

**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, D.C. 20549**

**FORM 8-K**

**CURRENT REPORT  
PURSUANT TO SECTION 13 OR 15(D) OF  
THE SECURITIES EXCHANGE ACT OF 1934**

Date of Report (Date of earliest event reported): May 29, 2018

**TRIUMPH GROUP, INC.**  
(Exact name of registrant as specified in its charter)

**Delaware**  
(State or other jurisdiction of  
incorporation)

**1-12235**  
(Commission File Number)

**51-0347963**  
(IRS Employer Identification  
No.)

**899 Cassatt Road, Suite 210**  
**Berwyn, Pennsylvania**  
(Address of principal executive offices)

**19312**  
(Zip Code)

**(610) 251-1000**  
(Registrant's telephone number, including area code)

**Not Applicable**  
(Former name or former address, if changed since last report.)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

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**Item 5.02 Departure of Directors or Certain Officers; Election of Directors; Appointment of Certain Officers; Compensatory Arrangements of Certain Officers.**

On May 29, 2018, the Board of Directors (the “Board”) of Triumph Group, Inc. (the “Company”), on the recommendation of the Compensation and Management Development Committee of the Board (the “Committee”), adopted three new compensation plans in which the executive officers, including the named executive officers, of the Company will be participants: (i) the Triumph Group, Inc. 2018 Equity Incentive Plan (the “2018 Equity Plan”); (ii) the Triumph Group, Inc. Executive Cash Incentive Compensation Plan (the “STI Plan”); and (iii) the Triumph Group, Inc. Executive Change in Control and General Severance Plan for Executive and Management Employees (the “Executive Severance Plan”). The STI Plan replaces, effective as of April 1, 2018, the provisions of the Company’s Amended and Restated 2013 Equity and Cash Incentive Plan (the “2013 Plan”) under which all short-term cash incentive awards have been made to executive officers. The 2018 Equity Plan, effective May 29, 2018, will replace the 2013 Plan in full upon approval of the 2018 Equity Plan by stockholders. The 2018 Equity Plan has been submitted to stockholders for approval at the 2018 Annual Meeting of Stockholders to be held on July 11, 2018.

The following is a summary of each of the plans. The summaries are not complete. The form of each plan is attached to this Current Report on Form 8-K as an exhibit and incorporated herein by reference.

**2018 Equity Plan**

The 2018 Equity Plan will be the sole plan used for the issuance of equity-based awards to employees, including executive officers. The principal features of the 2018 Equity Plan are:

- only employees are eligible recipients under the 2018 Equity Plan;
- 2,000,000 shares of common stock are reserved for awards made under the 2018 Equity Plan. The 2013 Plan will no longer be used to make awards after stockholder approval of the 2018 Equity Plan is obtained;
- the 2018 Equity Plan provides for grants of stock options (both “incentive stock options” and nonstatutory stock options), stock awards and restricted stock units or “RSUs”;
- equity grants, whether stock options, stock awards or RSU awards, may or may not be performance-based;
- each type of award is subject to a minimum one-year vesting period for 95% of the awards made under the 2018 Equity Plan;
- no dividends or dividend equivalents are routinely granted and, if awarded, will only be paid if the underlying award vests and the shares of common stock are issued;
- no income tax gross-up provisions are included in the 2018 Equity Plan;

- a stock option may not be granted with an exercise price lower than the fair market value of the underlying share on the grant date; no transaction that would constitute a “repricing” of stock options can be implemented without stockholder approval (other than in connection with a change in the Company’s capitalization);
- shares subject to awards that are cancelled, expire or are forfeited without the issuance of any shares will be available for re-grant under the 2018 Equity Plan, but shares tendered in payment of any exercise price or withheld to satisfy any tax withholding obligation will not be available for re-grant; any cash tendered to pay any exercise price or to meet tax withholding obligations will not be used by the Company to purchase additional shares on the open market for use under the 2018 Equity Plan. There are no evergreen provisions in the 2018 Equity Plan;
- the Committee is authorized to impose additional restrictions, including non-competition restrictions, on awards; if such restrictions are violated, the Company may seek to recoup the value of awards under a clawback policy required by federal securities law or any other Board- or Committee-approved plan or policy; and
- the 2018 Equity Plan has established rules for the impact on outstanding awards of termination of employment in the case of death, disability or retirement of the participant or a change in control (double trigger); otherwise, any outstanding unvested awards terminate upon termination of employment.

The long-term incentive equity awards for fiscal year 2019 were made to Daniel Crowley, the Chief Executive Officer, under the 2018 Equity Plan, conditioned upon receipt of stockholder approval.

### **The STI Plan**

The separate STI Plan is the plan under which annual Short Term Incentive (“STI”) Awards will be made by the Compensation Committee to the executive officers subject to the reporting requirements of Section 16 of the Securities Exchange Act and direct reports to the Chief Executive Officer. Therefore, the STI Plan applies to the CEO, his direct reports and the controller. Since 2013, the Company has provided STI Awards and the annual equity awards under the 2013 Plan, in order to satisfy the requirements of Section 162(m) of the Internal Revenue Code (which governs the deductibility of executive compensation by the Company). The Tax Reform Act of 2017 significantly revised Section 162(m) of the Code and the Company has simplified the STI Plan accordingly. The principal components of the STI Plan are:

- retention of a framework of performance-based STI Awards, with the incorporation of more flexibility granted to the Committee in determining the financial, operational, stock performance and/or individual goals selected for each year and, as desired, for each eligible participant;
- each performance period can be no shorter than six months or longer than three years;

- relaxation of the formal requirements of Section 162(m) of the Code with respect to the STI Award process (e.g., removal of a per-year maximum award requirement); and
- confirmation that the provisions of the Executive Severance Plan will control in the event of termination events covered by such Executive Severance Plan (to prevent duplication of benefits or ambiguity).

### **Executive Severance Plan**

The Executive Severance Plan is a new plan to standardize the severance paid to the Company's executive officers, including the named executive officers, and senior management in the event of: (i) termination of employment without Cause (as defined in the Severance Plan) or for Good Reason outside of a Change in Control (as defined in the Severance Plan); or (ii) termination of employment without Cause or for a CIC Good Reason within the period beginning six months immediately prior to a Change in Control and extending for twenty-four months immediately after the Change in Control (the "Change in Control Period"). The Good Reason definition is limited to relocation of the executive's principal workplace location by more than 35 miles without the executive's consent. The CIC Good Reason definition includes the following "good reason" triggers: (i) a significant adverse change or diminution in the executive's authority, duties, responsibilities or reporting requirements as in effect immediately prior to the Change in Control Period or the assignment to the executive of any duties or responsibilities which are inconsistent with such role(s) or position(s) (including status, offices, titles, public company status and reporting requirements), or any removal of the executive from, or any failure to reappoint or reelect the executive to, such position(s), excluding for this purpose an isolated, insubstantial, inadvertent and immaterial action not taken in bad faith and that is remedied promptly after receipt of notice thereof given by the executive; (ii) a reduction of more than ten percent (10%) in the executive's total annual target compensation (as compared to the executive's total annual target compensation immediately prior to the Change in Control), other than pursuant to an across-the-board reduction in total annual target compensation which applies to all similarly situated executives of the Company and any acquirer (and defining total annual target compensation for purposes of this definition as base salary and target annual cash incentive compensation (and not including equity or equity-based compensation)); (iii) the failure to continue to provide the executive with employee benefits substantially similar to those enjoyed by the executive under any pension, life insurance, medical, health, accident and disability plans, or any retirement plan for which the executive is eligible at the time of the Change in Control; or (iv) the Company requiring the executive to be based at an office that is greater than 35 miles from where the executive's office is located immediately prior to the Change in Control except for required travel on the Company's business to an extent substantially consistent with the business travel obligations which the executive undertook on behalf of the Company prior to the Change in Control.

The Executive Severance Plan was adopted to provide senior management with certainty as to severance benefits that would be paid for designated termination of employment events, particularly as the turnaround initiatives are proceeding. The provisions detailing the change-in-control benefits are intended to encourage key management to remain with the Company, and to help avoid distractions and conflicts of interest in the event of a potential or actual change in

control of the Company so that executives can focus on a fair and impartial review of the acquisition proposal and the maximization of shareholder value despite the risk of losing their employment. The general severance provisions are intended to promote stability and provide consistent and fair treatment to our departing officers in circumstances where their performance does not constitute cause for employment termination.

The change-in-control severance benefits include the following:

- a lump sum payment equal to 1.5 times (2.0 times for the CEO) the sum of the officer's annual base salary as of the date of termination plus the officer's highest annual bonus, defined as the greater of (1) the annual bonus in any of the most recent past three fiscal years and (2) the annual bonus for the year of termination paid or payable including any bonus or portion thereof that has been earned but deferred;
- vesting of all unvested equity awards or equity awards subject to forfeiture restrictions, with performance-based awards vesting based on actual performance (target performance if actual cannot be determined);
- an amount equal to the Company portion of premiums for continued medical and dental benefits under COBRA for 18 months (24 months for the CEO); and
- a reimbursement of up to \$20,000 (\$50,000 for the CEO) for outplacement services.

The change-in-control benefits do not include any excise tax gross-up payments. In addition, the change-in-control benefits are subject to a "double trigger" such that the payment of a severance benefit may only be made if there is a Change in Control and the officer's employment with the Company is terminated by the Company without Cause or by the officer for CIC Good Reason in the six months prior to a change in control or in the 24 months immediately following a Change in Control of the Company.

The general severance benefits include the following:

- payments, in installments, equal to 1.0 times (2.0 times for the CEO) the sum of the officer's annual base salary as of the date of termination plus the officer's target bonus opportunity in the year of termination;
- vesting of all unvested equity awards or equity awards subject to forfeiture restrictions to the extent such awards were scheduled to vest in the 12 months immediately following the date of termination (18 months for the CEO), with performance-based awards vesting pro-rata at target;
- an amount equal to the Company's share of premiums for continued medical and dental benefits under COBRA for 12 months (18 months for the CEO); and
- a reimbursement of up to \$10,000 (\$25,000 for the CEO) for outplacement services.

Each executive would be required to execute a general release of employment claims in order to receive benefits under the Executive Severance Plan. The timing of payments under the Executive Severance Plan are made in accordance with all applicable law.

There is no duplication of severance benefits under the Executive Severance Plan and any other plan or agreement with the Company or any of its subsidiaries or affiliates. The timing of any payments must be compliant with applicable law. If the payments or benefits to be received would constitute “parachute payments” under Section 280G of the Internal Revenue Code and subject such payments and benefits to an excise tax, the amount of the payments and benefits is reduced so that no excise tax is due.

The initial term of the Executive Severance Plan is three years, with automatic one-year renewals unless a written termination notice is provided at least six months in advance of the expiring term or renewal. When a Change in Control occurs, the Executive Severance Plan cannot be terminated early for existing participants, but will terminate automatically on the second anniversary of the Change in Control.

**Item 9.01 Financial Statements and Exhibits.**

(d) Exhibits.

<b>Exhibit No.</b>	<b>Description</b>
<a href="#">10.1</a>	<a href="#">Triumph Group, Inc. 2018 Equity Incentive Plan</a>
<a href="#">10.2</a>	<a href="#">Triumph Group, Inc. Executive Cash Incentive Compensation Plan, including from of STI Award Letter</a>
<a href="#">10.3</a>	<a href="#">Triumph Group, Inc. Executive Change in Control and General Severance Plan for Executive and Management Employees</a>

Pursuant to the requirements of the Securities Exchange Act of 1934, as amended, the Registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

Date: June 4, 2018

TRIUMPH GROUP, INC.

By: /s/ John B. Wright, II

John B. Wright, II

Senior Vice President, General Counsel and Secretary



**TRIUMPH GROUP, INC.  
2018 EQUITY INCENTIVE PLAN**

(Effective May 29, 2018)

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**TRIUMPH GROUP, INC.**  
**2018 EQUITY INCENTIVE PLAN**

**1. Purpose of the Plan.**

The purpose of the Plan is to encourage ownership in the Company by officers and other key personnel whose long-term employment is considered essential to the Company's continued progress and, thereby, encourage recipients to act in the stockholders' interest and share in the Company's success.

**2. Definitions.**

As used herein, the following definitions shall apply:

(a) **"Affiliate"** means any entity that is, directly or indirectly, controlled by, under common control with or controlling the Company or any entity in which the Company has a significant ownership interest as determined by the Committee.

(b) **"Automatic Exercise Date"** shall mean, with respect to an Option, the last business day of the applicable term that was established by the Committee for such Option (e.g., the last business day prior to the tenth anniversary of the date of grant of such Option if the Option initially had a ten-year term); provided that with respect to an Option that has been amended pursuant to this Plan so as to alter the term, "Automatic Exercise Date" shall mean the last business day of the term that was established by the Committee for such Option as amended.

(c) **"Award"** means a Stock Award, RSU, PSU or Option granted in accordance with the terms of the Plan.

(d) **"Award Agreement"** means a **Stock Award Agreement**, an **RSU Award Agreement**, a **PSU Award Agreement** or an **Option Agreement**, which may be in written or electronic format, in such form and with such terms as may be specified by the Committee, evidencing the terms and conditions of an individual Award. Each Award Agreement is subject to the terms and conditions of the Plan.

(e) **"Awardee"** means an Employee of the Company or any Subsidiary or Affiliate who has been granted an Award under the Plan.

(f) **"Board"** means the Board of Directors of the Company.

(g) **"Cause"** has the meaning set forth in the Awardee's employment or similar agreement with the Employer or any severance or similar agreement or plan, or, if no such agreement or plan is in effect, means (i) the willful and continued failure by the Awardee (other than any such failure resulting from the Awardee's incapacity due to physical or mental illness) to perform substantially the duties and responsibilities of the Awardee's position with the Employer after a written demand for substantial performance is delivered to the Awardee by the Board, which demand specifically identifies the manner in which the Board believes that the Awardee has not substantially performed such duties or responsibilities; (ii) the conviction of the Awardee by a court of competent jurisdiction or a plea of nolo contendere for felony criminal conduct or a crime involving moral turpitude; or

(iii) the willful engaging by the Awardee in fraud or dishonesty which is demonstrably and materially injurious to the Company or its reputation, monetarily or otherwise. No act, or failure to act, on the Awardee's part shall be deemed "willful" unless committed or omitted by the Awardee in bad faith and without reasonable belief that the Awardee's act or failure to act was in, or not opposed to, the best interest of the Company. It is also expressly understood that the Awardee's attention to matters not directly related to the business of the Employer shall not provide a basis for termination for Cause so long as the Board has approved the Awardee's engagement in such activities.

