 4.A.1.(c) and 4.A.2 during his period of disability or leave of absence, and his Compensation shall be deemed to be equal to his Compensation in effect immediately preceding the first payroll period for which he did not receive a regular paycheck; provided, however, that for any such Employee other than an Employee on military leave, 1 1/2% of Compensation shall be substituted for two 2% of Compensation with respect to such imputed Credited Service in Subsection 4.A.1(c).

- F. No withdrawals of Employee contributions shall be permitted while an Employee continues to accrue Eligibility Service under the Plan. Refunds of Employee contributions shall be made under certain circumstances as described in Section 7.

SECTION 4 - NORMAL RETIREMENT PENSION

- A. An Employee who retires on or after his Normal Retirement Date shall be eligible for a monthly pension payable for his lifetime, which shall be the greater of the amount he has accumulated under the Career Accumulation method, or the Flat Rate method as described below.
1. An Employee's accumulated pension under the Career Accumulation method shall be the sum of (a), (b), and (c) below.
 - (a) For calendar years prior to 1992, the Career Accumulation amount for an Employee who retires on or after January 1, 1992 shall be:
 - (1) The greater of:
 - (i) any amounts earned as of December 31, 1991 under the Career Accumulation method of the Basic Portion of the Predecessor Plan as it existed prior to January 1, 1992 (see paragraph A of Appendix C),
 - or
 - (ii) any amounts earned as of December 31, 1991 under the Final Average Compensation Method of the Basic Portion of the Predecessor Plan as it existed prior to January 1, 1992 (see paragraph B of Appendix C),
 - plus
 - (2) Any amounts earned as of December 31, 1991 under the Supplemental Portion of the Predecessor Plan as it existed prior to January 1, 1992 (see paragraph C of Appendix C).
 - (b) For each of the years 1992, 1993, and 1994, if the Employee had an election to contribute in effect, the monthly Career Accumulation amount shall be 1/12 of 2% of Compensation for that year, subject to a minimum of \$15 for each such year of Credited Service. If the Employee had elected to waive his right to contribute for such year, the monthly Career Accumulation amount shall be \$15 for each such year of Credited Service.
 - (c) For each year of Credited Service after December 31, 1994, for an Employee who has an election to contribute in effect for a Plan Year, the Employee's monthly accumulated pension under the Career Accumulation method shall be the sum of 1/12 of 2% of Compensation for that Plan Year; provided, however, that in no event shall such an Employee's monthly accumulated pension under the Career

Accumulation method for a Plan Year be less than \$31.00 multiplied by the Participant's Credited Service for such Plan Year. An Employee's monthly accumulated pension for a year under the Career Accumulation method shall be zero, if the Employee has elected to waive his right to contribute for such year, except as provided in Subsections 3.E and 4.E

2. An Employee's accumulated pension under the Flat Rate method shall be determined under (a) or (b) below, whichever applies.
 - (a) For Employees who do not have Eligibility Service after December 31, 1994, the accumulated pension under the Flat Rate method shall be the amount determined under Section 19.
 - (b) For Employees who have Eligibility Service after December 31, 1994, the accumulated pension under the Flat Rate method shall be the sum of (1), (2), and (3) below:
 - (1) If the Employee elected to make contributions when he was first eligible to do so, his Flat Rate method monthly pension amount for all Credited Service accumulated prior to the first date such an election could have been effective shall be equal to the product of \$31.00 times the applicable years of Credited Service. If the Employee elected not to make contributions when he was first eligible to do so, his Flat Rate method monthly pension amount for all Credited Service accumulated prior to the first date such an election could have been effective shall be equal to the product of \$13.00 times the applicable years of Credited Service.
 - (2) \$31.00 for each year of Credited Service in which the Employee had an election to contribute in effect or is treated as having an election to contribute in effect under Subsections 3.D, 3.E, and 4.E.
 - (3) \$13.00 for each year of Credited Service prior to January 1, 1995 in which the Employee was eligible to contribute but elected not to contribute.
 - (c) For each year of Credited Service after December 31, 1994, the monthly Flat Rate amount shall be zero, if the Employee has elected to waive his right to contribute for such year except as provided in Subsections 3.E and 4.E.

- B. In no event shall the monthly pension computed pursuant to Subsection 4.A above be less than the monthly annuity payable as of the Employee's retirement date that is the actuarial equivalent of the annuity equivalent of the Employee's contributions, With Interest. Such annuity equivalent and actuarial equivalence shall be computed based on the mortality table and interest rate assumptions provided under Subsection 10.J.

C. For an individual who is an Employee after his Normal Retirement Date, in no event shall the monthly pension computed pursuant to Subsection 4.A above be less than:

1. the amount computed under Subsection 4.A for an Employee at his Normal Retirement Date based on the provisions of the Plan in effect at his Normal Retirement Date, minus
2. the Employee's contributions, With Interest, under the Plan at his Normal Retirement Date, multiplied by a conversion factor based on his age at his Normal Retirement Date, plus
3. the Employee's contributions, With Interest, under the Plan at his actual retirement date, multiplied by a conversion factor based on his age at his actual retirement date.

The conversion factors referred to herein shall be based on the mortality table and interest rate assumptions provided under Subsection 10.J.

- D.
1. A Vested Employee who continues to be employed by an Employer after attaining age 70 1/2 shall commence distributions on April 1 of the year following the later of the year in which he attains age 70 1/2 or retires (or, for a 5% owner, within the meaning of Internal Revenue Code section 416(i), the year in which he attains age 70 1/2), in accordance with the provisions of Internal Revenue Code section 401(a)(9) and the regulations promulgated thereunder, including the minimum distribution incidental benefit requirement of section 1.401(a)(9)-2 of the Income Tax Regulations, as promulgated on April 17, 2002, which regulation is incorporated herein by reference.
 2. A Vested Employee who reached age 70 1/2 before January 1, 2001 may elect, in accordance with uniform and nondiscriminatory procedures determined by the Administrative Committee, to begin distributions no later than April 1 of the year following the year in which he attains age 70 1/2. Such pension shall be computed in accordance with Subsection 4.A above based on Credited Service accrued to such April 1 and shall be payable in accordance with the form of payment described in Subsection 10.C.1. As soon as practical following each January 1 thereafter, until such time as the Employee either retires or dies, his pension shall be redetermined, taking into account his additional Credited Service, additional benefits determined under this Section 4, and any Plan amendments which have become effective, and such redetermined amount shall be payable each month of the ensuing year, retroactive to January 1 of such year.
 3. The benefit of any Vested Employee who continues in the employment of an Employer and does not elect to begin distributions following age 70 1/2 under, paragraph 2 above shall be actuarially increased for the period beginning on April 1 following the calendar year in which the Participant attained age 70 1/2 and ending on the date benefits commence. The actuarially increased benefit shall be the actuarial equivalent of the Participant's pension payable on April 1 following the calendar year in which the Participant attained age 70 1/2, plus the

actuarial equivalent of additional benefits accrued after that date, reduced by the actuarial equivalent of any distributions made after that date.

4. If an Employee dies after the time when distributions are considered to have commenced in accordance with section 401(a)(9) of the Internal Revenue Code, any remaining portion of the Employee's benefits will be distributed at least as rapidly as under the distribution method being used under section 401(a)(9)(A)(ii) of the Internal Revenue Code as of the Employee's death.
- E. For periods on and after January 1, 1995, an Employee shall earn no less than \$31 under Subsections 4.A.1.(c) and 4.A.2 for each year of Credited Service while on furlough, disability, leave of absence described in Subsection 1.10.A.(3), military leave of absence, or Layoff, if the Employee had an election to contribute in effect immediately prior to such status.
- F. In the case of a Vested Employee who previously terminated employment and received a lump sum distribution of only his contributions, With Interest, if such Employee is rehired his pension shall be computed under this Section 4 by first computing the pension to which he would be entitled based on his total Credited Service as if he had not withdrawn his contributions, With Interest, and then offsetting a monthly amount equal to the amount that was deemed to have been purchased by his contributions, With Interest, at the time of his initial withdrawal in accordance with the terms of the Plan in effect at such time.

SECTION 5 - EARLY RETIREMENT PENSION

- A. The monthly pension amount payable for the lifetime of an Employee who elects to retire early pursuant to Subsection 2.C shall be determined as follows:
1. If the Employee has at least 30 years of Eligibility Service on his retirement date, his pension shall be the greater of:
 - (a) the greater of the amount determined pursuant to Subsection 4.A.1 or Section 19 based on his Frozen Credited Service, reduced by 0.25% for each month by which his retirement date precedes the first day of the month following his 60th birthday; or
 - (b) the amount determined pursuant to Subsection 4.A based on all of his Credited Service, reduced by 0.50% for each month by which his retirement date precedes his Normal Retirement Date.

Subsection 10.M modifies the above reduction factors in the case of certain retirements after 1994 where a monthly annuity is elected.
 2. If the Employee has less than thirty (30) years of Eligibility Service on his retirement date, his pension shall be the greatest of:
 - (a) the amount determined pursuant to Subsection 4.A.1 based on his Frozen Credited Service, reduced by 0.33% for each month by which his retirement date precedes his Normal Retirement Date;
 - (b) the amount determined pursuant to Section 19 based on his Frozen Credited Service; or
 - (c) the amount determined pursuant to Subsection 4.A based on all of his Credited Service, reduced by 0.50% for each month by which his retirement date precedes his Normal Retirement Date.

Subsection 10.M modifies the above reduction factors in the case of certain retirements after 1994 where a monthly annuity is elected.
- B. If the Employee retired before January 1, 1995 and prior to the first day of the month following his 62nd birthday, he shall receive a monthly early retirement supplement of \$10.00 multiplied by his Credited Service to his retirement date. This early retirement supplement shall be payable up to and including the month he attains age 62.

Subsection 10.M extends this provision in the case of certain retirements after 1994 where a monthly annuity is elected. In the case of early retirement (or special retirement treated as an early retirement under Subsections 19.D and 19.E) prior to January 1, 1995 where the lump sum option of Subsection 10.C.5 is elected, this early retirement supplement will be included in such lump sum.

- C. In no event shall the monthly pension computed pursuant to Subsection 5.A above be less than the monthly annuity payable as of the Employee's retirement date that is the actuarial equivalent of the Employee's contributions, With Interest. Such annuity equivalent and actuarial equivalence shall be computed based on the mortality table and interest rate assumptions provided under Subsection 10.J.
- D. The monthly pension amount of an Employee who defers his elected retirement date beyond the first day of the month following the date he ceases to accrue Eligibility Service shall be calculated at his elected retirement date based on the Plan provisions which were in effect on the first day of the month following the date he ceased to accrue Eligibility Service.
- E. In no event shall the monthly pension computed pursuant to Subsection 5.A above be less than the Career Accumulation amount determined pursuant to Subsection 4.A.1.(a) as of December 31, 1991.

SECTION 6 - VESTED PENSION

- A. Any Vested Employee who terminates service with an Employer, Affiliated Entity, or Excluded Unit, for any reason, and is not eligible to receive a Normal, Early, or Special Retirement Pension shall, subject to Section 15, be entitled to receive a Vested Pension commencing on his Normal Retirement Date. Such pension shall be payable in the normal form described in Subsections 10.A and 10.B, whichever is applicable, unless he elects an optional form of payment as described in Subsection 10.C. The amount of the Vested Pension shall be determined in the same manner as the Normal Retirement Pension described in Section 4 and shall be based on the terms of the Plan in effect on the date the Employee ceases to accrue Eligibility Service under the Plan. For the purpose of determining any amounts pursuant to Subsection 4.A.2, the Employee shall be considered retired on the date he ceases to accrue Eligibility Service under the Plan.
- B. A Vested Employee who is eligible to receive a Vested Pension may, subject to Section 15, elect to have his Vested Pension begin as early as the first of the month following his 60th birthday if he has 10 or more years of Eligibility Service. If a Vested Employee has 30 or more years of Eligibility Service, he may, subject to Section 15, elect to have his Vested Pension begin as early as the first of the month following his 58th birthday. In either case, the Vested Pension shall be reduced by 0.50% per month for each month that his elected pension starting date precedes his Normal Retirement Date.
- C. A Vested Employee who terminates service with an Employer, Affiliated Entity, or Excluded Unit, for any reason, who is not eligible to receive a Normal, Early, or Special Retirement Pension, and who has not satisfied the age and service requirements for the commencement of his Vested Pension pursuant to Subsection 6.B above may, subject to Section 15, elect to receive a lump sum. Such lump sum shall be subject to the limitations of Subsection 10.C.5, computed in accordance with Subsections 10.I and 10.J, and subject to the election and spousal consent rules of Section 10. Upon reemployment, a Vested Employee who received a lump sum cashout of his entire interest in this Plan shall not be permitted to return the amounts received to the Plan. In such event, the benefits of the former Employee shall be determined without regard to service for which he received a lump sum, but his previous Eligibility Service shall be restored for determining such Employee's eligibility for benefits.
- D. A Vested Employee who terminates service with an Employer, Affiliated Entity, or Excluded Unit, for any reason, who is not eligible to receive a Normal, Early or Special Retirement Pension, and who has not satisfied the age and service requirements for the commencement of his Vested Pension pursuant to Subsection 6.B above, may, subject to Section 15, elect to receive a reduced monthly pension as early as the first of the month following the date he ceases to accrue Eligibility Service under the Plan. Such a Vested Employee may elect either to receive his entire benefit, or his remaining benefit (if any) after election of a lump sum pursuant to Subsection 6.C above, in the form of a monthly pension. In either case, the monthly pension amount shall be the equivalent actuarial value of the pension (or remaining pension in the event a portion of the pension is paid in a lump sum) described in Subsection 6.A. The monthly pension shall be payable in the form described in Subsections 10.A or 10.B, whichever

is applicable, unless the Employee elects an optional form of payment as described in Subsection 10.C. For purposes of this Subsection 6.D, equivalent actuarial value shall be based on the Vested Employee's age and using the actuarial assumptions specified in Subsection 10.J.

- E. Notwithstanding any other provision of the Plan, if an Employee terminates service with an Employer, Affiliated Entity, or Excluded Unit and if both the lump sum value of an Employee's entire Vested Pension from the Plan calculated in accordance with Subsections 10.I and 10.J and the Employee's contributions, With Interest, are equal to or less than \$5,000, then the greater of such lump sum amount or such contributions, With Interest, shall, subject to Section 15, be paid automatically to the Vested Employee and no further payments shall be due from the Plan.

SECTION 7 - REFUNDS OF EMPLOYEE CONTRIBUTIONS

- A. If a Non-Vested Employee who has made contributions under the Plan terminates employment, there shall be payable to him an amount equal to the sum of his contributions, With Interest. Notwithstanding the foregoing, no refund shall be made to any Employee until such Employee ceases to accrue Eligibility Service under the Plan. If the amount payable to an Employee is \$5,000 or more, the Employee must request payment in writing and must obtain the written consent of his spouse. Spousal consent must be witnessed by a notary public.
- B. If the amount payable to a Non-Vested Employee under Subsection 7.A is greater than \$5,000, the Non-Vested Employee may elect to receive a reduced monthly pension in lieu of a refund as early as the first of the month following the date he ceases to accrue Eligibility Service under the Plan. In that case, the monthly pension amount shall be the equivalent actuarial value of his contributions, With Interest. Such pension shall be payable in the form described in Subsections 10.A or 10.B, whichever is applicable, unless the Employee elects an optional form of payment as described in Subsection 10.C. For purposes of this Subsection 7.B, the equivalent actuarial value shall be based on the Employee's age, and the mortality table and interest rate assumptions provided under Subsection 10.J.
- C. If a Non-Vested Employee who received a payment of his contributions, With Interest, under the Plan due to termination of employment is reemployed as an Employee or an employee of an Affiliated Entity or Excluded Unit, he may at any time within five years following his return to service as an Employee or an employee of an Affiliated Entity or Excluded Unit repay the total amount paid to him at the time his services were terminated and thereby have the pension restored which he had earned under the Plan up to the date his services were terminated. If he does not make such repayment, his pension for service prior to the date of his previous termination will be calculated as described in Subsection 4.A for an Employee who never elected to contribute under the Plan.
- D. Subject to Subsection 10.0, if an Employee or a former Employee who has made contributions under the Plan dies before the date pension payments commence and he has no spouse, or his spouse is not entitled to a Surviving Spouse Benefit under Sections 8 or 9, there shall be payable to a Beneficiary named by the Employee an amount equal to his contributions, With Interest. If no valid Beneficiary designation is on file pursuant to Section 11, payment shall be made to the legal representative of the Employee or former Employee.
- E. In no event shall payments made from the Plan be less than the Employee's contributions, With Interest.
- F. If a Non-Vested Employee (i) terminates employment and receives a refund of his contributions to this Plan under this Section 7 or (ii) elects not to contribute to this Plan and terminates employment, he will be deemed to have received a total distribution of his accrued benefit under this Plan.

SECTION 8 - SURVIVING SPOUSE BENEFIT FOR DEATH BEFORE RETIREMENT

- A. If an Employee who is accruing Eligibility Service dies after (a) attaining age 50 and completing 15 years of Eligibility Service, (b) attaining age 60 and completing 10 years of Eligibility Service, or (c) completing 25 years of Eligibility Service, or if an Employee dies who on his date of death was eligible for an immediate pension pursuant to the provisions of the Plan, a benefit shall be paid to his Surviving Spouse. This Section 8 shall also apply to the Surviving Spouse of an Employee who continued in the employ of an Employer beyond his Normal Retirement Date. This Section 8 shall not apply to a terminated vested Employee who is entitled to receive a Vested Pension under Section 6. This Section 8 is subject to Subsection 10.0.
- B. The benefit payable to the Surviving Spouse pursuant to this Section 8 shall be a monthly benefit payable for the life of the Surviving Spouse. Such benefit shall commence on the first of the second month following the month in which the Employee's death occurred. The first payment will include a benefit for both such second month and the first month following the month in which the Employee's death occurred.
- C. The amount of the monthly benefit shall be the amount calculated below, reduced by a percentage determined in accordance with Subsection 10.D based on the difference between the Employee's age and the age of the Surviving Spouse on the first of the month following the month in which the Employee's death occurred, and then multiplied by 55%.
1. If the Employee had less than 30 years of Eligibility Service on his date of death, the calculated amount shall be the greatest of.
 - (a) the amount determined pursuant to Subsection 4.A.1 based on his Frozen Credited Service, reduced by 0.33% for each month by which the first of the month following the month in which he died precedes his Normal Retirement Date (subject to a maximum reduction of 20%);
 - (b) the amount determined pursuant to Section 19 based on his Frozen Credited Service; or
 - (c) the amount determined pursuant to Subsection 4.A based on all of his Credited Service, reduced by 0.50% for each month by which the first of the month following the month in which he died precedes his Normal Retirement Date (subject to a maximum reduction of 42%).

Subsection 10.M modifies the above reduction factors in certain cases where the Surviving Spouse elects a monthly annuity.
 2. If the Employee had 30 or more years of Eligibility Service on his date of death, the calculated amount shall be the greater of:

- (a) the greater of the amount determined pursuant to Subsection 4.A.1 or Section 10 based on his Frozen Credited Service; or
- (b) the amount determined pursuant to Subsection 4.A based on all of his Credited Service-, reduced by 0.50% for each month by which the first of the month following the month in which he died precedes his Normal Retirement Date (subject to a maximum reduction of 42%).

Subsection 10.M modifies the above reduction factors in certain cases where the Surviving Spouse elects a monthly annuity.

- D. The Beneficiary named by the Surviving Spouse shall be paid in a lump sum the greater of the following two amounts; provided, however, that if both such amounts are less than or equal to zero, no additional amount shall be paid:
- 1. If the Surviving Spouse commences to receive a monthly Surviving Spouse Benefit pursuant to this Section 8 and such Surviving Spouse dies before a total of 60 monthly payments have been received, the balance of such 60 monthly payments.
 - 2. If a Surviving Spouse who is entitled to receive a Surviving Spouse Benefit pursuant to this Section 8 dies before receiving total payments, which are equal to or greater than the Employee's contributions, With Interest, the difference between such contributions, With Interest, and the amount previously received.

If no valid Beneficiary designation is on file pursuant to Section 11, any amounts payable shall be paid to the legal representative of the Surviving Spouse.

- E. In lieu of a monthly benefit payable as described in Subsection 8.B above, the Surviving Spouse may elect a lump sum. Such lump sum shall be subject to the limitations of Subsection 10.C.5 and computed in accordance with Subsections 10.I and 10.J.

SECTION 9 - SURVIVING SPOUSE BENEFIT FOR CERTAIN VESTED EMPLOYEES

- A. This Section 9 shall apply to the Surviving Spouse of any Vested Employee who dies, provided such Vested Employee ceased accruing Eligibility Service on or after January 1, 1976 and provided further that such Vested Employee neither:
1. satisfies the requirements for the Surviving Spouse benefit described in Section 8, nor
 2. has commenced receiving a pension under this Plan at the time of his death.
- B. The benefit payable to the Surviving Spouse pursuant to this Section 9 shall be a monthly benefit payable for the life of the Surviving Spouse. Such benefit shall commence on the first of the month following the month requested by the Surviving Spouse for the commencement of payments, but in no event later than the Vested Employee's Normal Retirement Date or earlier than the first of the month following the month in which the Vested Employee would have attained:
1. age fifty eight 58, if he had thirty (30) or more years of Eligibility Service;
 2. age 60 if he had ten 10 or more but less than 30 years of Eligibility Service; or
 3. age 65 if he had less than 10 years of Eligibility Service.
- The first payment will include a benefit for both the month requested by the Surviving Spouse for the commencement of payments, and the following month during which the first payment is made.
- C. The amount of the monthly benefit payable to the Surviving Spouse shall be the Vested Employee's Vested Pension, which shall be calculated in the same manner as the Normal Retirement Pension described in Section 4 based on the terms of the Plan in effect on the date the Employee ceases to accrue Eligibility Service, reduced by:
1. 0.50% for each month that the starting date precedes the Vested Employee's Normal Retirement Date; and
 2. a percentage determined in accordance with Subsection 10.D based on the difference between what the Vested Employee's age would have been on the payment commencement date and the Surviving Spouse's age on that date;
- and then multiplied by 55%.
- D. In lieu of a monthly benefit payable as described in Subsection 9.C above, the Surviving Spouse may elect a lump sum. Such lump sum shall be subject to the limitations of Subsection 10.C.5 and computed in accordance with Subsections 10.I and 10.J.

- E. In the event that both the value of the monthly benefit described in Subsection 9.C above, computed in accordance with Subsections 10.I and 10.J, and the Vested Employee's contributions, With Interest, at the time of the Vested Employee's death are equal to or less than \$5,000, the greater of such value or such contributions, With Interest, shall be paid to the Surviving Spouse in a lump sum in lieu of any monthly payments under the Plan.
- F. In the event that either the value of the monthly benefit described in Subsection 9.C above, computed in accordance with Subsections 10.I and 10.J, or the Vested Employee's contributions, With Interest, at the time of the Vested Employee's death shall be greater than \$5,000, the Surviving Spouse may elect, at any time prior to satisfying the requirements for commencement of a pension set forth in Subsection 9.B above, to receive a lump sum. Such lump sum shall be subject to the limitations of Subsection 10.C.5 and computed in accordance with Subsections 10.I and 10.J. Such lump sum shall be the greater of the value of the benefit described in Subsection 10.C.5 or the Vested Employee's contributions, With Interest, both determined as of the elected payment date. This Subsection 9.F shall not apply unless the Surviving Spouse is alive on such elected payment date.
- G. A Surviving Spouse who has not yet satisfied the requirements for commencement of a pension set forth in Subsection 9.B above, may elect to receive a reduced monthly pension as of the first of any month. The Surviving Spouse may elect either to receive his entire benefit, or his remaining benefit (if any) after election of a lump sum pursuant to Subsection 9.F above, in the form of a monthly pension. In either case, the monthly pension amount shall be the equivalent actuarial value of his pension at his Normal Retirement Date determined in Subsection 9.C above (or the remainder). The monthly pension shall be payable on a life annuity basis. The equivalent actuarial value shall be determined using the assumptions described in Subsection 10.J, based on the Surviving Spouse's age.
- H. If a Surviving Spouse who is entitled to receive a Surviving Spouse Benefit pursuant to this Section 9 dies before receiving total payments which are equal to or greater than the Vested Employee's contributions, With Interest, the difference between such contributions, With Interest, and the amount previously received, shall be paid in a lump sum to a Beneficiary named by the Surviving Spouse. If no valid Beneficiary designation is on file pursuant to Section 11, any amounts payable shall be paid to the legal representative of the Surviving Spouse.

SECTION 10 - FORM OF PENSION PAYMENTS

For purposes of this Section 10, the term Employee shall include a Vested Employee.

- A. The normal form of pension payment (not including any early retirement supplements provided by this Plan) shall be a 55% spouse survivor annuity, which shall be a reduced amount payable monthly for the Employee's life with the provision that upon his death 55% of such reduced amount shall be paid for the life of his Surviving Spouse. The Administrator shall provide no less than 30 days and no more than 90 days prior to an Employee's retirement date, a written explanation, in non-technical language, of the financial effect of the normal form on his retirement income. In order for a married Employee to elect a form of payment other than a 55% spouse survivor annuity or a 100% spouse survivor annuity, such Employee must obtain the written consent of his spouse. Such consent must be witnessed by a notary public. Any consent of a spouse pursuant to this Subsection 10.A shall be effective only with respect to such spouse. Notwithstanding the foregoing, if an Employee establishes to the satisfaction of the Administrative Committee that a written consent cannot be obtained because the spouse cannot be located, or because of such other circumstances as may be permitted by law, spousal consent shall not be required. All benefit payments under this Section 10 shall commence on the first of the month following the Employee's retirement date, and, if an annuity payment option is chosen, the first payment will include a benefit for both such month and the month that includes the Employee's retirement date.

Any consent (or establishment that consent is not required) necessary under this provision will be valid only with respect to such spouse, but may not be revoked by such spouse. A revocation of a prior waiver may be made by an Employee without the consent of the spouse at any time before the Employee's retirement date. The number of revocations by an Employee shall not be limited. Any new waiver or change of Beneficiary will require a new spousal consent.

- B. The normal form of pension payment (not including any early retirement supplements provided by this Plan) for an Employee who does not have a Surviving Spouse at retirement shall be a monthly income payable for his life.
- C. Within 90 days prior to his retirement date, on a form prescribed by the Administrator, an Employee may elect one of the following forms of pension payment (not including any early retirement supplements provided by this Plan) in lieu of the normal form:
1. Life Annuity -- A monthly income payable for his life.
 2. 100% Spouse Survivor Annuity -- A reduced amount payable monthly for his life with the provision that upon his death the same amount shall be paid monthly for the life of his Surviving Spouse.
 3. 55% Joint & Survivor Annuity -- A reduced amount payable monthly for his life with the provision that upon his death an amount equal to 55% of such reduced amount shall be paid monthly for the life of his Joint Annuitant.