(h) **"Change in Control"** means any of the following:

(i) Any individual, entity or group (within the meaning of Section 13(d)(3) or 14(d)(2) of the Exchange Act (a **"Person"**) becomes the beneficial owner (within the meaning of Rule 13d-3 promulgated under the Exchange Act) of 50% or more of either (A) the then-outstanding shares of common stock of the Company (the **"Outstanding Company Common Stock"**) or (B) the combined voting power of the then-outstanding voting securities of the Company entitled to vote generally in the election of directors (the **"Outstanding Company Voting Securities"**); provided, however, that, for purposes of this definition, the following acquisitions shall not constitute a Change in Control: (i) any acquisition directly from the Company, (ii) any acquisition by the Company, (iii) any acquisition by any employee benefit plan (or related trust) sponsored or maintained by the Company or any Subsidiary or Affiliate or (iv) any acquisition pursuant to a transaction that complies with (iii)(A), (iii)(B) and (iii)(C) of this definition;

(ii) Individuals who, as of the date hereof, constitute the Board of Directors (the **"Incumbent Board"**) cease for any reason to constitute at least a majority of the Board of Directors; provided, however, that any individual becoming a director subsequent to the date hereof whose election, or nomination for election by the Company's stockholders, was approved by a vote of at least a majority of the directors then comprising the Incumbent Board shall be considered as though such individual was a member of the Incumbent Board, but excluding, for this purpose, any such individual whose initial assumption of office occurs in connection with or as a result of an actual or threatened election contest with respect to the election or removal of directors or other actual or threatened solicitation of proxies or consents by or on behalf of a Person other than the Board of Directors;

(iii) Consummation of a reorganization, merger, statutory share exchange or consolidation or similar transaction involving the Company or any of its subsidiaries, a sale or other disposition of all or substantially all of the assets of the Company, or the acquisition of assets or stock of another entity by the Company or any of its subsidiaries (each, a **"Business Combination"**), in each case unless, following such Business Combination, (A) all or substantially all of the individuals and entities that were the beneficial owners of the Outstanding Company Common Stock and the Outstanding Company Voting Securities immediately prior to such Business Combination beneficially own, directly or indirectly, more than 50% of the then-outstanding shares of common stock (or, for a non-corporate entity, equivalent securities) and the combined voting power of the then-outstanding voting securities entitled to vote generally in the election of directors (or, for a non-corporate entity, equivalent governing body), as the case may be, of the entity resulting from such Business Combination (including, without limitation, an entity that, as a result of such transaction, owns the Company or all or substantially all of the Company's assets either directly or

through one or more subsidiaries) in substantially the same proportions as their ownership immediately prior to such Business Combination of the Outstanding Company Common Stock and the Outstanding Company Voting Securities, as the case may be, (B) no Person (excluding any corporation resulting from such Business Combination or any employee benefit plan (or related trust) of the Company or such corporation resulting from such Business Combination) beneficially owns, directly or indirectly, 50% or more of, respectively, the then-outstanding shares of common stock of the corporation resulting from such Business Combination or the combined voting power of the then-outstanding voting securities of such corporation, except to the extent that such ownership existed prior to the Business Combination, and (C) at least a majority of the members of the board of directors (or, for a non-corporate entity, equivalent governing body) of the entity resulting from such Business Combination were members of the Incumbent Board at the time of the execution of the initial agreement or of the action of the Board of Directors providing for such Business Combination; or

(iv) Approval by the stockholders of the Company of a complete liquidation or dissolution of the Company.

(i) “**Code**” means the Internal Revenue Code of 1986, as amended, and the regulations promulgated thereunder.

(j) “**Committee**” means the Compensation and Management Development Committee of the Board.

(k) “**Common Stock**” means the common stock of the Company. The term “Company” shall include a corporation succeeding to the business of Triumph Group, Inc. by merger, consolidation or liquidation or purchase of assets or stock or similar transaction.

(l) “**Company**” means Triumph Group, Inc., a Delaware corporation, or its successor.

(m) “**Disability**” means that the Awardee is unable to engage in any substantial gainful activity by reason of any medically determinable physical or mental impairment that can be expected to result in death or can be expected to last for a continuous period of not less than six (6) months; provided, however, for purposes of determining the term of an Incentive Stock Option pursuant to Section 8 of the Plan, the term Disability shall have the meaning ascribed to it under Code Section 22(e)(3). Whether an individual has a Disability shall be confirmed by the Committee. Except in situations where the Committee is determining Disability for purposes of the term of an Incentive Stock Option pursuant to Section 8, the Committee may rely on any determination that an Awardee is disabled for purposes of benefits under any long-term disability plan maintained by the Company or any Subsidiary or Affiliate in which an Awardee participates.

(n) “**Employee**” means a regular, active employee of the Company or any Subsidiary or Affiliate.

(o) “**Employer**” means the Company or any Subsidiary or Affiliate, as applicable.

(p) **“Exchange Act”** means the Securities Exchange Act of 1934, as amended, and the rules and regulations promulgated thereunder.

(q) **“Fair Market Value”** means, with respect to a Share, unless the Committee determines otherwise, the closing price of a Share in New York Stock Exchange Composite Transaction on the relevant date, or if no sale shall have made on such exchange on that date, the closing price of a Share in New York Stock Exchange Composite Transaction on the last preceding day on which there was a sale.

(r) **“Grant Date”** means the date as of which an Award is granted.

(s) **“Incentive Stock Option”** means an Option intended to qualify as an incentive stock option within the meaning of Code Section 422 and the regulations promulgated thereunder.

(t) **“Nonstatutory Stock Option”** means an Option that is not intended to qualify as an Incentive Stock Option.

(u) **“Option”** means a right granted under Section 8 to purchase a number of Shares at such exercise price, at such times, and on such other terms and conditions as are specified in the agreement or other documents evidencing the Award (the **“Option Agreement”**). Both Options intended to qualify as Incentive Stock Options and Nonstatutory Stock Options may be granted under the Plan.

(v) **“Participant”** means the Awardee or any person (including any estate) to whom an Award has been assigned or transferred as permitted hereunder.

(w) **“Performance Goals”** means financial or operating, stock performance-related or individually-based goals established for an Award by the Committee, or, pursuant to delegated authority, by a delegate.

(x) **“Performance Period”** means the period established by the Committee for an Award for which Performance Goals are established.

(y) **“Plan”** means this Triumph Group, Inc. 2018 Equity Incentive Plan, as amended from time to time.

(z) **“PSUs”** or **“Performance Share Units”** means RSUs awarded under Section 10 of the Plan with Performance Goals and a Performance Period determined for such Award, and with such other terms and conditions as are specified in the agreement or other documents evidencing the Award (the **“PSU Award Agreement”**).

(aa) **“Repriced”** means (i) any transaction performed with the intent or effect of (A) reducing the exercise price of any outstanding Option, (B) cancelling or exchanging outstanding Options in exchange for cash, other Awards or replacement Options, including through a tender offer process, with exercise prices that are less than the exercise price of the cancelled or exchanged

Options, or (C) any similar share exchange transaction involving outstanding Awards; or (ii) any transaction defined as repricing under the New York Stock Exchange rules for listed companies.

(bb) “**Retirement**” means retirement from active employment with the Company or a Subsidiary pursuant to its relevant policy on retirement as determined by the Committee.

(cc) “**RSU**” means a restricted stock unit as set forth in Section 10 of the Plan.

(dd) “**RSU Award**” means an Award of RSUs in accordance with Section 10 of the Plan on such terms and conditions as are specified in the agreement or other documents evidencing the Award (the “**RSU Award Agreement**”).

(ee) “**Share**” means a share of Common Stock, as adjusted, if applicable, in accordance with Section 15 of the Plan.

(ff) “**Stock Award**” means an award or issuance of Shares made under Section 9 of the Plan on such terms and conditions as are specified in the agreement or other documents evidencing the Award (the “**Stock Award Agreement**”).

(gg) “**Subsidiary**” means any company (other than the Company) in an unbroken chain of companies beginning with the Company, provided each company in the unbroken chain (other than the Company) owns, at the time of determination, stock possessing 50% or more of the total combined voting power of all classes of stock in one of the other companies in such chain.

(hh) “**Termination of Employment**” means, with respect to any Employee, the Employee’s ceasing to be an Employee; provided, however, that for Incentive Stock Option purposes, Termination of Employment will occur when the Awardee ceases to be an employee (as determined in accordance with Code Section 3401(c) and the regulations promulgated thereunder) of the Company or one of its Subsidiaries; and provided further that for any Award subject to Section 409A, Termination of Employment means a separation from service within the meaning of Section 409A. The Committee shall determine whether any corporate transaction, such as a sale or spin-off of a division or business unit, or a joint venture, shall be deemed to result in a Termination of Employment.

### **3. Shares Subject to the Plan.**

(a) *Aggregate Limits.* Subject to Section 15(a), the aggregate number of Shares subject to Awards granted under the Plan is 2,000,000 Shares. Any Shares subject to Awards that are cancelled, expire or are forfeited without the issuance of any Shares shall be available for re-grant under the Plan. Notwithstanding anything to the contrary contained herein, Shares subject to an Award under the Plan shall not again be made available for issuance or delivery under the Plan if such Shares are (i) Shares tendered or withheld in payment of the Option exercise price, or (ii) Shares delivered to or withheld by the Company to satisfy any tax withholding obligation authorized by the Committee. Shares issued in payment of any Award may either be authorized and unissued Shares or treasury Shares. Any cash tendered to pay any exercise price or to meet tax withholding obligations will not be used by the Company to purchase additional Shares on the open market for use under this Plan.

(b) *Code Sections 422 and 409A.* Subject to Section 15(a), the aggregate number of Shares that may be subject to all Incentive Stock Options granted under the Plan is 2,000,000 Shares. Notwithstanding anything to the contrary in the Plan, the limitations set forth in this Section 3(b) shall be subject to adjustment under Section 15(a) only to the extent that such adjustment will not affect the ability to grant or constitute a “modification” in the case of Incentive Stock Options as defined in Code Section 424, or in the case of Nonstatutory Stock Options, constitute a “modification” within the meaning of Code Section 409A.

(c) *Award Vesting Limitations.* Notwithstanding anything to the contrary in this Plan, but subject to Section 15 of the Plan, Awards granted under the Plan shall vest no earlier than the first anniversary of the applicable date of grant; provided, however, that notwithstanding the foregoing, Awards that result in the issuance of up to five percent (5%) of the Shares of Common Stock available pursuant to Section 3(a) may be granted to any one or more Participants without respect to such minimum vesting provisions.

#### **4. Administration of the Plan.**

(a) *Procedure.*

(i) *Administrator.* The Plan shall be administered by the Committee.

(ii) *Delegation of Authority for the Day-to-Day Administration of the Plan.* Except to the extent prohibited by applicable law (including applicable stock exchange rules), the Committee may delegate to one or more individuals the day-to-day administration of the Plan and any of the functions assigned to it in the Plan. Such delegation may be revoked at any time.

(b) *Powers of the Committee.* Subject to the other provisions of the Plan, the Committee shall have the authority, in its discretion:

(i) to select the Employees to whom Awards are to be granted hereunder;

(ii) to determine the number of Shares to be covered by each Award granted hereunder;

(iii) to determine the type of Award to be granted to the selected Employees;

(iv) to approve forms of Award Agreements for use under the Plan;

(v) to determine the terms and conditions, not inconsistent with the terms of the Plan, of any Award granted hereunder;

(vi) to correct administrative errors;

(vii) to construe and interpret the terms of the Plan and Awards granted under the Plan;

(viii) to adopt rules and procedures relating to the operation and administration of the Plan to accommodate the specific requirements of applicable laws and procedures;

(ix) to prescribe, amend and rescind rules and regulations relating to the Plan;

(x) to modify or amend each Award, including, but not limited to, the acceleration of vesting or exercisability; provided, however, that any such amendment is subject to Section 15 and may not impair any outstanding Award unless agreed to in writing by the Participant;

(xi) to allow Participants to satisfy withholding tax amounts by electing (in such form and under such conditions as the Committee may provide) to have the Company withhold from the Shares to be issued upon exercise of a Nonstatutory Stock Option or vesting or lapse of forfeiture of a Stock Award or RSU Award, that number of Shares having a Fair Market Value equal to the maximum that can be withheld in the applicable jurisdiction;

(xii) to authorize any person to execute on behalf of the Company any instrument required to effect the grant of an Award previously granted by the Committee;

(xiii) to impose such restrictions, conditions or limitations as it determines appropriate as to the timing and manner of any resales by a Participant or other subsequent transfers by the Participant of any Shares issued as a result of or under an Award, including without limitation: (A) restrictions under an insider trading policy; and (B) restrictions as to the use of a specified brokerage firm for such resales or other transfers;

(xiv) to determine the duration and purpose of leaves of absences which may be granted to an Awardee without constituting a Termination of Employment for purposes of the Plan, subject to the applicable requirements of Code Section 409A; and

(xv) to make all other determinations deemed necessary or advisable for administering the Plan and any Award granted hereunder.

(c) *Effect of Committee's Decision*. All decisions, determinations and interpretations by the Committee regarding the Plan, any rules and regulations under the Plan and the terms and conditions of any Award granted hereunder, shall be final and binding on all Participants. The Committee shall consider such factors as it deems relevant, in its sole and absolute discretion, to making such decisions, determinations and interpretations including, without limitation, the recommendations or advice of any officer or other employee of the Company and such attorneys, consultants and accountants as it may select.

## **5. Eligibility.**

Awards may be granted only to Employees.

## **6. Term of Plan.**

The Plan became effective upon its approval by the Board on May 29, 2018, subject to approval of the Plan by the stockholders of the Company at the 2018 Annual Meeting of stockholders to be held on July 11, 2018. The Plan shall continue in effect for a term of ten (10) years from the effective date of the Plan, unless an amendment to extend the term is approved by stockholders of the Company under Section 16.



## 7. Term of Awards.

The term of each Award shall be determined by the Committee and stated in the Award Agreement. In the case of an Option, the term shall be no longer than ten (10) years from the Grant Date; provided, however, that if an Awardee owns or is deemed to own (by reason of the attribution rules of Section 424(d) of the Code) more than 10% of the combined voting power of all classes of stock of the Company (or any parent corporation or subsidiary corporation of the Company, as those terms are defined in Sections 424(e) and (f) of the Code, respectively) and an Incentive Stock Option is granted to such Awardee, the term of the Incentive Stock Option shall be (to the extent required by the Code at the time of the grant) no more than five years from the date of grant.

## 8. Options.

(a) *General.* Each Option shall be evidenced by an Option Agreement, the terms and conditions of which are consistent with the following:

(i) *Exercise Price.* The per share exercise price for the Shares to be issued pursuant to exercise of an Option shall be no less than 100% of the Fair Market Value per Share on the Grant Date. If an Awardee owns or is deemed to own (by reason of the attribution rules applicable under Section 424(d) of the Code) more than 10% of the combined voting power of all classes of stock of the Company (or any parent corporation or subsidiary corporation of the Company, as those terms are defined in Sections 424(e) and (f) of the Code, respectively) and an Incentive Stock Option is granted to such Awardee, the exercise price of such Incentive Stock Option (to the extent required by the Code at the time of grant) shall be no less than 110% of the Fair Market Value of a Share on the date such Incentive Stock Option is granted.

(ii) *No Option Repricings.* Other than in connection with a change in the Company's capitalization (as described in Section 15(a)), the exercise price of an Option may not be Repriced without stockholder approval.

(iii) *Vesting Period, Performance Goals and Exercise Dates.* Options granted under the Plan shall vest and be exercisable at such time, subject to achievement of designated Performance Goals and/or in such installments during the period prior to the expiration of the Option's term as determined by the Committee and set forth in the Option Agreement. The minimum vesting schedule for Options shall be one year from the date of grant.

(iv) *Form of Consideration.* The Committee shall determine the acceptable form of consideration for exercising an Option, including the method of payment, either through the terms of the Option Agreement or at the time of exercise of an Option. Acceptable forms of consideration may include:

- (1) cash;
- (2) check or wire transfer (denominated in U.S. Dollars);
- (3) subject to any conditions or limitations established by the Committee, Shares which have a Fair Market Value on the date of surrender equal to the aggregate

exercise price of the Shares as to which said Option shall be exercised and/or applicable withholding taxes arising as a result of such exercise in accordance with Section 14;

(4) consideration received by the Company under a broker-assisted sale and remittance program acceptable to the Committee;

(5) such other consideration and method of payment for the issuance of Shares to the extent permitted by applicable law; or

(6) any combination of the foregoing methods of payment.

(b) *Option Limitations/Terms.*

(i) *Eligibility for Incentive Stock Options.* Only employees (as determined in accordance with Code Section 3401(c) and the regulations promulgated thereunder) of the Company or any of its Subsidiaries may be granted Incentive Stock Options.

(ii) *\$100,000 Limitation for Incentive Stock Options.* Notwithstanding the designation "Incentive Stock Option" in an Option Agreement, if and to the extent that the aggregate Fair Market Value of the Shares with respect to which Incentive Stock Options are exercisable for the first time by the Awardee during any calendar year (under all plans of the Company and any of its Subsidiaries) exceeds \$100,000, such Options shall be treated as Nonstatutory Stock Options. For purposes of this Section 8(b), Incentive Stock Options shall be taken into account in the order in which they were granted. The Fair Market Value of the Shares shall be determined as of the Grant Date.

(c) *Effect of Termination of Employment on Options.*

(i) *General.* Upon an Awardee's Termination of Employment other than as a result of circumstances described in Section 13, any outstanding vested Option granted to such Awardee, to the extent not theretofore exercised, shall terminate ninety (90) days after the date of the Awardee's Termination of Employment. Subject to Section 15(c), any unvested Options terminate upon an Awardee's Termination of Employment.

(ii) *Specific Termination Events.* The impact of specific termination events set forth in Section 13 shall apply to Options.

(d) *Exercise of an Option.*

(i) Any Option granted hereunder shall be exercisable according to the terms of the Plan and at such times and under such conditions as determined by the Committee and set forth in the Option Agreement.

(ii) An Option shall be deemed exercised when the Company receives (A) written or electronic notice of exercise (in accordance with the Option Agreement) from the person entitled to exercise the Option; (B) full payment for the Shares with respect to which the related Option is exercised; and (C) with respect to Nonstatutory Stock Options, payment of all applicable withholding taxes.

(iii) Shares issued upon exercise of an Option shall be issued in the name of the Participant or, if requested by the Participant, in the name of the Participant and his or her spouse. Until the Shares are issued (as evidenced by the appropriate entry on the books of the Company or of a duly authorized transfer agent of the Company), no right to vote or receive dividends or any other rights as a stockholder shall exist with respect to the Shares subject to an Option.

(iv) An Option may not be exercised for a fraction of a Share.

(e) *Expiration of Option Term: Automatic Exercise of In-The-Money Options.* Unless otherwise determined by the Committee (in an Award Agreement or otherwise) or as otherwise directed in writing to the Company by a Participant holding an Option, each Option outstanding on the Automatic Exercise Date with an exercise price per share that is less than the Fair Market Value per share of Common Stock as of such date shall automatically and without further action by the Participant or the Company be exercised on the Automatic Exercise Date. Payment of the exercise price of any such Option and related tax obligations shall be “net settled” to the maximum extent permitted by applicable law. Unless otherwise determined by the Committee, this Section 8(e) shall not apply to an Option if the Participant incurs a Termination of Employment on or before the Automatic Exercise Date. For the avoidance of doubt, no Option with an exercise price per share that is equal to or greater than the Fair Market Value per share of Common Stock on the Automatic Exercise Date shall be exercised pursuant to this Section 8(e).

## **9. Stock Awards.**

Each Stock Award shall be evidenced by a Stock Award Agreement, the terms and conditions of which are consistent with the following:

(a) *Restrictions and Performance Goals.* Stock Awards shall be earned, and forfeiture restrictions shall lapse, at such time, in such installments, and/or subject to such Performance Goal(s) as established under Section 11 and with such Performance Period as determined by the Committee or, if applicable, a delegate of the Committee. The minimum restricted period or Performance Period for a Stock Award shall be one year from the date of grant.

(b) *Forfeiture.* Upon the Awardee’s Termination of Employment (other than as provided below in Section 13), the Shares subject to a Stock Award that have not been earned or vested pursuant to the Stock Award Agreement shall be forfeited.

(c) *Rights as a Stockholder.* The Awardee shall be a stockholder (as evidenced by the appropriate entry on the books of the Company or of a duly authorized transfer agent of the Company) upon the grant of the Stock Award; provided, however, such rights are forfeited if the Shares subject to the Stock Award are forfeited, and no certificate representing ownership of the Shares shall be issued to the Awardee until such lapse of forfeiture occurs.

(d) *Dividends.* Dividends that are declared and paid on the outstanding shares of Common Stock during any period for which forfeiture restrictions apply to a Stock Award shall not be paid at the time dividends are paid to stockholders, but shall be accrued, without interest, and

paid out when such forfeiture restrictions lapse; provided, that any accrued dividends are forfeited to the extent the underlying shares under the Award are forfeited.

#### **10. RSU Awards.**

The terms and conditions of a grant of a RSU Award shall be reflected in a RSU Award Agreement. RSUs shall be earned, and forfeiture restrictions shall lapse, at such time, in such installments, and/or subject to such Performance Goal(s) and with such Performance Period as determined by the Committee or, if applicable, a delegate of the Committee. No Shares shall be issued at the time a RSU Award is granted, and the Company will not be required to set aside a fund for the payment of any such RSU Award. A Participant shall have no voting or dividend rights with respect to any RSUs granted hereunder until the Shares, if any, underlying the RSU Award are earned and issued.

(a) *Restrictions.* A RSU Award shall be subject to (i) forfeiture until the expiration of the restricted period established by the Committee, and/or, for a PSU Award, satisfaction of any applicable Performance Goals as established under Section 11 during a designated Performance Period, to the extent provided in the applicable PSU Award Agreement, and to the extent such RSUs or PSUs are forfeited, all rights of the Awardee to such RSUs or PSUs shall terminate without further obligation on the part of the Company, and (ii) such other terms and conditions as may be set forth in the applicable RSU Award Agreement or PSU Award Agreement. The minimum restricted period or Performance Period for RSU Awards shall be one year from the date of grant.

(b) *Settlement of Restricted Stock Units and Performance Share Units.* Upon the expiration of the restricted period with respect to any outstanding RSUs, and satisfaction of the applicable Performance Goals for the Performance Period for any outstanding PSUs, the Company shall deliver to the Awardee, or his or her beneficiary, without charge, one Share for each such outstanding RSU for which forfeiture restrictions have lapsed, or for each outstanding PSU which has been earned; provided, however, that, if explicitly provided in the applicable RSU Award Agreement or PSU Award Agreement, the Committee may, in its sole discretion, elect to pay cash or part cash and part Shares in lieu of delivering only Shares for such RSUs or PSUs. If a cash payment is made in lieu of delivering Shares, the amount of such payment shall be equal to the Fair Market Value of the Shares as of the date on which the restricted period lapsed with respect to such RSUs, or the date on which the Committee or, if applicable, a delegate of the Committee, determines that the applicable Performance Goals have been met for PSUs.

(c) *Dividend Equivalents.* Unless set forth in an Award Agreement, no dividend equivalents will be paid on any RSU Award or PSU Award. Dividend equivalents, if added in an Award Agreement, shall only be paid to the extent the RSU Award or PSU Award is earned and paid.

#### **11. Performance-Based Awards.**

The Committee will establish, in writing, the Performance Goals and the Performance Period for each applicable Award; provided, however, that where the determination of the Performance Goals and Performance Period for any Award for which the Committee has delegated authority

under Section 4(a), the authority to establish Performance Goals and a Performance Period is also delegated. Such Performance Goals may vary by Awardee and by Award. The Committee, in its discretion, may adjust or modify the calculation of Performance Goals to prevent dilution or enlargement of the rights of Awardees.

## **12. Compliance with Conditions.**

The Committee has the authority, which may be delegated to the extent permitted by applicable law, to set forth conditions and requirements, including, without limitation, restrictive covenants, in any Award Agreement. Any failure to comply with such conditions or requirements, either during the employment period or after Termination of Employment, as applicable, may subject the Award to forfeiture, or to any applicable clawback policy.

## **13. Impact of Termination of Employment Events.**

The following Termination of Employment events shall have the following consequences for outstanding Awards.

### **(a) Disability of an Awardee.**

(i) *Options.* Subject to Section 13(g), upon an Awardee's Termination of Employment as a result of the Awardee's Disability, all outstanding vested and exercisable Options granted to such Awardee shall remain exercisable for one year after Termination of Employment as a result of a Disability; provided, that the Option will expire at the expiration of the stated term if earlier.

(ii) *Stock Awards, RSU Awards and PSU Awards.* If an Awardee's Termination of Employment is due to the Awardee's Disability:

(1) all outstanding and unvested Stock Awards and RSU Awards not described in subsection (a)(ii)(2) that would have vested prior to the first anniversary of the date of Termination of Employment will accelerate, all forfeiture restrictions will lapse, and the Shares will be issued within thirty (30) days after the date of Termination of Employment; and

(2) subject to Section 15(c), all outstanding Stock Awards and RSU Awards that are conditioned upon achievement of one or more Performance Goals and granted to such Awardee with a Performance Period ending prior to the first anniversary of the Date of Termination shall continue to be subject to the applicable Performance Goals and paid out, if earned and vested, after the end of the Performance Period when it is determined whether the Award is earned, but in no event later than March 15 in the year following the end of the Performance Period.

### **(b) Death of Awardee.**

(i) *Options.* Upon an Awardee's Termination of Employment as a result of the Awardee's death, all outstanding vested and exercisable Options granted to such Awardee shall remain exercisable for one year after Termination of Employment as a result of a death; provided,

that the Option will expire at the expiration of the stated term if earlier. If an Option is held by the Awardee when he or she dies, the Option may be exercised by the beneficiary designated by the Awardee, the executor or administrator of the Awardee's estate or, if none, by the person(s) entitled to exercise the Option under the Awardee's will or the laws of descent or distribution.

(ii) *Stock Awards, RSU Awards and PSU Awards* . Any outstanding Stock Awards, RSU Awards and PSU Awards shall be forfeited upon the death of the Awardee.

(c) *Retirement of an Awardee.*

(i) Subject to Section 13(g), upon an Awardee's Termination of Employment as a result of the Awardee's Retirement, all outstanding vested and exercisable Options granted to such Awardee shall remain exercisable for one year after Termination of Employment as a result of a Retirement; provided, that the Option will expire at the expiration of the stated term if earlier.

(ii) *Stock Awards, RSU Awards and PSU Awards* . If an Awardee's Termination of Employment is due to the Awardee's Retirement:

(1) all outstanding and unvested Stock Awards and RSU Awards not described in subsection (c)(ii)(2) that would have vested prior to the first anniversary of the date of Termination of Employment will accelerate, all forfeiture restrictions will lapse and the Shares will be issued within thirty (30) days after the date of Termination of Employment; and

(2) subject to Section 15(c), all outstanding Stock Awards and RSU Awards that are conditioned upon achievement of one or more Performance Goals and granted to such Awardee with a Performance Period ending prior to the first anniversary of the Date of Termination shall continue to be subject to the applicable Performance Goals and paid out, if earned and vested, after the end of the Performance Period when it is determined whether the Award is earned, but in no event later than March 15 in the year following the end of the Performance Period.

(d) *Voluntary Severance Incentive Program* . Upon an Awardee's Termination of Employment as a result of participation in a voluntary severance incentive program of the Company or a Subsidiary approved by the Board or a committee of the Board, the Board or the Committee shall take action to:

(i) vest all outstanding Options granted to the Awardee, with such vested Options remaining exercisable until the expiration of the stated term of the Option; and

(ii) vest and lapse all forfeiture restrictions on all outstanding time-based Stock Awards and RSU Awards granted to such Awardee and provide that all such Awards shall be settled as soon as practicable following such Termination of Employment, but in no event later than March 15<sup>th</sup> following the year of such Termination of Employment.

(e) *Divestiture.* If an Awardee will cease to be an Employee because of a divestiture by the Company (the determination of whether a divestiture will occur shall be made by the Committee in its sole discretion), prior to such Termination of Employment, the Committee may, in its sole discretion,:

(i) fully vest some or all of the outstanding Options granted to the Awardee, and such Options shall remain exercisable until the expiration of the stated term of the Option; and

(ii) accelerate the vesting of and lapse of forfeiture restrictions on all or a portion of any outstanding time-based Stock Awards or RSU Awards granted to such Awardee, and provide that such Awards shall be settled as soon as practicable following such Termination of Employment, but in no event later than March 15<sup>th</sup> following the year of such Termination of Employment.

(f) *Work Force Restructuring or Similar Program.* If an Awardee will cease to be an Employee because of a work force restructuring or similar program (the determination of whether a work force restructuring will occur shall be made by the Committee in its sole discretion), prior to such Termination of Employment, the Committee may, in its sole discretion:

(i) vest some or all of the outstanding Options granted to the Awardee, and such Options shall remain exercisable until the expiration of the stated term of the Option; and

(ii) accelerate the vesting of, and lapse of forfeiture restrictions on, all or a portion of any outstanding Stock Awards or RSU Awards granted to such Awardee, and provide that all such RSU Awards shall be settled as soon as practicable following such Termination of Employment, but in no event later than March 15<sup>th</sup> following the year of such Termination of Employment.