4. 100% Joint & Survivor Annuity -- A reduced amount payable monthly for his life with the provision that upon his death the same amount shall be paid monthly for the life of his Joint Annuitant.
 5. Lump Sum -- A lump sum settlement of his frozen benefits determined under Subsections 10.I and 10.J below. This lump sum option is not available with respect to Credited Service or benefits accrued after December 31, 1994, except as provided in Subsection 10.I below.
- D. A 55% spouse survivor annuity or a 55% joint & survivor annuity shall be the monthly pension determined under either Section 4 or Subsection 5.A, whichever applies, reduced by a percentage that is based on the relationship of the Employee's age to his Surviving Spouse's age or his Joint Annuitant's age, whichever is applicable. The age of each shall be determined as the age at the birthday nearest the date as of which payments commence. The percentage shall be 7 1/2% if the Employee's age and his Surviving Spouse's or Joint Annuitant's age are the same. The percentage shall be decreased by 0.50% for each year up to 15 years by which the Surviving Spouse's age or the Joint Annuitant's age exceeds the Employee's age and shall be increased by 0.50% for each year by which the Surviving Spouse's age or the Joint Annuitant's age is less than the Employee's age.
- E. A 100% spouse survivor annuity or a 100% joint & survivor annuity shall be the monthly pension determined under either Section 4 or Subsection 5.A, whichever applies, reduced by a percentage that is based on the relationship of the Employee's age to his Surviving Spouse's age or his Joint Annuitant's age, whichever is applicable. The age of each shall be determined as the age at the birthday nearest the date as of which payments commence. The percentage shall be 13 1/2% if the Employee's age and his Surviving Spouse's age or Joint Annuitant's age are the same. The percentage shall be decreased by 0.50% for each year up to 27 years by which the Surviving Spouse's age or the Joint Annuitant's age exceeds the Employee's age and shall be increased by 0.50% for each year by which the Surviving Spouse's age or the Joint Annuitant's age is less than the Employee's age.
- F. An Employee who elects a 55% spouse survivor annuity, a 100% spouse survivor annuity, 55% joint & survivor annuity, or 100% joint & survivor annuity must furnish proof of the age of his Surviving Spouse or must designate a Joint Annuitant and furnish proof of the Joint Annuitant's age, whichever is applicable. Such information must be furnished to the Administrator at the time the election is made.
- G. Subject to Subsection 10.0, if the Employee or the Joint Annuitant or the Surviving Spouse, whichever is applicable, dies before the Employee's retirement date after the Employee has elected a 55% or 100% spouse survivor annuity or a 55% or 100% joint & survivor annuity, the election is automatically canceled and, if applicable, the pension shall be paid in the appropriate normal form. If the Employee survives the Joint Annuitant or his Surviving Spouse, whichever is applicable, beyond his retirement date, no change shall be made in the Employee's pension after the death of the Joint Annuitant or the Surviving Spouse, whichever is applicable, except as provided in Subsection 10.H below.

- H. If an Employee is receiving a 55% or 100% spouse survivor annuity or a 55% or 100% joint & survivor annuity and his Surviving Spouse or Joint Annuitant, whichever is applicable, predeceases him within 5 years of the Employee's retirement date, a portion of the reduction which was applied to the Employee's monthly pension at retirement because of the selection of the applicable annuity shall be restored effective the first of the month following the death of the Surviving Spouse or Joint Annuitant, whichever is applicable, in accordance with the following:

Year since retirement in which Surviving Spouse or Joint Annuitant died -----	Portion of reduction restored -----
First	100%
Second	80%
Third	60%
Fourth	40%
Fifth	20%

- I. If an Employee or Surviving Spouse elects a lump sum in accordance with Subsection 10.C.5 above, the amount of such lump sum will be the amount described in Subsection 10.I.1 below, unless Subsection 10.I.2 applies and is elected.
1. In the case of a normal retirement under Section 4, the lump sum will be the actuarial equivalent of the Employee's Frozen Normal Retirement Pension. In the case of an early retirement under Section 5, the lump sum will be the actuarial equivalent of his Frozen Early Retirement Pension. In the case of a terminated Vested Employee under Subsection 6.B, the lump sum will be the actuarial equivalent of the annuity payable at the requested commencement date with respect to the Employee's Frozen Normal Retirement Pension. In the case of a terminated Vested Employee under Subsection 6.C, the lump sum will be the actuarial equivalent of the deferred annuity payable at his Normal Retirement Date with respect to the Vested Employee's Frozen Normal Retirement Pension. In the case of a Surviving Spouse under Section 8, the lump sum will be the actuarial equivalent of the annuity payable with respect to the deceased Employee's Frozen Normal Retirement Pension. In the case of a Surviving Spouse under Subsection 9.D, the lump sum will be the actuarial equivalent of the annuity payable at the requested commencement date with respect to the deceased Employee's Frozen Normal Retirement Pension. In the case of a Surviving Spouse under Subsection 9.E or 9.F, the lump sum will be the actuarial equivalent of the deferred annuity payable at the deceased Employee's Normal Retirement Date with respect to the deceased Employee's Frozen Normal Retirement Pension.
 2. Where an Employee elects a lump sum in accordance with Subsections 10.C.5 and 10.I.1 above, he may elect to receive the remainder of his benefit, if any, in accordance with the other provisions of this Section 10. The remainder of his benefit will be the monthly pension payable under the applicable section of this Plan in excess of the monthly pension converted to a lump sum. However, if the actuarial equivalent of such remainder benefit does not exceed \$ 10,000, the Employee may elect to receive his entire accrued benefit, including benefits

with respect to Credited Service after 1994, in a lump sum. This Subsection 10.I.2 shall also apply to a Surviving Spouse, except that a remainder benefit paid in the form of an annuity will be limited to the form of payment described in Section 8 or 9, whichever is applicable.

- J. For purposes of Subsection 10.I above and such other provisions of the Plan that refer to this Subsection 10.J:

For a distribution made on or after the Effective Date, actuarial equivalent is determined according to this Subsection 10.J based on (i) the Employee's (or Surviving Spouse's) age, (ii) the prevailing Internal Revenue Commissioner's standard table (described in section 807(d)(5)(A) of the Code and without regard to any other subparagraph of section 807(d)(5) of the Code), used to determine reserves for group annuity contracts issued on the date equivalency is being determined and that is prescribed by the Commissioner in guidance published in the Internal Revenue Bulletin, and (iii) the rate of interest equal to the annual interest rate on 30-year Treasury securities as specified by the Commissioner for the second full month preceding the calendar month during which distribution is being made.

If the benefit payable in a lump sum is not the Employee's (or Surviving Spouse's) entire vested accrued benefit, then the amount of the benefit payable in a lump sum shall be calculated by first determining the lump sum amount based on the entire vested accrued benefit using the above factors, and then prorating based on the portion of the annuity payable at the appropriate time as determined in Subsection 10.I.1 above that is eligible for payment in a lump sum.

For purposes of this Subsection 10.J, a distribution is deemed to be made on the "annuity starting date" as defined in Internal Revenue Code section 417(f)(2)(A).

- K. A "Distributee" may elect, at the time and in the manner prescribed by the Administrator, to have any portion of an "Eligible Rollover Distribution" paid directly to an "Eligible Retirement Plan" specified by the Distributee in a "Direct Rollover." For purposes of this section, the following definitions shall have the following meanings:

1. "Distributee" means a person who is entitled to a distribution under the Plan and who is an Employee, a former Employee, an Employee's Surviving Spouse, a former Employee's Surviving Spouse, or an Employee's spouse or former spouse who is the alternate payee under a qualified domestic relations order, as defined in section 414(p) of the Internal Revenue Code;
2. "Eligible Rollover Distribution" means any distribution of all or any portion of the balance to the credit of the Distributee, except that an Eligible Rollover Distribution does not include: (i) any distribution that is one of a series of substantially equal periodic payments (not less frequently than annually) made for the life (or life expectancy) of the Distributee or the joint lives (or joint life expectancies) of the Distributee and the Distributee's designated Beneficiary, or for a specified period of ten years or more; (ii) any distribution to the extent such distribution is required under section 401(a)(9) of the Internal Revenue Code; and (iii) any portion of any distribution that is not includible in gross income;

3. "Eligible Retirement Plan" means any of the following types of plans that accept the Distributee's eligible rollover distribution:

- (i) an individual retirement account or individual retirement annuity described in section 408(a) or 408(b) of the Code, respectively;
- (ii) a qualified trust described in section 401(a) of the Code;
- (iii) an annuity contract described in section 403(b) of the Code; and
- (iv) an eligible plan under Section 457(b) of the Code which is maintained by a state, political subdivision of a state, or any agency or instrumentality of a state or political subdivision of a state and which agrees to separately account for amounts transferred into such plan from this Plan.

4. "Direct Rollover" means a payment by the Plan to the Eligible Retirement Plan specified by the Distributee.

L. Except for monthly amounts payable pursuant to Subsections 6.C and 6.D and Section 9, an overall guarantee of at least 60 times the life annuity monthly pension amount (without regard to any early retirement supplements provided by this Plan) shall apply to monthly amounts payable from the Plan. This guarantee shall not apply to any monthly supplements which may be payable up to age 62 pursuant to any of the provisions of the Plan.

- 1. If the Employee has elected to receive payment in the form of a life annuity and he dies after payments have begun but before 60 payments have been made, the balance of such 60 monthly payments shall be payable in a lump sum to the Beneficiary named by the Employee.
- 2. If the Employee has elected to receive payment in the form of a 55% or 100% spouse survivor annuity or a 55% or 100% joint & survivor annuity and both the Employee and his Survivor Spouse or Joint Annuitant, whichever is applicable, die after payments have begun but before the guaranteed amount of 60 times the life annuity monthly pension amount has been received, the difference between the guaranteed amount and the amount received shall be payable in a lump sum to the Beneficiary of the Employee or his Surviving Spouse or Joint Annuitant, whoever is the last to die.

The Beneficiary designation under this Subsection 10.L is subject to the provisions of Subsections 11.4 and 11.6 in the event that no Beneficiary designation has been made or the designation fails or lapses.

M. The following special rules shall apply to an Employee or Surviving Spouse who elects to receive his entire accrued benefit in the form of a monthly annuity under Subsections 10.C.1 through 10.C.4.

1. If such an Employee (i) has Eligibility Service for periods prior to January 1, 1995 (not including Eligibility Service for periods prior to January 1, 1995 granted after December 31, 1994); (ii) has Eligibility Service after December 31, 1994; (iii) is eligible for Early Retirement in accordance with Subsection 2.C; and (iv) elects such an Early Retirement Pension; then:
 - (a) such Employee's early retirement monthly amount shall be calculated using the reduction factors of Subsections 5.A.1.(a), 5.A.2.(a), and 5.A.2.(b) as if, solely for purposes of this Subsection 10.M, all of his Credited Service occurred prior to January 1, 1995, and by determining his benefit under the Flat Rate method using the formula described in Subsection 4.A.2.(b) rather than Section 19; and
 - (b) if the Employee has not yet attained age 62, he shall be entitled to an Early Retirement Supplement described in and payable in accordance with Subsection 5.B even though his retirement date is after December 31, 1994.

2. If such Surviving Spouse was married to a deceased Employee who (i) had Eligibility Service for periods prior to January 1, 1995 (not including Eligibility Service for periods prior to January 1, 1995 granted after December 31, 1994) and (ii) had Eligibility Service after December 31, 1994; and if such Surviving Spouse is eligible for a benefit under Section 8; then such Surviving Spouse's monthly amount shall be calculated using the reduction factors of Subsections 8.C.1.(a), 8.C.1.(c), and 8.C.2.(b), whichever applies, as if, solely for purposes of this Subsection 10.M, all of the deceased Employee's Credited Service occurred prior to January 1, 1995, and by determining his benefit under the Flat Rate method using the formula described in Subsection 4.A.2.(b) rather than Section 19.

- N. Notwithstanding any other Plan provisions, an Employee who at the time of termination or retirement has a pension (including any early retirement supplements provided by this Plan) with an actuarially equivalent value, expressed as a lump sum, of less than or equal to \$3,500 or, effective January 1, 2000, \$5,000, shall, subject to Section 15, receive his entire benefit in the form of an immediate lump sum distribution. The amount of such lump sum shall be determined in accordance with Subsection 10.J above.

- O. This Subsection 10.O shall apply only to Employees who attain age 65 prior to January 1, 1995. Notwithstanding Subsections 7.D, 8.A, and 10.G, if such an Employee who continues in the employ of an Employer beyond his Normal Retirement Date should die prior to retirement but after having elected a 100% spouse survivor Annuity, a 55% joint & survivor Annuity, or a 100% joint & survivor Annuity, a monthly amount shall be payable to his Joint Annuitant or to his Surviving Spouse, whichever is applicable, calculated in accordance with such election. Such monthly amount shall be determined as though the Employee had retired on the first of the month following the month in which his death occurred with such election in effect, but shall be based on Credited Service to his date of death. Payments to the Joint Annuitant or Surviving Spouse shall commence on the first of the second month following the Employee's date of death, and the first payment will include a benefit for both such second month

and the first month following the month in which the Employee's death occurred. No benefit shall be paid under this Subsection 10.0 unless, if applicable, the Employee's spouse consents to the designation of a Joint Annuitant other than the spouse and waives any death benefit otherwise provided under Sections 8 or 9, pursuant to the consent provisions of Subsections 10.A and 11.2.

SECTION 11 - DESIGNATION OF BENEFICIARY

Beneficiary means the person, persons or entity designated to receive any benefits under the Plan in the event of the death of an Employee, a Pensioner, a Surviving Spouse, or a Joint Annuitant, whichever is applicable.

1. Each Employee or Pensioner shall file with the Administrator a written designation of Beneficiary. Subject to obtaining spousal consent when required, a Beneficiary designation may be changed by the Employee or Pensioner at any time upon written notice to the Administrator.
2. The Beneficiary of a married Employee or Pensioner must be the Employee's or Pensioner's spouse unless the spouse has given written consent to the designation of some other person, persons or entity as Beneficiary. Such consent must be witnessed by a notary public. Notwithstanding the foregoing, if an Employee or Pensioner establishes to the satisfaction of the Administrator that a written consent cannot be obtained because the spouse cannot be located, or because of such other circumstances as may be permitted by law, spousal consent shall not be required.
3. An unmarried Employee or Pensioner may designate any person, persons or entity as Beneficiary without restriction. However, an unmarried Employee or Pensioner who later marries must at that time obtain spousal consent (as described in Subsection 11.2) in order for the Employee's or Pensioner's existing Beneficiary designation to remain valid. If a divorced Employee or Pensioner later remarries, the Employee or Pensioner must obtain the consent of the Employee's or Pensioner's new spouse to the Beneficiary designation, even if the Employee or Pensioner obtained the consent of the Employee's or Pensioner's former spouse to the Beneficiary designation.
4. Notwithstanding the fact that an Employee or Pensioner has obtained spousal consent to the designation of some other person, persons or entity as a Beneficiary, if the validly designated Beneficiary is not living at the time of such Employee's or Pensioner's death, the Surviving Spouse shall become the Beneficiary. If there is no Surviving Spouse, payment shall be made to the legal representative of the Employee or Pensioner.
5. No Beneficiary shall, prior to the death of the Employee or Pensioner, acquire any interest in the Plan or in the assets of the Trust.
6. A Surviving Spouse or a Joint Annuitant who is entitled to receive a benefit under the Plan as a result of the death of the Employee or Pensioner, shall designate a Beneficiary to receive any amounts which might become payable upon the death of such Surviving Spouse or Joint Annuitant. Absent such a designation, any amounts payable shall be paid to the legal representative of the Surviving Spouse or Joint Annuitant, whichever is applicable.
7. A valid Beneficiary designation under the Predecessor Plan of a WGSC Transferee (as defined in the Introduction to the Plan) who was eligible to participate in the Predecessor Plan prior to such individual's transfer to an Employer shall remain in effect under this Plan until changed by the WGSC Transferee.

SECTION 12 - ADMINISTRATION

A. Company.

The Company is the "plan sponsor" of the Plan, as described by section 3(16)(B) of ERISA, and is the "named fiduciary" of the Plan, within the meaning of section 402(a)(2) of ERISA. The Company has all responsibilities not otherwise delegated to the Administrative Committee, the Investment Committee, the Trustee, the Administrator, or the Investment Managers, including:

1. making contributions to the Plan;
2. amending the Plan by written resolution of the Board as provided in Section 18; and
3. appointing and dismissing, by written action of the Chief Executive Officer of the Company or the Board, members of the Administrative Committee and the Investment Committee.

B. Administrative Committee.

The Company, as the "named fiduciary" of the Plan within the meaning of section 402(a)(2) of ERISA, may appoint an Administrative Committee with respect to Plan administrative matters. Subject to the terms of the Plan, the Trust Agreement and applicable resolutions of the Board, the Administrative Committee, when duly constituted, shall have full and absolute discretion and authority to control and manage the operation and administration of the Plan, and to interpret and apply the terms of the Plan and the Trust Agreement. This full and absolute discretion and authority includes, but is not limited to, the power to:

1. interpret, construe, and apply the provisions of the Plan and Trust Agreement, and any construction adopted by the Administrative Committee in good faith shall be final and binding;
2. adopt Plan amendments that (a) are required by ERISA or other applicable law or regulation governing qualification of employee benefit plans, or are necessary for Plan administration, and which do not materially increase costs to the Plan or the Company or materially change participants' benefits under the Plan, (b) implement special rules in Section 14 for acquisitions, sales, and other dispositions, (c) revise the list of Employers in Appendix D, or (d) clarify ambiguous or unclear Plan provisions; provided that such amendments will be made in writing and will be made according to procedures established by the Administrative Committee, and
3. review appeals from the denial of benefits.

The Administrative Committee may employ, appoint, and dismiss advisors as the Administrative Committee deems necessary to carry out the provisions of the Plan and

the Trust Agreement, including attorneys, accountants, actuaries, clerks, or other agents, and may delegate any of their authority and duties to such persons.

C. Investment Committee.

The Company, as the "named fiduciary" of the Plan within the meaning of section 402(a)(2) of ERISA, may, in its discretion, appoint the Investment Committee with respect to Plan investments. Subject to the terms of the Plan, the Trust Agreement and applicable resolutions of the Board, the Investment Committee, when duly constituted, shall have full and absolute discretion and authority to:

1. establish the Plan's investment policy;
2. appoint and dismiss Investment Managers (as described by section 3(38) of ERISA) and the Trustee;
3. provide guidelines and directions to, and monitor the performance of, Investment Managers and the Trustee;
4. establish the Plan's funding and actuarial policies and practices; and
5. manage the funding, cost, and financial aspects of the Plan.

The Investment Committee may employ, appoint, and dismiss advisors as the Investment Committee deems necessary to carry out the provisions of the Plan and the Trust Agreement, including attorneys, accountants, actuaries, clerks, or other agents, and may delegate any of their authority and duties to such persons.

D. Administrator.

The Administrator is responsible for, and has authority to:

1. adopt rules and procedures as necessary or appropriate for Plan administration and the processing of claims for benefits;
2. make all initial determinations regarding claims or benefits, including authority to interpret and apply any applicable Plan provisions to the facts involved in each benefits claim, and provide notice described in Subsection 12.J to any claimant whose claim is denied;
3. subject to guidelines provided by the Administrative Committee, direct the Trustee regarding: (a) payment of benefits to participants. and (b) payment of the reasonable and necessary expenses of the Plan from Plan assets;
4. obtain fidelity bonds and fiduciary insurance coverage, in accordance with applicable provisions of ERISA; and
5. comply with and monitor the Plan's continued compliance with all governmental laws and regulations relating to recordkeeping and reporting of participants'

benefits, other notifications to participants, registration with the Internal Revenue Service, and reports to the Department of Labor.

E. Trustee.

The Trustee has exclusive responsibility for control and management of Plan assets, in accordance with the Trust Agreement. The Trustee is responsible for, and has authority to:

1. invest, manage, and control Plan assets, subject to the direction of the Investment Committee and Investment Manager(s) appointed by the Investment Committee, or of the Company;
2. maintain records and accounts of all contributions, receipts, investments, distributions, expenses, disbursements, and all other transactions; and
3. prepare records, reports, statements, tax returns, and forms required to be furnished to participants or filed with the Secretary of Labor or Treasury, as required by the Trust Agreement, or the directions of the Administrative Committee or Administrator.

F. Investment Managers.

Investment Managers manage and invest Plan assets subject to the Plan, the Trust Agreement, and guidelines and directions provided by the Investment Committee or the Company.

G. Allocation of Fiduciary Authority.

The Company, other Employers, the Administrative Committee, the Investment Committee, the Administrator, the Trustee, and the Investment Manager(s) (collectively, the "Plan Fiduciaries") each have individual responsibility for the prudent execution of their responsibilities assigned under this Plan, and are not liable for acts or failures by another Fiduciary, unless the Plan provides for shared fiduciary responsibility. Plan Fiduciaries are obligated to discharge their duties with respect to the Plan solely and exclusively in the interest of Plan participants and their beneficiaries, and with the care, skill, prudence, and diligence under the circumstances then prevailing that a prudent man acting in a like capacity and familiar with such matters would use in the conduct of an enterprise of like character and with like aims.

Whenever the Plan or Trust Agreement requires one Fiduciary to provide information or direct the activities of another Fiduciary, the two may not be deemed to have shared Fiduciary responsibility. Instead, the Fiduciary giving directions or providing information is solely responsible for prudently directing or informing the other, and the Fiduciary receiving the direction or information is entitled to rely on that direction or information as proper under the Plan, the Trust Agreement, and applicable law.

Any individual may serve in more than one capacity. For example, the same individual may serve on the Administrative Committee and on the Investment Committee, and as an agent of the Company or as the Administrator. However, no Plan Fiduciary who is

employed by an Employer or an entity in the Controlled Group of an Employer may be compensated for services to the Plan from Plan assets.

H. Indemnification of Fiduciaries.

1. To the extent permitted by applicable law, the Board, the Administrative Committee, the Investment Committee, the Administrator, and any employee, officer, or director of the Employer or an Affiliated Entity to whom duties and responsibilities have been allocated or delegated under this Plan and Trust ("Covered Persons") shall be indemnified and saved harmless by the Plan and Trust from and against any and all claims of liability arising in connection with the exercise of the Covered Person's duties and responsibilities with respect to the Plan and Trust by reason of any act or omission, including all expenses reasonably incurred in the defense of such act or omission, unless:
 - (a) it will be established by final judgment of a court of competent jurisdiction that such act or omission, including all expenses reasonably incurred in the defense of such act or omission, involved a violation of the duties imposed by Part 4 of Subtitle B of Title I of ERISA on the part of such Covered Person, or
 - (b) in the event of settlement or other disposition of such claim involving the Plan and Trust, it is determined by written opinion of independent counsel that such act or omission involved a violation of the duties imposed by Part 4 of Subtitle B of Title I of ERISA on the part of such Covered Person.

2. To the extent permitted by applicable law, the Trust will pay expenses (including reasonable attorneys' fees and disbursements), judgments, fines, and amounts paid in settlement incurred by the Covered Person in connection with any of the proceedings described above, provided that
 - (a) the Covered Person will repay such advanced expenses to the Trust, plus reasonable interest, if it is established by a final judgment of a court of competent jurisdiction, or by written opinion of independent counsel under the circumstances described above, that the Covered Person violated duties under Part 4 of Subtitle B of Title I of ERISA, and
 - (b) the Covered Person will make appropriate arrangements for repayment of advanced expenses.

Notwithstanding the foregoing, no such advanced expenses will be made in connection with any claim against a Covered Person that is made by the Plan, provided that upon final disposition of such claim, the expenses (including reasonable attorneys' fees and disbursements), judgments, fines, and amounts paid in settlement incurred by the Covered Person will be reimbursed by the Plan to the extent provided above.

I. Claims for Benefits.

Each person (including any Employee, former Employee, Joint Annuitant, Surviving Spouse, or other Plan Beneficiary) must file a claim with the Administrator for any benefit to which that person believes he is entitled under this Plan, in accordance with procedures established by the Administrator.

Generally, the Administrator is required to decide each claim within 90 days of the date on which the claim is filed. If special circumstances require a longer period for adjudication, the Administrator must notify the claimant in writing of the reasons for an extension of time, and the date by which the Administrator will decide the claim, before the 90 day period expires. Extensions beyond 90 days after the expiration of the initial 90-day period are not permitted. If the Administrator does not notify the claimant of its decision to grant or deny a claim within the time specified by this section, the claim will be deemed to have been denied and the appeal procedure described in Subsection K below will become available to the claimant.

J. Notice of Denial of Claim for Benefits.

If the Administrator denies a claim for benefits under the Plan, the claimant will receive a written notice that explains:

1. the specific reason for the denial, including specific reference to pertinent Plan provisions on which the denial is based;
2. any additional information or material necessary to perfect a claim, with an explanation of why such material is necessary, if any information would be helpful or appropriate to further consideration of the claim; and
3. the steps to be taken if the claimant wishes to appeal, including the time available for appeal.

K. Appeal of Denied Claims for Benefits.

Claimants must submit a written request appealing the denial of a claim within 60 days after receipt of notice described by Subsection 12.J. Claimants may review all pertinent documents, and submit issues and comments in writing. The Administrative Committee (or its delegate) will provide a full and fair review of all appeals from denial of a claim for benefits, and their decision will be final and binding.

The decision of the Administrative Committee (or its delegate) ordinarily will be given within 60 days after receipt of a written request for appeal, unless special circumstances require an extension (such as for a hearing). If an extension of time for appeal is necessary, the claimant will receive written notice of the extension before the 60-day period expires. The decision may not be delayed beyond 120 days after receipt of the written request for appeal. Notice of the decision on appeal will be provided in writing, and will explain the basis for the decision, including reference to applicable provisions of the Plan, in a manner calculated to be understood by the person who appealed the denial of a claim.

L. Exhaustion of Remedies,

No legal action for benefits under the Plan may be brought unless and until the following steps have occurred:

1. the claimant has submitted a written application for benefits in accordance with Subsection 12.I;
2. the claimant has been notified that the claim has been denied, as provided by Subsection 12.J;
3. the claimant has filed a written request appealing the denial in accordance with Subsection 12.K; and
4. the claimant has been notified in writing that the Administrative Committee (or its delegate) has denied the claimant's appeal, or the Administrative Committee has failed to act on the appeal within the time prescribed by Subsection 12.K.

SECTION 13 - FUNDING

- A. The Company and any other Employers intend to fund this Plan by making such contributions to the Trustee or Trustees or by paying such premiums under any insured contract or contracts which, in addition to contributions made by Employees, will be sufficient to fund the benefits provided under this Plan, in accordance with accepted actuarial principles and the minimum funding standards of section 412 of the Internal Revenue Code.
- B. If all or part of the Employers' contributions to the Plan are disallowed by the Internal Revenue Service under Section 404 of the Internal Revenue Code, the portion of the contributions to which that disallowance applies shall be returned to the Employers without interest, but reduced by any investment loss attributable to those contributions. The return shall be made within one year after the date of the disallowance of deduction. The Employers may also recover without interest the amount of contributions to the Plan made on account of a mistake of fact, reduced by any investment loss attributable to those contributions, if recovery is made within one year after the date of those contributions. Contributions under the Plan are conditioned upon the initial qualification of the Plan under section 401(a) of the Internal Revenue Code by the Internal Revenue Service, and the Employers may recover contributions made to the Plan, reduced by any investment loss attributable to those contributions, within one year after an adverse determination by the Internal Revenue Service, recover contributions made to the Plan, reduced by any investment loss attributable to those contributions, as described in section 403(c)(2)(B) of ERISA.
- C. In determining whether or not the requirements of this Section 13 have been met, the assets of any trust fund established under this Plan shall be valued on a basis that takes into account fair market value as permitted by applicable regulations.
- D. The Company and any other Employers, by payment of contributions to the Trustee or Trustees and/or insurance company or companies, shall be relieved of any further liability, and benefits shall be payable only from the trust fund or under the insured contract or both, provided, however, that any Trust Agreement and/or insurance contract under which such payments are made shall not be inconsistent with any provisions of this Plan.
- E. The Company shall have the right to provide in any Trust Agreement that the funds of any trust may be invested in securities or other investments including, but not limited to common stock of any corporation, the common stock or any other securities or obligations of the Employer, and group or common trust funds, to the extent such investments are not inconsistent with the requirements of ERISA.