(g) *Post-Termination of Employment Restrictions.* The following provisions will apply to the extended exercisability, vesting, or continuation of any Award following a Termination of Employment:

(i) The Awardee shall not, without prior written authorization from the Company, use in other than the business of the Company or any of its Subsidiaries or Affiliates, any confidential information or material relating to the business of the Company or its Subsidiaries or Affiliates, either during or after employment with the Company or any of its Subsidiaries or Affiliates;

(ii) The Awardee shall disclose promptly and assign to the Company or one of its Subsidiaries or Affiliates, as appropriate, all right, title and interest in any invention or idea, patentable or not, made or conceived by the Awardee during employment by the Company or any of its Subsidiaries or Affiliates, relating in any manner to the actual or anticipated business, research or development work of the Company or any of its Subsidiaries or Affiliates and shall do anything reasonably necessary to enable the Company or one of its Subsidiaries or Affiliates, as appropriate, to secure a patent where appropriate in the United States and in foreign countries; and

(iii) An Awardee who has a Termination of Employment due to Retirement shall render, as a consultant and not as an Employee, such advisory or consultative services to the Company as shall be reasonably requested in writing from time to time by the Company, consistent with the state of the retired Awardee's health and any employment or other activities in which such Awardee may be engaged. For purposes of the Plan, the Awardee shall not be required to devote a major portion of time to such services and shall be entitled to reimbursement for any reasonable out-of-pocket expenses incurred in connection with the performance of such services. Notwithstanding the foregoing, if any Award is subject to Code Section 409A and such Award is payable upon the Awardee's separation from service (as defined in Code Section 409A), any such advisory or consultative services shall not cause the Awardee to be in violation of Code Section 409A.

(h) *Options.* If the Participant does not exercise an Option within the additional time specified in accordance with this Section 13, the Option (to the extent not exercised) shall automatically terminate at the end of the extended exercise period; provided, however, if applicable, the provisions of Section 8(e) shall apply.

#### **14. Withholding.**

(a) *Required Withholding.* All Awards under the Plan shall be subject to applicable federal (including FICA), state, local and foreign tax withholding requirements. The Employer may require the Participant or other person receiving or exercising an Award to pay to the Employer the amount of any federal, state, local or foreign taxes that the Employer is required to withhold with respect to such Award, or the Employer may deduct from other wages and compensation paid by the Employer the amount of any withholding taxes due with respect to such Award.

(b) *Authority to Withhold Shares.* The Committee may authorize that the Company's tax withholding obligation with respect to any Award paid in Common Stock shall be satisfied by having shares of Common Stock withheld at the time such Award becomes taxable in an amount equal to the maximum tax withholding obligation in compliance with applicable law. In addition, the Committee may allow Participants to elect to have such authorized share withholding applied (or not) to particular Awards. The election must be in a form and manner prescribed by the Company and may be subject to limits imposed by the Committee.

#### **15. Adjustments upon Changes in Capitalization, Dissolution, Merger or Asset Sale; Change in Control.**

(a) *Changes in Capitalization.* Subject to any required action by the stockholders of the Company, (i) the number and kind of Shares covered by each outstanding Award, (ii) the price per Share subject to each such outstanding Award and (iii) the Share limitations set forth in Section 3, shall be proportionately adjusted for any increase or decrease in the number or kind of issued shares resulting from a stock split, reverse stock split, stock dividend, combination or reclassification of the Common Stock, or any other increase or decrease in the number of issued shares of Common Stock effected without receipt of consideration by the Company; provided, however, that conversion of any convertible securities of the Company shall not be deemed to have been "effected without receipt of consideration." Such adjustment shall be made by the Committee, whose determination in that respect shall be final, binding and conclusive. Except as expressly provided herein, no



issuance by the Company of shares of stock of any class, or securities convertible into shares of stock of any class, shall affect, and no adjustment by reason thereof shall be made with respect to, the number or price of shares of Common Stock subject to an Award. Any adjustments made under this Section 15(a) shall be made in a manner which does not adversely affect the exemption provided pursuant to Rule 16b-3 under the Exchange Act.

(b) *Dissolution or Liquidation.* In the event of the proposed dissolution or liquidation of the Company, other than a dissolution or liquidation that is defined as a Change of Control, the Committee shall notify each Participant as soon as practicable prior to the effective date of such proposed transaction. The Committee in its discretion may provide for an Option to be fully vested and exercisable until ten (10) days prior to such transaction. In addition, the Committee may provide that any restrictions on any Award shall lapse prior to the transaction, provided the proposed dissolution or liquidation takes place at the time and in the manner contemplated. To the extent it has not been previously exercised, an Award will terminate immediately prior to the consummation of such proposed transaction.

(c) *Change in Control.* The provisions of this Section 15(c) shall apply in the case of a Change in Control. If more specific terms are set forth in any separate plan document or agreement between the Company and any Awardee, such separate plan or agreement shall govern the treatment of Awards.

(i) *Awards Not Assumed or Substituted by the Surviving Entity.* Upon the occurrence of a Change in Control, and except with respect to any Awards assumed by the surviving entity or otherwise equitably converted or substituted in connection with the Change in Control in a manner approved by the Committee or the Board: (A) outstanding Options, Stock Awards and RSUs, and other Awards in the nature of rights that may be exercised, shall become fully vested and exercisable, (B) time-based vesting restrictions on outstanding Awards shall lapse, and (C) the payout opportunities attainable under all outstanding performance-based Awards shall be deemed to have been earned as of the date of the Change in Control based upon an assumed achievement of all relevant Performance Goals at actual Performance Goal achievement; provided that if such actual achievement cannot be determined, then at target level, and, subject to Section 15(c)(iv) and Section 22, there shall be a pro rata payout to Awardees (or their beneficiaries) within 30 days following the date of the Change in Control (unless a later date is required by Section 22 hereof) based upon the length of time within the Performance Period that has elapsed prior to the date of the Change in Control. To the extent that this provision causes Incentive Stock Options to exceed the dollar limitation set forth in Code Section 422(d), the excess Options shall be deemed to be Nonstatutory Stock Options.

(ii) *Awards Assumed or Substituted by Surviving Entity.* With respect to Awards assumed by the surviving entity or otherwise equitably converted or substituted in connection with a Change in Control, if within two years after the effective date of the Change in Control, an Awardee's employment is terminated without Cause or (subject to the following sentence) the Awardee resigns for "good reason" in connection with a Change in Control then (A) all of that Awardee's outstanding Options, Stock Awards, RSUs and other Awards in the nature of rights that may be exercised shall become fully vested and exercisable, (B) all time-based vesting restrictions on the Awardee's outstanding Awards shall lapse, and (C) the payout opportunities attainable under

all of such Awardee's outstanding performance-based Awards shall be deemed to have been earned as of the date of such employment termination at the target level, and (subject to Section 15(c)(iv) and Section 22) there shall be a pro rata payout to the Awardee or his or her beneficiary within 30 days following the date of the employment termination (unless a later date is required by Section 22 hereof) based upon the length of time within the Performance Period that has elapsed prior to the date of the employment termination; provided, however, if a severance plan or agreement or employment agreement in place at the time of the Change in Control provides for additional acceleration, the terms of such severance plan or agreement or employment agreement shall control. With regard to each Award, an Awardee shall not be considered to have resigned for "good reason" unless either (1) the Award Agreement includes a "good reason" termination right in connection with a Change in Control or (2) the Awardee is or was, prior to the Change in Control, party to an employment agreement or severance or similar agreement or plan with the Company or a Subsidiary or Affiliate that includes provisions in which the Awardee is permitted to resign for "good reason" in connection with a Change in Control (as defined in such agreement or plan). To the extent that this provision causes Incentive Stock Options to exceed the dollar limitation set forth in Code Section 422(d), the excess Options shall be deemed to be Nonstatutory Stock Options.

(iii) *Equitable Adjustments.* The Committee, in its sole discretion, may include such further provisions and limitations in any Award, agreement or certificate, as it may deem equitable and in the best interests of the Company that are not inconsistent with the provisions of the Plan.

(iv) *Code Section 409A.* No action shall be taken under this Section 15(c) which shall cause an Award to fail to be exempt from or comply with Code Section 409A.

(v) *Consent.* Notwithstanding any other provision of the Plan or any Award Agreement, the provisions of this Section 15(c) may not be terminated, amended, or modified upon or after a Change of Control in a manner that would adversely affect an Awardee's rights with respect to an outstanding Award without the prior written consent of the Awardee.

## **16. Amendment and Termination of the Plan.**

(a) *Amendment and Termination.* The Committee may amend, alter or discontinue the Plan or any Award Agreement, but any such amendment shall be subject to approval of the stockholders of the Company in the manner and to the extent required by applicable law (including applicable stock exchange requirements). In addition, without limiting the foregoing, unless approved by the stockholders of the Company, no such amendment shall be made that would:

(i) materially increase the maximum number of Shares for which Awards may be granted under the Plan, other than an increase pursuant to Section 15;

(ii) reduce the minimum exercise price for Options granted under the Plan;

(iii) Reprice any outstanding Awards, other than in connection with a change in the Company's capitalization (as described in Section 15(a)); or

(iv) change the class of persons eligible to receive Awards under the Plan.

(b) *Effect of Amendment or Termination.* No amendment, suspension or termination of the Plan shall impair the rights of any Participant under an outstanding Award, unless agreed to in a writing signed by the Participant and the Company. Termination of the Plan shall not affect the Committee's ability to exercise the powers granted to it hereunder with respect to Awards granted under the Plan prior to the date of such termination.

(c) *Effect of the Plan on Other Arrangements.* Neither the adoption of the Plan by the Board or the Committee nor the submission of the Plan to the stockholders of the Company for approval shall be construed as creating any limitations on the power of the Board or the Committee to adopt such other incentive arrangements as it or they may deem desirable, including without limitation, the granting of restricted stock, restricted stock units, stock options or other incentive compensation awards otherwise than under the Plan, and such arrangements may be either generally applicable or applicable only in specific cases.

**17. Non-Transferability of Awards.**

Unless provided otherwise in an Award Agreement, an Award may not be sold, pledged, assigned, hypothecated, transferred, or disposed of in any manner other than by beneficiary designation, will or by the laws of descent or distribution.

**18. Designation of Beneficiary.**

(a) An Awardee may file a written designation of a beneficiary who is to receive the Awardee's rights pursuant to Awardee's Award or the Awardee may include his or her Awards in an omnibus beneficiary designation for all benefits under the Plan. To the extent that Awardee has completed a designation of beneficiary, such beneficiary designation shall remain in effect with respect to any Award hereunder until changed by the Awardee to the extent enforceable under applicable law.

(b) Such designation of beneficiary may be changed by the Awardee at any time by written notice in a form approved by the Committee. In the event of the death of an Awardee and in the absence of a beneficiary validly designated under the Plan who is living at the time of such Awardee's death, the Company shall allow the executor or administrator of the estate of the Awardee to exercise the Award, or if no such executor or administrator has been appointed (to the knowledge of the Company), the Company, in its discretion, may allow the spouse or one of the dependents or relatives of the Awardee to exercise the Award to the extent permissible under applicable law.

**19. No Right to Awards or to Employment.**

No person shall have any claim or right to be granted an Award and the grant of any Award shall not be construed as giving an Awardee the right to continue in the employ of the Company or its Subsidiaries or Affiliates. Further, the Company and its Subsidiaries or Affiliates expressly reserve the right, at any time, to dismiss any Employee or Awardee at any time without liability or any claim under the Plan, except as provided herein or in any Award Agreement entered into hereunder.

**20. Clawback.**

The Company shall have the right to recoup or “claw back” any payment made with respect to an Award under the Plan to the extent necessary to comply with applicable Federal securities laws or any Board- or Committee-approved plan or policy.

**21. No Section 83(b) Election.**

No Awardee may make an election under Code Section 83(b) with respect to any Stock Award or RSU Award granted hereunder.

**22. Legal Compliance.**

Shares shall not be issued pursuant to the exercise of an Award unless the issuance and delivery of such Shares shall comply with applicable laws and shall be further subject to the approval of counsel for the Company with respect to such compliance. Without limiting the foregoing, the Plan is intended to comply with Code Section 409A to the extent subject thereto, and, accordingly, to the maximum extent permitted, the Committee shall make a good faith effort to interpret and administer the Plan in compliance therewith. Any payments described in the Plan that are due within the “short-term deferral period” as defined in Code Section 409A shall not be treated as deferred compensation unless applicable law requires otherwise. For purposes of Code Section 409A, each installment payment provided under the Plan shall be treated as a separate payment. Notwithstanding anything to the contrary in the Plan, to the extent required to avoid accelerated taxation and tax penalties under Code Section 409A, (a) amounts that would otherwise be payable and benefits that would otherwise be provided pursuant to the Plan during the six (6) month period immediately following the Awardee’s Termination of Employment shall instead be paid on the first payroll date after the six-month anniversary of the Participant’s separation from service (or the Participant’s death, if earlier), (b) amounts payable upon an Awardee’s Termination of Employment shall only be payable if such termination constitutes a “separation from service” within the meaning of Code Section 409A, and (c) except to the extent acceleration or deferral is permitted by or complies with the requirements of Code Section 409A, neither the time nor schedule of any payment or exercise of an Award will accelerate or be deferred. Notwithstanding the foregoing, neither the Company nor the Committee shall have any obligation to take any action to prevent the assessment of any excise tax or penalty on any Participant under Code Section 409A and neither the Company nor the Committee will have any liability to any Participant for such tax or penalty.

**23. Inability to Obtain Authority.**

To the extent the Company is unable to or the Committee deems it infeasible to obtain authority from any regulatory body having jurisdiction, which authority is deemed by the Company’s counsel to be necessary to the lawful issuance and sale of any Shares hereunder, the Company shall be relieved of any liability with respect to the failure to issue or sell such Shares as to which such requisite authority shall not have been obtained.

**24. Reservation of Shares.**

The Company, during the term of the Plan, will at all times reserve and keep available such number of Shares as shall be sufficient to satisfy the requirements of the Plan.

**25. Notice.**

Any written notice to the Company required by any provisions of the Plan shall be addressed to the Secretary of the Company and shall be effective when received.

**26. Governing Law; Interpretation of Plan and Awards.**

(a) This Plan and all determinations made and actions taken pursuant hereto shall be governed by the substantive laws, but not the choice of law rules, of the State of Delaware.

(b) In the event that any provision of the Plan or any Award granted under the Plan is declared to be illegal, invalid or otherwise unenforceable by a court of competent jurisdiction, such provision shall be reformed, if possible, to the extent necessary to render it legal, valid and enforceable, or otherwise deleted, and the remainder of the provisions of the Plan or Award shall not be affected except to the extent necessary to reform or delete such illegal, invalid or unenforceable provision.

(c) The headings preceding the text of the sections hereof are inserted solely for convenience of reference, and shall not constitute a part of the Plan, nor shall they affect its meaning, construction or effect.

(d) The terms of the Plan and any Award shall inure to the benefit of and be binding upon the parties hereto and their respective permitted heirs, beneficiaries, successors and assigns.

(e) All questions arising under the Plan or under any Award shall be decided by the Committee in its total and absolute discretion.

**27. Limitation on Liability.**

The Company and any Subsidiary or Affiliate which is in existence or hereafter comes into existence shall not be liable to a Participant, an Employee, an Awardee or any other persons as to:

(a) *The Non-Issuance of Shares.* The non-issuance or sale of Shares as to which the Company has been unable to obtain from any regulatory body having jurisdiction the authority deemed by the Company's counsel to be necessary to the lawful issuance and sale of any shares hereunder; and

(b) *Tax Consequences.* Any tax consequence expected, but not realized, by any Participant, Employee, Awardee or other person due to the receipt, exercise or settlement of any Option or other Award granted hereunder.



**TRIUMPH GROUP, INC.**  
**EXECUTIVE CASH INCENTIVE COMPENSATION PLAN**

(Effective April 1, 2018)

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## ARTICLE I

### PURPOSE

The purpose of the Plan is to promote the achievement of the Company's short- and long-term, targeted business objectives by providing competitive cash-incentive reward opportunities to those selected executive officers and other key members of management who can significantly impact the Company's performance. The Plan enhances the Company's ability to attract, develop and motivate individuals as members of a talented management team while aligning their interest with those of the stockholders.

## ARTICLE II

### DEFINITIONS

As used in the Plan, the following terms shall have the following meanings:

2.1 "Affiliate" means any entity that is, directly or indirectly, controlled by, under common control with or controlling the Company or any entity in which the Company has a significant ownership interest as determined by the Committee.

2.2 "Award Period" mean a period of at least six months and no longer than three consecutive Plan Years for an Incentive Award.

2.3 "Board" means the Board of Directors of the Company.

2.4 "Cause" has the meaning set forth in the Participant's employment or similar agreement with the Employer or any severance or similar agreement or plan, or, if no such agreement or plan is in effect, means (a) the willful and continued failure by the Participant (other than any such failure resulting from the Participant's incapacity due to physical or mental illness) to perform substantially the duties and responsibilities of the Participant's position with the Employer after a written demand for substantial performance is delivered to the Participant by the Board, which demand specifically identifies the manner in which the Board believes that the Participant has not substantially performed such duties or responsibilities; (b) the conviction of the Participant by a court of competent jurisdiction or a plea of nolo contendere for felony criminal conduct or a crime involving moral turpitude; or (c) the willful engaging by the Participant in fraud or dishonesty which is demonstrably and materially injurious to the Company or its reputation, monetarily or otherwise. No act, or failure to act, on the Participant's part shall be deemed "willful" unless committed or omitted by the Participant in bad faith and without reasonable belief that the Participant's act or failure to act was in, or not opposed to, the best interest of the Company. It is also expressly understood that the Participant's attention to matters not directly related to the business of the Employer shall not provide a basis for termination for Cause so long as the Board has approved the Participant's engagement in such activities.

2.5 "Change of Control" means any of the following:

(a) Any individual, entity or group (a "Person") (within the meaning of Section 13(d)(3) or 14(d)(2) of the Exchange Act) becomes the beneficial owner (within the meaning of Rule 13d-3 promulgated under the Exchange Act) of 50% or more of either (i) the then-outstanding



shares of common stock of the Company (the “**Outstanding Company Common Stock**”) or (ii) the combined voting power of the then-outstanding voting securities of the Company entitled to vote generally in the election of directors (the “**Outstanding Company Voting Securities**”); provided, however, that, for purposes of this definition, the following acquisitions shall not constitute a Change in Control: (1) any acquisition directly from the Company, (2) any acquisition by the Company, (3) any acquisition by any employee benefit plan (or related trust) sponsored or maintained by the Company or any affiliated entity or (iv) any acquisition pursuant to a transaction that complies with (c)(i), (c)(ii) and (c)(iii) of this definition;

(b) Individuals who, as of the date hereof, constitute the Board (the “**Incumbent Board**”) cease for any reason to constitute at least a majority of the Board; provided, however, that any individual becoming a director subsequent to the date hereof whose election, or nomination for election by the Company’s stockholders, was approved by a vote of at least a majority of the directors then comprising the Incumbent Board shall be considered as though such individual was a member of the Incumbent Board, but excluding, for this purpose, any such individual whose initial assumption of office occurs in connection with or as a result of an actual or threatened election contest with respect to the election or removal of directors or other actual or threatened solicitation of proxies or consents by or on behalf of a Person other than the Board;

(c) Consummation of a reorganization, merger, statutory share exchange or consolidation or similar transaction involving the Company or any of its subsidiaries, a sale or other disposition of all or substantially all of the assets of the Company, or the acquisition of assets or stock of another entity by the Company or any of its subsidiaries (each, a “**Business Combination**”), in each case unless, following such Business Combination, (i) all or substantially all of the individuals and entities that were the beneficial owners of the Outstanding Company Common Stock and the Outstanding Company Voting Securities immediately prior to such Business Combination beneficially own, directly or indirectly, more than 50% of the then-outstanding shares of common stock (or, for a non-corporate entity, equivalent securities) and the combined voting power of the then-outstanding voting securities entitled to vote generally in the election of directors (or, for a non-corporate entity, equivalent governing body), as the case may be, of the entity resulting from such Business Combination (including, without limitation, an entity that, as a result of such transaction, owns the Company or all or substantially all of the Company’s assets either directly or through one or more subsidiaries) in substantially the same proportions as their ownership immediately prior to such Business Combination of the Outstanding Company Common Stock and the Outstanding Company Voting Securities, as the case may be, (ii) no Person (excluding any corporation resulting from such Business Combination or any employee benefit plan (or related trust) of the Company or such corporation resulting from such Business Combination) beneficially owns, directly or indirectly, 50% or more of, respectively, the then-outstanding shares of common stock of the corporation resulting from such Business Combination or the combined voting power of the then-outstanding voting securities of such corporation, except to the extent that such ownership existed prior to the Business Combination, and (iii) at least a majority of the members of the board of directors (or, for a non-corporate entity, equivalent governing body) of the entity resulting from such Business Combination were members of the Incumbent Board at the time of the execution of the initial agreement or of the action of the Board providing for such Business Combination; or

(d) Approval by the stockholders of the Company of a complete liquidation or dissolution of the Company.

Notwithstanding anything to the contrary herein, if the definition of Change in Control set forth in the Company's 2018 Equity Compensation Plan, as amended or superseded from time to time (the "**Equity Plan**"), is amended or modified, then such change shall apply to and change the definition of Change in Control under the Plan.

2.6 "**Chief Executive Officer**" means the chief executive officer of Triumph Group, Inc.

2.7 "**Code**" means the Internal Revenue Code of 1986, as amended, and the regulations promulgated thereunder.

2.8 "**Committee**" means the Compensation and Management Development Committee of the Board.

2.9 "**Company**" means Triumph Group, Inc., a Delaware corporation or its successor.

2.10 "**Disability**" means that the Participant is unable to engage in any substantial gainful activity by reason of any medically determinable physical or mental impairment that can be expected to result in death or can be expected to last for a continuous period of not less than six (6) months. Whether an individual has a Disability shall be confirmed by the Committee. The Committee may rely on any determination that a Participant is disabled for purposes of benefits under any long-term disability plan maintained by the Company or any Subsidiary or Affiliate in which the Participant.

2.11 "**Effective Date**" has the meaning set forth in Section 3.1.

2.12 "**Employer**" means the Company or any Subsidiary or Affiliate, as applicable.

2.13 "**Exchange Act**" means the Securities Exchange Act of 1934, as amended, and the rules and regulations promulgated thereunder.

2.14 "**Incentive Award**" means the award granted to a Participant under the Plan.

2.15 "**Incentive Award Letter**" means the letter issued to the Participant by the Company setting forth the terms and conditions of an Incentive Award for an Award Period. A sample Incentive Award Letter is attached to the Plan as Exhibit A.

2.16 "**Overachievement Performance**" means the level of attainment of Performance Goals for an Award Period at which the maximum Incentive Award under the Plan, will be earned.

2.17 "**Participant**" means those officers who, at the time an Incentive Award is made under this Plan, are in Band 6 and above, and those otherwise subject to the reporting requirements of Section 16 of the Exchange Act or a direct report to the Chief Executive Officer.

2.18 "**Performance Goals**" means financial or operating, stock performance-related or individually-based goals established for an Incentive Award by the Committee.

2.19 "**Plan**" means this Triumph Group, Inc. Executive Cash Incentive Compensation Plan, effective as of the Effective Date, as amended from time to time.

2.20 “**Plan Year**” means the fiscal year of the Company (April 1 - March 31).

2.21 “**Retirement**” means a Participant’s retirement from active employment with the Company or a Subsidiary pursuant to its relevant policy on retirement as determined by the Committee.

2.22 “**Subsidiary**” means any company (other than the Company) in an unbroken chain of companies beginning with the Company, provided each company in the unbroken chain (other than the Company) owns, at the time of determination, stock possessing 50% or more of the total combined voting power of all classes of stock in one of the other companies in such chain.

2.23 “**Target Incentive Award**” means, for a Participant, the Incentive Award, expressed as a percentage of the Participant’s base salary in effect on the last day of the Award Period on which the Participant is employed with the Company, that the Participant will earn during an Award Period, subject to the attainment of the Performance Goals at Target Performance during the Award Period and subject to the other terms and conditions of the Plan.

2.24 “**Target Performance**” means the level of attainment of Performance Goals for an Award Period at which a Target Incentive Award will be earned.

2.25 “**Threshold Performance**” means the level of attainment of Performance Goals for an Award Period at which the minimum Target Incentive Award will be earned and below which no Incentive Award will be earned.

### ARTICLE III BACKGROUND AND ELIGIBILITY

3.1 Effective Date. The Plan is effective as of April 1, 2018.

3.2 Administration of the Plan.

(a) The Committee shall have full power and authority to construe, interpret and administer the Plan and to make rules and regulations subject to the provisions of the Plan. All decisions, actions, determinations or interpretations of the Committee shall be made in its sole discretion and shall be final, conclusive and binding on all parties.

(b) The Committee shall have the authority to approve Incentive Awards for the Chief Executive Officer and, as recommended by the Chief Executive Officer, the other Participants.

(c) The Committee shall have the authority to develop, implement and revise or amend, as applicable, Plan communications, summary plan descriptions, prospectuses and Plan procedures or processes, and provide such documentation to Participants in connection with awards made under the Plan.

3.3 Eligibility and Participation. Participation in the Plan is limited to executives of the Company in Band 6 and above and other officers subject to reporting requirements of Section 16 of the Exchange Act or a direct report to the Chief Executive Officer.

ARTICLE IV  
**INCENTIVE AWARDS**

4.1 Incentive Awards. For each Award Period, the Committee shall designate (a) the Target Incentive Award for each Participant, (b) the Award Period and (c) the Performance Goals applicable to each Incentive Award. The amount of any Incentive Award earned will be based on the attainment of the designated Performance Goals over the Award Period, and may be pro-rated.

ARTICLE V  
**PERFORMANCE GOALS**

5.1 Performance Goals. Performance Goals and the Threshold Performance, Target Performance and Overachievement Performance levels for the applicable Award Period shall be designated in an Incentive Award Letter. Performance between the Threshold, Target and Overachievement Performance levels shall be determined by the Committee. Such Performance Goals may vary by Participant and by Incentive Award. The Committee, in its discretion, may adjust or modify the calculation of Performance Goals and/or the determination of performance to prevent dilution or enlargement of the rights of Participants.

ARTICLE VI  
**TERMINATION OF EMPLOYMENT**

6.1 Forfeiture. If a Participant terminates his or her employment with the Company for any reason other than Retirement, death or Disability (as determined by the Committee) or if the Company terminates a Participant's employment for Cause, in each case prior to the last day of an Award Period, any outstanding Incentive Award shall be forfeited, and such Participant will not receive payment of any outstanding Incentive Award.

6.2 Termination without Cause. If a Participant's employment is terminated without Cause by the Employer, the Committee has the authority to determine the impact of such termination without Cause on any outstanding Incentive Awards. Notwithstanding the foregoing, if a severance plan or agreement or employment agreement in place at the time of a Change in Control provides for acceleration or different provisions for an Incentive Award, the terms of such severance plan or agreement or employment agreement shall control.

6.3 Death, Disability and Retirement. A Participant whose employment terminates during an Award Period as a result of death, Disability or Retirement, shall be entitled to receive a pro-rata award from the beginning of the Award Period to the date of termination of employment. The Incentive Award Letter may vary these provisions, provided that, except as provided in Article VIII, an Incentive Award shall always be based on actual performance during the Award Period.

ARTICLE VII  
**DETERMINATION OF INCENTIVE AWARDS**

7.1 Determination of Incentive Award. As soon as practicable following the end of an Award Period, the Committee shall determine the extent to which each Incentive Award is earned, if any, based on the attainment of Performance Goals during the Award Period, and determine whether all other terms and conditions of the Incentive Award have been satisfied.

7.2 Payment of Incentive Award. Upon approval by the Committee, the Incentive Award shall be paid in the next pay cycle applicable to the Participant; provided that in no event shall payment be made later than March 15th following the end of the calendar year in which the Award Period ends. In the event that a Participant dies prior to receiving an Incentive Award payment, the Company shall pay such Incentive Award to the beneficiary designated in writing by the Participant to the Committee, or in the absence of a designated beneficiary, to the Participant's estate.

7.3 Clawback Provision. The Company shall have the right to recoup or "claw back" any payment made with respect to a Participant under the Plan to the extent necessary to comply with applicable Federal securities laws or any Board- or Committee-approved plan or policy.

## ARTICLE VIII CHANGE OF CONTROL

8.1 Change of Control. In the event of a Change of Control during the Award Period for an Incentive Award, the Incentive Award shall be accelerated and paid within sixty (60) days following the Change of Control. Unless otherwise determined by the Committee, any such Incentive Award shall be paid based upon achievement of the higher of actual or the Target Performance level. Notwithstanding the foregoing, if a severance plan or agreement or employment agreement in place at the time of a Change in Control provides for acceleration or different provisions for an Incentive Award, the terms of such severance plan or agreement or employment agreement shall control.

## ARTICLE IX MISCELLANEOUS

9.1 No Right to Compensation or Employment. Nothing in the Plan, an Incentive Award Letter, or in any agreement or other instrument executed pursuant thereto shall be construed as conferring upon any Participant the right to receive incentive compensation or to be continued in the employ of the Company and any rights conferred by the Plan may not be transferred, sold, assigned, pledged, anticipated or otherwise disposed of other than by will or intestate laws.

9.2 Amendment. The Plan may be amended at any time by the Committee and may be terminated in whole or in part at any time by the Board or the Committee. No such action may reduce the amount of any earned Incentive Award that has not yet been paid or accelerate the payment date of any earned Incentive Award.

9.3 No Set-Aside. Nothing in the Plan shall obligate the Company to set aside funds to pay for the Incentive Awards determined hereunder.

9.4 Withholding. The Company shall have the right to make all payments and distributions pursuant to the Plan to a Participant (or his or her beneficiary in the event of the Participant's death), net of any applicable Federal, State and local taxes required to be paid or withheld. The Company shall have the right to withhold from wages, Incentive Award payments, or other amounts otherwise payable to such Participant such withholding taxes as may be required by law, or to otherwise require the Participant to pay such withholding taxes.