SECTION 14 - ACQUISITIONS, SALES, AND OTHER DISPOSITIONS

- A. In the event an Employer should acquire shares of stock or other assets and properties of any other company which has a pension plan, qualified under section 401(a) of the Internal Revenue Code, in effect at the time of such acquisition, the Administrative Committee may in such manner and to such extent as it deems advisable grant benefits under this Plan, for service with such other company prior to the date of acquisition, based on the benefit formula of such company's pension plan.
- B. In the event an Employer should acquire shares of stock or assets and properties of any other company which does not have a pension plan, qualified under section 401(a) of the Internal Revenue Code, in effect at the time of such acquisition, the Administrative Committee may in such manner, to such extent and for such purposes under this Plan as it deems advisable treat employment with such other company, either prior to acquisition by an Employer or thereafter, as Credited Service or Eligibility Service under this Plan.
- C. In the event of the sale or other disposition of any subsidiary, division, department, or other identifiable group or unit of an Employer to an organization that has established a pension plan qualified under section 401(a) of the Internal Revenue Code, which plan provides for the extension of benefits to each Employee affected by such sale or other disposition based upon Credited Service under this Plan, the Administrative Committee may, for the purpose of funding such qualified pension plan, direct the segregation and transfer to the trust created by the acquiring organization an appropriate portion of the funds accumulated under this Plan, determined by the Administrative Committee in accordance with accepted actuarial principles and the requirements of section 414(l) of the Code.
- D. In the event of the sale or other disposition of any subsidiary, division, department, or other identifiable group or unit of an Employer to an organization which agrees to adopt and continue this Plan with respect to Employees whose employment continues with the acquiring organization, the Administrative Committee may, for the purpose of funding this Plan as so adopted and continued, direct the segregation of an appropriate portion of the assets held in trust under this Plan, determined by the Administrative Committee in accordance with accepted actuarial principles and the requirements of section 414(l) of the Code, and the acquiring organization may be substituted as settler of the trust or trusts in which such portion of the assets is held.
- E. In the event an Employee who becomes a participant in a pension plan of an acquiring organization pursuant to Subsection 14.C or 14.D should subsequently again become an Employee of an Employer after having become entitled to a vested pension under the pension plan of the acquiring organization, benefits payable under this Plan based on Credited Service prior to his reemployment shall be reduced by the vested pension payable from the pension plan of the acquiring organization attributable to the same period of Credited Service. All Credited Service accumulated under this Plan prior to his reemployment shall, however, be considered as Eligibility Service in determining eligibility for benefits under this Plan.
- F. Any provisions in this Plan to the contrary notwithstanding,

1. In the event an Employee transfers directly to any other corporation or affiliate thereof in connection with the transfer to such other corporation of Company assets or of government-owned facilities maintained or operated under contract by an Employer, or who may be transferred by any such other corporation or affiliate thereof to another affiliate thereof subsequent to his transfer from an Employer, the Administrative Committee may, by regulations or otherwise and to the extent that it considers advisable, treat service with any such other corporations as service with an Employer for purposes of vesting and for determining eligibility for any pensions accrued to the date of such transfer or any other benefits under this Plan which are dependent on a service-eligibility requirement.

2. In the case of an Employee who at any time shall be transferred directly to any other corporation but whose service with such corporation or affiliate thereof is considered by the Administrative Committee as service with an Employer for any purpose under this Plan, the commencement of pension or other payments under this Plan to or on behalf of such an Employee shall not be made while the Employee is in the service of such corporations except as the Administrative Committee may provide otherwise and elections of options under this Plan by such an Employee and the time of commencement and manner of payment of pension and other payments under this Plan to or on behalf of such an Employee shall be as determined by the Administrative Committee.

SECTION 15 - TRANSFERRED EMPLOYEES

- A. An Employee who transfers to an Employer from an Affiliated Entity or an Excluded Unit shall have Eligibility Service based on periods of employment with the Affiliated Entity or Excluded Unit from which he transferred included under this Plan taken into account in determining whether he has satisfied the eligibility requirements for any benefit under this Plan. Such Eligibility Service shall not be used in determining the amount of any benefit under this Plan.
- B. An Employee who transfers from an Employer to an Affiliated Entity, an Excluded Unit, shall be eligible for benefits under this Plan as follows:
1. Subject to Subsection 4.D and section 401(a)(14) of the Internal Revenue Code, the Employee shall not be eligible to receive any benefits under the Plan while employed by an Affiliated Entity, an Excluded Unit.
 2. As set forth in Subsection 1.12, Eligibility Service based on periods of employment with the Affiliated Entity, Excluded Unit to which he transferred shall be included under this Plan in determining whether such a transferred Employee has satisfied the eligibility requirements for a pension under the Plan. Such Eligibility Service shall not be used in determining the amount of any benefit under this Plan.
 3. Normal, Early, or Special Retirement Pensions shall be payable under this Plan if, at the time his employment with the Affiliated Entity, Excluded Unit ceases, he has satisfied the age, service and any other requirements of this Plan for such benefits. The amount of such Normal, Early, or Special Retirement Pension shall be determined as if such transferred Employee was at such time retiring under this Plan, receiving full credit under this Plan for (a) Credited Service accumulated to date of transfer, (b) any Employee contributions made under the Plan which have not been refunded, and (c) such earnings, wages or base salary in effect at the time the Employee terminates employment with the Affiliated Entity, Excluded Unit as are applicable under the terms of this Plan at the time of such determination of benefits.
 4. A transferred Employee who subsequently terminates his employment with the Affiliated Entity, Excluded Unit prior to satisfying the requirements for retirement but who is eligible for a Vested Pension under this Plan at the time of such termination shall have the amount of such Vested Pension based on the terms of this Plan in effect at the time of such separation, receiving full credit under this Plan for (a) Credited Service accumulated to date of transfer, (b) any Employee contributions made under the Plan which have not been refunded, and (c) such earnings, wages or base salary in effect at the time the Employee terminates employment with the Affiliated Entity, Excluded Unit as are applicable under the terms of this Plan at the time of such separation.
- C. For the purposes of this Section 15, an Employee shall be deemed to be transferred if he:

1. transfers directly from an Employer to an Affiliated Entity, Excluded Unit, or transfers directly from an Affiliated Entity, Excluded Unit to an Employer, or
2. is employed at an Affiliated Entity, Excluded Unit after having terminated employment with an Employer or is employed by an Employer after having terminated employment with an Affiliated Entity, Excluded Unit.

SECTION 16 - SUSPENSION OF BENEFITS AND REEMPLOYMENT

- A. In the event a Pensioner is reemployed by an Employer or an entity in the Controlled Group of an Employer, his pension payments shall be suspended. In the event the benefits of a Pensioner should have been suspended but were not, the Plan shall offset future benefits to recoup the benefits that should have been suspended to the extent permitted under regulations issued by the Department of Labor.

Notwithstanding the foregoing, there shall be no suspension of pension payments for a Pensioner who is reemployed if such suspension would be in violation of applicable Labor Regulations.

- B. In those cases where a reemployed Pensioner continues to receive a pension after his Normal Retirement Date, not taking into account amounts that are paid to satisfy the requirements of section 401(a)(9) of the Internal Revenue Code and the Treasury regulations thereunder, further accruals of pension amounts for a Plan Year will be reduced (but not below zero) by the actuarial equivalent of the total Plan benefit distributions made to the Pensioner by the close of the Plan Year.
- C. In those cases where the pension is suspended due to the reemployment of a Pensioner, the following shall apply:
1. Credited Service and Eligibility Service shall include the respective periods of Credited Service and Eligibility Service accrued both prior to his earlier retirement and subsequent to his re-employment.
 2. If the Employee is reemployed for a period of at least six (6) consecutive months, his pension upon his subsequent retirement shall be based on the provisions of the Plan in effect at that time.
 3. If the Employee is reemployed for a period of less than six (6) consecutive months, his pension for the period prior to reemployment shall be based on the benefit formulas of the Plan which were in effect at his original retirement date, except as provided in Subsection 1.10.D.
 4. Upon his subsequent retirement, an Employee may elect a different form of payment, pursuant to Section 10, than he elected at his original retirement date.
 5. Should an Employee die while reemployed, his Surviving Spouse shall be eligible for the Surviving Spouse Benefits set forth in either Section 8 or Section 9, whichever is applicable, unless Subsection 10.0 applies and has been elected.
 6. In determining any remaining payments due the Beneficiary of a Pensioner based on the 60 month guarantee described in Subsection 10.L of the Plan, all payments made on behalf of the Pensioner, both before and after his reemployment shall be considered.

- D. In the event a former Employee is re-employed by an Employer after having retired and having received a lump sum pursuant to Subsection 10.C.5 that consists of the actuarial equivalent determined under Subsection 10.J of his entire accrued benefit, such former Employee shall be considered a new hire with respect to future pension accruals. For the purpose of determining such Employee's eligibility for benefits, however, his previous Eligibility Service shall be restored.
- E. Subject to Subsection 4.D, in the event an Employee continues working past his Normal Retirement Date, the payment of his benefits shall be suspended and he shall be notified of such suspension in accordance with applicable Labor Regulations.
- F. If an Employee or former Employee receives after December 31, 1994 a lump sum distribution that is less than the actuarial equivalent of his entire vested accrued benefit as of the date of such distribution, he may restore such distributed benefit upon reemployment by an Employer as provided below by repaying to the Plan the full amount of such distribution plus interest, compounded annually from the date of distribution to the date of repayment at the rate determined for purposes of section 411(c)(2)(C) of the Code. Such repayment must be made within five years from the date of reemployment. If repayment is available and made under this Subsection 16.F, then the Employee's or former Employee's accrued benefit with respect to the amount distributed will be restored, including all optional forms of benefits and subsidies with respect to the amount distributed that were available at the time of the distribution.

SECTION 17 - MISCELLANEOUS

A. Nonalienation.

No Plan benefit will be subject in any manner to anticipation, pledge, encumbrance, alienation, levy, or assignment, nor to seizure, attachment, or other legal process for the debts of any Employee, former Employee, or other Plan Beneficiary, except as otherwise provided in section 401(a)(13) of the Internal Revenue Code or pursuant to a qualified domestic relations order under section 414(p) of the Internal Revenue Code or a domestic relations order entered before January 1, 1985 that the Administrator treats as a qualified domestic relations order. For the purposes of computing benefits payable to an alternate payee under a qualified domestic relations order, the equivalent actuarial value of such benefits shall be computed as of the date on which benefits are first payable and shall be based on the mortality table and interest rate assumptions provided under Subsection 10.J.

B Facility of Payment.

If, in the opinion of the Administrative Committee, a person to whom a benefit is payable is unable to care for his affairs because of illness, accident, or any other reason, any payment due the person, unless prior claim therefor shall have been made by a duly qualified guardian or other duly appointed and qualified representative of such person, may be paid to some member of the person's family, or to some other party who, in the opinion of the Administrative Committee, has incurred expense for such person. Any such payment shall be a payment for the account of such person and shall be a complete discharge of liability under this Plan.

C. Conditions of Employment not affected by Plan.

Each Employer in adopting this Plan shall not be held to create or vest in any Employee or any other person any interest, pension or benefits other than the benefits specifically provided herein, or to confer upon any Employee the right to remain in the service of his Employer.

D. Statements of Employee Contributions.

Each Employee who has made contributions under the Plan and who has not had such contributions refunded to him shall upon written request be furnished a statement each year indicating his contributions for the preceding year, the aggregate of his contributions in this Plan at the end of the preceding year, and the aggregate of his contributions, With Interest, to the end of the preceding year. Each Employee who is or could become eligible for a pension under this Plan shall upon written request be furnished a statement each year unless the amount of pension he earned during such year is not determinable, indicating the amount of pension, if any, that he earned during the preceding year under Section 4 of this Plan, as well as the amount of accumulated monthly pension, if any, that he earned under Section 4 of this Plan to the end of the preceding year. The information described in this Subsection 17.D may be provided in a combined statement.

E. Statements of Vested Benefits.

Each Employee who is separated from employment and who, according to the Administrator's records, is a Vested Employee, shall be furnished a statement within the time limits required by law setting forth his pension benefits under Section 6 of this Plan.

F. Payment of Expenses.

Reasonable expenses of the Plan, including indemnification under Subsection 12.H, may be paid from Plan assets, unless paid by an Employer. Each Employer is entitled to reimbursement of direct expenses properly and actually incurred in providing services to the Plan, in accordance with applicable provisions of ERISA.

G. Merger, Consolidation, or Spinoff.

In the case of any merger or consolidation of this Plan with, or the transfer of assets or liabilities to, any other plan, the terms of the merger, transfer, or consolidation shall be such that each participant would (if this Plan then terminated) receive a benefit immediately after the merger, consolidation, or transfer which is equal to or greater than the benefit he would have been entitled to receive immediately before the merger, transfer, or consolidation (if this Plan had then terminated).

H. Applicable Law.

The Plan will be construed, interpreted, and enforced according to the laws of Pennsylvania, to the extent such laws are not inconsistent with and preempted by ERISA.

I. Treatment of Military Service.

Notwithstanding any provision of this Plan to the contrary, contributions, benefits and service credit with respect to qualified military service will be provided in accordance with section 414(u) of the Code.

J. Actuarial Equivalence.

If the meaning of "actuarial equivalent" is not otherwise specified with respect to any provision of this Plan, it shall mean an amount determined by applying a seven percent interest rate and the GAM 1983 mortality table.

SECTION 18 - AMENDMENT AND TERMINATION

- A. While the Company expects and intends to continue the Plan indefinitely, it reserves the right, acting by written resolution of the Board (or its duly authorized delegates), at any time and from time to time, to amend, in whole or in part, any or all of the provisions of the Plan, to discontinue contributions to the Plan, or to terminate the Plan. The Administrative Committee (or its duly authorized delegate) may also adopt certain Plan amendments in accordance with Subsection 12.B.2. Notwithstanding the above, no part of the assets of the Plan shall, by reason of any amendment, discontinuance, or termination, be used for or diverted to purposes other than for the exclusive benefit of the participants and their beneficiaries under the Plan, unless and until all liabilities of the Plan have been satisfied, in which case any remaining assets may revert to the Company. In addition, (i) no amendment, discontinuance, or termination shall eliminate or reduce benefits that have already accrued that are protected under section 411(d)(6) of the Code, and (ii) if the vesting schedule of the Plan is amended, in the case of an Employee who is a participant as of the later of the date such amendment is adopted or the date it becomes effective, the nonforfeitable percentage (determined as of such date) of such Employee's benefit will not be less than the percentage computed under the Plan without regard to such amendment.
- B. If the Plan is terminated, or partially terminated, the rights of affected participants to benefits accrued under the Plan shall be nonforfeitable to the extent funded. The funds held by the Trustee or Trustees and/or insurance company or companies shall be applied to provide pensions for participants and beneficiaries, in the following order of priority:
1. First, to that portion of each individual's accrued benefit which is derived from the participant's contributions.
 2. Second, in the case of benefits payable under this Plan as an annuity --
 - (a) in the case of the benefit of a participant or Beneficiary who was receiving a benefit as of the beginning of the 3 year period ending on the termination date of this Plan, to each such benefit, based on the provisions of this Plan (as in effect during the 5 year period ending on such date) under which such benefit would be the least,
 - (b) in the case of the benefit of a participant or Beneficiary (other than a benefit described in Subsection 18.B.2(a) above) which would have at any time, been paid as of the beginning of such 3 year period if the participant had retired prior to the beginning of such 3 year period and if his benefits had commenced (in the normal form of distribution) as of the beginning of such period, to each such benefit based on the provisions of this Plan (as in effect during the 5 year period ending on such date) under which such benefit would be the least.
 3. Third, to all other benefits under this Plan guaranteed under Title IV of ERISA, as provided in section 4044(a)(4) thereof

4. Fourth, to all other non-for-feltable benefits under this Plan.

5. Fifth, to all other benefits under this Plan.

The amounts allocated with respect to any benefit under any paragraph above shall be properly adjusted for any allocation of assets with respect to that benefit under a prior paragraph.

If the assets available for allocation under any paragraph of this Subsection 18.B are insufficient to satisfy in full the benefits of all individuals entitled thereto, the assets shall be allocated as provided in section 4044 of ERISA and any regulations issued thereunder.

- C. In the event the Plan terminates, the benefit of any Highly Compensated Employee is limited to a benefit that is nondiscriminatory under Internal Revenue Code section 401(a)(4). For Plan Years beginning after December 31, 1993, benefits distributed to any of the 25 most Highly Compensated Employees are restricted such that the annual pension payments are no greater than an amount equal to the payment that would be made on behalf of the Pensioner under a single life annuity that is the actuarial equivalent of the sum of the Pensioner's accrued benefit and the Pensioner's other benefits under the Plan. The preceding sentence shall not apply if: (1) after payment of the benefit to a Pensioner described in the preceding sentence, the value of Plan assets equals or exceeds 110% of the value of current Plan liabilities, as defined in Internal Revenue Code section 412(l)(7); or (2) the value of the benefits for a Pensioner so described is less than 1% of the value of current Plan liabilities.
- D. If the Plan's vesting schedule is amended, or the Plan is amended in any way that directly or indirectly affects the computation of the nonforfeitable percentage of a participant's benefits, or if the Plan is deemed amended by an automatic change to or from a top-heavy vesting schedule, each participant with at least three years of Eligibility Service may elect, within a reasonable period after the adoption of the amendment or change, to have the non-for-feltable percentage computed without regard to such amendment or change.

SECTION 19 - FLAT RATE METHOD FOR 1994

- A. The accumulated pension under the Flat Rate method for Employees who retire during the calendar year 1994 shall be the sum of 1. and 2. below.
1. If the Employee elected to make contributions when he was first eligible to do so, his Flat Rate method monthly pension amount for all Credited Service accumulated prior to the first date such an election could have been effective, and his Flat Rate method monthly pension amount for any period of Credited Service during which he elected to contribute, shall be based on the Final Average Compensation Schedule in Subsection B below.
 2. If the Employee elected not to make contributions when he was first eligible to do so, his Flat Rate method monthly pension amount for all Credited Service accumulated prior to the first date such an election could have been effective, and his Flat Rate method monthly pension amount for any period of Credited Service during which he elected not to contribute, shall be equal to the product of \$13.00 times the applicable years of Credited Service.
- B. Final Average Compensation Schedule

Final Average Compensation		Monthly Pension for Each Year of Credited Service
Over	Up to	
-----	-----	-----
	\$27,750	\$23.50
\$27,750	28,050	23.75
28,050	28,350	24.00
28,350	28,650	24.25
28,650	28,950	24.50
28,950	29,250	24.75
29,250	29,550	25.00
29,550	29,850	25.25
29,850	30,150	25.50
30,150	30,450	25.75
30,450	30,750	26.00
30,750	31,050	26.25
31,050	31,350	26.50
31,350	31,650	26.75
31,650	31,950	27.00
31,950	32,250	27.25
32,250	32,550	27.50
32,550	32,850	27.75
32,850	33,150	28.00
33,150	33,450	28.25
33,450	33,750	28.50
33,750	34,050	28.75
34,050		29.00

For the purposes of the above schedule, an Employee's Final Average Compensation shall be the average of his Compensation for the three (3) calendar years in which such Compensation was highest during the last ten (10) calendar years immediately preceding the last year in which he accrued Eligibility Service.

- C. For purposes of this Section 19, "Compensation" means Compensation as defined in Section 1.8 except that in no event shall the Compensation used for determining Final Average Compensation for any calendar year be less than the following:
1. For a Salaried Employee, the base salary rate on December 1 of the preceding year plus any cost-of-living adjustments made in the Employee's base salary rate up through the January next following such December 1, multiplied by 52, if the Employee is paid weekly, or multiplied by 12, if the Employee is paid monthly; or
 2. For an Hourly-Paid Employee, the average earned rate for the calendar quarter ending September 30 of the preceding year plus any cost-of-living adjustments made in the Employee's pay rate up through the January next following such September 30, multiplied by 2080.

For any calendar year in which a Salaried Employee did not have a base salary rate on December 1, the last base salary rate in effect prior to such December 1 shall be used for that year provided, however, that if the Employee accrued Eligibility Service in such year, the base salary rate so used shall be increased to include any general or cost-of-living increases granted up to the earlier of the end of the January next following such December 1 or the date on which the Employee ceased to accrue Eligibility Service.

For any calendar year in which an Hourly-Paid Employee did not have an average earned rate for the calendar quarter ending September 30, the last calendar quarter preceding such quarter for which an average earned rate was determined shall be used for that year provided, however, that if the Employee accrued Eligibility Service in such year, such average earned rate so used shall be increased to include any general or cost-of-living increases granted up to the earlier of the end of the January next following such third calendar quarter or the date on which the Employee ceased to accrue Eligibility Service.

IN WITNESS WHEREOF, the Company has caused this instrument to be executed by its authorized officer to be effective as of the 29th day of October, 2002.

CURTISS-WRIGHT CORPORATION

By: _____

APPENDIX A - TOP HEAVY PROVISIONS

The following special provisions shall apply to determine if the Plan is a Top Heavy Plan as to any Employer that has adopted this Plan, in accordance with section 416 of the Code and any special rule that will apply based on such status. In the event that the provisions contained in this Appendix A are inconsistent with the terms contained in the remainder of the Plan as adopted by such Employer then, for the Employees employed by such Employer, the provisions contained in this Appendix A shall take precedence.

1. Definitions.

- A. "Applicable Determination Date" means the last day of the later of the first Plan Year or the preceding Plan Year.
- B. "Top-Heavy Ratio" means the ratio of (A) the present value of the cumulative accrued benefits under the Plan for key employees to (B) the present value of the cumulative accrued benefits under the Plan for all key employees and non-key employees; provided, however, that if an individual has not performed services for the Employer at any time during the one-year period ending on the applicable determination date, any accrued benefit for such individual (and the account of such individual) shall not be taken into account; and provided further, that the present values of accrued benefits under the Plan for an employee as of the applicable determination date shall be increased by the distributions made with respect to the employee under the Plan and any plan aggregated with the Plan under section 416(g)(2) of the Code during the 1-year period (5-year period in the case of a distribution made for a reason other than separation from service, death, or disability) ending on the applicable determination date and any distributions made with respect to the employee under a terminated plan which, had it not been terminated, would have been in the required aggregation group.
- C. "Applicable Valuation Date" means the date within the preceding Plan Year as of which annual Plan costs are or would be computed for minimum funding purposes.
- D. "Key Employee" means any employee or former employee (including any deceased employee) who at any time during the Plan Year that includes the Applicable Determination Date was an officer of an Employer or an Affiliated Entity having remuneration greater than \$130,000 (as adjusted under section 416(i)(1) of the Code for Plan Years beginning after December 31, 2002), a 5% owner (as defined in section 416(i)(1)(B)(i) of the Code) of an Employer or an Affiliated Entity, or a 1% owner (as defined in Section 416(i)(1)(B)(ii) of the Code) of an Employer or an Affiliated Entity) having remuneration greater than \$150,000. The determination of who is a Key Employee shall be made in accordance with section 416(i) of the Code and the applicable regulations and other guidance of general applicability issued thereunder.
- E. "Non-Key Employee" means any employee who is not a key employee.

- F. "Average Remuneration" means the average annual remuneration of a Member for the five consecutive years of his Eligibility Service after December 31, 1983 during which he received the greatest aggregate remuneration, as limited by section 401(a)(17) of the Code, from the Employer or an Affiliated Entity, excluding any remuneration for service after the last Plan Year with respect to which the Plan is Top-Heavy.
- G. "Required Aggregation Group" means each other qualified plan of the Employer or an Affiliated Entity (including plans that terminated within the 5-year period ending on the Applicable Determination Date) in which there are members who are key employees or which enables the Plan to meet the requirements of section 401(a)(4) or 410 of the Code.
- H. "Permissive Aggregation Group" means each plan in the required aggregation group and any other qualified plan(s) of the Employer or an Affiliated Employer in which all members are Non-Key Employees, if the resulting aggregation group continues to meet the requirements of Sections 401(a)(4) and 410 of the Code.

2. Determination of Top-Heavy Status.

For purposes of this Appendix A, the Plan shall be "Top-Heavy" with respect to any Plan Year if as of the Applicable Determination Date the Top-Heavy Ratio exceeds 60%. The Top-Heavy Ratio shall be determined as of the Applicable Valuation Date in accordance with section 416(g)(3),(4)(B) of the Code on the basis of the 1983 GAM Mortality Table and an interest rate of 7% per year compounded annually. For purposes of determining whether the Plan is Top-Heavy, the present value of accrued benefits under the Plan will be combined with the present value of accrued benefits or account balances under each other plan in the Required Aggregation Group, and, in the Employer's discretion, may be combined with the present value of accrued benefits or account balances under any other qualified plan(s) in the Permissive Aggregation Group. The accrued benefit of a Non-Key employee under the Plan or any other defined benefit plan in the aggregation group shall be determined (i) under the method, if any, that uniformly applies for accrual purposes under all plans maintained by the Employer or an Affiliated Entity, or (ii) if there is no such method, as if such benefit accrued not more rapidly than the slowest accrual rate permitted under the fractional rule described in section 411(b)(1)(C) of the Code.

3. Special Top-Heavy Provisions.

The following provisions shall be applicable to Members for any Plan Year with respect to which the Plan is Top-Heavy:

- A. In lieu of the vesting requirements specified in Subsection 1.40, any Employee who has completed 3 years of Eligibility Service shall be fully vested in, and have a nonforfeitable right to, his accrued benefit determined in accordance with the provisions of Section 4 and paragraph 3.B below.
- B. The accrued benefit of an Employee who is a Non-Key Employee shall not be less than 2% of his Average Remuneration multiplied by the number of years of his Eligibility Service, not in excess of 10, during the Plan Years for which the

Plan is Top-Heavy. For purposes of the preceding sentence, years of Eligibility Service shall be disregarded to the extent that such years of Eligibility Service occur during a Plan Year when the Plan benefits (within the meaning of section 410(b) of the Code) no Key Employee or former Key Employee. That minimum benefit shall be payable at a Employee's Normal Retirement Date. If payments commence at a time other than the Employee's Normal Retirement Date, the minimum accrued benefit shall be the actuarial equivalent of that minimum benefit.

- C. If the Plan is Top-Heavy with respect to a Plan Year and ceases to be Top-Heavy for a subsequent Plan Year, the following provisions shall be applicable:
- (i) The accrued benefit in any such subsequent Plan Year shall not be less than the minimum accrued benefit provided in paragraph C.3 above, computed as of the end of the most recent Plan Year for which the Plan was top-heavy.
 - (ii) If an Employee has completed three years of Eligibility Service on or before the last day of the most recent Plan Year for which the Plan was Top-Heavy, the vesting provision set forth in paragraph 3.A above shall continue to be applicable.

APPENDIX B - SECTION 415 LIMITATIONS

In the event the provisions contained in this Appendix B are inconsistent with the terms contained in the remainder of the Plan, the provisions of this Appendix B shall take precedence.

1. Subject to the following provisions of this Appendix B and to the limitations set forth in section 415 of the Code and any regulations or rulings thereunder, and notwithstanding any provision of the Plan to the contrary, the maximum annual pension payable to an Employee under the Plan in the form of a single life annuity, when added to any pension attributable to contributions of the Employer or an Affiliated Entity provided to the Employee under any other qualified defined benefit plan, shall be equal to the lesser of:
 - (i) the dollar limitation described in Section 415(b)(1)(A) of the Code, as in effect for such Limitation Year, taking account any adjustments made pursuant to Section 415(d)(1)(A) of the Code, or
 - (ii) the Participant's average annual remuneration during the 3 consecutive calendar years of his service with the Employer or Affiliated Entity affording the highest such average, or during all of the years of such service if less than 3 years.