9.5 Section 409A. It is the intention of the Company that each Incentive Award shall be, to the maximum extent permitted, exempt from and shall not constitute a “deferred compensation plan” subject to Section 409A of the Code, and the Plan and the terms and conditions of all Incentive Awards shall be interpreted accordingly. Notwithstanding the foregoing, neither the Company nor the Committee shall have any obligation to take any action to prevent the assessment of any excise tax or penalty on any Participant or Incentive Award under Code Section 409A, and neither the Company nor the Committee, nor any member thereof, shall be liable for any tax or penalty resulting from a violation of Section 409A.

9.6 Governing Law. All questions pertaining to validity, construction and administration of the Plan and the rights of all persons hereunder shall be determined with reference to, and the provisions of the Plan shall be governed by and shall be construed in conformity with, the internal laws of the State of Delaware without regard to any of its conflict of laws principles.

9.7 Successors and Assigns. The Plan shall be binding upon and inure to the benefit of the Company and its successors and assigns.

**EXHIBIT A**  
**Sample Incentive Award Letter**

[ ] [ ], 20\_\_

[Name]  
[Address]  
[Address]

RE: FY\_\_ Short-Term Cash Award

Dear \_\_\_\_\_:

I am pleased to inform you that on [ ], the Compensation and Management Development Committee of the Company's Board of Directors (the "Committee") approved your receipt of a short-term cash award (the "FY\_\_ STI Award") made under the Triumph Group, Inc. Executive Cash Incentive Compensation Plan (the "Plan"). All defined terms used in this award notice without definition have the meanings set forth in the Plan, a copy of which is provided with this award notice. We are also providing the prospectus related to the Plan.

The FY\_\_ STI Award is based on the following compensation metrics:

FY\_\_ Base Salary: \$ \_\_\_\_\_

% for FY\_\_ STI Award \_\_\_\_\_ % (\$ \_\_\_\_\_)

The principal terms of the FY\_\_ STI Award are:

Date of Grant:

Award Period for FY\_\_ STI Award:

STI Performance Goals -

STI Performance Goal	Weighting	Threshold	Target	Maximum
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[ ]

[ ]

[ ]

If performance is at Threshold, the FY\_\_ STI Award will be paid at \_\_% of target, if performance is at Target, the FY\_\_ STI Award will be paid at 100% of target, and if performance is at or above Maximum, the FY\_\_ STI Award will be paid at \_\_% of target. For performance between the

Threshold, Target and Maximum performance levels, the FY\_\_ STI Award earned will be adjusted in a linear fashion. No payout will be made with respect to a performance goal if performance is below the Threshold level. To the extent a specified performance goal is achieved at or above the Threshold level, you will receive the FY\_\_ STI Award determined to be earned regardless of the results of performance against the other performance goals. Performance against each performance goal is evaluated separately.

You must provide services to the Company or a subsidiary through the end of the Award Period in order to be paid the FY\_\_ STI Award, if earned.

If you have any questions about this award, please contact \_\_\_\_\_ at Corporate ([telephone]; [email]).

Thank you for your efforts and your contribution to the success of Triumph Group, Inc.

Sincerely,

Daniel J. Crowley  
President and Chief Executive Officer





**Triumph Group, Inc.**

**Executive Change in Control and General Severance Plan  
for Executive and Management Employees**

(Effective April 1, 2018)

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**TRIUMPH GROUP, INC.**

**EXECUTIVE CHANGE IN CONTROL AND GENERAL SEVERANCE PLAN  
FOR EXECUTIVE AND MANAGEMENT EMPLOYEES**

**Article 1. Establishment and Term of the Plan**

**1.1 Establishment of the Plan.** Triumph Group, Inc. (the “Company”) hereby adopts this plan known as the “Triumph Group, Inc. Executive Change in Control and General Severance Plan for Executive and Management Employees” (the “Plan”). The Plan is effective as of April 1, 2018. The Plan provides General Severance Benefits and/or Change-in-Control Severance Benefits to designated executive and management employees of the Company or one of its Subsidiaries or Affiliates (each an “Executive” and collectively the “Executives”) upon certain terminations of employment from the Employer (as defined below).

The Company considers the establishment and maintenance of a sound and vital management to be essential to protecting and enhancing the best interests of the Company and its stockholders. In this connection, the Company recognizes that, as is the case with many publicly held corporations, the possibility of a Change in Control or other involuntary termination may arise and that such possibility, and the uncertainty and questions which it may raise among management, may result in the departure or distraction of management personnel to the detriment of the Company and its stockholders.

Accordingly, the Board has determined that appropriate steps should be taken to reinforce and encourage the continued attention and dedication of members of the Company’s management to their assigned duties without distraction in circumstances arising from the possibility of a Change in Control of the Company or other involuntary termination.

The Plan is not intended to be an “employee pension benefit plan” or “pension plan” within the meaning of Section 3(2) of ERISA. Rather, the Plan is intended to be a “welfare benefit plan” within the meaning of Section 3(1) of ERISA and to meet the descriptive requirements of a plan constituting a “severance pay plan” within the meaning of regulations published by the Secretary of Labor at 29 CFR § 2510.3-2(b). No employee contributions are required or permitted.

**1.2 Initial Term.** This Plan commenced on April 1, 2018 (the “Effective Date”) and shall continue for a period of three (3) years (the “Initial Term”).

**1.3 Successive Periods.** The term of this Plan shall automatically be extended for one (1) additional year at the end of the Initial Term, and then again after each successive one (1) year period thereafter (each such one (1) year period following the Initial Term is referred to as a “Successive Period”). However, the Plan Administrator may terminate this Plan at the end of the Initial Term, or at the end of any Successive Period thereafter, by giving the Executives written notice of intent to terminate the Plan, delivered at least six (6) months prior to the end of such Initial Term or Successive Period (such date, the “Notice Deadline”); provided however that the Company may not give such notice at any time when the Company is a party to an agreement which, if consummated, would result in a Change in Control. If such notice is properly delivered by the

Company, this Plan shall automatically expire at the end of the Initial Term or Successive Period then in progress.

**1.4 Change in Control Renewal.** Notwithstanding the provisions of Section 1.3 herein, in the event that a Change in Control of the Company occurs during the Initial Term or any Successive Period, upon the effective date of such Change in Control, the term of this Plan shall automatically and irrevocably be renewed for a period of two (2) years from the effective date of such Change in Control. This Plan shall thereafter automatically terminate following such two (2) year Change in Control renewal period; provided that such termination shall not affect or diminish the rights of Executives who become entitled to benefits or payments under this Plan prior to such termination.

**Article 2. Definitions**

Whenever used in this Plan, the following terms shall have the meanings set forth below and, when the meaning is intended, the initial letter of the word is capitalized.

- (a) “Accountants” has the meaning set forth in Article 6.
- (b) “Affiliate” means any entity that is, directly or indirectly, controlled by, under common control with or controlling the Company or any entity in which the Company has a significant ownership interest as determined by the Committee.
- (c) “Band 5 Executives” means, only for purposes of Change-in-Control Severance Benefits, the Band 5 Executive who may be set forth on Schedule A to this Plan from time to time. For purposes of this definition, if an Executive is included on Schedule A immediately prior to the Change in Control Period, such Executive shall be eligible for Change-in-Control Severance Benefits.
- (d) “Band 6 Executives” means those employees of an Employer designated as an Executive Vice President, and/or a direct report to the Chief Executive Officer immediately prior to a Change in Control, and such other employee who is designated as a Band 6, level 12 or 13 employee in the Employer’s human resources information system, in each case immediately prior to the Change in Control Period.
- (e) “Base Salary” means the greater of the Executive’s annual rate of salary, whether or not deferred, at: (i) the Effective Date of Termination or (ii) at the date of the Change in Control.
- (f) “Beneficiary” means the persons or entities designated or deemed designated by the Executive pursuant to Section 11.7 herein.
- (g) “Board” means the Board of Directors of the Company.
- (h) “Cause” has the meaning set forth in the applicable Executive’s employment or similar agreement with the Employer or, if no such agreement is in effect, means (i) the willful and continued failure by the Executive (other than any such failure resulting from (A) the Executive’s incapacity due to physical or mental illness or

(B) any such actual or anticipated failure after the issuance of a Notice of Termination by the Executive for Good Reason or a CIC Good Reason) to perform substantially the duties and responsibilities of the Executive's position with the Employer after a written demand for substantial performance is delivered to the Executive by the Board, which demand specifically identifies the manner in which the Board believes that the Executive has not substantially performed such duties or responsibilities; (ii) the conviction of the Executive by a court of competent jurisdiction or a plea of nolo contendere for felony criminal conduct or a crime involving moral turpitude; or (iii) the willful engaging by the Executive in fraud or dishonesty which is demonstrably and materially injurious to the Company or its reputation, monetarily or otherwise. No act, or failure to act, on the Executive's part shall be deemed "willful" unless committed or omitted by the Executive in bad faith and without reasonable belief that the Executive's act or failure to act was in, or not opposed to, the best interest of the Company. It is also expressly understood that the Executive's attention to matters not directly related to the business of the Employer shall not provide a basis for termination for Cause so long as the Board has approved the Executive's engagement in such activities.

- (i) "CEO" means the Chief Executive Officer, a Band 7, level 14.
- (j) "Change in Control" means any of the following:
  - (i) Any individual, entity or group (within the meaning of Section 13(d)(3) or 14(d)(2) of the Exchange Act (a "Person") becomes the beneficial owner (within the meaning of Rule 13d-3 promulgated under the Exchange Act) of 50% or more of either (A) the then-outstanding shares of common stock of the Company (the "Outstanding Company Common Stock") or (B) the combined voting power of the then-outstanding voting securities of the Company entitled to vote generally in the election of directors (the "Outstanding Company Voting Securities"); provided, however, that, for purposes of this definition, the following acquisitions shall not constitute a Change in Control: (1) any acquisition directly from the Company, (2) any acquisition by the Company, (3) any acquisition by any employee benefit plan (or related trust) sponsored or maintained by the Company or any affiliated entity or (iv) any acquisition pursuant to a transaction that complies with (iii)(A), (iii)(B) and (iii)(C) of this definition;
  - (ii) Individuals who, as of the date hereof, constitute the Board (the "Incumbent Board") cease for any reason to constitute at least a majority of the Board; provided, however, that any individual becoming a director subsequent to the date hereof whose election, or nomination for election by the Company's stockholders, was approved by a vote of at least a majority of the directors then comprising the Incumbent Board shall be considered as though such individual was a member of the Incumbent Board, but excluding, for this purpose, any such individual whose initial assumption of office occurs in

connection with or as a result of an actual or threatened election contest with respect to the election or removal of directors or other actual or threatened solicitation of proxies or consents by or on behalf of a Person other than the Board;

- (iii) Consummation of a reorganization, merger, statutory share exchange or consolidation or similar transaction involving the Company or any of its subsidiaries, a sale or other disposition of all or substantially all of the assets of the Company, or the acquisition of assets or stock of another entity by the Company or any of its subsidiaries (each, a “Business Combination”), in each case unless, following such Business Combination, (A) all or substantially all of the individuals and entities that were the beneficial owners of the Outstanding Company Common Stock and the Outstanding Company Voting Securities immediately prior to such Business Combination beneficially own, directly or indirectly, more than 50% of the then-outstanding shares of common stock (or, for a non-corporate entity, equivalent securities) and the combined voting power of the then-outstanding voting securities entitled to vote generally in the election of directors (or, for a non-corporate entity, equivalent governing body, as the case may be), of the entity resulting from such Business Combination (including, without limitation, an entity that, as a result of such transaction, owns the Company or all or substantially all of the Company’s assets either directly or through one or more subsidiaries) in substantially the same proportions as their ownership immediately prior to such Business Combination of the Outstanding Company Common Stock and the Outstanding Company Voting Securities, as the case may be, (B) no Person (excluding any corporation resulting from such Business Combination or any employee benefit plan (or related trust) of the Company or such corporation resulting from such Business Combination) beneficially owns, directly or indirectly, 50% or more of, respectively, the then-outstanding shares of common stock of the corporation resulting from such Business Combination or the combined voting power of the then-outstanding voting securities of such corporation, except to the extent that such ownership existed prior to the Business Combination, and (C) at least a majority of the members of the board of directors (or, for a non-corporate entity, equivalent governing body) of the entity resulting from such Business Combination were members of the Incumbent Board at the time of the execution of the initial agreement or of the action of the Board of Directors providing for such Business Combination; or
  - (iv) Approval by the stockholders of the Company of a complete liquidation or dissolution of the Company.
- (k) “Change in Control Period” means the time period that begins six (6) months immediately prior to, and continues until the elapse of twenty-four (24) months immediately following a Change in Control of the Company.

- (l) “Change-in-Control Severance Benefits” means the Severance Benefit described in Section 3.2.
- (m) “CIC Good Reason” for termination by the Executive of the Executive’s employment means the occurrence (without the Executive’s express written consent) after any Change in Control, of any one of the following acts by the Company or the Employer, or failures by the Company or the Employer to act, unless such act or failure to act is corrected prior to the Date of Termination specified in the Notice of Termination given in respect thereof:
- (i) a significant adverse change or diminution in the Executive's authority, duties, responsibilities or reporting requirements as in effect immediately prior to the Change in Control Period or the assignment to the Executive of any duties or responsibilities which are inconsistent with such role or position(s) (including status, offices, titles, public company status and reporting requirements), or any removal of the Executive from, or any failure to reappoint or reelect the Executive to, such position(s), excluding for this purpose an isolated, insubstantial, inadvertent and immaterial action not taken in bad faith and that is remedied promptly after receipt of notice thereof given by the Executive;
  - (ii) a reduction of more than ten percent (10%) in the Executive's total annual target compensation (as compared to the Executive's total annual target compensation immediately prior to the Change in Control), other than pursuant to an across-the-board reduction in total annual target compensation which applies to all similarly situated executives of the Company and any acquirer (and defining total annual target compensation for purposes of this definition as base salary and target annual cash incentive compensation (and not including equity or equity-based compensation));
  - (iii) the failure to continue to provide the Executive with employee benefits substantially similar to those enjoyed by the Executive under any pension, life insurance, medical, health, accident and disability plans, or any retirement plan for which the Executive is eligible at the time of the Change in Control; or
  - (iv) the Company or the Employer requiring the Executive to be based at an office that is greater than 35 miles from where the Executive's office is located immediately prior to the Change in Control except for required travel on the Employer's business to an extent substantially consistent with the business travel obligations which the Executive undertook on behalf of the Employer prior to the Change in Control;

provided, however, that the Executive's termination of employment shall not be deemed to be for CIC Good Reason unless (A) the Executive has delivered to the Employer written notice describing the occurrence of one or more CIC Good Reason



events within ninety (90) days of such occurrence, (B) the Employer fails to cure such CIC Good Reason event or events within thirty (30) days after its receipt of such written notice and (C) the Executive delivers to the Employer a notice of termination of employment for CIC Good Reason within thirty (30) days after the expiration of the 30-day cure period.

- (n) “Code” means the United States Internal Revenue Code of 1986, as amended, and any successors thereto, and the regulations thereunder.
- (o) “Company” means Triumph Group, Inc., a Delaware corporation, or any successor thereto as provided in Section 8.1 herein. The term “Company” shall include a subsidiary or affiliate of Triumph Group, Inc., including a Subsidiary or Affiliate of Triumph Group, Inc. by merger, consolidation or liquidation or purchase of assets or stock or similar transaction.
- (p) “Delay Period” shall have the meaning set forth in Section 3.4(b).
- (q) “Disability” means that the Executive is unable to engage in any substantial gainful activity by reason of any medically determinable physical or mental impairment that can be expected to result in death or can be expected to last for a continuous period of not less than six (6) months. Whether an Executive has a Disability shall be determined by the Plan Administrator. The Plan Administrator may rely on any determination that an Executive is disabled for purposes of benefits under any long-term disability plan maintained by the Employer in which an Executive participates.
- (r) “Effective Date” has the meaning set forth in Section 1.2.
- (s) “Effective Date of Termination” means the date on which a Qualifying Termination occurs, as defined hereunder, which triggers the payment of Severance Benefits hereunder.
- (t) “Employer” means the Company or any Subsidiary or Affiliate, as applicable.
- (u) “ERISA” means the Employee Retirement Income Security Act of 1974, as amended, and the regulations thereunder.
- (v) “Exchange Act” means the Securities Exchange Act of 1934, as amended.
- (w) “Executive” has the meaning set forth in Section 1.1.
- (x) “General Severance Benefits” means the Severance Benefits described in Section 3.3.
- (y) “Good Reason” means the Executive’s resignation if, without the Executive’s consent there is a relocation of the Executive’s principal place of employment to anywhere other than within 35 miles of the principal office where the Executive is then-located; provided, however, that the Executive’s termination of employment

shall not be deemed to be for Good Reason unless (i) the Executive has delivered to the Employer written notice of intent to terminate for Good Reason within ninety (90) days of such occurrence, (ii) the Employer fails to cure such Good Reason event within thirty (30) days after its receipt of such written notice and (iii) the Executive delivers to the Employer a notice of termination of employment for Good Reason within thirty (30) days after the expiration of the 30-day cure period.

- (z) “Highest Annual Bonus” means the higher of (i) the annual bonus in any of the most recent past three fiscal years and (ii) the annual bonus for the year of termination paid or payable, including any bonus or portion thereof that has been earned but deferred (and annualized for any fiscal year consisting of less than 12 full months or during which the Executive was employed for less than 12 full months).
- (aa) “Initial Term” has the meaning set forth in Section 1.2.
- (bb) “Management Executives” means (i) those employees of an Employer at Band 5 and Band 4, levels 11-8 for purposes of General Severance Benefits; and (ii) Band 5, other than those defined as Band 5 Executives for purposes of this Plan, and Band 4, all levels, for purposes of Change-in-Control Severance Benefits. For purposes of clause (ii) of this definition, the Executive’s Band and level, position or identity shall be such designation immediately prior to the Change in Control Period.
- (cc) “Notice of Termination” means a written notice which shall indicate the specific termination provision in this Plan relied upon, and shall set forth in reasonable detail the facts and circumstances claimed to provide a basis for termination of the Executive’s employment under the provision so indicated.
- (dd) “Parachute Payment Ratio” shall have the meaning set forth in Article 6.
- (ee) “Plan” shall have the meaning set forth in Section 1.1.
- (ff) “Plan Administrator” means the Triumph Group, Inc. Administrative Committee as delegated by the Board to administer the terms of this Plan. In the event any member of the Administrative Committee is entitled to Severance Benefits under this Plan, or makes a claim for benefits under this Plan, the remaining members of the Administrative Committee shall act of the Plan Administrator for purposes of administering the terms of the Plan with respect to such Executive. The Plan Administrator may delegate all or any portions of its authority under the Plan to any other Person(s).
- (gg) “Proceeding” has the meaning set forth in Section 5.2.

- (hh) “Qualifying Termination” means:
- (i) once a Change in Control actually occurs, if such event occurs within the Change in Control Period:
    - (A) a termination of the Executive’s employment by the Employer other than a termination for Cause, death, or Disability that is, in any case, effected by a Notice of Termination delivered to the Executive by the Employer; or
    - (B) a termination of the Executive’s employment for CIC Good Reason pursuant to a Notice of Termination delivered to the Employer by the Executive; or
  - (ii) if such event occurs at any time that is prior to six (6) months immediately prior to a Change in Control, a termination of the Executive’s employment for Good Reason pursuant to a Notice of Termination delivered to the Employer by the Executive; or
  - (iii) if such event occurs at any other time prior to a Change in Control, a termination of the Executive’s employment by the Employer for reasons other than Cause, death, or Disability pursuant to a Notice of Termination delivered to the Executive by the Employer.
- (ii) “Release Effective Date” shall have the meaning set forth in Section 3.1(d).
- (jj) “Severance Benefits” means the Change-in-Control Severance Benefits or General Severance Benefits (as applicable) as provided in Article 3 herein.
- (kk) “Severance Period” has the meaning set forth in Section 3.5.
- (ll) “Specified Employee” means any Executive described in Code Section 409A(a)(2)(B)(i).
- (mm) “Subsidiary” means any company (other than the Company) in an unbroken chain of companies beginning with the Company, provided each company in the unbroken chain (other than the Company) owns, at the time of determination, stock possessing 50% or more of the total combined voting power of all classes of stock in one of the other companies in such chain.
- (nn) “Successive Period” has the meaning set forth in Section 1.3.
- (oo) “Total Payments” has the meaning set forth in Article 6.

**Article 3. Severance Benefits**

**3.1 Right to Severance Benefits.**

- (a) **Change-in-Control Severance Benefits.** The Executive shall be entitled to receive from the Company Change-in-Control Severance Benefits, as described in Section 3.2 herein and on Exhibit A attached hereto, if the Executive is the CEO, a Band 6 Executive or a Band 5 Executive and a Qualifying Termination of the Executive's employment has occurred within the Change in Control Period.
- (b) **General Severance Benefits.** The Executive shall be entitled to receive from the Company General Severance Benefits, as described in Section 3.3 herein and on Exhibit A attached hereto, if either (1) a Qualifying Termination of the Executive's employment has occurred other than during the Change in Control Period, or (2) a Qualifying Termination occurs and the Executive is a Management Executive immediately prior to the Change in Control Period.
- (c) **No Severance Benefits.** The Executive shall not be entitled to receive Severance Benefits if the Executive's employment with the Employer ends for reasons other than a Qualifying Termination.
- (d) **General Release.** As a condition to receiving Severance Benefits under either Section 3.2 or Section 3.3 herein, the Executive shall be obligated to execute a general waiver and release of claims in favor of the Company, its current and former Subsidiaries, Affiliates and stockholders, and the current and former directors, officers, employees, and agents of the Company and such Subsidiaries and Affiliates substantially in the form attached to this Plan as Exhibit B, and any revocation period for such release must have expired, in each case within sixty (60) days of the date of termination. The date upon which the executed release is no longer subject to revocation shall be referred to herein as the "Release Effective Date". Any payments under Section 3.2 or Section 3.3 shall commence only after the Release Effective Date, and in the manner provided in Section 3.4 and Section 3.8 herein.
- (e) **No Duplication of Severance Benefits.** If the Executive becomes entitled to Change-in-Control Severance Benefits, the Severance Benefits provided for under Section 3.2 hereunder shall be in lieu of all other Severance Benefits provided to the Executive under the provisions of this Plan and any other Company-related severance plans, programs, or agreements including, but not limited to, the Severance Benefits under Section 3.3 herein. Likewise, if the Executive becomes entitled to General Severance Benefits, the Severance Benefits provided under Section 3.3 hereunder shall be in lieu of all other Severance Benefits provided to the Executive under the provisions of this Plan and any other Company-related severance plans, programs, or other agreements including, but not limited to, the Severance Benefits under Section 3.2 herein. Notwithstanding the foregoing, if a Change in Control occurs and an Executive has experienced a Qualifying Termination in the six months immediately prior to the Change in Control (i.e., in the Change in Control Period),

the severance benefits due to such Executive shall automatically become the Change-in-Control Severance Benefits minus the General Severance Benefits actually paid prior to the date of the Change in Control closing. Such Change-in-Control Benefits shall be paid in accordance with Sections 3.3 and 3.4 of this Plan.

- (f) **Retroactive Application of CIC Good Reason Termination.** If, in the six (6) month period immediately preceding a Change in Control closing, an Executive terminated his or her employment based on events that would qualify as a CIC Good Reason termination, such Executive may provide notice to the Plan Administrator within ninety (90) days following the Change in Control and petition to receive Change-in-Control-Severance Benefits. If such Change-in-Control Severance Benefits are paid, Section 3.1(e) shall apply to negate any duplication of severance benefits.

**3.2 Description of Change-in-Control Severance Benefits.** In the event the Executive becomes entitled to receive Change-in-Control Severance Benefits, as provided in Section 3.1 herein, the Company shall provide the Executive with the following:

- (a) an amount equal to the Executive's unpaid Base Salary, unreimbursed business expenses, and all other items earned by and owed to the Executive through and including the Effective Date of Termination, which amounts shall be paid promptly after the Effective Date of Termination whether or not the Executive executes a release required by Section 3.1(d);
- (b) an amount equal to:
- (i) two (2) for the CEO;
  - (ii) one and one-half (1.5) for Band 6 Executives; or
  - (iii) one (1) for Band 5 Executives;
- times the sum of the following: (A) the Executive's Base Salary and (B) the Executive's Highest Annual Bonus;
- (c) acceleration and vesting, or lapse of forfeiture restrictions, as applicable, of all unvested equity awards or equity awards subject to forfeiture restrictions, whether annual awards, special, one-time or inducement awards, made to the Executive prior to the Effective Date of Termination, whether awarded under or outside of an equity compensation plan of the Company, with any performance-based awards vesting based upon an assumed achievement of all relevant performance goals at actual performance goal achievement; provided that if such actual achievement cannot be determined, then at target, as of the Effective Date of Termination; provided, however, if the Executive is a Management Executive, any acceleration and vesting shall be as set forth in the equity compensation plan under which any such equity awards were made; and

- (d) payment on the Executive's behalf of all or a portion of the Executive's cost to participate in COBRA medical and dental continuation coverage for:
  - (i) twenty-four (24) months following the CEO's Effective Date of Termination for the CEO;
  - (ii) eighteen (18) months following the Executive's Effective Date of Termination for Band 6 Executives; and
  - (iii) twelve (12) months for Band 5 Executives

such that in each case, the Executive pays the same monthly premium as in effect immediately prior to the Executive's Effective Date of Termination; provided; that notwithstanding the above, if the Company's subsidy would result in discrimination under any tax law, then the Company shall pay such monthly premiums as additional taxable compensation to the Executive, and these medical benefits shall be discontinued prior to the end of the stated continuation period in the event the Executive is eligible to receive substantially similar benefits from a subsequent employer, as determined solely by the Plan Administrator in good faith. For purposes of enforcing this offset provision, the Executive shall have a duty to keep the Company informed as to the terms and conditions of any subsequent employment and the corresponding benefits earned from such employment, and shall provide, or cause to be provided, to the Company in writing correct, complete, and timely information concerning the same; and

- (e) reimbursement of up to:
  - (i) \$50,000 for the CEO;
  - (ii) \$20,000 for Band 6 Executives; and
  - (iii) \$5,000 for Band 5 Executives

as reimbursement for outplacement services procured by the Executive from a reputable firm specializing in such services. Such reimbursement shall be paid in a manner which complies with the requirements of Treasury Regulation Section 1.409A-1(b)(9)(v)(A).

**3.3 Description of General Severance Benefits.** In the event the Executive becomes entitled to receive General Severance Benefits as provided in Section 3.1(b) herein, the Company shall provide the Executive with the following:

- (a) an equal to the Executive's unpaid Base Salary, unreimbursed business expenses, and all other items earned by and owed to the Executive through and including the Effective Date of Termination, which amounts shall be paid promptly after the Effective Date of Termination whether or not the Executive executes a release required by Section 3.1(d);

- (b) an amount equal to:
- (i) two (2) for the CEO; or
  - (ii) one (1) for Band 6 Executives;
- times the sum of the following: (A) the Executive's Base Salary and (B) the Executive's target bonus opportunity in the year of termination; or
- (iii) for Management Employees, seventy-five one-hundredths (0.75) of the Executive's Base Salary plus the Executive's pro-rated annual target bonus opportunity in the year of termination;
- (c) acceleration and vesting, or lapse of forfeiture restrictions, as applicable, of all unvested equity awards or equity awards subject to forfeiture restrictions made to the Executive, whether annual awards, special, one-time or inducement awards:
- (i) for the CEO to the extent such awards were scheduled to vest in the eighteen (18) months immediately following the CEO's Effective Date of Termination;
  - (ii) for Band 6 Executives to the extent such awards were scheduled to vest in the twelve (12) months immediately following the Effective Date of Termination; and
  - (iii) for Management Executives, to the extent such awards were scheduled to vest in the six (6) months immediately following the Effective Date of Termination, whether awarded under or outside of an equity compensation plan of the Company;
- provided, however, for all Executives, any performance-based awards shall vest pro-rated at target based on the service completed during the applicable performance period;
- (d) payment on the Executive's behalf of all or a portion of the Executive's cost to participate in COBRA medical and dental continuation coverage for:
- (i) eighteen (18) months for the CEO following the CEO's Effective Date of Termination;
  - (ii) twelve (12) months following the Executive's Effective Date of Termination for Band 6 Executives; and
  - (iii) six (6) months for Management Executives
- such that in each case, the Executive pays the same monthly premium as in effect immediately prior to the Executive's Effective Date of Termination; provided; that notwithstanding the above, if the Company's subsidy would result in discrimination

under any tax law, then the Company shall pay such monthly premiums as additional taxable compensation to the Executive, and these medical benefits shall be discontinued prior to the end of the stated continuation period in the event the Executive is eligible to receive substantially similar benefits from a subsequent employer, as determined solely by the Plan Administrator in good faith. For purposes of enforcing this offset provision, the Executive shall have a duty to keep the Company informed as to the terms and conditions of any subsequent employment and the corresponding benefits earned from such employment, and shall provide, or cause to be provided, to the Company in writing correct, complete, and timely information concerning the same; and

- (e) reimbursement of up to:
  - (i) \$25,000 for the CEO;
  - (ii) \$10,000 for Band 6 Executives; and
  - (iii) \$5,000 for Management Executives

as reimbursement for outplacement services procured by the Executive from a reputable firm specializing in such services. Such reimbursement shall be paid in a manner which complies with the requirements of Treasury Regulation Section 1.409A-1(b)(9)(v)(A).