For purposes of this Appendix B, the Limitation Year shall be the Plan Year. An Employee shall satisfy the limitation of this subsection if his annual pension under this Plan is \$10,000 or less, and the Employee has not participated at any time in any defined contribution plan the Employer has maintained.

The term "remuneration" with respect to any Employee shall mean the his wages, salaries, and other amounts paid in respect of such Employee by the Employer or an Affiliated Entity for personal services actually rendered and shall include, but not by way of limitation, bonuses, overtime payments, and commissions and shall exclude deferred compensation, stock options, and other distributions which receive special tax benefits under the Code. Remuneration shall also include (i) any elective deferral, as defined in Section 402(g) of the Code and (ii) any amount contributed by the Employer at the election of the Employee that is not includible in the gross income of the employee by reason of Sections 125, 132(f), or 457 of the Code.

2. Payments commencing prior to Age 62:

There shall be no adjustment to the applicable dollar limitation if the pension commences at or after the Employee's attainment of age 62, but if the pension begins before the Participant's 62nd birthday, the Administrator shall adjust the applicable dollar limitation as determined under Appendix B.1 to the actuarial equivalent of the maximum benefit payable at age 62.

To determine the Actuarial Equivalent under this subsection, the Administrator shall use an interest rate assumption equal to the greater of 5% or the rate specified in Subsection 17.J.

3. Payments commencing after Age 65:

In the event an Employee's benefit commences after his attainment of age 65, the Administrator shall adjust the applicable dollar limitation as determined under Appendix B.1 to the actuarial equivalent of an annual benefit equal to such dollar limitation commencing at such Employee's attainment of age 65. To determine the actuarial equivalent under this subsection, the Administrator shall use an interest rate assumption equal to the lesser of 5% or the rate specified in Subsection 17.J.

4. In the case of an Employee whose benefits have not yet commenced, the benefit payable to a employee's spouse under a qualified joint and survivor annuity or under a qualified preretirement survivor annuity shall be subject to the dollar limitation which would apply if the benefits were payable to the employee in the form of a life annuity. The amount of the benefit payable to the spouse, and which is subject to the preceding sentence, shall be computed from the Employee's before application of this subsection.

5. If an Employee's is payable neither as a life annuity nor as a qualified joint and survivor annuity with the Employee's spouse as beneficiary, the maximum limitation shall be the actuarial equivalent of the maximum limitation otherwise applicable. The actuarial equivalent for purposes of this subsection shall be determined in accordance with section 415(b) of the Code and the regulations or rulings issued thereunder and using the Plan's early retirement, late retirement or optional benefit factors as appropriate, or, if less, using factors calculated from the mortality table specified in Subsection 10.J, if applicable, and (i) with respect to an adjustment for certain forms of benefit under Section 415(b)(2)(B) of the Code, the interest rate specified in Subsection 10.J, if the pension is subject to the provisions of Section 417(e)(3) of the Code or 5% otherwise; and (ii) with respect to any other adjustment for commencement of benefits before age 62 or after age 65, required under Code section 415(b)(2)(C) or (D), an interest rate of 5%.

6. The maximum annual pension described in Appendix B.1 shall be applied to an Employee who has completed at least 10 years of Eligibility Service, for purposes of the 100% of average annual remuneration limitation and the \$10,000 special limitation, and who has completed at least 10 Years of Credited Service, for purposes of the dollar amount limitation. If a Employee has completed less than 10 years of Eligibility Service at the time benefits commence, the Administrator shall multiply the Employee's 100% average annual remuneration limitation and the \$10,000 special limitation by a fraction, the numerator of which is the number of years of Eligibility Service (including fractional years) and the denominator of which is 10. If an Employee has less than ten 10 years of Credited Service at the time his benefits commence, the Administrator shall multiply the Employee's dollar amount limitation by a fraction, the numerator of which is the number of years of Credited Service (including fractional years) and the denominator of which is 10. In no event will the reductions described in this subsection reduce an Employee's maximum annual pension to less than 10% of the maximum annual pension determined without regard to the reductions. To the extent required by the Income Tax Regulations, the Administrator shall apply the reductions of this paragraph separately to each change in the benefit structure of the Plan.

7. Pursuant to section 1.415-3(d)(1) of the Income Tax Regulations, Employee contributions are considered a separate defined contribution plan maintained by the Employer that is subject to the limitations on contributions and other additions described in section 1.415-6 of the Income Tax Regulations. In the event these limitations are exceeded, any required return of excess amounts shall be made from this Plan only after such return is made from any other defined contribution plan of the Employer or Employer's Controlled Group.

APPENDIX C - HISTORICAL FORMULAS

The purpose of this Appendix C is to provide a brief outline of how monthly pension amounts were accrued through December 31, 1993 under the Predecessor Plan (and those plans, including the GESCO Plan, from which the Predecessor Plan received a transfer of assets and liabilities). More specific details for any particular year can be found in the Plan document, which was in effect at that time.

Prior to January 1, 1992, the Plan consisted of a Basic Portion and a Supplemental Portion. All Employees earned benefits under the Basic Portion. Only Employees who were hired before January 1, 1980 and who became Salaried Employees by August 1, 1985 were eligible to participate in the Supplemental Portion (hereinafter referred to as Pre-1980 Salaried Employees).

Under the Basic Portion of the Plan, monthly pension amounts were determined using two different methods -- the Career Accumulation method and the Final Average Compensation Method. An Employee's accrued pension under the Basic Portion was the larger of these two amounts. Any pension accrued under the Supplemental Portion of the Plan was then added to this amount to arrive at an Employee's total monthly accrued pension.

When the Plan was restructured effective January 1, 1992, the benefits earned as of December 31, 1991 under the Basic and Supplemental Portions were combined to form a new Career Accumulation base. This Appendix C includes the tables and formulas that were used to determine accrued pension amounts under the Basic and Supplemental Portions of the Plan through December 31, 1991. Also included are the Career Accumulation formulas and the FAC formulas for the period January 1, 1992 through December 31, 1993.

A. Basic Portion -- Career Accumulation Method

An Employee's accrued pension under this method is the sum of amounts from A.1 through A.11 below, where applicable.

Monthly Pensions for Calendar Years Through 12/31/82

An Employee's position on all of the tables shown in A.3 through A.7 below for any calendar year was determined by the third quarter average earned rate from the previous year for Hourly-Paid Employees and by the December 1 rate of pay from the previous year for Salaried Employees.

	Years -----	Hourly Rate -----	Weekly Rate -----	Monthly Rate -----	Monthly Pension -----
A.1	Prior to 1967	All	All	All	\$ 6.00
A.2	1967 through 1971	All	All	All	\$ 8.00
A.3	1972	Up to \$4.50	Up to \$180	Up to \$783	\$ 8.00

		\$4.50 &over	\$180 &over	\$783 &over	8.50
A.4	1973,1974,1975	Up to \$4.50	Up to \$180	Up to \$783	\$ 8.00
		\$4.50 to 4.75	\$180 to \$190	\$783 to \$826	8.50
		4.75 to 5.00	190 to 200	826 to 870	9.00
		5.00 to 5.25	200 to 210	870 to 913	9.50
		5.25 &over	210 &over	913 &over	10.00
A.5	1976,1977,1978	Up to \$4.50	Up to \$180	Up to \$783	\$ 8.00
		\$4.50 to 4.75	\$180 to 190	\$783 to 826	8.50
		4.75 to 5.00	190 to 200	826 to 870	9.00
		5.00 to 5.25	200 to 210	870 to 913	9.50
		5.25 to 5.50	210 to 220	913 to 957	10.00
		5.50 to 5.75	220 to 230	957 to 1000	10.50
		5.75 to 6.00	230 to 240	1000 to 1044	11.00
		6.00 to 6.25	240 to 250	1044 to 1087	11.50
		6.25 &over	250 &over	1087 &over	12.00
A.6	1979	Up to \$4.50	Up to \$180	Up to \$783	\$ 8.00
		\$4.50 to 4.75	\$180 to 190	\$783 to 826	8.50
		4.75 to 5.00	190 to 200	826 to 870	9.00
		5.00 to 5.25	200 to 210	870 to 913	9.50
		5.25 to 5.50	210 to 220	913 to 957	10.00
		5.50 to 5.75	220 to 230	957 to 1000	10.50
		5.75 to 6.00	230 to 240	1000 to 1044	11.00
		6.00 to 6.25	240 to 250	1044 to 1087	11.50
		6.25 to 6.50	250 to 260	1087 to 1131	12.00
		6.50 to 6.75	260 to 270	1131 to 1174	12.50
		6.75 to 7.00	270 to 280	1174 to 1218	13.00
		7.00 to 7.25	280 to 290	1218 to 1261	13.50
		7.25 &over	290 &over	1261 &over	14.00

A.7 Prior to 1980, the Basic Portion was noncontributory for all Employees. For the period from January 1, 1980 through December 31, 1982, all nonrepresented Employees and some represented Employees had an option to contribute under the Basic Portion. Certain other represented Employees did not have the option to contribute.

For the years 1980, 1981 and 1982, the table shown above in paragraph A.6 for the year 1979 remained in effect both for those who did not have an option to contribute and for those who were hired prior to January 1, 1980 who had an option to contribute but who chose not to do so. Those who were hired between January 1, 1980 and December 31, 1982 who had an option to contribute but chose not to do so did not accrue any benefits.

For those who were hired Prior to January 1, 1980 who elected to contribute, the following table applied for the years 1980, 1981 and 1982:

Hourly Rate -----	Weekly Rate -----	Monthly Rate -----	Monthly Pension -----
Up to \$4.95	Up to \$198	Up to \$858	\$ 9.50
\$4.95 to 5.25	\$198 to 210	\$858 to 910	10.00
5.25 to 5.55	210 to 222	910 to 962	10.50
5.55 to 5.85	222 to 234	962 to 1014	11.00
5.85 to 6.15	234 to 246	1014 to 1066	11.50
6.15 to 6.45	246 to 258	1066 to 1118	12.00
6.45 to 6.75	258 to 270	1118 to 1170	13.15
Increasing by \$0.30 without limit	Increasing by \$12 without limit	Increasing by \$52 without limit	Increasing by \$1.15 without limit for Hourly- Paid Employees
			Increasing by \$1.15 to a maximum of \$21.20 for Salaried Employees

For those who were hired on or after January 1, 1980 who elected to contribute, the following table applied for the years 1980, 1981 and 1982:

Hourly Rate -----	Weekly Rate -----	Monthly Rate -----	Monthly Pension -----
Up to \$4.95	Up to \$198	Up to \$858	\$10.80
\$4.95 to 5.25	\$198 to 210	\$858 to 910	11.95
Increasing by \$0.30 without limit	Increasing by \$12 without limit	Increasing by \$52 without limit	Increasing by \$1.15 without limit

A.8 Past Service Update Effective 12/31/82:

On December 31, 1982, the sum of all monthly amounts earned in A.1 through A.7 above was increased by 25%, plus \$4.17.

A.9
12/31/91:

Monthly Pensions for Calendar Years from 1/1/83 Through

For those Employees who elected to contribute during the period January 1, 1983 through December 31, 1991, the pension amounts were based on various formulas, which were applied to total compensation received during each calendar year, with an overall minimum of \$15 per year of Credited Service. The following were the formulas:

a. For calendar years 1983 through 1988:

1/12 of 1.30% of total compensation up to \$14,700,
plus 2.4% of total compensation in excess of \$14,700.

For Pre-1980 Salaried Employees, the following
maximums applied for the indicated years:

1983	\$28.23
1984 and 1985	\$33.03
1986	\$36.63
1987 and 1988	\$39.03

b. For calendar years 1989 through 1991:

1/12 of 1.75% of total compensation up to \$14,700,
plus 2.2% of total compensation in excess of \$14,700.

If the Employee had 35 or more years of Credited
Service at the beginning of the calendar year, the
formula was 1/12 of 1.75% of total compensation.

For Pre-1980 Salaried Employees, the maximums were:

\$40.00 for less than 35 years of Credited Service
\$36.20 for 35 or more years of Credited Service

A.10 Monthly Pensions for Non-Contributors from 1/1/80 Through
12/31/91:

Those who were hired between January 1, 1980 and December
31, 1982 who had an option to contribute but chose not to do
so were granted a monthly pension of \$14 times Credited
Service accumulated to December 31, 1982. The Past Service
Update effective December 31, 1982 did not apply to this
group.

A.11 From January 1, 1983 through December 31, 1991, all Employees
had the option to contribute under the Basic Portion. For any
year in which an Employee elected not to contribute, the
accrued monthly pension was \$15 times Credited Service
accumulated during that year.

B. Basic Portion -- Final Average Compensation (FAC) Method:

As of December 31, 1991, an Employee's accrued pension under this method is the monthly pension amount from the following schedule times years of Credited Service as a contributor. Prior to December 31, 1991, there were different FAC schedules in effect; refer to earlier Plan documents to determine accrued pensions under this method before December 31, 1991.

FAC Schedule at 12/31/91:

Note: If an Employee elected to contribute when first eligible, the Employee is treated as a contributor for all previous years.

Final Average Compensation		Monthly Pension for Each Year of Credited Service
Over ----	Up to -----	
	\$24,750	\$21.00
\$24,750	25,050	21.25
25,050	25,350	21.50
25,350	25,650	21.75
25,650	25,950	22.00
25,950	26,250	22.25
26,250	26,550	22.50
26,550	26,850	22.75
26,850	27,150	23.00
27,150	27,450	23.25
27,450	27,750	23.50
27,750	28,050	23.75
28,050	28,350	24.00
28,350	28,650	24.25
28,650	28,950	24.50
28,950	29,250	24.75
29,250	29,550	25.00
29,550	29,850	25.25
29,850	30,150	25.50
30,150	30,450	25.75
30,450	30,750	26.00
30,750	31,050	26.25
31,050	31,350	26.50
31,350	31,650	26.75
31,650		27.00

Monthly Pensions for Non-Contributors

For any year during which an Employee was considered a non-contributor, the FAC pension amount is \$13 times the Credited Service accumulated in that year.

C. Supplemental Portion:

Under the Supplemental Portion of the Plan, monthly pensions were based on earnings class numbers from the inception of the Plan through December 31, 1988.

From January 1, 1989 through December 31, 1991, pensions were determined by a formula based on total compensation.

An Employee's accrued pension is the sum of amounts from C.1 through C.3, where applicable.

C.1 Monthly Pensions for Calendar Years Through 12/31/88:

For each full year of service prior to January 1, 1989, an Employee who contributed to the Supplemental Portion earned a monthly pension amount equal to the earnings class number multiplied by one dollar and five cents (\$1.05). The following is a summary of the schedules that were used to determine earnings class numbers since the inception of the Plan.

Earnings Class Number	Monthly Pay Range in Indicated Years		
	1951 through 1966	1967 through 1985	1986 through 1988
1	\$400 but less than \$475	\$ 0 but less than \$550	\$ 0 but less than \$825
2	\$475 but less than \$525	\$550 but less than \$625	\$825 but less than \$875
3	\$525 but less than \$575	\$625 but less than \$675	\$875 but less than \$925
4	\$575 but less than \$625	\$675 but less than \$725	\$925 but less than \$975
5	\$625 but less than \$675	\$725 but less than \$775	\$975 but less than \$1025

Add one earnings class number for each \$50 increase in pay.

For the years 1951, 1952 and 1953, an Employee's earnings class number was based on the earnings for the first nine months of the previous year multiplied by 1 1/3. For the years 1954 through 1988, an Employee's earnings class number was based on the base salary rate in effect on December 1 of the previous year.

C.2 Past Service Update Effective 3/1/88:

For each Employee who was accruing Eligibility Service on or after February 29, 1988, an amount was determined in accordance with step (g) of the following calculation:

- (a) Determine all of the amounts earned pursuant to paragraph C.1 above as of December 31, 1987.
- (b) Subtract 7 years from the Eligibility Service accrued by the Employee as of December 31, 1987 (in no event shall the result be less than zero).
- (c) Determine the product of 0.025 times (a) times (b).
- (d) Determine the amount of monthly pension the Employee had accrued as of December 31, 1987, pursuant to paragraph A of this Appendix C.

- (e) Determine the amount of monthly pension the Employee had accrued under the Basic Portion of the Plan as of December 31, 1987 under the Final Average Compensation Method of computing pensions. For any year during which the Employee was considered a noncontributor, this amount is \$13 times the Credited Service accumulated in that year. For any year during which the Employee was considered a contributor the monthly pension was based on the following table:

Final Average Compensation Over ----		Monthly Pension for Each Year of Credited Service Up to -----
	\$19,350	\$16.00
\$19,350	19,650	16.25
19,650	19,950	16.50
19,950	20,250	16.75
20,250	20,550	17.00
20,550	20,850	17.25
20,850	21,150	17.50
21,150	21,450	17.75
21,450	21,750	18.00
21,750	22,050	18.25
22,050	22,350	18.50
22,350	22,650	18.75
22,650	22,950	19.00
22,950	23,250	19.25
23,250	23,550	19.50
23,550	23,850	19.75
23,850	24,150	20.00
24,150	24,450	20.25
24,450	24,750	20.50
24,750	25,050	20.75
25,050	25,350	21.00
25,350	25,650	21.25
25,650	25,950	21.50
25,950	26,250	21.75
26,250		22.00

- (f) Subtract the amount determined in (d) from the amount determined in (e) (in no event shall the result be less than zero).
- (g) Subtract the amount determined in (f) from the amount determined in (c) (in no event shall the result be less than zero).

C.3 Monthly Pensions for Calendar Years From 1/1/89 Through 12/31/91:

For calendar years 1989 through 1991, an Employee who contributed to the Supplemental Portion earned a monthly pension in accordance with the following formula:

1/12 of 1.35% of total compensation up to \$24,825, plus 2.1% of total compensation in excess of \$24,825.

D. Restructured Plan Effective January 1, 1992:

Career Accumulation Method

From January 1, 1992 through December 31, 1993, all Employees had the option to contribute to the Plan. If an Employee elected not to contribute, he accrued a monthly pension of \$15 times Credited Service. If he elected to contribute, he earned a monthly pension of one-twelfth (1/12) of two percent (2%) of Compensation for each year of Credited Service.

Final Average Compensation (FAC) Method:

If the Employee elected not to contribute, he accrued a monthly pension of \$13 times Credited Service. If he elected to contribute, his FAC amount as of December 31, 1993 was based on the schedule shown in Section 19.

APPENDIX D - PARTICIPATING EMPLOYERS

The following entities are participating Employers under the Plan:

No additional entities

AT A GLANCE

Curtiss-Wright operates across three business segments giving us diversification and balance. We provide highly engineered products and services to a number of global markets and pride ourselves in the strong customer relationships that have been developed over the years.

----- MOTION CONTROL

Products and Services

Secondary flight control actuation systems and electromechanical trim actuators
Weapons bay door actuation systems
Integrated mission management and flight control computers
Digital electromechanical aiming and stabilization systems
Hydropneumatic suspension systems
Electromechanical tilting systems for high speed trains
Fire control, sight head, and environmental control processors for military ground vehicles
Position sensors
Fire detection and suppression control systems
Power conversion products
Control electronics
Component overhaul and logistics support services

Major Markets

Commercial jet transports
Business/regional jets
Military transport and fighter aircraft
Ground defense vehicles
Unmanned aerial vehicles
Automated industrial equipment
High speed trains
Marine propulsion
Space programs
Security systems

----- FLOW CONTROL

Products and Services

Military and commercial nuclear/non-nuclear valves (globe, gate, control, safety, solenoid, relief)
Steam generator control equipment
Reactor plant control equipment
Advanced hydraulic systems
Air driven fluid pumps
Pumps, turbine motors and generators
Engineering, inspection, and testing services

Major Markets

Navy programs (nuclear and non-nuclear)
Power generation (nuclear and fossil)
Processing industry
Oil and gas refining
Petrochemical/chemical
Natural gas production and transmission
Pharmaceutical
Pulp and paper
Automotive/truck

----- METAL TREATMENT

Products and Services

Shot-peening
Shot-peen forming
Lasershot-peening
Heat treating
Plating
Reed valve manufacturing
Chemical milling

Anodizing
Engineering/test and field services

Major Markets

Commercial jet transports
Business/regional jets
Automotive
Metalworking
Oil and gas exploration
Power generation
Agricultural equipment
Construction and mining equipment

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QUARTERLY RESULTS OF OPERATIONS (UNAUDITED)

(In thousands, except per share data)	First	Second	Third	Fourth
2002				
Net sales	\$ 97,787	\$ 121,777	\$ 119,641	\$ 174,073
Gross profit	36,155	43,699	41,199	55,033
Net earnings	9,316	10,816	11,312	13,692
Earnings per share:				
Basic earnings per share	\$.92	\$ 1.06	\$ 1.10	\$ 1.34
Diluted earnings per share	\$.90	\$ 1.03	\$ 1.08	\$ 1.31
Dividends per share	\$.15	\$.15	\$.15	\$.15
2001				
Net sales	\$ 79,917	\$ 86,604	\$ 79,420	\$ 97,226
Gross profit	30,011	32,837	30,187	34,782
Net earnings	9,219	10,465	8,723	34,473
Earnings per share:				
Basic earnings per share	\$.92	\$ 1.04	\$.87	\$ 3.42
Diluted earnings per share	\$.90	\$ 1.02	\$.85	\$ 3.37
Dividends per share	\$.13	\$.13	\$.13	\$.15

CONSOLIDATED SELECTED FINANCIAL DATA

(In thousands, except per share data)	2002	2001	2000	1999	1998
Net sales	\$513,278	\$343,167	\$329,575	\$293,263	\$249,413
Net earnings	45,136	62,880	41,074	39,045	29,053
Total assets	812,924	500,428	409,416	387,126	352,740
Long-term debt	119,041	21,361	24,730	34,171	20,162
Basic earnings per share	\$ 4.43	\$ 6.25	\$ 4.10	\$ 3.86	\$ 2.85
Diluted earnings per share	\$ 4.33	\$ 6.14	\$ 4.03	\$ 3.82	\$ 2.82
Cash dividends per share	\$.60	\$.54	\$.52	\$.52	\$.52

See notes to consolidated financial statements for additional financial information.

FORWARD-LOOKING STATEMENTS

This Annual Report contains not only historical information but also forward-looking statements regarding expectations for future company performance. Forward-looking statements involve risk and uncertainty. Please refer to the Corporation's 2002 Annual Report on Form 10-K for a discussion relating to forward-looking statements contained in this Annual Report and factors that could cause future results to differ from current expectations.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF
FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Results of Operations:

Curtiss-Wright Corporation recorded consolidated net sales of \$513.3 million and net earnings of \$45.1 million, or \$4.33 per diluted share, for the year ended December 31, 2002. Sales for the current year increased 50% over 2001 sales of \$343.2 million, and 56% over 2000 sales of \$329.6 million. Net earnings for 2002 decreased 28% from prior year net earnings of \$62.9 million, or \$6.14 per diluted share, and increased 10% from net earnings of 2000, which totaled \$41.1 million, or \$4.03 per diluted share. However, net earnings for all three years include several items, which the Corporation's management believes are nonrecurring and impact a year-to-year comparison. The following table depicts the Corporation's "normalized" results, which the Corporation believes presents a clearer picture of after-tax performance. The table is not based on accounting principles generally accepted in the United States of America, but is provided to explain the impact of certain items in a way that is commonly used by investors and financial analysts to analyze and compare companies. This schedule may not be comparable to similarly titled financial measures of other companies, does not represent alternative measures of the Corporation's cash flows or operating income, and should not be considered in isolation or as an alternative for measures of performance presented in accordance with generally accepted accounting principles.

NORMALIZED NET EARNINGS:
(Unaudited)

(In thousands, except per share figures)	2002	2001	2000
GAAP net earnings	\$ 45,136	\$ 62,880	\$ 41,074
Postretirement and post-employment adjustments, net	(986)	--	(1,336)
IRS refund due	(934)	--	--
Release of indemnification reserve	(801)	--	--
Legal settlement	(616)	--	--
Gain on sale of real property	(435)	(22,999)	(894)
Net nonrecurring benefit gain	--	(748)	--
Facility consolidation costs	278	--	50
Recapitalization costs	--	1,500	910
Environmental insurance settlements, net	--	--	(1,894)
Normalized net earnings	\$ 41,642	\$ 40,633	\$ 37,910
Normalized net earnings per diluted share	\$ 3.99	\$ 3.97	\$ 3.72

Postretirement and Postemployment Adjustments

In 2002, the Corporation recognized a net after-tax gain of \$1.0 million related to the reallocation of postretirement medical benefits for certain active employees to our pension plan. In 2000, the Corporation recognized a reduction in general and administrative expenses related to the curtailment of postretirement benefits associated with the closing of the Fairfield, New Jersey facility, partially offset by the recognition of other postemployment costs. Further information on retirement plans is contained in Note 17 to the Consolidated Financial Statements.

IRS Refund

In 2002, the Corporation recognized an IRS refund due of \$0.9 million related to research and development credits from prior years.

Release of Indemnification Reserve

In 2002, the Corporation released a reserve associated with an indemnification provided to the purchaser of the Corporation's Wood-Ridge Business Complex that was no longer required.

Legal Settlement

In 2002, the Corporation recorded a net settlement from a lawsuit, whereby the Corporation was awarded damages associated with our Wood-Ridge Business Complex

facility.

Sale of Real Property

In 2002, the Corporation sold land, which resulted in a net after-tax gain of \$0.3 million, and sold other property, which resulted in a net after-tax gain of \$0.1 million. In 2001, the Corporation sold its Wood-Ridge Business Complex, which resulted in a net after-tax gain of \$23.0 million. In 2000, the Corporation recorded a net after-tax gain of \$0.9 million on the sale of a nonoperating Metal Treatment facility located in Chester, England.

Net Nonrecurring Benefit Gain

During 2001, the Corporation recorded a pre-tax gain of approximately \$3 million (\$1.8 million after-tax) resulting from a nonrecurring benefit related issue. Offsetting this gain were nonrecurring charges for employee benefit related expenses of \$1.8 million pre-tax (\$1.1 million after-tax). Further information on these transactions is contained later in this section--see "Corporate and Other Expenses."

Facility Consolidation Costs

In 2002, the Corporation incurred costs associated with the relocation of a Metal Treatment facility.

Recapitalization Costs

During 2000 and 2001, the Corporation incurred costs related to a recapitalization of its stock. Further information on this transaction is contained later in this section--see "Recapitalization."

Environmental Insurance Settlements

The Corporation had previously filed lawsuits against several insurance carriers seeking recovery for environmental costs and reached settlements with the remaining carriers in 2000. The amount reported above is a recovery, net of associated expenses and additional expenses related to ongoing environmental liabilities of the Corporation. Further information on environmental costs is contained in Note 16 to the Consolidated Financial Statements.

Excluding these nonrecurring items, "normalized" net earnings for 2002 of \$41.6 million, were 2% higher than "normalized" net earnings of \$40.6 million for 2001 and 10% higher than "normalized" net earnings of \$37.9 million for 2000. Normalized net earnings per diluted share for 2002 were \$3.99, 1% higher than the \$3.97 earnings per diluted share for 2001, and 7% higher than 2000. Excluding the facility consolidation costs, "normalized" operating income from the Corporation's three operating segments totaled \$65.1 million for 2002, a 32% increase over "normalized" operating income from the three operating segments of \$49.4 million and \$49.2 million in 2001 and 2000, respectively.

The improvement in financial results comparing 2002 to 2001 largely reflects the contributions of recent acquisitions made by the Corporation. See Note 2 to the Consolidated Financial Statements for further information regarding acquisitions. Sales and operating income in 2002 of the businesses acquired in 2002 and the fourth quarter of 2001 were \$181.8 million and \$19.7 million, respectively. Including

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the six businesses acquired in 2002, the Corporation has acquired nineteen new businesses since 1998. In addition to the contribution of the new acquisitions, 2002 benefited from stronger military aerospace sales and higher sales of flow control products to the commercial nuclear power generation markets, nuclear naval programs, and the heavy truck OEM market. These increases were offset by significant decreases in the sales of commercial aerospace OEM products, aerospace overhaul and repair services, and shot-peening services.

Foreign currency translation had a favorable impact on sales and operating income. Comparing this year's results to those of the prior year, the fluctuation in foreign currency rates positively impacted sales by \$3.2 million and operating income by \$0.7 million. In addition, with the implementation of Statement of Financial Accounting Standards ("SFAS") No. 142, the Corporation eliminated the amortization of goodwill effective January 1, 2002, which totaled \$1.8 million in both 2001 and 2000. See Note 9 to the Consolidated Financial Statements for proforma results relative to the effect of goodwill amortization.

Improvements in 2001 from 2000 reflect the contributions of the 2001 acquisitions made by the Corporation. In addition, higher sales of aerospace OEM products, products to the oil and gas markets, and shot-peening services were offset by lower volume in our aerospace overhaul and repair services and our automotive-related businesses.

Backlog at December 31, 2002 is \$478.5 million compared with \$242.3 million at December 31, 2001 and \$182.6 million at December 31, 2000. Acquisitions made during 2002 represented \$246.9 million of the backlog at December 31, 2002. New orders received in 2002 totaled \$478.2 million, which represents a 46% increase over 2001 new orders of \$326.5 million and a 60% increase over new orders received in 2000. Acquisitions made during 2002 contributed \$67.6 million to new orders received in 2002. It should be noted that metal treatment services, repair and overhaul services, and after-market sales, which represent approximately 27% of the Corporation's total sales for 2002, are sold with very modest lead times. Accordingly, the backlog for these businesses is less of an indication of future sales than the backlog of the majority of the products and services of the Motion Control and Flow Control segments, in which a significant portion of sales are derived from long-term contracts.

Segment Performance

The Corporation manages and evaluates its operations based on the products and services it offers and the different markets it serves. Based on this approach, the Corporation has three reportable segments: Motion Control, Flow Control, and Metal Treatment. The Motion Control segment primarily designs, develops, and manufactures high performance mechanical systems, drive systems, and electronic controls and sensors for the aerospace and defense industries. The Flow Control segment primarily designs, manufactures, distributes, and services a broad range of highly engineered flow control products for severe service military and commercial applications. Metal Treatment provides approximately 50 metal-treating services, with its principal services being "shot-peening" and "heat-treating." The segment provides these services for a broad spectrum of customers in various industries, including aerospace, automotive, construction equipment, oil, petrochemical and metal working. See Note 19 to the Consolidated Financial Statements for further information.

MOTION CONTROL

The Corporation's Motion Control segment reported sales of \$233.4 million for 2002, a 70% increase over 2001 sales of \$137.1 million. The higher sales largely reflect the acquisition of Penny & Giles ("P&G") and Autronics ("Autronics") in April 2002, and the full year contributions of the November 2001 acquisitions of Lau Defense Systems ("LDS") and Vista Controls ("Vista"). The 2002 sales associated with these acquisitions amounted to \$110.3 million. Base business sales declined due to lower volume associated with the overhaul and repair services provided to the global airline industry, lower commercial aircraft production by Boeing, and a slight drop in our global ground defense business. The softening in the demand for the commercial aerospace business and related services, which began in 2001, has continued through 2002. These declines were partially offset by stronger military sales resulting from increased shipments for the F-22 program and F-16 spares. In addition, foreign currency translation favorably impacted sales in 2002 from 2001. Operating income for 2002 increased 54% over the prior year. Excluding acquisitions, the operating income from the base businesses increased 2% in 2002 due to the stronger margins from both the aerospace and land-based defense businesses. These improvements were mostly offset by declines in our commercial aerospace business. The operating margins of our overhaul and repair business were flat compared to the prior year, despite the lower demand from commercial airlines. Foreign currency translation favorably impacted 2002 operating income by approximately \$0.3 million. In addition, the elimination of goodwill amortization, which totaled \$0.6 million in 2001, also favorably impacted the 2002 results.

Motion Control segment sales for 2001 were 8% above 2000 sales of \$126.8 million. The higher sales largely reflect the acquisitions of LDS and Vista and increased revenue at the segment's land-based defense business in Europe. The 2001 sales from the LDS and Vista acquisitions amounted to \$9.6 million. Also affecting 2001 sales were lower aerospace repair and overhaul services compared to the prior year. The softening in the demand for these services was exacerbated by the impact of the events of September 11th. This decline was offset by higher shipments of 737 and F-22 OEM products and strong growth in the global ground defense business as compared to the prior year. In addition, foreign currency translation adversely impacted sales in 2001 from 2000. Operating income for 2001 increased 25% over the prior year. Excluding acquisitions, this increase was 20% due mainly

to profit improvements in aerospace OEM products generated by the consolidation of production facilities combined with an improved cost structure. These improvements have more than offset the decline in operating income realized in the repair and overhaul business resulting primarily from lower sales volume. Foreign currency translation also had a \$0.1 million negative impact on 2001 operating income.

Backlog at December 31, 2002 is \$173.2 million compared with \$167.5 million at December 31, 2001 and \$129.0 million at December 31, 2000. Acquisitions made during 2002 represented \$35.5 million of the backlog at December 31, 2002. New orders received in 2002 totaled \$203.3 million, which represents a 70% increase over 2001 new orders of \$119.4 million and a 82% increase over new orders received in 2000. The increase is mainly due to the recent acquisitions.

FLOW CONTROL

The Corporation's Flow Control segment reported sales of \$172.5 million for 2002, a 76% increase over 2001 sales of \$98.3 million. The higher sales largely reflect the acquisitions of the Electro-Mechanical Division of Westinghouse Government Services Company ("EMD") and TAPCO International, Inc. ("TAPCO") in the fourth quarter of 2002 and the full year contributions of the acquisitions of Solent & Pratt Ltd., Peerless Instruments, Inc. and, Deltavalve USA, LLC completed in 2001. The 2002 sales from these acquisitions amounted to \$72.9 million. The base business also improved largely due to stronger sales of nuclear products to the U.S. Navy and power generation markets, higher sales to the heavy truck OEM markets, and solid sales to our European valve markets. Sales of the valve products to the petrochemical and oil and gas markets were essentially flat with the prior year. In addition, foreign currency translation favorably impacted sales in 2002 from 2001. Operating income for the year increased by 93% over the prior year. Excluding acquisitions, the operating income from the base business improved 21% due to higher sales volumes, improved margins on flow control products for nuclear applications and heavy truck OEM markets, and overall cost reduction programs. Foreign currency translation had a \$0.2 million negative impact on 2002 operating income. In addition, the elimination of goodwill amortization, which totaled \$1.0 million in 2001, also favorably impacted the 2002 results.

Flow Control segment sales in 2001 were slightly above sales of \$97.5 million for 2000. The 2001 sales included approximately \$3.9 million related to three acquisitions made during 2001. The segment also benefited from higher sales to the U.S. Navy and strong demand in the petrochemical and oil and gas markets, primarily for maintenance, repair, and overhaul applications. Offsetting these gains was the significant downturn in the automotive and heavy truck markets and the sale of the segment's hydraulic products distribution business in the third quarter of 2000. Operating income for the year increased by more than 4% even though sales were essentially flat. Excluding the three 2001 acquisitions, the segment's improved costs structures and operating efficiencies resulted in an 8% improvement in 2001 operating income as compared to the prior year. Foreign currency translation also had a \$0.1 million negative impact on 2001 operating income.

Backlog at December 31, 2002 is \$304.3 million compared with \$73.5 million at December 31, 2001 and \$52.5 million at December 31, 2000. Acquisitions made during 2002 represented \$211.4 million of the backlog at December 31, 2002. New orders received in 2002 totaled \$167.9 million, which represents a 69% increase over 2001 new orders of \$99.1 million and a 104% increase over new orders received in 2000. The increase is mainly due to the recent acquisitions.

METAL TREATMENT

The Corporation's Metal Treatment segment reported sales of \$107.4 million in 2002, essentially flat with the 2001 sales of \$107.8 million. The slight decrease resulted from lower shot-peening sales, especially at the European divisions, which were impacted by softness in the aerospace and automotive markets, partially offset by the contribution from the 2002 acquisition in Sweden and sales from our new laser-peening technology. The decline in the shot-peening business was offset by higher heat treating sales resulting from the full year contributions from the two acquisitions made in the fourth quarter of 2001. The valve division improved over last year due to higher sales to automotive and air conditioner compressor customers. In addition, foreign currency translation favorably impacted sales in 2002 from 2001. Operating income for 2002 declined 26% from the prior year due to an unfavorable sales mix, start-up costs at new facilities, and nonrecurring costs associated with the relocation of a shot-peening facility. Foreign currency translation favorably impacted 2002 operating income by approximately \$0.6 million. In addition, the elimination of goodwill amortization, which totaled \$0.2 million in 2001, also favorably impacted the 2002 results.

Metal Treatment segment sales for 2001 were 2.4% above sales for 2000 of \$105.3

million. The slight improvement in 2001 sales resulted from increases in the North American and European shot-peening business, which were largely offset by decreases in the segment's heat-treating operations, particularly those related to the automotive markets served. In addition, foreign currency translation adversely impacted sales in 2001 from 2000. In 2001, operating income was 17% below the prior year due primarily to increased operating costs, which included facility start-up costs associated with acquisitions occurring in late 2000 and 2001, and higher energy costs. Foreign currency translation also had a \$0.9 million negative impact on 2001 operating income. The two acquisitions made in 2001 had minimal effect on the segment's sales and operating income.

Backlog at December 31, 2002 is \$1.0 million compared with \$1.3 million at December 31, 2001 and \$1.2 million at December 31, 2000. New orders received in 2002 totaled \$107.5 million, which represents a slight decrease from 2001 new orders of \$108.2 million and a slight increase over new orders received in 2000.

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Corporate and Other Expenses

The Corporation had non-segment operating costs of \$2.8 million in 2002. The operating costs consisted mainly of net environmental remediation and administrative expenses of \$1.2 million, post employment expenses of \$0.6 million, professional consulting costs associated with the integration of the recent acquisitions of \$0.5 million, commitment fee expenses associated with the Corporation's prior credit agreements of \$0.3 million, insurance costs, charitable contributions, and other administrative expenses. These expenses were partially offset by a net legal settlement, which is described in more detail in the Normalized Net Earnings table.

Included in non-segment operating costs for 2001 is a net nonrecurring benefit gain of \$1.2 million, which consists of an approximate \$3.0 million gain resulting from the demutualization of an insurance company in which the Corporation was a policyholder, partially offset by \$1.8 million of nonrecurring employee benefit related costs which are included in general and administrative expenses in the statement of earnings. Operating costs also include \$1.5 million in expenses associated with the Corporation's Recapitalization (see "Recapitalization" later in this section for more information).

Included in non-segment operating income for 2000 is a \$2.9 million benefit resulting from the curtailment of postretirement medical coverage for former employees of the Corporation's Fairfield, NJ plant due to its closure in December 1999, offset partially by postemployment expenses related to the retirement of the former Chairman and Chief Executive Officer. Also 2000 results included administrative expenses of approximately \$0.9 million associated with the Corporation's recapitalization.

Non-operating Revenues/Expenses

The Corporation recorded non-operating net revenues in 2002 of \$11.7 million compared with \$56.2 million in 2001 and \$15.5 million in 2000. In 2002, the Corporation recorded nonrecurring items, the net effect of which had a favorable pre-tax impact in 2002 of \$3.6 million. The items are described in more detail in the Normalized Net Earnings table. Of the \$56.2 million generated in 2001, \$38.9 million relates to the pre-tax gain resulting from the sale of the Wood-Ridge Business Complex, which is more fully described in Note 3 to the Consolidated Financial Statements.

Net investment income of \$0.6 million decreased from the prior year's \$2.6 million due to a lower cash position resulting from the funding of acquisitions and lower interest rates. Net non-cash pension income decreased 35% to \$7.2 million for 2002 due primarily to lower investment returns on the Corporation's pension assets. The amount recorded as pension income reflects the extent to which the return on plan assets exceeds the cost of providing benefits in the same year, as detailed further in Note 17 to the Consolidated Financial Statements. Based upon current market conditions, the Corporation expects lower pension income in 2003. Rental income in 2002 declined from the previous year due to the sale of our Wood-Ridge rental property in December 2001. Also in 2000, the Corporation sold a non-operating property in Chester, England resulting in a net pre-tax gain of approximately \$1.4 million.

Changes in Financial Position:

LIQUIDITY AND CAPITAL RESOURCES

The Corporation's working capital was \$137.2 million at December 31, 2002, a decrease of \$12.0 million from the working capital at December 31, 2001 of \$149.2 million. The ratio of current assets to current liabilities was 1.8 to 1 at December 31, 2002, compared with a ratio of 3.0 to 1 at December 31, 2001. Working capital was significantly impacted by the acquisition of six businesses in 2002, which produced an aggregate cash outflow of \$165.8 million. The Corporation's balance of cash and short-term investments totaled \$48.0 million at December 31, 2002, a decrease of \$19.1 million from the balance at December 31, 2001. In addition to the impact of the six acquisitions completed in 2002, working capital changes were also highlighted by a decrease in income taxes payable of \$11.1 million due to the large tax payment related to the gain on the sale of the Wood-Ridge business complex. Excluding the effect of the current year's acquisitions, days sales outstanding at December 31, 2002 decreased to 54 days from 59 days at December 31, 2001 while inventory turnover increased to 5.0 turns at December 31, 2002 versus 4.2 turns at December 31, 2001.

There were a number of transactions, which occurred during 2001 that had a significant impact on the Corporation's working capital. These transactions included the sale of the Wood-Ridge Business Complex for \$51.0 million, a \$1.75 million reimbursement from Unitrin Inc. ("Unitrin") of previously expended recapitalization costs and the acquisition of seven businesses with an aggregate cash outflow of \$64.1 million. As a result, the Corporation's working capital remained relatively flat at December 31, 2001, totaling \$149.2 million as compared with \$149.8 million at December 31, 2000. The ratio of current assets to current liabilities declined to 3.0 to 1 at December 31, 2001 compared with 3.9 to 1 at the end of 2000. The Corporation's balance of cash and short-term investments totaled \$67.2 million at December 31, 2001, a decrease of \$4.3 million from the balance at December 31, 2000.

In addition to the impact of the seven acquisitions completed in 2001, working capital changes in 2001 were also highlighted by increases in accounts receivable of \$5.8 million and current liabilities of \$4.8 million. The increase in income taxes payable of \$12.7 million is a result of the gain associated with the sale of the Wood-Ridge Business Complex.

At December 31, 2002, the Corporation had two credit agreements aggregating \$225.0 million with a group of eight banks. The Revolving

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Credit Agreement offers a maximum of \$135.0 million over five years to the Corporation for cash borrowings and letters of credit. The Revolving Credit Agreement expires May 13, 2007, but may be extended annually for successive one-year periods with the consent of the bank group. The Corporation also has in effect a Short-Term Credit Agreement, which allows for cash borrowings up to \$90.0 million. The Short-Term Credit Agreement expires May 9, 2003, but may be extended, with the consent of the bank group, for additional periods not to exceed 364 days each. The Corporation expects to extend the Short-Term Agreement in 2003 with the consent of the bank group, however, there can be no assurances that the bank group will approve the extension. Borrowings under these agreements bear interest at a floating rate based on market conditions. In addition, the Corporation's rate of interest and payment of facility fees are dependent on certain financial ratios of the Corporation, as defined in the agreements. As of December 31, 2002, the Corporation pays annual facility fees on the entire commitments of the Revolving Credit Agreement and Short-Term Credit Agreement. The Corporation is required under these agreements to maintain certain financial ratios and meet certain net worth and indebtedness tests. Cash borrowings (excluding letters of credit) under the two credit agreements at December 31, 2002 were \$137.5 million compared with cash borrowings of \$8.0 million at December 31, 2001 under prior agreements. All outstanding borrowings as of May 13, 2002 under the prior agreements were paid in full through funding from the new agreements. The unused credit available under these agreements at December 31, 2002 was \$69.6 million.

Industrial revenue bonds, which are collateralized by real estate, were \$13.4 million at December 31, 2002 and December 31, 2001. The loans outstanding under the Revolving Credit Agreement and Industrial Revenue Bonds had variable interest rates averaging 2.32% for 2002 and 3.23% for 2001.

Capital expenditures were \$35.0 million in 2002, as compared to \$19.4 million spent in 2001 and \$9.5 million in 2000. Principal expenditures were for additional facilities and machinery and equipment. Capital expenditures in 2002 included the purchase of a new facility, additional machinery and equipment for start-up operations, and new Enterprise Resource Planning ("ERP") computer systems at two facilities. Capital expenditures in 2001 included the purchase of a new facility and an investment in a new ERP computer system at one of the

Corporation's major facilities.

In 2003, capital expenditures are expected to be approximately \$50 million due to the full year effect of the 2002 acquisitions and the continued expansion of the segments.

Cash generated from operations and current short-term investment holdings are considered adequate to meet the Corporation's operating cash requirements for the upcoming year, including anticipated debt repayments, planned capital expenditures, dividends, satisfying environmental obligations, and working capital requirements. Undistributed earnings from the Corporation's foreign subsidiaries are considered to be permanently reinvested.

The Corporation has acquired nineteen businesses since 1998 and expects to continue to seek acquisitions that are consistent with its strategy. A combination of cash resources and funds available under the Corporation's Credit Agreements were utilized for the funding of these acquisitions. As noted in Note 2 to the Consolidated Financial Statements, certain acquisition agreements contain contingent purchase price adjustments. Future acquisitions, if any, may be funded through the use of the Corporation's cash and short-term investments, or through additional financing available under the credit agreements, or through new debt facilities.

The following table quantifies our significant future contractual obligations and commercial commitments as of December 31, 2002:

(In thousands)	Total	2003	2004	2005	2006	2007	2008 & Thereafter
Debt	\$151,878	\$ 32,837	\$ --	\$ 83	\$ 95	\$110,463	\$ 8,400
Operating leases	47,901	9,110	7,659	6,769	5,540	4,899	13,924
Total	\$199,779	\$ 41,947	\$ 7,659	\$ 6,852	\$ 5,635	\$115,362	\$ 22,324

RECAPITALIZATION

On October 26, 2001, the Corporation's shareholders approved a recapitalization plan, which enabled Unitrin, Inc. ("Unitrin") to distribute its approximate 44% equity interest in Curtiss-Wright to its shareholders on a tax-free basis.

Under the recapitalization plan, and in order to meet certain tax requirements, Unitrin's approximately 4.4 million shares of the Corporation's common stock were exchanged for an equivalent number of common shares of a new Class B Common Stock of Curtiss-Wright which are entitled to elect 80% of Curtiss-Wright's Board of Directors. After such exchange, Unitrin immediately distributed the Class B shares to its approximately 8,000 registered stockholders in a tax-free distribution. The holders of the outstanding common shares of Curtiss-Wright are entitled to elect up to 20% of the Board of Directors after the distribution. Other than the right to elect Directors, the two classes of stock vote as a single class (except as required by law) and are equal in all other respects. The new Class B Common

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Stock was listed on the New York Stock Exchange, effective November 29, 2001.

Under the terms of the recapitalization agreement reached between Unitrin and Curtiss-Wright, Unitrin agreed to reimburse the Corporation for certain costs associated with the recapitalization up to a maximum of \$1.75 million. This amount was received subsequent to the recapitalization.

A more thorough description of the transaction is set forth in the Corporation's definitive proxy material filed with the U.S. Securities and Exchange Commission on September 5, 2001.

Critical Accounting Policies

Our consolidated financial statements are based on the selection and application of significant accounting policies, which require management to make significant estimates and assumptions. 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: The realization of revenue refers to the timing of its recognition in the accounts of the Corporation and is generally considered realized or realizable and earned when the earnings process is substantially complete and all of the following criteria are met: 1) persuasive evidence of an arrangement exists; 2) delivery has occurred or services have been rendered; 3) the Corporation's price to its customer is fixed or determinable; and 4) collectibility is reasonably assured.

The Corporation records sales and related profits on production and service type contracts as units are shipped or as services are rendered. This method is used in our Metal Treatment segment and in some of the business units within the Motion Control and Flow Control segments who serve commercial markets.

For certain contracts that require substantial performance over an extended period before deliveries begin, sales and estimated profits are recorded by applying the percentage-of-completion method of accounting. The percentage-of-completion method of accounting is used primarily on the Corporation's defense contracts and certain long-term commercial contracts. This method recognizes revenue as the contracts progress towards completion. For certain government contracts that contain a significant number of external performance milestones, as defined by the customer, sales are recorded based upon achievement of these external performance milestones. The performance milestone method is an output measure of progress towards completion made in terms of results achieved. For certain fixed price contracts, where none or a limited number of external milestones exist, the cost-to-cost method of accounting is used. Under the cost-to-cost method, sales and profits are recorded based on the ratio of costs incurred to an estimate of total costs at completion.

Application of percentage-of-completion methods of revenue recognition requires the use of reasonable and dependable estimates of the future material, direct labor and overhead costs that will be incurred. Percentage-of-completion method of accounting for long-term contracts requires a disciplined cost estimating system in which all functions of the business are integrally involved. These estimates are determined based upon the industry knowledge and experience of the Corporation's engineers, project managers and financial staff. These estimates are significant and reflect changes in cost and operating performance throughout the contract and could have a significant impact on operating performance.

Under certain commercial contracts that take less than a year to complete and where the contract amount is less than one million dollars, the completed contract method is utilized. Under the completed contract method, revenue and costs are recognized when the Corporation substantially completes work under the contract.

Under the percentage-of-completion and completed contract methods, provisions for estimated losses on uncompleted contracts are recognized in the period in which the likelihood of such losses are determined. Certain contracts contain provisions for the redetermination of price and, as such, management defers revenue from those contracts until such time as the price has been finalized.

Some of the Corporation's customers withhold certain amounts from the billings they receive. These retainages are generally not due until the project has been completed and accepted by the customer.

Inventory: Inventory costs include materials, direct labor, and overhead costs, which are stated at the lower of cost or net realizable value. The Corporation estimates the net realizable value of its inventories and establishes reserves to reduce the carrying amount of these inventories to net realizable value, as necessary. The stated inventory costs are also reflective of the estimates used in applying the percentage-of-completion revenue recognition method.

The Corporation purchases 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 its businesses.

For certain of its long-term contracts, the Corporation utilizes progress billings, which represent amounts billed to customers prior to the delivery of goods and services and are a reduction to inventory and receivables. Progress billings are generally based on costs incurred, including direct costs, overhead, and general and administrative costs and are a reduction to inventory.

Pension and other postretirement benefits: The Corporation, in consultation with its actuary, determines the appropriate assumptions for use in determining the liability for future pensions and other postemployment benefits. The most significant of these assumptions include

the number of employees who will receive benefits along with the tenure and salary level of those employees, the expected return on plan assets, the discount rates used on plan obligations, and the trends in health care costs. Changes in these assumptions in future years will have an effect on the Corporation's pension and postretirement costs.

In 2002, the Corporation recognized pension income from the Curtiss-Wright Pension Plan of approximately \$7.2 million, as the excess of amounts funded for the pension plan in prior years provided actual and expected earnings that exceeded the calculated costs associated with the liability in the current year. As of December 31, 2002, the Corporation had a prepaid pension asset of approximately \$76.1 million and accrued pension and other postretirement costs of \$2.4 million relating to the Curtiss-Wright Retirement Plan and the Curtiss-Wright Restoration Plan. As a result of the acquisition of EMD in October 2002, the Corporation assumed underfunded pension and postretirement liabilities of \$73.7 million.

The timing and amount of future pension income to be recognized each year is dependent on the demographics and expected earnings of the plan participants, the expected interest rates in effect in future years, and the actual and expected investment returns of the assets in the pension trust. Additionally, the Corporation will experience additional pension and postretirement costs in the future due to the acquisition of EMD and the assumption of its pension plan.

Environmental reserves: The Corporation provides for environmental reserves when, in conjunction with internal and external legal counsel, it is determined that a liability is both probable and estimable. In many cases, the liability is not fixed or capped when the Corporation first records a liability for a particular site. In estimating the future liability and continually evaluating the sufficiency of such liabilities, the Corporation weighs certain factors including the Corporation's participation percentage due to a settlement by or bankruptcy of other potentially responsible parties, a change in the environmental laws requiring more stringent requirements, a change in the estimate of future costs that will be incurred to remediate the site, and changes in technology related to environmental remediation. Due to the acquisition of EMD, the Corporation's reserve for future environmental costs increased by \$13.6 million.

Purchase Accounting: The Corporation applies the purchase method of accounting to its acquisitions. Under this method, the purchase price, including any capitalized acquisition costs, is allocated to the underlying tangible and intangible assets acquired and liabilities assumed based on their respective fair market values, with any excess recorded as goodwill. The Corporation, with consultation with third-party valuation advisors, determines the fair values of such assets and liabilities. During 2002, the fair value of tangible and intangible assets acquired and liabilities assumed through acquisition were estimated to be \$321.5 million and \$155.6 million, respectively. The assigned initial fair value to these acquisitions are tentative and may be revised prior to finalization, which is required within one year of acquisition.

Goodwill: As a result of acquisitions made in 2002 and prior years, the Corporation has approximately \$181.1 million in net goodwill as of December 31, 2002. The recoverability of goodwill is subject to an annual impairment test based on the estimated fair value of the underlying businesses. Additionally, goodwill is tested for impairment when if an event occurs or circumstances change that would more likely than not reduce the fair value of a reporting unit below its carrying amount. These estimated fair values are based on estimates of future cash flows of the businesses. Factors affecting these future cash flows include the continued market acceptance of the products and services offered by the businesses, the development of new products and services by the businesses and the underlying cost of development, the future cost structure of the businesses, and future technological changes. Estimates are also used for the Corporation's cost of capital in discounting the projected future cash flows. If it has been determined that an impairment has occurred, the Corporation may be required to recognize an impairment of its asset, which would be limited to the difference between the fair value of the asset and its net book value. Any such impairment would be recognized in full in the year that it has been identified.

Intangible assets: Intangible assets are the result of acquisitions and consist primarily of developed technology, backlog, and technology licenses. Intangible assets are recorded at their fair values as determined through purchase accounting and are amortized ratably to match their cash flow streams over their useful lives, which range from 1 to 20 years. The Corporation reviews the recoverability of intangible assets, including the related useful lives,

whenever events or changes in circumstances indicate that the carrying amount might not be recoverable. Any impairment would be recorded in the period in which it has been identified.

Recently Issued Accounting Standards

In June 2001, the Financial Accounting Standards Board ("FASB") issued SFAS No. 143 "Accounting for Asset Retirement Obligations." This statement addresses financial accounting and reporting obligations associated with the retirement of tangible long-lived assets and the associated asset retirement costs. The statement would require the Corporation to recognize the fair value of a liability for an asset retirement obligation in the period in which it is incurred, if a reasonable estimate can be made. Upon initial recognition of such a liability, if any, the Corporation would capitalize the asset retirement cost as an asset equal to the fair value of the liability and allocate such cost to expense systematically over the useful life of the underlying asset. The estimated future liability would be subject to change, with the effects of such change affecting the asset retirement cost and the related expense as appropriate. The provisions of this statement are effective

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for fiscal years beginning after June 15, 2002. The Corporation has not yet determined the impact of this pronouncement.

In June 2002, the FASB issued SFAS No. 146 "Accounting for Costs Associated with Exit or Disposal Activities." This statement applies to costs associated with exit or disposal activities, whereas liabilities for a cost associated with these activities shall be recognized and measured initially at its fair value in the period in which the liability is incurred. The provisions of this statement shall be effective for exit or disposal activities initiated after December 31, 2002. The adoption of this statement is anticipated to have no material effect on the Corporation's results of operation or financial condition.

In November 2002, the FASB issued Interpretation No. 45 "Guarantor's Accounting and Disclosure Requirements for Guarantees, Including Indirect Guarantees of Indebtedness of Others." This interpretation relates to a guarantor's accounting for, and disclosure of, the issuance of certain types of guarantees. Any guarantees on the sale of assets, including product warranties, will be accounted for as a reduction in the sales price, which would impact the Corporation's reported gross margins. Previously, these expenses had been recorded primarily as selling expenses in the Corporation's Consolidated Statements of Earnings. The Corporation is required to apply the interpretation to all guarantees entered into subsequent to December 31, 2002. The provisions of this interpretation are effective for fiscal years beginning after December 15, 2002. The Corporation has not yet determined the impact of this pronouncement.

In December 2002, the FASB issued SFAS No. 148 "Accounting for Stock-Based Compensation--Transition and Disclosure." This statement provides alternate methods of transition for a voluntary change to the fair value based method of accounting for stock-based employee compensation. In addition, the statement requires additional disclosures about the methods of accounting for stock-based employee compensation and the effect of the method used on reported results. The provisions of this statement shall be effective for fiscal years beginning after December 15, 2002. The Corporation intends on continuing to account for its stock options under Accounting Principles Board Opinion No. 25, "Accounting for Stock Issued to Employees," and thus, the new standard will have no impact to the Corporation's results of operation or financial condition.

Recent Developments

On February 28, 2003, the Corporation acquired the assets of Collins Technologies from G.L. Collins Corporation. The purchase price of the acquisition, subject to adjustment as provided for in the Asset Purchase Agreement, was \$12.0 million in cash and the assumption of certain liabilities. Management funded the purchase price from credit available under the Corporation's Short-Term Credit Agreement. Revenues of the purchased business totaled approximately \$8.3 million for the year ended March 31, 2002.

On March 11, 2003, the Corporation acquired selected assets of Advanced Material Process Corp., a privately owned company with operations located in Wayne, Michigan. The purchase price of the acquisition, subject to adjustment as provided for in the Asset Purchase Agreement, was \$5.7 million in cash and the assumption of certain liabilities. Management funded the purchase price from

credit available under the Corporation's Short-Term Credit Agreement. Annual revenues of the purchased business are approximately \$5.0 million.

On March 19, 2003, the Corporation entered into an agreement to acquire selected assets of E/M Engineered Coatings Solutions. The purchase price of the acquisition, subject to adjustment as provided in the Asset Purchase Agreement, was \$16.7 million in cash and the assumption of certain liabilities. Management's intention is to fund the purchase price from credit available under the Corporation's Short-Term Credit Agreement. Revenues of the purchased business totaled approximately \$26.0 million for the year ending December 31, 2002.

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QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

The Corporation is exposed to certain market risks from changes in interest rates and foreign currency exchange rates as a result of its global operating and financing activities. Although foreign currency translation had a favorable impact on sales and operating income in 2002, the Corporation seeks to minimize any material risks from these interest rate and foreign currency exchange rate fluctuations through its normal operating and financing activities and, when deemed appropriate, through the use of derivative financial instruments. The Corporation did not use such instruments for trading or other speculative purposes and did not use leveraged derivative financial instruments during the year ended December 31, 2002. Information regarding the Corporation's accounting policy on financial instruments is contained in Note 1-L to the Consolidated Financial Statements.

The Corporation's market risk for a change in interest rates relates primarily to the debt obligations. Approximately 91% of the Corporation's debt at December 31, 2002 and 37% of the December 31, 2001 debt is LIBOR based or prime rate based under its revolving credit agreement. As described in Note 13 to the Consolidated Financial Statements, to mitigate its currency exposure, the Corporation has outstanding variable rate debt borrowings of 11 million Swiss Francs as of December 31, 2002 under its revolving credit agreement. If interest rates changed by one percentage point, the impact on consolidated interest expense would have been approximately \$1.1 million.

Financial instruments expose the Corporation to counter-party credit risk for non-performance and to market risk for changes in interest and currency rates. The Corporation manages exposure to counter-party credit risk through specific minimum credit standards, diversification of counter-parties, and procedures to monitor concentrations of credit risk. The Corporation monitors the impact of market risk on the fair value and cash flows of its investments by investing primarily in investment grade interest bearing securities, which have short-term maturities. The Corporation attempts to minimize possible changes in interest rates by limiting the amount of potential interest and currency rate exposures to amounts that are not material to the Corporation's consolidated results of operations and cash flows. As debt levels of the Corporation have increased, it is anticipated that a portion of the Corporation's debt, which has a floating interest rate and is anticipated to be outstanding for extended periods, may be changed to a fixed interest rate structure.

Although the majority of the Corporation's sales, expenses, and cash flows are transacted in U.S. dollars, the Corporation does have some 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, the Euro and the Swiss Franc. If foreign exchange rates were to collectively weaken or strengthen against the dollar by 10%, net earnings would have been reduced or increased, respectively, by approximately \$1.6 million as it relates exclusively to foreign currency exchange rate exposures.

REPORT OF THE CORPORATION

The consolidated financial statements appearing on pages 31 through 53 of this Annual Report have been prepared by the Corporation in conformity with

Net sales	\$513,278	\$343,167	\$329,575
Cost of sales	337,192	215,350	208,605
Gross profit	176,086	127,817	120,970
Research and development costs	11,624	4,383	3,443
Selling expenses	29,553	18,325	18,591
General and administrative expenses	71,843	60,764	49,792
Gain from insurance company demutualization	--	(2,980)	--
Environmental remediation and administrative expenses, net of (recoveries)	1,237	167	(3,041)
Operating income	61,829	47,158	52,185
Investment income, net	591	2,599	2,862
Rental income, net	148	3,585	3,638
Pension income, net	7,208	11,042	7,813
Gain on sale of real property	681	38,882	1,436
Other income (expense), net	3,088	111	(220)
Interest expense	(1,810)	(1,180)	(1,743)
Earnings before income taxes	71,735	102,197	65,971
Provision for income taxes	26,599	39,317	24,897
Net earnings	\$ 45,136	\$ 62,880	\$ 41,074
NET EARNINGS PER SHARE:			
Basic earnings per share	\$ 4.43	\$ 6.25	\$ 4.10
Diluted earnings per share	\$ 4.33	\$ 6.14	\$ 4.03

See notes to consolidated financial statements.

CONSOLIDATED BALANCE SHEETS

At December 31, (In thousands)	2002	2001
ASSETS:		
Current assets:		
Cash and cash equivalents	\$ 47,717	\$ 25,495
Short-term investments	330	41,658
Receivables, net	142,800	87,055
Inventories, net	80,166	55,784
Deferred tax assets, net	21,840	9,565
Other current assets	8,833	5,770
Total current assets	301,686	225,327
Property, plant and equipment, net	219,049	105,151
Prepaid pension costs	76,072	70,796
Goodwill, net	181,101	83,585
Other intangible assets, net	21,982	9,045
Other assets	13,034	6,524
Total assets	\$812,924	\$500,428
LIABILITIES:		
Current liabilities:		
Short-term debt	\$ 32,837	\$ --
Accounts payable	41,188	19,362
Accrued expenses	32,321	23,163
Income taxes payable	4,528	17,704
Other current liabilities	53,575	15,867
Total current liabilities	164,449	76,096
Long-term debt	119,041	21,361
Deferred tax liabilities, net	6,605	26,043
Accrued pension and other postretirement benefit costs	77,438	6,611
Long-term portion of environmental reserves	22,585	9,525
Other liabilities	11,578	10,838
Total liabilities	401,696	150,474
CONTINGENCIES AND COMMITMENTS (Notes 13, 16, 18 & 20)		
STOCKHOLDERS' EQUITY:		
Preferred stock, \$1 par value, 650,000 shares authorized, none issued	--	--
Common stock, \$1 par value, 11,250,000 shares authorized, 10,617,600 shares issued at December 31, 2002 and 2001; outstanding shares were 5,890,177 at December 31, 2002 and 5,692,325 at December 31, 2001	10,618	10,618
Class B common stock, \$1 par value, 11,250,000 shares authorized; 4,382,400 shares issued; outstanding shares were 4,382,116 at December 31, 2002 and 4,382,102 at December 31, 2001	4,382	4,382
Additional paid-in capital	52,200	52,532
Retained earnings	508,298	469,303
Unearned portion of restricted stock	(60)	(78)
Accumulated other comprehensive income	6,482	(6,831)
	581,920	529,926
Less: Common treasury stock, at cost (4,727,707 shares at December 31, 2002 and 4,925,573 shares at December 31, 2001)	170,692	179,972
Total stockholders' equity	411,228	349,954
Total liabilities and stockholders' equity	\$812,924	\$500,428

See notes to consolidated financial statements.

CONSOLIDATED STATEMENTS OF CASH FLOWS

For the years ended December 31, (In thousands)	2002	2001	2000
CASH FLOWS FROM OPERATING ACTIVITIES:			
Net earnings	\$ 45,136	\$ 62,880	\$ 41,074
Adjustments to reconcile net earnings to net cash provided by operating activities:			
Depreciation and amortization	18,693	14,734	14,346
Non-cash pension income	(7,208)	(11,042)	(7,813)
Net gains on sales and disposals of real estate and equipment	(681)	(39,018)	(1,390)
Net unrealized losses (gains) on short-term investments	134	(42)	(206)
Deferred income taxes	4,011	4,167	6,886
Changes in operating assets and liabilities, net of businesses acquired:			
Proceeds from sales of short-term investments	77,050	348,911	523,656
Purchases of short-term investments	(35,600)	(327,761)	(560,656)
Decrease (increase) in receivables	31	(7,203)	3,702
Decrease (increase) in inventories	197	(3,232)	11,534
Increase (decrease) in progress payments	3,464	4,186	(1,552)
(Decrease) increase in accounts payable and accrued expenses	(61)	(2,831)	338
(Decrease) increase in income taxes payable	(11,101)	12,694	(1,046)
(Increase) decrease in other assets	(4,077)	(2,051)	4,499
(Decrease) increase in other liabilities	(664)	6,763	(10,081)
Other, net	(362)	105	838
Total adjustments	43,826	(1,620)	(16,945)
Net cash provided by operating activities	88,962	61,260	24,129
CASH FLOWS FROM INVESTING ACTIVITIES:			
Proceeds from sales and disposals of real estate and equipment	2,447	45,201	3,765
Additions to property, plant and equipment	(34,954)	(19,354)	(9,506)
Acquisition of new businesses, net of cash acquired	(164,661)	(58,982)	(1,961)
Net cash used for investing activities	(197,168)	(33,135)	(7,702)
CASH FLOWS FROM FINANCING ACTIVITIES:			
Borrowings of debt	221,223	--	--
Principal payments on debt	(92,795)	(8,228)	(7,575)
Reimbursement of recapitalization expenses	--	1,750	--
Proceeds from exercise of stock options	6,226	1,804	--
Common stock repurchases	--	--	(1,489)
Dividends paid	(6,141)	(5,443)	(5,214)
Net cash provided by (used for) financing activities	128,513	(10,117)	(14,278)
Effect of foreign currency	1,915	(1,205)	(3,004)
Net increase (decrease) in cash and cash equivalents	22,222	16,803	(855)
Cash and cash equivalents at beginning of year	25,495	8,692	9,547
Cash and cash equivalents at end of year	\$ 47,717	\$ 25,495	\$ 8,692
Supplemental disclosure of non-cash investing activities:			
Fair value of assets acquired	\$ 321,450	\$ 78,979	\$ 2,231
Liabilities assumed	(155,623)	(14,829)	(270)
Less: Cash acquired	(1,166)	(5,168)	--
Net cash paid	\$ 164,661	\$ 58,982	\$ 1,961

See notes to consolidated financial statements.

CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY

(In thousands)	Common Stock	Class B Common Stock	Additional Paid in Capital	Retained Earnings	Unearned Portion of Restricted Stock Awards	Accumulated Other Comprehensive Income	Comprehensive Income	Treasury Stock
DECEMBER 31, 1999	\$ 15,000	\$ --	\$ 51,599	\$ 376,006	\$ (24)	\$ (2,622)		\$ 181,604
Comprehensive income:								
Net earnings	--	--	--	41,074	--	--	\$ 41,074	--
Translation adjustments, net	--	--	--	--	--	(3,004)	(3,004)	--
Total comprehensive income							\$ 38,070	
Dividends paid								
Common stock repurchase	--	--	--	(5,214)	--	--	--	1,489
Stock options exercised, net	--	--	(94)	--	--	--	--	(579)
Restricted stock awards	--	--	1	--	(15)	--	--	(14)
Amortization of earned portion of restricted stock awards	--	--	--	--	17	--	--	--
DECEMBER 31, 2000	15,000		51,506	411,866	(22)	(5,626)		182,500
Comprehensive income:								
Net earnings	--	--	--	62,880	--	--	\$ 62,880	--
Translation adjustments, net	--	--	--	--	--	(1,205)	(1,205)	--
Total comprehensive income							\$ 61,675	
Dividends paid								
Stock options exercised, net	--	--	(730)	--	--	--	--	(2,456)
Restricted stock awards	--	--	6	--	(77)	--	--	(72)
Amortization of earned portion of restricted stock awards	--	--	--	--	21	--	--	--
Recapitalization	(4,382)	4,382	1,750	--	--	--	--	--
DECEMBER 31, 2001	10,618	4,382	52,532	469,303	(78)	(6,831)		179,972
Comprehensive income:								
Net earnings	--	--	--	45,136	--	--	\$ 45,136	--
Translation adjustments, net	--	--	--	--	--	13,313	13,313	--
Total comprehensive income							\$ 58,449	
Dividends paid								
Stock options exercised, net	--	--	(332)	--	--	--	--	(9,280)
Amortization of earned portion of restricted stock awards	--	--	--	--	18	--	--	--
DECEMBER 31, 2002	\$ 10,618	\$ 4,382	\$ 52,200	\$ 508,298	\$ (60)	\$ 6,482		\$ 170,692

See notes to consolidated financial statements.

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

1. Summary of Significant Accounting Policies

Curtiss-Wright Corporation and its subsidiaries (the "Corporation") is a diversified multinational manufacturing and service company that designs, manufactures, and overhauls precision components and systems and provides highly engineered services to the aerospace, defense, automotive, shipbuilding, processing, oil, petrochemical, agricultural equipment, railroad, power generation, security, and metalworking industries. Operations are conducted through 19 manufacturing facilities, 44 metal treatment service facilities and 2

aerospace component overhaul and repair locations.

A. Principles of Consolidation

The consolidated financial statements include the accounts of Curtiss-Wright and its majority-owned subsidiaries. All material intercompany transactions and accounts have been eliminated. Certain prior year information has been reclassified to conform to current presentation.

B. 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 and such preparation 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 include the estimate of costs to complete long-term contracts under the percentage of completion accounting method, the estimate of useful lives for property, plant and equipment, cash flow estimates used for testing the recoverability of assets, pension plan and postretirement obligation assumptions, estimates for inventory obsolescence, estimates for the valuation of intangible assets, warranty reserves, and the estimate of future environmental costs. Actual results may differ from these estimates.

C. Revenue Recognition

The Corporation records sales and related profits on production and service type contracts as units are shipped or as services are rendered. Sales and estimated profits under certain long-term contracts are recognized under the percentage-of-completion methods of accounting. Generally, profits are recorded pro rata, based upon current estimates of direct and indirect costs to complete such contracts. In addition, the Corporation also records sales under certain long-term government fixed price contracts upon achievement of performance milestones as specified in the related contracts or under the completed contract method. Losses on contracts are provided for in the period in which the losses become determinable. Revisions in profit estimates are reflected on a cumulative basis in the period in which the basis for such revision becomes known. Deferred revenue represents the excess of the billings over cost and estimated earnings on long-term contracts.

D. 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.

E. Short-term Investments

The investments with which the Corporation is involved are primarily of a traditional nature. The Corporation's short-term investments are comprised of equity and debt securities, all classified as trading securities, which are carried at their fair value based upon the quoted market prices of those investments at period end. Accordingly, net realized and unrealized gains and losses on trading securities are included in net earnings.

F. Inventory

Inventories are stated at lower of production cost (principally average cost) or market. Production costs are comprised of direct material and labor and applicable manufacturing overheads.

G. Progress Payments

Progress payments received under prime contracts and subcontracts have been deducted from receivables and inventories, as disclosed in Notes 6 and 7.

With respect to government contracts, the government has a lien on all materials and work-in-process to the extent of progress payments.

H. Property, Plant, and Equipment

Property, plant, and equipment are carried at cost. 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 they occur. Depreciation is computed using the straight-line method based upon the estimated useful lives of the respective assets.

Average useful lives for property, and equipment are as follows:

Buildings and improvements	5 to 40 years
Machinery, equipment, and other	3 to 15 years

I. Intangible Assets

Intangible assets consist primarily of purchased technology, technology licenses, and backlog. The Corporation amortizes such assets ratably, to match their cash flow streams, over their estimated useful lives. Useful lives range from 1 to 20 years. See Note 10 for further information on other intangible assets.

J. Impairment of Long-Lived Assets

The Corporation reviews the recoverability of all long-term 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 undiscounted future net cash flows 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, which is based either on discounted cash flows or appraised values. There were no such write-downs in 2002, 2001, or 2000.

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K. Goodwill

Goodwill results from business acquisitions. The Corporation accounts for business acquisitions by assigning the purchase price to tangible and intangible assets and liabilities. Assets acquired and liabilities assumed are recorded at their fair values, and the excess of the purchase price over the amounts assigned is recorded as goodwill.

Upon adoption of Statement of Accounting Standards ("SFAS") No. 142, "Goodwill and Other Intangible Assets," on January 1, 2002, the Corporation no longer amortizes goodwill. Additionally, the recoverability of goodwill is subject to an annual impairment test based on the estimated fair value of the underlying businesses. See Note 9 for further information on goodwill.

L. Fair Value of Financial Instruments

SFAS No. 107 "Disclosure About Fair Value of Financial Instruments," 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 are deemed to approximate fair value. The carrying amount of long-term debt approximates fair value because the interest rates are reset periodically to reflect current market conditions.

M. 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 products. Development costs include engineering and field support for new customer requirements. Corporation-sponsored research and development costs are expensed as incurred.

Research and development costs associated with customer-sponsored programs are charged to inventory and are recorded in cost of sales when products are delivered or services performed.

N. Environmental Costs

The Corporation establishes a reserve for a potential environmental remediation liability when it concludes that a determination of legal liability is probable, based upon the advice of counsel. Such amounts, if quantifiable, reflect the Corporation's estimate of the amount of that liability. If only a range of potential liability can be estimated, a reserve will be established at the low end of that range. Such reserves, which are reviewed quarterly, represent the current value of anticipated remediation not recognizing any potential recovery from insurance carriers, or third-party legal actions, and are not discounted.

O. Accounting for Stock-Based Compensation

In accordance with SFAS No. 123, "Accounting for Stock-Based Compensation," the Corporation elected to account for its stock-based compensation under Accounting Principles Board Opinion No. 25, "Accounting for Stock Issued to Employees." As such, the Corporation does not recognize compensation expense on stock options granted to employees when the exercise price of the options is equal to the

market price of the underlying stock on the date of the grant. The Corporation receives tax deductions related to the exercise of non-qualified stock options, the offset of which is recorded in equity. The tax benefit totaled \$2.7 million, \$0.5 million, and \$0.1 million in 2002, 2001, and 2000, respectively. Further information concerning options granted under the Corporation's Long-Term Incentive Plan is provided in Note 15.

P. Capital Stock

In February 2001, the Corporation increased the authorized number of shares for repurchase under its existing stock repurchase program by 600,000 shares. This increase was an addition to the previous authorization of 300,000 shares. Purchases were authorized to be made from time to time in the open market or privately negotiated transactions, depending on market and other conditions, whenever management believes that the market price of the stock does not adequately reflect the true value of the Corporation and, therefore, represented an attractive investment opportunity. The shares are held at cost and reissuance is recorded at the weighted average cost. Through December 31, 2002, the Corporation had repurchased 210,930 shares under this program. There was no stock repurchased in 2002 and 2001.

Q. Earnings Per Share

The Corporation is required to report both basic earnings per share ("EPS"), based on the weighted average number of Common and Class B shares outstanding, and diluted earnings per share based on the basic EPS adjusted for all potentially dilutive shares issuable. The calculation of EPS is disclosed in Note 14.

R. Income Taxes

The Corporation applies SFAS No. 109, "Accounting for Income Taxes." Under the asset and liability method of SFAS No. 109, 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.

S. Foreign Currency Translation

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 within stockholders' equity. This balance is affected by foreign currency exchange rate fluctuations and by the acquisition of foreign

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entities. Gains and losses from foreign currency transactions are included in results of operations.

T. Recently Issued Accounting Standards

In June 2001, the FASB issued SFAS No. 143 "Accounting for Asset Retirement Obligations." This statement addresses financial accounting and reporting obligations associated with the retirement of tangible long-lived assets and the associated asset retirement costs. The statement would require the Corporation to recognize the fair value of a liability for an asset retirement obligation in the period in which it is incurred, if a reasonable estimate can be made. Upon initial recognition of such a liability, if any, the Corporation would capitalize the asset retirement cost as an asset equal to the fair value of the liability and allocate such cost to expense systematically over the useful life of the underlying asset. The estimated future liability would be subject to change, with the effects of such change affecting the asset retirement cost and the related expense as appropriate. The provisions of this statement are effective for fiscal years beginning after June 15, 2002. The Corporation has not yet determined the impact of this pronouncement.

In June 2002, the FASB issued SFAS No. 146 "Accounting for Costs Associated with Exit or Disposal Activities." This statement applies to costs associated with exit or disposal activities, whereas liabilities for a cost associated with

these activities shall be recognized and measured initially at its fair value in the period in which the liability is incurred. The provisions of this statement shall be effective for exit or disposal activities initiated after December 31, 2002. The adoption of this standard is not expected to have a material effect on the Corporation's results of operation or financial condition.

In November 2002, the FASB issued Interpretation No. 45 "Guarantor's Accounting and Disclosure Requirements for Guarantees, Including Indirect Guarantees of Indebtedness of Others." This interpretation relates to a guarantor's accounting for, and disclosure of, the issuance of certain types of guarantees. Any guarantees on the sale of assets, including product warranties, will be accounted for as a reduction in the sales price, which would impact the Corporation's reported gross margins, as previously, these expenses had been recorded primarily as selling expenses in the Corporation's Consolidated Statements of Earnings. The Corporation is required to apply the interpretation to all guarantees entered into subsequent to December 31, 2002. The provisions of this interpretation are effective for fiscal years beginning after December 15, 2002. The Corporation has not yet determined the impact of this pronouncement.

In December 2002, the FASB issued SFAS No. 148 "Accounting for Stock-Based Compensation--Transition and Disclosure." This statement provides alternate methods of transition for a voluntary change to the fair value based method of accounting for stock-based employee compensation. In addition, the statement requires additional disclosures about the methods of accounting for stock-based employee compensation and the effect of the method used on reported results. The provisions of this statement shall be effective for fiscal years beginning after December 15, 2002. The Corporation intends on continuing to account for its stock options under Accounting Principles Board Opinion No. 25, "Accounting for Stock Issued to Employees," and thus, the new standard will have no impact to the Corporation's results of operation or financial condition.

2. Acquisitions

The Corporation acquired six businesses in 2002, seven businesses in 2001, and one business in 2000 as described below. All acquisitions have been accounted for as purchases with the excess of the purchase price over the estimated fair value of the net tangible and intangible assets acquired recorded as goodwill. The Corporation makes preliminary estimates of the value of identifiable intangibles with a finite life and records amortization based upon the estimated useful life of those intangible assets identified. The Corporation will adjust these estimates based upon analysis of third party appraisals, and the determination of fair value when finalized. The results of each acquired business have been included in the consolidated financial results of the Corporation from the date of acquisition in the segment indicated as follows:

Motion Control

PENNY & GILES/AUTRONICS

On April 1, 2002, the Corporation acquired all of the outstanding shares of Penny and Giles Controls Ltd., Penny and Giles Controls Inc., Penny and Giles Aerospace Ltd., the assets of Penny & Giles International Plc. devoted to its aerospace component business (collectively "Penny and Giles"), and substantially all of the assets of Autronics Corporation ("Autronics") from Spirent Plc. The purchase price of the acquisition, subject to adjustment as provided for in the Share and Asset Purchase Agreement, was \$59.5 million in cash and the assumption of certain liabilities. Approximately \$40.0 million of the purchase price was funded from the Corporation's Revolving Credit facility. The excess of the purchase price over the fair value of the net assets acquired is approximately \$22.3 million. The fair value of the net assets acquired was based on current estimates and may be revised at a later date.

Penny and Giles is a designer and manufacturer of proprietary position sensors and control hardware for both military and commercial aerospace applications and industrial markets. Autronics is a leading provider of aerospace fire detection and suppression control systems, power conversion products and control electronics. The acquired business units are located in Wales, England, Germany, and the United States of America.

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LAU DEFENSE SYSTEMS/VISTA CONTROLS

On November 1, 2001 the Corporation acquired the assets of Lau Defense Systems ("LDS") and the stock of Vista Controls, Inc. ("Vista"). LDS and Vista design

and manufacture "mission-critical" electronic control systems primarily for the defense market. In addition, an agreement was reached for the negotiation of licenses for facial recognition products for certain U.S. Government and industrial markets. The businesses acquired have operating facilities located in Littleton, Massachusetts and Santa Clarita, California.

The purchase price of the acquisition was approximately \$43.6 million in cash and the assumption of certain liabilities. There are provisions in the agreement for additional payments upon the achievement of certain financial performance criteria over the next five years up to a maximum additional payment of \$22.0 million. During 2002, the Corporation had accrued \$1.8 million related to these provisions, which have been reflected in the purchase price above. Additionally, the Corporation adjusted its initial fair value estimates in 2002 of the net assets acquired, resulting in additional goodwill of approximately \$2.8 million. This acquisition was accounted for as a purchase in the fourth quarter of 2001. The excess of the purchase price over the fair value of the net assets acquired was \$35.2 million.

Flow Control

TAPCO INTERNATIONAL

On December 3, 2002, the Corporation acquired the assets of TAPCO International, Inc., ("TAPCO") for \$10.5 million in cash and the assumption of certain liabilities. The acquisition was accounted for as a purchase in the fourth quarter of 2002 and was funded from the Corporation's revolving credit facilities. As of the date of acquisition, the excess of the purchase price over the fair value of the net assets acquired was approximately \$7.4 million. The fair value of net assets acquired was based on preliminary estimates and may be revised at a later date.

TAPCO designs, engineers, and manufactures high-performance metal seated industrial gate valves, butterfly valves, flapper valves, actuators, and internal components used in high-temperature, highly abrasive, and highly corrosive environments in the petrochemical refining industry. Operations are located in Houston, Texas with a minor operation in the UK to serve the European market.

ELECTRO-MECHANICAL DIVISION

On October 28, 2002, the Corporation acquired the net assets of the Electro Mechanical Division ("EMD") of Westinghouse Government Services Company LLC ("Westinghouse"), a wholly-owned subsidiary of Washington Group International. The purchase price of the acquisition, subject to adjustment as provided for in the Asset Purchase Agreement, was \$80.0 million in cash and the assumption of certain liabilities. The acquisition was accounted for as a purchase in the fourth quarter of 2002 and was funded from the Corporation's revolving credit facilities. As of the date of acquisition, the excess of the purchase price over the fair value of the net assets acquired was approximately \$54.1 million. The fair value of the net assets acquired was based on preliminary estimates and may be revised at a later date.

The purchase price, which includes capitalized acquisition costs, has been allocated to the net tangible and intangible assets acquired, with the remainder recorded as goodwill, on the basis of estimated fair values, as follows:

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(In thousands)

Net working capital	\$ 455
Property, plant and equipment	70,551
Other assets	43,157
Postretirement benefit obligation	(36,344)
Pension benefit obligation	(37,397)
Other noncurrent liabilities	(13,881)
Intangible assets	370

Net tangible and intangible assets	\$ 26,911
Purchase price	\$ 80,973

Goodwill	\$ 54,062
=====	

EMD is a designer and manufacturer of highly engineered critical function electro-mechanical solutions for the U.S. Navy, commercial nuclear power utilities, petrochemical, and hazardous waste industries. Operations are located in Cheswick, Pennsylvania.

DELTAVALVE

On December 12, 2001, the Corporation acquired the operating assets of Deltavalve USA, LLC ("Deltavalve"). Deltavalve designs, engineers, and manufactures industrial valves used in high pressure, extreme temperature, and corrosive plant environments. Deltavalve is located in Salt Lake City, Utah with an assembly and test facility in Calgary, Alberta, Canada.

The Corporation acquired the net assets of Deltavalve for approximately \$6.5 million in cash, plus the assumption of certain liabilities. There are provisions in the agreement for additional payments upon the achievement of certain financial performance criteria over the next five years. This acquisition was accounted for as a purchase in the fourth quarter of 2001. The excess of the purchase price over the fair value of the net assets acquired was \$3.9 million.

PEERLESS INSTRUMENT COMPANY

On November 8, 2001, the Corporation acquired the stock of Peerless Instrument Co., Inc. ("Peerless"). Peerless is an engineering and manufacturing company that designs and produces custom control components and systems for flow control applications primarily to the U.S. Nuclear Naval program. The business is located in Elmhurst, New

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York. The purchase price of the acquisition was approximately \$7.0 million in cash plus the assumption of certain liabilities. This acquisition was accounted for as a purchase in the fourth quarter of 2001. The excess of the purchase price over the fair value of the net assets acquired was \$2.0 million.

SOLENT & PRATT

On March 23, 2001, the Corporation acquired the operating assets of Solent & Pratt Ltd. ("Solent & Pratt"). Solent & Pratt is a manufacturer of high performance butterfly valves and is a global supplier to the petroleum, petrochemical, chemical, and process industries. The operations are located in Bridport, England.

The Corporation purchased the assets of Solent & Pratt for approximately \$1.5 million in cash and the assumption of certain liabilities. There are provisions in the agreement for additional payments upon the achievement of certain performance criteria over the next five years. The acquisition was accounted for as a purchase in the first quarter of 2001. The excess of the purchase price over the fair value of the net assets acquired was \$2.3 million.

Metal Treatment

BRENNER TOOL & DIE

On November 14, 2002, the Corporation acquired selected assets of Brenner Tool & Die, Inc. ("Brenner") relating to Brenner's metal finishing operations in Bensalem, Pennsylvania. Brenner provides non-destructive testing, chemical milling, chromic and phosphoric anodizing, and painting services.

The purchase price of the acquisition, subject to adjustment as provided for in the Asset Purchase Agreement, was \$10.0 million in cash, which approximates the fair value of the net assets acquired. The fair value of net assets acquired was based on preliminary estimates and may be revised at a later date.

YTSTRUKTUR ARBODA AB

On April 11, 2002, the Corporation acquired 100% of the stock of Ytstruktur Arboda AB, a metal treatment business located in Arboda, Sweden. This business, specializing in controlled shot peening, non-destructive testing, and other metal finishing processes, services the Scandinavian market.

The purchase price of the acquisition, subject to adjustment as provided for in the Purchase and Sale Agreement, was \$1.2 million. The excess of the purchase price over the fair value of the net assets acquired is currently \$1.1 million. The fair value of net assets acquired is based on current estimates and may be revised at a later date.

BODYCOTE THERMAL PROCESSING

On December 19, 2001, the Corporation acquired the Wichita, Kansas Heat Treating operation of Bodycote Thermal Processing. This operation provides heat-treating

services to a number of industries including aerospace and agriculture.

The purchase price of the acquisition was \$3.6 million. This acquisition has been accounted for as a purchase in the fourth quarter of 2001. The excess of the purchase price over the fair value of the net assets acquired was \$2.0 million.

IRONBOUND HEAT TREATING COMPANY

On November 6, 2001, the Corporation acquired the commercial heat-treating assets of Ironbound Heat Treating Company ("Ironbound"). Ironbound provides heat-treating services to markets that include tool and die, automotive, aerospace, and medical components. The business is located in Roselle, New Jersey.

The purchase price of the acquisition was approximately \$4.5 million in cash and the assumption of certain liabilities. This acquisition has been accounted for as a purchase in the fourth quarter of 2001. The excess of the purchase price over the fair value of the net assets acquired was approximately \$0.7 million.

EF QUALITY HEAT TREATING COMPANY

On December 14, 2000, the Corporation acquired EF Quality Heat Treating Company ("EF"), a Midwest provider of heat-treating services primarily to the automotive industry. EF provides atmosphere normalizing, annealing, and stress relieving services from its Salem, Ohio location.

The Corporation acquired the net assets of the EF business for approximately \$2.2 million. This acquisition has been accounted for as a purchase in the fourth quarter of 2000. The excess of the purchase price over the fair value of the net assets acquired was \$1.0 million.

3. Divestitures

On December 20, 2001, the Corporation sold its Wood-Ridge, New Jersey Business Complex for \$51.0 million. The business complex comprised approximately 2.3 million square feet of rental space situated on 138 acres of land. As a result of the sale, the Corporation recognized a net after-tax gain of \$23.0 million during 2001.

Under the sale agreement, the Corporation will retain the responsibility to continue the ongoing environmental remediation on the property until such time that a "no further action" letter and covenant not to sue is obtained from the New Jersey Department of Environmental Protection. The cost of the remediation has been previously accrued. Please refer to Note 16 for additional information regarding environmental matters.

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4. Recapitalization

On October 26, 2001, the Corporation's shareholders approved a recapitalization plan, which enabled Unitrin Inc. ("Unitrin") to distribute its approximate 44% equity interest in Curtiss-Wright to its shareholders on a tax-free basis.

Under the recapitalization plan, and in order to meet certain tax requirements, Unitrin's approximately 4.4 million shares of the Corporation's common stock were exchanged for an equivalent number of shares of a new Class B Common Stock of Curtiss-Wright, which are entitled to elect 80 percent of Curtiss-Wright's Board of Directors. After such exchange, Unitrin immediately distributed the Class B shares to its approximately 8,000 registered stockholders in a tax-free distribution. The holders of the outstanding Common shares of Curtiss-Wright are entitled to elect up to 20% of the Board of Directors after the distribution. Other than the right to elect Directors, the two classes of stock vote as a single class (except as required by law) and are equal in all other respects. The new Class B Common Stock was listed on the New York Stock Exchange, effective November 29, 2001.

In November 2000, Curtiss-Wright's Board of Directors had approved an agreement with Unitrin related to the recapitalization plan. Under this agreement, Unitrin agreed to reimburse the Corporation for certain costs incurred in connection with the recapitalization up to a maximum of \$1.75 million. The maximum amount was received subsequent to the recapitalization and is reflected in the financial statements as Additional Paid-In Capital. Recapitalization costs of \$1.5 million and \$0.9 million were incurred in 2001 and 2000, respectively, and are included in general and administrative costs in the statement of earnings.

5. Short-term Investments

The composition of short-term investments is as follows:

December 31, (In thousands)	2002		2001	
	Cost	Fair Value	Cost	Fair Value
Money market preferred stocks	\$ --	\$ --	\$11,850	\$11,850
Common and preferred stocks	104	155	104	208
Tax exempt revenue bonds	--	--	29,600	29,600
Capital insurance funds	256	175	--	--
Total short-term investments	\$ 360	\$ 330	\$41,554	\$41,658

Investment income derived from short-term investments and cash equivalents consists of:

(In thousands) December 31,	2002	2001	2000
Interest and dividend income, net	\$ 725	\$2,480	\$2,521
Net realized gains on the sales of short-term investments	--	77	135
Net unrealized holding (losses) gains	(134)	42	206
Investment income, net	\$ 591	\$2,599	\$2,862

6. Receivables

Receivables include current notes, amounts billed to customers, claims and other receivables, and unbilled revenue on long-term contracts, consisting 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.

Credit risk is generally diversified due to the large number of entities comprising the Corporation's customer base and their geographic dispersion. Due to the increased diversification of the Corporation's customer base resulting from its recent acquisitions, no one customer represents a significant concentration of credit risk at December 31, 2002. At December 31, 2001, the largest single customer represented 6% of the total outstanding billed receivables. This same customer of the Motion Control segment accounted for 13% of consolidated revenue in 2001 and 13% in 2000. The Corporation is either a prime or subcontractor of various agencies of the U.S. Government. Revenues derived directly and indirectly from government sources (primarily the U.S. Government) totaled \$201.8 million, or 39% of consolidated revenue in 2002, \$84.4 million, or 25% in 2001, and \$56.4 million, or 17% in 2000.

The Corporation performs ongoing credit evaluations of its customers and establishes appropriate allowances for doubtful accounts based upon factors surrounding the credit risk of specific customers, historical trends, and other information.

Notes Receivable at December 31, 2001 includes a \$2.5 million receivable from the sale of the Wood-Ridge Business Complex. This amount was subsequently collected in February 2002. See Note 3 for additional information on this divestiture.

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The composition of receivables is as follows:

(In thousands) December 31,	2002	2001
-----------------------------	------	------

BILLED RECEIVABLES:

Trade and other receivables	\$ 108,391	\$ 70,562
Less: Progress payments applied	(2,838)	(2,393)
Allowance for doubtful accounts	(2,170)	(2,117)

Net billed receivables	103,383	66,052

UNBILLED RECEIVABLES:

Recoverable costs and estimated earnings not billed	44,573	25,500
Less: Progress payments applied	(5,317)	(8,015)

Net unbilled receivables	39,256	17,485
Notes receivable	161	3,518

Receivables, net	\$ 142,800	\$ 87,055
=====		

The net receivable balance at December 31, 2002 included \$43.8 million related to the Corporation's 2002 acquisitions.

7. Inventories

In accordance with industry practice, 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. Inventories are valued at the lower of cost (principally average cost) or market. The composition of inventories is as follows:

=====		
(In thousands) December 31,	2002	2001

Raw material	\$ 42,932	\$ 25,131
Work-in-process	25,282	18,378
Finished goods and component parts	42,797	34,853
Inventoried costs related to U.S. Government and other long-term contracts	14,949	7,248

Gross inventories	125,960	85,610
Less: Inventory reserves	(24,277)	(14,384)
Progress payments applied, principally related to long-term contracts	(21,517)	(15,442)

Inventories, net	\$ 80,166	\$ 55,784
=====		

The net inventory balance at December 31, 2002 included \$28.6 million related to the Corporation's 2002 acquisitions.

8. Property, Plant, and Equipment

The composition of property, plant, and equipment is as follows:

=====		
(In thousands) December 31,	2002	2001

Land	\$ 11,677	\$ 6,201
Buildings and improvements	80,652	55,303
Machinery, equipment, and other	262,661	165,596

Property, plant and equipment, at cost	354,990	227,100
Less: Accumulated depreciation	(135,941)	(121,949)

Property, plant and equipment, net	\$ 219,049	\$ 105,151
=====		

Depreciation expense for the years ending December 31, 2002, 2001, and 2000 was \$16.7 million, \$12.4 million, and \$11.4 million, respectively. The net property, plant, and equipment balance at December 31, 2002 included \$94.7 million related to the Corporation's 2002 acquisitions.

9. Goodwill, net

Goodwill consists primarily of the excess purchase price of acquisitions over the fair value of the net assets acquired.

The changes in the carrying amount of goodwill for 2002 and 2001 are as follows:

(In thousands)	Motion Control	Flow Control	Metal Treatment	Consolidated
December 31, 2000	\$ 17,375	\$ 25,968	\$ 3,861	\$ 47,204
Goodwill from 2001 acquisitions	29,596	8,085	418	38,099
Currency translation adjustment	103	26	--	129
Amortization	(621)	(1,004)	(222)	(1,847)
December 31, 2001	46,453	33,075	4,057	83,585
Goodwill from 2002 acquisitions	22,263	62,122	1,077	85,462
Change in estimate to fair value of net assets acquired in 2001	5,417	(183)	1,666	6,900
Currency translation adjustment	4,594	395	165	5,154
December 31, 2002	\$ 78,727	\$ 95,409	\$ 6,965	\$ 181,101

During 2002, the Corporation finalized the allocation of the purchase price for the seven businesses acquired in 2001. The purchase price allocations relating to businesses acquired in 2002 are based on

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estimates and have not yet been finalized. Approximately \$17.8 million and \$26.9 million of the goodwill acquired during 2002 and 2001, respectively, is deductible for tax purposes.

In accordance with SFAS No. 142, the Corporation completed its annual impairment test of all goodwill and concluded there was no impairment of goodwill.

The following table reflects the pro forma consolidated results adjusted as if SFAS No. 142 were adopted as of January 1, 2000:

(In thousands) December 31,	2002	2001	2000
NET EARNINGS:			
As reported	\$45,136	\$62,880	\$41,074
Goodwill amortization, net of tax	--	1,136	1,097
As adjusted	\$45,136	\$64,016	\$42,171
DILUTED EARNINGS PER SHARE:			
As reported	\$4.33	\$6.14	\$4.03
Goodwill amortization, net of tax	--	0.11	0.11
As adjusted	\$4.33	\$6.25	\$4.14

10. Other Intangible Assets, net

Intangible assets include primarily developed technology, backlog, and technology licenses. Intangible assets are amortized over useful lives that range between 1 and 20 years.

The following table summarizes the intangible assets acquired (including their weighted average useful lives) by the Corporation during 2002 and 2001:

(In thousands, except years data)	2002		2001	
	Amount	Years	Amount	Years

Developed Technology	\$12,783	14.3	\$ 7,286	14.4
Other	805	1.7	1,866	7.8
Total	\$13,588	13.5	\$ 9,152	13.0

In addition to the acquisitions noted above, intangible assets increased by \$1.3 million in 2002 due to currency translation adjustments. The following tables present the cumulative composition of the Corporation's acquired intangible assets for the years ended December 31:

2002 (In thousands)	Gross	Accumulated Amortization	Net
Developed technology	\$21,371	\$(1,452)	\$19,919
Other intangible assets	3,411	(1,348)	2,063
Total	\$24,782	\$(2,800)	\$21,982

2001 (In thousands)	Gross	Accumulated Amortization	Net
Developed technology	\$7,286	\$(109)	\$7,177
Other intangible assets	2,593	(725)	1,868
Total	\$9,879	\$(834)	\$9,045

Amortization expense amounted to \$1.9 million in 2002, \$0.4 million in 2001, and \$0.1 million in 2000. The estimated future amortization expense of purchased intangible assets is as follows:

(In thousands)	
2003	\$2,277
2004	1,881
2005	1,658
2006	1,658
2007	1,658

11. Accrued Expenses and Other Current Liabilities

Accrued expenses consist of the following:

(In thousands) December 31,	2002	2001
Accrued compensation	\$19,667	\$12,468
Accrued insurance	3,175	2,207
Accrued taxes other than income taxes	2,027	1,591
Accrued commissions	1,137	1,112
Accrued royalties	440	1,236
Other	5,875	4,549
Total accrued expenses	\$32,321	\$23,163

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Other current liabilities consist of the following:

(In thousands) December 31,	2002	2001
Deferred revenue	\$31,176	\$ --
Warranty reserves	9,892	3,550
Customer advances	3,099	4,167
Current portion of environmental reserves	2,177	2,129
Anticipated losses on long-term contracts	1,258	1,139
Additional amounts due to sellers on acquisitions	2,120	2,540

Other	3,853	2,342

Total other current liabilities	\$53,575	\$15,867
=====		

The accrued expenses and other current liabilities at December 31, 2002 included \$7.4 million and \$37.4 million, respectively, related to the Corporation's 2002 acquisitions. The increase in deferred revenue is due to the acquisition of EMD.

The Corporation provides its customers with warranties on certain commercial and governmental products. Estimated warranty costs are charged to expense in the period the related revenue is recognized based on quantitative historical experience. These estimates are adjusted in the period in which actual results or better information is obtained. The following table presents the changes in the Corporation's warranty reserves:

(In thousands)	2002

Warranty reserves at January 1,	\$ 3,550
Increase due to acquisitions	4,249
Provision for current year sales	1,648
Change in estimates to pre-existing warranties	1,227
Current year claims	(1,424)
Translation adjustment	642

Warranty reserves at December 31,	\$ 9,892
=====	

12. Income Taxes

Earnings before income taxes for the years ended December 31 consist of:

(In thousands)	2002	2001	2000

Domestic	\$ 55,314	\$ 84,018	\$ 48,550
Foreign	16,421	18,179	17,421

Total	\$ 71,735	\$102,197	\$ 65,971
=====			

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

(In thousands)	2002	2001	2000

Current:			
Federal	\$13,582	\$22,656	\$ 9,342
State	3,648	6,048	2,571
Foreign	5,255	5,829	5,809

	22,485	34,533	17,722

Deferred:			
Federal	3,664	3,763	5,953
State	296	505	966
Foreign	154	516	256

	4,114	4,784	7,175

Provision for income taxes	\$26,599	\$39,317	\$24,897
=====			

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

	2002	2001	2000

U.S. Federal statutory tax rate	35.0%	35.0%	35.0%
Add (deduct):			
State and local taxes	3.6	4.2	3.5
Recovery of research & development credits from prior years	(1.3)	--	--
Dividends received deduction and tax exempt income	(0.1)	(0.5)	(0.8)
All other, net	(0.1)	(0.2)	--

Effective tax rate	37.1%	38.5%	37.7%
=====			

The components of the Corporation's deferred tax assets and liabilities at December 31 are as follows:

(In thousands)	2002	2001
Deferred tax assets:		
Environmental reserves	\$ 10,127	\$ 5,275
Inventories	9,974	4,450
Postretirement/postemployment benefits	15,002	2,241
Incentive compensation	3,406	2,383
Accrued vacation pay	3,535	1,179
Warranty reserve	2,014	183
Other	4,076	3,885
Total deferred tax assets	48,134	19,596
Deferred tax liabilities:		
Retirement plans	12,785	26,882
Depreciation	13,875	5,406
Goodwill amortization	2,841	1,110
Other intangible amortization	1,773	137
Other	1,625	2,539
Total deferred tax liabilities	32,899	36,074
Net deferred tax assets (liabilities)	\$ 15,235	\$(16,478)

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

	2002	2001
Current deferred tax assets	\$ 21,840	\$ 9,565
Noncurrent deferred tax liabilities	(6,605)	(26,043)
Net deferred tax assets (liabilities)	\$ 15,235	\$(16,478)

Income tax payments of \$34.6 million were made in 2002, \$18.9 million in 2001, and \$15.5 million in 2000.

No provision has been made for U.S. federal or foreign taxes on that portion of certain foreign subsidiaries' undistributed earnings (\$9.1 million at December 31, 2002) considered to be permanently reinvested. It is not practicable to estimate the amount of tax that would be payable if these amounts were repatriated to the U.S.; however, it is expected that there would be minimal or no additional tax because of the availability of foreign tax credits.

13. Debt

Debt at December 31 consists of the following:

(In thousands)	2002	2001
Industrial Revenue Bonds, due from 2007 to 2028. Weighted average interest rate is 1.51% and 2.99% per annum for 2002 and 2001, respectively	\$ 13,400	\$ 13,400
Revolving Credit Agreement Borrowing, due 2007. Weighted average interest rate is 2.55% for 2002 and 3.88% for 2001	105,463	7,961
Short-Term Credit Agreement Borrowing, due 2003. Weighted average interest rate is 3.21% for 2002	32,000	--
Other debt	1,015	--
Total debt	151,878	21,361
Less: Short-term debt	32,837	--
Total Long-term debt	\$119,041	\$ 21,361

=====
A portion of the debt under the Corporation's revolving credit agreement is denominated in Swiss francs. Actual borrowings under this portion were 11.0 million and 13.2 million Swiss francs at December 31, 2002 and 2001, respectively. The carrying amount of long-term debt approximates fair value because the interest rates are reset periodically to reflect market conditions and rates.

Aggregate maturities of debt are as follows:

=====
(In thousands)

2003	\$ 32,837
2004	--
2005	83
2006	95
2007	110,463
2008 and beyond	8,400

	\$151,878

=====

Interest payments of approximately \$1.6 million, \$0.8 million, and \$1.0 million were made in 2002, 2001, and 2000, respectively.

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On May 13, 2002, the Corporation entered into two credit agreements aggregating \$225.0 million with a group of eight banks. The Revolving Credit Agreement allows for cash borrowings up to a maximum borrowing of \$135.0 million with a limit of \$50.0 million for letters of credit. The Revolving Credit Agreement expires May 13, 2007, but may be extended annually for successive one-year periods with the consent of the bank group. The Corporation also entered into a Short-Term Credit Agreement, which allows for cash borrowings up to \$90.0 million. The Short-Term Credit Agreement expires May 9, 2003, but may be extended, with the consent of the bank group, for additional periods not to exceed 364 days each. The Corporation expects to extend the Short-Term Agreement in 2003 with the consent of the bank group, however, there can be no assurances that the bank group will approve the extension. Borrowings under these credit agreements bear interest at a floating rate based on market conditions. Additionally, the Corporation's rate of interest and payment of facility fees are dependent on certain financial ratios of the Corporation, as defined in the agreements. As of December 31, 2002, the Corporation pays quarterly facility fees on the entire commitment of the Revolving Credit Agreement and the Short Term Credit Agreement. The Corporation is required under these agreements to maintain certain financial ratios, and meet certain net worth and indebtedness tests. The outstanding borrowings as of May 12, 2002 under prior credit agreements were paid in full by funding from the new 2002 revolving credit agreement. The unused credit available under the Revolving Credit Agreement and the Short-Term Credit Agreement at December 31, 2002 was \$11.6 million and \$58.0 million, respectively.

At December 31, 2002, substantially all of the industrial revenue bond issues are collateralized by real estate, machinery, and equipment. Certain of these issues are supported by letters of credit, which total approximately \$13.7 million. The Corporation has various other letters of credit totaling approximately \$4.5 million, most of which are included under the Revolving Credit Agreement.

14. Earnings Per Share

The Corporation is required to report both basic earnings per share ("EPS"), based on the weighted average number of Common and Class B common shares outstanding, and diluted earnings per share based on the basic EPS adjusted for all potentially dilutive shares issuable. At December 31, 2002, the Corporation had approximately 81,265 stock options outstanding that could potentially dilute basic EPS in the future. The effect of these options was not included in the computation of diluted EPS for 2002 because to do so would have been antidilutive. The Corporation had antidilutive options outstanding of approximately 119,000 at December 31, 2001 and approximately 124,000 at December 31, 2000. Earnings per share calculations for the years ended December 31, 2002, 2001, and 2000 are as follows:

=====

(In thousands, except per share data)	Net Income	Weighted Average Shares Outstanding(1)	Earnings Per Share
2002:			
Basic earnings per share	\$45,136	10,199	\$4.43
Effect of dilutive securities:			
Stock options	--	223	
Deferred stock compensation	--	12	
Diluted earnings per share	\$45,136	10,434	\$4.33
2001:			
Basic earnings per share	\$62,880	10,061	\$6.25
Effect of dilutive securities:			
Stock options	--	172	
Deferred stock compensation	--	3	
Diluted earnings per share	\$62,880	10,236	\$6.14
2000:			
Basic earnings per share	\$41,074	10,015	\$4.10
Effect of dilutive securities:			
Stock options	--	176	
Deferred stock compensation	--	3	
Diluted earnings per share	\$41,074	10,194	\$4.03

(1) Shares in 2002 and 2001 include the Corporation's Common and Class B common shares.

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15. Stock Compensation Plans

Stock-Based Compensation: Pro forma information regarding net earnings and earnings per share is required by SFAS No. 123 and has been determined as if the Corporation had accounted for its employee stock option grants under the fair value method prescribed by that Statement. Information with regard to the number of options granted, market price of the grants, vesting requirements, and the maximum term of the options granted appears by plan type in the sections below. The fair value of these options was estimated at the date of grant using a Black-Scholes option pricing model with the following weighted average assumptions:

	2002	2001	2000
Risk-free interest rate	3.61%	4.66%	5.87%
Expected volatility	31.33%	24.18%	23.96%
Expected dividend yield	0.92%	1.37%	1.09%
Weighted average option life	7 years	7 years	7 years

The estimated fair value of the option grants are amortized to expense over the options' vesting period beginning January 1 of the following year, due to the timing of the grants. The Corporation's pro forma information for the years ended December 31, 2002, 2001, and 2000 is as follows:

(In thousands, except per share data)	2002	2001	2000
Net earnings:			
As reported	\$ 45,136	\$ 62,880	\$ 41,074
Pro forma	\$ 43,612	\$ 61,683	\$ 40,074
Net earnings per share:			
As reported:			
Basic	\$ 4.43	\$ 6.25	\$ 4.10

Diluted	\$	4.33	\$	6.14	\$	4.03
Pro forma:						
Basic	\$	4.28	\$	6.13	\$	4.00
Diluted	\$	4.18	\$	6.03	\$	3.93

1985 Stock Option Plan: The Corporation's 1985 Stock Option Plan, which was approved by stockholders and as amended November 16, 1993, expired on February 13, 1995. Under this plan, 350,000 shares of common stock had been reserved in treasury for issuance to key employees. During the life of the plan, 190,050 options had been issued, and with the expiration of the plan, the remaining 159,950 shares of common stock are no longer reserved for issuance.

1995 Long-Term Incentive Plan: Under a Long-Term Incentive Plan ("LTI Plan") approved by stockholders in 1995 and as amended in 2002, an aggregate total of 1,500,000 shares of common stock were reserved for issuance under the LTI Plan. No more than 50,000 shares of common stock may be awarded in any year to any one participant in the LTI Plan. The LTI Plan currently has two components--performance units (cash) and non-qualified stock options.

Under the LTI Plan, the Corporation awarded performance units of 4,519,906 in 2002, 2,339,812 in 2001, and 1,604,825 in 2000 to certain key employees. The performance units are denominated in dollars and are contingent upon the satisfaction of performance objectives keyed to achieving profitable growth over a period of three fiscal years commencing with the fiscal year following such awards. The anticipated cost of such awards is expensed over the three-year performance period. The actual cost of the performance units may vary from the total value of the awards depending upon the degree to which the key performance objectives are met.

Under the LTI Plan, the Corporation has granted non-qualified stock options in 2002, 2001, and 2000 to key employees. Stock options granted under this LTI Plan expire ten years after the date of the grant and are usually exercisable as follows: up to one-third of the grant after one full year, up to two-thirds of the grant after two full years, and in full three years from the date of grant.

The remaining allowable shares for issuance under both plans as of December 31, 2002 is 1,339,148.

Stock option activity during the periods for both plans is indicated as follows:

	Shares	Weighted-Average Exercise Price	Options Exercisable
Outstanding at			
December 31, 1999	557,621	\$ 30.92	310,586
Granted	124,398	47.72	
Exercised	(16,080)	22.93	
Forfeited	(13,225)	37.18	
Outstanding at			
December 31, 2000	652,714	34.19	396,049
Granted	206,762	43.70	
Exercised	(53,832)	22.02	
Forfeited	(10,687)	43.96	
Outstanding at			
December 31, 2001	794,957	37.65	468,074
Granted	81,265	65.11	
Exercised	(196,080)	31.57	
Forfeited	(9,990)	43.89	
Outstanding at			
December 31, 2002	670,152	\$ 42.32	418,512

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The following table summarizes information about stock options outstanding at December 31, 2002:

Range of Exercise Prices	Options Outstanding			Options Exercisable	
	Shares	Weighted-Average Remaining Contractual Life in Years	Weighted-Average Exercise Price	Shares	Weighted-Average Exercise Price
\$13.02-\$19.53	41,278	1.7	\$ 17.60	41,278	\$ 17.60
\$19.54-\$26.04	46,664	3.5	24.69	46,664	24.69
\$26.05-\$39.07	194,221	6.3	37.81	194,221	37.81
\$39.08-\$45.58	197,125	8.9	43.70	65,513	43.70
\$45.59-\$52.09	109,599	7.9	47.72	70,836	47.72
\$52.10-\$65.11	81,265	9.9	65.11	--	--
	670,152	7.3	\$ 42.32	418,512	\$ 36.95

Stock Plan for Non-Employee Directors: The Stock Plan for Non-Employee Directors ("Stock Plan"), approved by the stockholders in 1996, authorized the grant of restricted stock awards and, at the option of the Directors, the deferred payment of regular stipulated compensation and meeting fees in equivalent shares. Pursuant to the terms of the Stock Plan, the non-employee directors received an initial grant of 3,612 shares in 1996, which became unrestricted in 2001. Additionally, on the fifth anniversary of the initial grant, those non-employee directors who remained a non-employee director, received an additional grant equal to the product of increasing \$13,300 at an annual rate of 2.96%, compounded monthly from the effective date of the Stock Plan. In 2001, the amount per director was calculated to be \$15,419, representing a total additional grant of 1,555 restricted shares. The cost of the restricted stock awards is being amortized over the five-year restriction period from the date of grant. Newly elected non-employee directors receive similar compensation under the terms of the Stock Plan upon their election to the Board.

Pursuant to election by non-employee directors to receive shares in lieu of payment for earned and deferred compensation under the Stock Plan, the Corporation had provided for an aggregate additional 11,476 shares, at an average price of \$41.14 as of December 31, 2002. During 2002, the Corporation issued 2,455 shares in deferred compensation pursuant to such elections.

Depending on the extent to which the non-employee directors elect to receive future compensation in shares, total awards issued under this Stock Plan could exceed the 16,000 registered shares by April 12, 2006, the termination date of the Stock Plan.

16. Environmental Costs

The Corporation has continued the operation of the ground water and soil remediation activities at the Wood-Ridge, New Jersey site through 2002. The cost of constructing and operating this site was provided for in 1990 when the Corporation established a \$21.0 million reserve to remediate the property. Costs for operating and maintaining this site totaled \$0.5 in 2002, 2001, and 2000, all of which have been charged against the previously established reserve. In 2002, the Corporation increased the remediation reserve by \$1.0 million based upon revised operating projections. Even though this property was sold in December 2001 (see Note 3), the Corporation retained the responsibility for this remediation in accordance with the sale agreement.

The Corporation has previously filed lawsuits against several insurance carriers seeking recovery for environmental costs. The Corporation settled with one carrier in 1998 and two carriers in 1999. During 2000, the Corporation settled with the remaining carriers.

The Corporation has been named as a potentially responsible party, as have many other corporations and municipalities, in a number of environmental clean-up sites. The Corporation continues to make progress in resolving these claims through settlement discussions and payments from established reserves. Significant sites remaining open at the end of the year are: Caldwell Trucking landfill superfund site, Fairfield, New Jersey; Sharkey landfill superfund site, Parsippany, New Jersey; Amenia landfill site, Amenia, New York; and Chemsol, Inc. superfund site, Piscataway, New Jersey. The Corporation believes that the outcome for any of these remaining sites will not have a materially adverse effect on the Corporation's results of operations or financial condition.

facility from Westinghouse Government Services LLC ("Seller"). Included in the purchase was the assumption of several Nuclear Regulatory Commission ("NRC") licenses, necessary for the continued operation of the business. In connection with these licenses, the NRC required financial assurance from the Corporation (in the form of a parent company guarantee), representing estimated environmental decommissioning and remediation costs associated with the commercial operations covered by the licenses. In addition, the Corporation has established reserves for additional potential environmental remediation costs. Remediation and investigation of the EMD facility are ongoing. As of December 31, 2002 the balance in this reserve is \$13.6 million. The Corporation obtained partial environmental insurance coverage specifically for the EMD facility. The policy provides coverage for losses due to on or off-site pollution conditions, which are pre-existing and unknown.

The noncurrent environmental obligation at December 31, 2002 was \$22.6 million compared to \$9.5 million at December 31, 2001.

17. Pension and Other Postretirement Benefit Plans

The Corporation maintains a non-contributory defined benefit pension plan covering substantially all employees other than those employees covered by the EMD Pension Plan described below. The Curtiss-Wright Retirement Plan (the "CW Pension Plan") formula for non-union employees is based on years of credited service and the five highest consecutive years' compensation during the last ten years of service and a "cash balance" benefit. 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. Employees are eligible to participate in the CW Pension Plan after one year of service and are vested after five years of service. At December 31, 2002 and December 31, 2001, the Corporation had prepaid pension costs of \$76.1 million and \$70.8 million, respectively, under the CW Pension Plan. At December 31, 2002, approximately 40% of CW Pension Plan assets are invested in debt securities, including a portion in U.S. Government issues. Approximately 60% of CW Pension Plan assets are invested in equity securities.

The Corporation also maintains a non-qualified Restoration Plan covering those employees whose compensation or benefits exceed the IRS limitation for pension benefits. Benefits under the Restoration Plan are not funded, and as such, the Corporation had an accrued pension liability of \$1.1 million at December 31, 2002 and 2001.

The Corporation also provides post-retirement health benefits to certain employees (the "CW Retirement Plan"). In 2002, the Corporation restructured the post-retirement medical benefits for certain active employees whereby this obligation was transferred to the CW Pension Plan.

As a result of the EMD acquisition in October 2002, the Corporation maintains three additional types of postretirement benefit plans, as described below. Prior to the acquisition, EMD employees participated in similar plans sponsored by the prior owner. The unfunded status of the plans was recorded as a liability at the date of acquisition.

The Corporation maintains the Curtiss-Wright Electro-Mechanical Division Pension Plan (the "EMD Pension Plan"), a qualified contributory defined benefit pension plan, which covers all of the EMD employees. The EMD Pension Plan covers both union and non-union employees and is designed to satisfy the requirements of relevant collective bargaining agreements. Employee contributions are withheld semi-monthly equal to 1.5% of salary. The benefits under the EMD Pension Plan are based on years of service and compensation. As of December 31, 2002, the EMD Pension Plan was still transitioning funds from the former Westinghouse plan. As such, approximately 76% of EMD Pension Plan assets were held in cash and approximately 24% were held as a receivable from the Westinghouse plan. At December 31, 2002, the Corporation had an accrued pension liability of \$35.6 million related to the EMD Pension Plan.

The Corporation maintains the Curtiss-Wright Electro-Mechanical Division Non-Qualified Plan (the "EMD Supplemental Plan"), a non-qualified non-contributory unfunded supplemental retirement plan for eligible EMD key executives. The EMD Supplemental Plan provides for periodic payments upon retirement that are based on total compensation (including amounts in excess of qualified plan limits) and years of service, and are reduced by benefits earned from certain other pension plans in which the executives participate. At December 31, 2002, the Corporation had an accrued pension liability of \$2.4 million related to the EMD Supplemental Plan.

The Corporation, through an administration agreement with Westinghouse, maintains the Westinghouse Government Services Group Welfare Benefits Plan (the "EMD Retirement Plan"), a retiree health and life insurance plan for substantially all of the EMD employees. The EMD Retirement Plan provides basic coverage on a non-contributory basis. Benefits are based on years of service. At December 31, 2002, the Corporation had an accrued postretirement benefit liability of \$36.3 million related to the EMD Retirement Plan. Other assets

include a \$6.5 million discounted receivable from Washington Group International to reimburse the Corporation for a portion of postretirement benefit costs pursuant to the Asset Purchase Agreement.

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(In thousands)	Curtiss-Wright				EMD	
	Pension Benefits		Postretirement Benefits		Pension Benefits	Postretirement Benefits
	2002	2001	2002	2001	2002	2002
CHANGE IN BENEFIT OBLIGATION:						
Benefit obligation at beginning of year	\$ 103,344	\$ 103,427	\$ 1,990	\$ 2,027	\$ --	\$ --
Effect of EMD acquisition	--	--	--	--	111,642	36,344
Service cost	6,015	4,740	129	112	424	--
Interest cost	7,650	7,113	148	126	1,278	--
Plan participants' contributions	--	--	20	34	--	--
Amendments	829	--	--	--	--	--
Actuarial loss (gain)	7,376	(4)	159	(217)	--	--
Benefits paid	(15,298)	(11,932)	(90)	(92)	(902)	--
Curtailement of benefits	1,911	--	(1,844)	--	--	--
Benefit obligation at end of year	111,827	103,344	512	1,990	112,442	36,344
CHANGE IN PLAN ASSETS:						
Fair value of plan assets at beginning of year	216,944	252,682	--	--	--	--
Effect of EMD acquisition	--	--	--	--	74,245	--
Actual return on plan assets	(13,761)	(23,882)	--	--	992	--
Employer contribution	84	76	70	58	--	--
Plan participants' contribution	--	--	20	34	--	--
Benefits paid	(15,298)	(11,932)	(90)	(92)	(902)	--
Fair value of plan assets at end of year	187,969	216,944	--	--	74,335	--
Funded status	76,141	113,601	(512)	(1,990)	(38,107)	(36,344)
Unrecognized net actuarial gain	(2,179)	(44,220)	(879)	(2,548)	100	--
Unrecognized transition obligation	(14)	(18)	--	--	--	--
Unrecognized prior service costs	1,092	294	--	(797)	--	--
Prepaid (accrued) benefit costs	\$ 75,040	\$ 69,657	\$ (1,391)	\$ (5,335)	\$ (38,007)	\$ (36,344)
COMPONENTS OF NET PERIODIC BENEFIT (REVENUE) COST:						
Service cost	\$ 6,015	\$ 4,740	\$ 129	\$ 112	\$ 424	\$ --
Interest cost	7,650	7,113	148	126	1,278	--
Expected return on plan assets	(18,705)	(18,089)	--	--	(1,092)	--
Amortization of prior service cost	26	(40)	(123)	(123)	--	--
Amortization of transition obligation	(4)	(2,188)	--	--	--	--
Recognized net actuarial (gain) loss	(2,191)	(2,578)	(179)	(200)	--	--
Cost of settlement	1,911	--	(3,849)	--	--	--
Net periodic benefit (revenue) expense	\$ (5,298)	\$ (11,042)	\$ (3,874)	\$ (85)	\$ 610	\$ --
WEIGHTED-AVERAGE ASSUMPTIONS AS OF DECEMBER 31:						
Discount rate	6.75%	7.00%	6.75%	7.00%	7.00%	6.75%
Expected return on plan assets	8.50%	8.50%	--	--	8.88%	--
Rate of compensation increase	4.25%	4.50%	--	--	4.00%	4.00%

For measurement purposes, a 12.00% and an 11.10% annual rate of increase in the per capita cost of covered health care benefits was assumed for 2002 for the CW Retirement Plan and the EMD Retirement Plan, respectively. The rate was assumed

to decrease gradually to 5.50% over the next six years and remain at that level thereafter.

The Corporation offers all of its domestic employees the opportunity to participate in a defined contribution plan. Costs incurred by the Corporation in the administration of the defined contribution plan are not material.

In addition, the Corporation had foreign pension costs under various retirement plans of \$1.6 million, \$1.0 million, and \$0.9 million in 2002, 2001, and 2000, respectively.

Effect of change in health care cost trend on:

(In thousands)	CW Retirement Plan		EMD Retirement Plan	
	1% Increase	1% Decrease	1% Increase	1% Decrease
Total service and interest cost components	\$ 42	\$ (35)	\$ --	\$ --
Postretirement benefit obligation	\$ 31	\$ (29)	\$ 2,486	\$(2,595)

The Corporation discontinued postretirement medical coverage for former employees of its Fairfield, NJ plant due to its closure, which resulted in income of \$2.9 million in 2000.

18. Leases

Buildings and Improvements Leased to Others. The Corporation previously leased certain of its buildings and related improvements to outside parties under non-cancelable operating leases. The Corporation sold one of its two remaining rental properties in 2002, and vacated the other in preparation for sale. Cost and accumulated depreciation of the buildings and improvements at December 31, 2002 and December 31, 2001 were \$7.3 million and \$5.0 million, respectively. On December 20, 2001, the Corporation sold its Wood-Ridge Business Complex. As a result of the above, the Corporation will no longer report net rental income.

Facilities and Equipment Leased from Others. 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 automobiles, machinery, and office equipment under operating leases. Rental expenses for all operating leases amounted to approximately \$8.2 million in 2002, \$4.9 million in 2001, and \$4.3 million in 2000.

At December 31, 2002, the approximate future minimum rental commitments under operating leases that have initial or remaining non-cancelable lease terms in excess of one year are as follows:

(In thousands)	Rental Commitment
2003	\$ 9,110
2004	7,659
2005	6,769
2006	5,550
2007	4,899
2008 and beyond	13,924
	\$47,911

19. Industry Segments

The Corporation manages and evaluates its operations based on the products and services it offers and the different markets it serves. Based on this approach, the Corporation has three reportable segments: Motion Control, Flow Control, and Metal Treatment. The Motion Control segment primarily designs, develops, and manufactures mechanical systems, drive systems, and electronic controls and sensors for the aerospace and defense industries. The Flow Control segment primarily designs, manufactures, distributes, and services a broad range of highly engineered flow control products for severe service military and commercial applications. Metal Treatment provides approximately 50 metal-treating services, with its principal services being "shot-peening" and "heat-treating." The segment provides these services to a broad spectrum of customers in various industries, including aerospace, automotive, construction equipment, oil, petrochemical and metal working.

The accounting policies of the operating segments are the same as those described in the summary of significant accounting policies. Interest expense and income taxes are not reported on an operating segment basis because they are not considered in the performance evaluation by the Corporation's chief operating decision-maker, its Chairman and CEO.

The Corporation had one commercial customer in the Motion Control segment that accounted for 13% of its consolidated revenue in 2001 and 13% in 2000. During 2002, the Corporation had no commercial customer representing more than 10% of consolidated revenue.

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Consolidated Industry Segment Information:

(In thousands)	Motion Control	Flow Control	Metal Treatment(1)	Segment Total	Corporate &Other(2)	Consolidated Total
=====						
YEAR ENDED DECEMBER 31, 2002:						
Revenue from external customers	\$ 233,437	\$ 172,455	\$ 107,386	\$ 513,278	\$ --	\$ 513,278
Intersegment revenues	--	--	491	491	--	491
Operating income (costs)	29,579	20,693	14,403	64,675	(2,846)	61,829
Depreciation and amortization expense	7,394	5,059	6,063	18,516	177	18,693
Segment assets	260,984	319,272	124,546	704,802	108,122	812,924
Capital Expenditures	8,243	10,787	15,873	34,903	51	34,954

YEAR ENDED DECEMBER 31, 2001:						
Revenue from external customers	\$ 137,103	\$ 98,257	\$ 107,807	\$ 343,167	\$ --	\$ 343,167
Intersegment revenues	--	--	446	446	--	446
Operating income (costs)	19,219	10,703	19,513	49,435	(2,277)	47,158
Depreciation and amortization expense	4,270	4,279	5,519	14,068	666	14,734
Segment assets	152,962	108,689	95,945	357,596	142,832	500,428
Capital Expenditures	6,306	1,943	10,856	19,105	249	19,354

YEAR ENDED DECEMBER 31, 2000:						
Revenue from external customers	\$ 126,771	\$ 97,486	\$ 105,318	\$ 329,575	\$ --	\$ 329,575
Intersegment revenues	--	--	508	508	--	508
Operating income	15,383	10,276	23,502	49,161	3,024	52,185
Depreciation and amortization expense	4,086	4,124	5,031	13,241	1,105	14,346
Segment assets	96,955	82,670	84,538	264,163	145,253	409,416
Capital Expenditures	1,776	1,826	5,451	9,053	453	9,506

(1) Operating income for the Metal Treatment segment includes nonrecurring costs of \$0.5 million associated with the relocation of a shot-peening facility in 2002.

(2) Operating income (costs) for Corporate and other includes \$1.2 million of net environmental remediation and administrative expenses, \$0.6 of post employment expenses, \$0.5 million of professional consulting fees associated with the integration of recent acquisitions, and other expenses in 2002; \$1.5 million for recapitalization costs and \$0.2 million for environmental costs in 2001; \$2.8 million gain for the curtailment of postretirement benefits and \$1.9 million net environmental recoveries, offset by accrued post employment cost of \$0.7 million in 2000.

Reconciliations:

=====

For the years ended December 31, (In thousands) 2002 2001 2000

REVENUES:

Total segment revenue	\$513,278	\$343,167	\$329,575
Intersegment revenue	491	446	508
Elimination of intersegment revenue	(491)	(446)	(508)
Total consolidated revenues	\$513,278	\$343,167	\$329,575

EARNINGS BEFORE TAXES:

Total segment operating income	\$ 64,675	\$ 49,435	\$ 49,161
Insurance settlements, net	--	--	3,041
Corporate and administrative	(2,846)	(2,277)	(17)
Investment income, net	591	2,599	2,862
Rental income, net	148	3,585	3,638
Pension income, net	7,208	11,042	7,813
Other income, net	3,769	38,993	1,216
Interest expense	(1,810)	(1,180)	(1,743)
Total consolidated earnings before tax	\$ 71,735	\$102,197	\$ 65,971

ASSETS:

Total assets for reportable segments	\$704,802	\$357,596	\$264,163
Short-term investments	330	41,658	62,766
Pension assets	76,072	70,796	59,765
Other assets	31,764	30,418	22,801
Elimination of intersegment receivables	(44)	(40)	(79)
Total consolidated assets	\$812,924	\$500,428	\$409,416

December 31, (In thousands)	2002		2001		2000	
	Revenues(1)	Long-Lived Assets	Revenues(1)	Long-Lived Assets	Revenues(1)	Long-Lived Assets
Geographic Information:						
North America	\$401,466	\$165,208	\$257,208	\$ 71,501	\$213,343	\$60,141
United Kingdom	49,519	38,235	31,340	22,961	32,133	22,666
Other foreign countries	62,293	15,606	54,619	10,689	84,099	10,429
Consolidated total	\$513,278	\$219,049	\$343,167	\$105,151	\$329,575	\$93,236

(1) Revenues are attributed to countries based on the location of the customer.

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20. Contingencies and Commitments

The Corporation's subsidiary located in Switzerland entered into a sales agreement with the Spanish Ministry of Defense which contained an offset obligation for the purchase of approximately 24.0 million Swiss francs of product from Spanish suppliers over a seven-year period which began in 1999. The offset obligation contains two interim milestones, which if not met, could increase the total obligation by 10% per milestone. The first milestone occurred in February 2001 and was met. The next milestone occurs in 2003. As of December 31, 2002, the Corporation has accrued 0.6 million Swiss francs (approximately \$0.4 million) included in other current liabilities as a contingency against not achieving this milestone and/or compliance with the remainder of this agreement.

The same subsidiary also entered into a sales agreement with the Austrian Defense Ministry which contained an offset obligation for the purchase of approximately 18.5 million Swiss francs of product from Austrian suppliers through May 2007. This agreement contains no milestones but there are penalty

provisions for up to 5% of the unfulfilled amount. As of December 31, 2002, the Corporation has accrued approximately 0.3 million Swiss francs (approximately \$0.2 million) included in other current liabilities as a contingency against non-compliance with the purchase obligations of this agreement.

The Corporation, through its subsidiary located in Switzerland, entered into a credit agreement with UBS AG ("UBS") for a credit facility in the amount of 6.0 million Swiss francs (approximately \$4.3 million) for the issue of performance guarantees related to a long-term contract. The Corporation received prepayments on this contract, which are being used as collateral against the credit facility. The customer can draw down on the line of credit for nonperformance up to the amount of pledged collateral, which is released from restriction over time as the Corporation meets its obligations under the long-term contract. Under the terms of this credit facility agreement, the Corporation is not permitted to borrow against the line of credit. The Corporation is charged a commitment fee on the outstanding balance of the collateralized cash. As of December 31, 2002, the amount of restricted cash under this facility was \$3.3 million, of which \$1.1 million is expected to be released from restriction after one year.

In October 2002, the Corporation acquired EMD. Included in the purchase was the assumption of several NRC licenses, necessary for the continued operation of the business. In connection with these licenses, the NRC required financial assurance from the Corporation (in the form of a parent company guarantee), representing estimated environmental decommissioning and remediation costs associated with the commercial operations covered by the licenses. The guarantee for the decommissioning costs of the refurbishment facility, which is estimated for 2017, is \$2.8 million. See note 16 for further information.

Consistent with other entities its size, the Corporation is party to several legal actions and claims, none of which individually or in the aggregate, in the opinion of management, are expected to have a material adverse effect on the Corporation's results of operations or financial position.

21. Subsequent Events

Acquisitions

On February 28, 2003, the Corporation acquired the assets of Collins Technologies from G.L Collins Corporation. The purchase price of the acquisition, subject to adjustment as provided for in the Asset Purchase Agreement, was \$12.0 million in cash and the assumption of certain liabilities. Management funded the purchase price from credit available under the Corporation's Short-Term Credit Agreement. Revenues of the purchased business totaled approximately \$8.3 million for the year ending March 31, 2002. Management intends to incorporate the operations of G.L. Collins Corporation into the Corporation's Motion Control Segment.

On March 11, 2003, the Corporation acquired selected assets of Advanced Material Process Corp. ("AMP"), a private company with operations located in Wayne, Michigan. The purchase price of the acquisition, subject to adjustment as provided for in the Asset Purchase Agreement, was \$5.7 million in cash and the assumption of certain liabilities. Management funded the purchase price from credit available under the Corporation's Short-Term Credit Agreement. Annual sales of the purchased business are approximately \$5.0 million. Management intends to incorporate the operations of AMP into the Corporation's Metal Treatment Segment.

On March 19, 2003, the Corporation entered into an agreement to acquire selected assets of E/M Engineered Coatings Solutions ("E/M Coatings"). The purchase price of the acquisition, subject to adjustment as provided in the Asset Purchase Agreement, was \$16.7 million in cash and the assumption of certain liabilities. Management's intention is to fund the purchase price from credit available under the Corporation's Short-Term Credit Agreement. Revenues of the purchased business totaled approximately \$26.0 million for the year ending December 31, 2002. Management intends to incorporate the operations of E/M Coatings into the Corporation's Metal Treatment Segment.

CORPORATE DIRECTORY

Directors

MARTIN R. BENANTE
Chairman of the Board of Directors

ADMIRAL JAMES B. BUSEY IV
Admiral, U.S. Navy (Ret.)
Director, Mitre Corporation
Director, Texas Instruments, Inc.
Former President and Chief Executive Officer of AFCEA
International Aviation Safety and Security Consultant

S. MARCE FULLER
President and Chief Executive Officer of Mirant Corporation, Inc.
(formerly known as Southern Energy, Inc.)
Director, Earthlink, Inc.

DAVID LASKY
Former Chairman and Chief Executive Officer of
Curtiss-Wright Corporation

WILLIAM B. MITCHELL
Director, Mitre Corporation
Former Vice-Chairman of Texas Instruments Inc.

JOHN R. MYERS
Chairman and Chief Executive Officer of Tru-Circle Corporation
Management Consultant
Former Chairman of the Board of Garrett Aviation Services

DR. WILLIAM W. SIHLER
Ronald E. Trzcinski Professor of Business Administration
Darden Graduate School of Business Administration
University of Virginia

J. McLAIN STEWART
Director, McKinsey & Co. Management Consultants

Officers

MARTIN R. BENANTE
Chairman and Chief Executive Officer

GEORGE J. YOHRLING
Executive Vice President

JOSEPH NAPOLEON
Executive Vice President

EDWARD BLOOM
Vice President

GLENN E. TYNAN
Vice President--Finance
Chief Financial Officer

MICHAEL J. DENTON
Vice President, Corporate Secretary, and
General Counsel

GARY J. BENSCHIP
Treasurer

KEVIN M. McCLURG
Corporate Controller

Subsidiaries of the Registrant

The information below is provided, as of March 28, 2003, with respect to the subsidiaries of Registrant. The names of certain inactive subsidiaries and other consolidated subsidiaries of Registrant have been omitted because all such subsidiaries, considered in the aggregate as a single subsidiary, would not constitute a significant subsidiary.

Name	Organized Under the Laws of	Percentage of Voting Securities Owned by Immediate Parent or Subsidiary of Parent
Curtiss-Wright Controls, Inc.	Delaware	100%
Curtiss-Wright Flow Control Corporation	New York	100%
Metal Improvement Company, Inc.	Delaware	100%
Curtiss-Wright Flow Control Service Corporation	Delaware	100%
Curtiss-Wright Antriebstechnik GmbH	Switzerland	100%
Curtiss-Wright Foreign Sales Corp.	Barbados	100%
Peerless Instrument, Inc.	New York	100%
Vista Controls, Inc.	California	100%
Electro-Mechanical Corporation	Delaware	100%

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Facsimile (973) 236 5000

CONSENT OF INDEPENDENT ACCOUNTANTS

We hereby consent to the incorporation by reference in the Registration Statement on Forms S-8 and S-3 (No. 33-95562329) and in the Registration Statements on Forms S-8 (Nos. 33-95602114 and 33-96583181) of Curtiss-Wright Corporation of our report dated March 12, 2003, except for Note 21, as to which the date is March 19, 2003, relating to the financial statements, which appears in the Annual Report to Shareholders which is incorporated in this Annual Report on Form 10-K. We also consent to the incorporation by reference of our report dated March 12, 2003, except for Note 21, as to which the date is March 19, 2003, relating to the financial statement schedules, which appears in this Form 10-K.

PRICEWATERHOUSECOOPERS LLP

Florham Park, New Jersey
March 28, 2003

18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Annual Report of Curtiss-Wright Corporation (the "Company") on Form 10-K for the period ended December 31, 2002 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Martin R. Benante, Chairman and Chief Executive Officer of the Company, certify, pursuant to 18 U.S.C. section 1350, as adopted pursuant to section 906 of the Sarbanes-Oxley Act of 2002, that to the best of my 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 result of operations of the Company.

/s/ Martin R. Benante
Martin R. Benante
Chairman and
Chief Executive Officer
March 28, 2003

18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Annual Report of Curtiss-Wright Corporation (the "Company") on Form 10-K for the period ended December 31, 2002 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Glenn E. Tynan, Chief Financial Officer of the Company, certify, pursuant to 18 U.S.C. section 1350, as adopted pursuant to section 906 of the Sarbanes-Oxley Act of 2002, that to the best of my 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 result of operations of the Company.

/s/ Glenn E. Tynan
Glenn E. Tynan
Chief Financial Officer
March 28, 2003