### **3.4 Coordination with Release and Delay Required by Code Section 409A.**

- (a) To the maximum extent possible, all amounts payable hereunder are intended to be exempt from the requirements of Code Section 409A and this Plan shall be construed and administered in accordance with such intention. To the extent any continuing benefit (or reimbursement thereof) to be provided is not “deferred compensation” for purposes of Code Section 409A, then such benefit shall commence or be made immediately after the Release Effective Date (if applicable). To the extent any continuing benefit (or reimbursement thereof) to be provided is “deferred compensation” for purposes of Code Section 409A, then such benefits shall be reimbursed or commence upon the earliest later date as may be required in order to comply with the requirements of Code Section 409A. The delayed benefits shall in any event expire at the time such benefits would have expired had the benefits commenced immediately upon Executive’s termination of employment.
- (b) Notwithstanding any other payment schedule provided herein to the contrary, if the Executive is deemed on the date of termination to be a Specified Employee, then, once the release required by Section 3.1(d) is executed and delivered and no longer subject to revocation, any payment that is considered deferred compensation under Code Section 409A payable on account of a “separation from service” shall be made on the date which is the earlier of (A) the expiration of the six (6)-month period measured from the date of such “separation from service” of the Executive, and (B)



the date of the Executive's death (the "Delay Period") to the extent required under Code Section 409A. Upon the expiration of the Delay Period, all payments delayed pursuant to this Section 3.4(b) (whether they would have otherwise been payable in a single sum or in installments in the absence of such delay) shall be paid to the Executive in a lump sum, and any remaining payments due under this Plan shall be paid or provided in accordance with the normal payment dates specified for them herein.

**3.5 Retirement Plans.** The provisions of any applicable qualified and/or non-qualified defined contribution or defined benefit plan maintained by the Company or the Employer pursuant to which an Executive is eligible to participate, shall control with respect to any recognition of service during any period in which the Executive is receiving Severance Benefits (the "Severance Period") and the eligibility for benefits before, during and after the Severance Period.

**3.6 Deductions from Severance Benefits.** The Plan Administrator reserves the right to make deductions in accordance with applicable law for any monies owed to the Company or an Employer by the Executive or the value of Company property that the Executive has retained in his possession, *e.g.*, if an Executive (a) retained a company laptop or other property, or (b) used his corporate card for unauthorized personal purchases; provided that no such deductions shall be made with respect to terminations occurring on, or during the two year period following, a Change in Control. To the extent applicable, any such deduction from Severance Benefits shall be made in compliance with Code Section 409A. To the maximum extent allowed by applicable law, Executives are deemed, by their participation in this Plan and execution of a release required by Section 3.1(d) (which is a pre-condition to receipt of severance benefits hereunder), to have consented in writing to such deductions.

**3.7 No Demotion.** For the avoidance of doubt, the Band and level of each Executive immediately prior to the commencement of the Change in Control Period shall determine the Change-in-Control Severance Benefits to be paid hereunder on a Qualifying Termination, and no demotion of the Executive during the Change in Control Period shall impact such Change-in-Control Severance Benefits; provided, however, if the Executive is promoted to a higher Band or level during the Change in Control Period and has a Qualifying Termination after such promotion, the Change-in-Control Severance Benefits shall be paid at such promoted Band or level.

**3.8 Timing and Method of Payment.** Subject to Section 11.3:

- (a) **General Severance Benefits.** General Severance Benefits (cash benefits under Section 3.3 herein, other than 3.3(a)), subject to Section 11.3 below, shall be paid periodically, in prorated installments on a bi-weekly basis in accordance with the Company's or Employer's normal payroll cycle, less withholding for all applicable Federal, state and local taxes and other applicable withholdings and deductions, over the Executive's Severance Period. The first installment (including any retroactive installments) shall begin no later than sixty (60) days after the Executive's Termination Date, subject to the Executive's execution of a Release and, if applicable, the expiration of any revocation period for such Release within such 60-day period.

- (b) **Change-in-Control Severance Benefits.** Subject to Article 6 and Section 11.3 below, Change-in-Control Severance Benefits (benefits under Section 3.2 herein) shall be paid in a single lump sum cash payment, less withholding for all applicable Federal, state and local taxes and other applicable withholdings and deductions, no later than sixty (60) days after the Executive's Termination Date, subject to the Executive's execution of a Release and, if applicable, the expiration of any revocation period for such Release within such 60-day period.
- (c) **General Rules.** In the event of an Executive's death after he becomes entitled to Severance Benefits under the Plan, but prior to full payment of all Severance Benefits due to such Executive, any remaining Severance Benefits due to the Executive under Section 3.2 or Section 3.3 herein shall be paid to the Executive's estate in a lump sum payment within sixty (60) days following written notification of the Executive's death. Interest will not be credited on any unpaid Severance Benefit due to an Executive. Payment(s) shall be made by direct deposit or by mailing to the last address provided by the Executive to the Company or Employer or such other reasonable method as determined by the Plan Administrator.

#### **Article 4. Sale of Business Unit**

An Executive shall not be deemed to have terminated employment hereunder merely because the Company sells the division, subsidiary or other business unit by which the Executive is employed if the purchaser assumes the Plan with respect to such Executive in accordance with Section 8.1.

#### **Article 5. Covenants and Agreements**

**5.1 Covenants.** This Plan shall have no effect on the validity or enforceability by the Company or its Subsidiaries or Affiliates of any and all confidentiality, assignment of inventions, non-solicitation, non-competition, non-disparagement and cooperation covenants of the Executive made under any other plan, agreement or other instruments between the Executive and the Company or one of its Subsidiaries or Affiliates. Any such covenants shall remain in full force and effect for the time period(s) set forth in such other plan, agreement or instrument, or if no time period is so set forth, perpetually.

##### **5.2 Assistance with Claims.**

- (i) Each Executive agrees, that, during and after the Executive's employment by the Company or Employer, the Executive shall assist the Company, on a reasonable basis, in the defense of any claims or potential claims that may be made or threatened to be made against it in any action, suit, or proceeding, whether civil, criminal, administrative, or investigative ("Proceeding") and shall assist the Company in the prosecution of any claims that may be made by the Company in any Proceeding, to the extent that such claims may relate to the Executive's services.

- (ii) Each Executive agrees, unless precluded by law, to promptly inform the Company if the Executive is asked to participate (or otherwise become involved) in any Proceeding involving such claims or potential claims.
- (iii) Each Executive also agrees, unless precluded by law, to promptly inform the Company if the Executive is asked to assist in any investigation (whether governmental or private) of the Company or its Subsidiaries (or its actions), regardless of whether a lawsuit has then been filed against the Company or its Subsidiaries with respect to such investigation.

**Article 6.                    Certain Change in Control Payments**

Notwithstanding any provision of the Plan to the contrary, if any payments or benefits an Executive would receive from the Company or Employer under the Plan or otherwise in connection with the Change in Control (the "Total Payments") (a) constitute "parachute payments" within the meaning of Code Section 280G, and (b) but for this Article 6, would be subject to the excise tax imposed by Code Section 4999, then such Executive will be entitled to receive either (i) the full amount of the Total Payments or (ii) a portion of the Total Payments having a value equal to One Dollar (\$1) less than three (3) times such individual's "base amount" (as such term is defined in Code Section 280G(b)(3)(A)), whichever of (i) and (ii), after taking into account applicable Federal, state, local income and employment taxes and the excise tax imposed by Code Section 4999, results in the receipt by such employee on an after-tax basis, of the greatest portion of the Total Payments. Any determination required under this Article 6 shall be made in writing by the Company's independent certified public accountants appointed prior to any change in ownership (as defined under Code Section 280G(b)(2)) or tax counsel selected by such accountants (the "Accountants"), whose determination shall be conclusive and binding for all purposes upon the applicable Executive and the Company. For purposes of making the calculations required by this Article 6, the Accountants may make reasonable assumptions and approximations concerning applicable taxes and may rely on reasonable, good-faith interpretations concerning the application of Code Sections 280G and 4999. If there is a reduction pursuant to this Article 6 of the Total Payments to be delivered to the applicable Executive, the payment reduction contemplated by the preceding sentence shall be implemented by determining the Parachute Payment Ratio (as defined below) for each "parachute payment" and then reducing the "parachute payments" in order beginning with the "parachute payment" with the highest Parachute Payment Ratio. For "parachute payments" with the same Parachute Payment Ratio, such "parachute payments" shall be reduced based on the time of payment of such "parachute payments," with amounts having later payment dates being reduced first. For "parachute payments" with the same Parachute Payment Ratio and the same time of payment, such "parachute payments" shall be reduced on a pro rata basis (but not below zero) prior to reducing "parachute payments" with a lower Parachute Payment Ratio. For purposes hereof, the term "Parachute Payment Ratio" shall mean a fraction the numerator of which is the value of the applicable "parachute payment" for purposes of Code Section 280G and the denominator of which is the actual present value of such payment.

## Article 7. Legal Fees and Notice

**7.1 Payment of Legal Fees.** In the event of a dispute arising under the Plan following a Change in Control, the Company shall reimburse an Executive for costs of litigation or other disputes including, without limitation, reasonable attorneys' fees incurred by the Executive in reasonably asserting any claims or defenses under this Plan. With respect to other disputes, each party shall bear their own costs.

**7.2 Notice.** Any notices, requests, demands, or other communications provided for by this Plan shall be sufficient if in writing and if sent by registered or certified mail to the Executive at the last address he has filed in writing with the Company or Employer or, in the case of the Company, at the address set forth in Section 9.1.

## Article 8. Successors and Assignment

**8.1 Successors to the Company.** The Company shall require any successor (whether direct or indirect, by purchase, merger, reorganization, consolidation, acquisition of property or stock, liquidation, or otherwise) of all or a significant portion of the assets of the Company by agreement to expressly assume and agree to perform under this Plan in the same manner and to the same extent that the Company would be required to perform if no such succession had taken place. The terms of this Plan shall be binding upon any successor in accordance with the operation of law and such successor shall be deemed the "Company" for purposes of this Plan.

**8.2 Assignment by the Executive.** This Plan shall inure to the benefit of and be enforceable by each Executive's personal or legal representatives, executors, administrators, successors, heirs, distributees, devisees, and legatees. If an Executive dies while any amount would still be payable to him hereunder had he continued to live, all such amounts, unless otherwise provided herein, shall be paid in accordance with the terms of this Plan to the Executive's Beneficiary. If an Executive has not named a Beneficiary, then such amounts shall be paid to the Executive in accordance with the Company's regular payroll practices or to the Executive's estate, as applicable.

## Article 9. Plan Administration

**9.1 Plan Administrator.** The Plan Administrator shall be the "administrator" within the meaning of Section 3(16) of ERISA and shall have all the responsibilities and duties contained therein.

The Plan Administrator can be contacted at the following address:

c/o Triumph Group, Inc.  
899 Cassatt Road, Suite 210  
Berwyn, PA 19312  
Attn: Senior Vice President, Human Resources

**9.2 Records, Reporting and Disclosure.** The Plan Administrator shall keep a copy of all records relating to the payment of Severance Benefits to Executives and former Executives and all other records necessary for the proper operation of the Plan. All Plan records shall be made

available to the Company and to each Executive for examination during business hours except that an Executive shall examine only such records as pertain exclusively to the examining Executive and to the Plan. The Plan Administrator shall prepare and shall file as required by law or regulation all reports, forms, documents and other items required by ERISA, the Code, and every other relevant statute, each as amended, and all regulations thereunder (except that the Company, as payor of the Severance Benefits, shall prepare and distribute to the proper recipients all forms relating to withholding of income or wage taxes, Social Security taxes, and other amounts that may be similarly reportable).

**9.3 Discretion.** Any decisions, actions or interpretations to be made under the Plan by the Plan Administrator shall be made in its sole and absolute discretion, subject to the terms of the Plan and applicable law, and need not be uniformly applied and such decisions, actions or interpretations shall be final, binding and conclusive upon all parties, with respect to denied claims for Severance Benefits. Not in limitation, but in amplification of the foregoing and of the authority conferred upon the Plan Administrator, the Company specifically intends that the Plan Administrator and its duly authorized delegates have the greatest permissible discretion to construe the terms of the Plan and to determine all questions concerning eligibility, participation, and benefits. The decisions by the Plan Administrator or any delegates shall be conclusive and binding, and any interpretation, determination, or other action by them is intended to be subject to the most deferential standard of review. Such standard of review is not to be affected by any real or alleged conflict of interest on the part of the Plan Administrator or its delegates. In addition to the duties and powers described hereunder and elsewhere in this Plan, the Plan Administrator or its delegate is specifically given the discretionary authority and such powers as are necessary for the proper administration of the Plan, including, but not limited to, the following: (i) to resolve ambiguities or inconsistencies; (ii) to supply omissions and the like; (iii) to make determinations, grants, or denials of the amount, manner, and time of payment of any Severance Benefits under the terms of the Plan; (iv) to authorize its agents or delegates to execute or deliver any instrument or make payments on the Plan Administrator's behalf or with respect to the Plan; (v) to select and retain counsel, service providers and vendors, employ agents, and provide for such clerical, accounting, actuarial, legal, consulting and/or claims processing services as it deems necessary or desirable to assist the Plan Administrator in the administration of the Plan; (vi) to prepare and distribute, in such manner as the Plan Administrator determines to be appropriate, summary plan descriptions and other information explaining the Plan; (viii) to furnish the Company, upon request, such annual reports with respect to the administration of the Plan as the Plan Administrator deems reasonable and appropriate; (ix) to receive, review and keep on file, as the Plan Administrator deems necessary or appropriate, reports of Plan payments and reports of disbursements for expenses; and (x) in general to decide and/or settle questions and disputes, and all such authorizations, interpretations, determinations, decisions and settlements shall be final and binding for purposes of the Plan.

Notwithstanding any of the foregoing, if a dispute arises with respect to the payment of Severance Benefits after a Change in Control, the standard of review shall be de novo in any court proceeding.

## Article 10. Claims

If an Executive believes that he is entitled to severance benefits under the Plan which are not being paid, the Executive may submit a written claim for payment to the Plan Administrator. The Executive must make an initial claim within sixty (60) days of termination of employment in order to be eligible for benefits. Any claim for benefits must be in writing, addressed to the Plan Administrator and must be sufficient to notify the Plan Administrator of the benefit being claimed. If the claim is denied, the Plan Administrator shall, within a reasonable period of time, provide the Executive with a written notice of denial. The notice will include the specific reasons for denial, the provisions of the Plan on which the denial is based, and the procedure for a review of the denied claim. Where appropriate, it will also include a description of any additional material or information necessary to complete or perfect the claim and an explanation of why that material or information is necessary. The Executive may request in writing a review of a claim denied by the Plan Administrator and may review pertinent documents and submit issues and comments in writing to the Plan Administrator. The Plan Administrator shall provide the Executive with a written decision upon such request for review of a denied claim. The decision of the Plan Administrator upon such review shall be final; provided, however, the Executive shall have the right to pursue adjudication of a claim in a court of competent jurisdiction once this appeal process is complete.

## Article 11. Miscellaneous

**11.1 Indemnification.** To the maximum extent permitted by law, all employees, officers, directors, agents and representatives of the Company shall be indemnified by the Company and held harmless against any claims and the expenses of defending against such claims, resulting from any action or conduct relating to the administration of the Plan, whether as a member of the Committee or otherwise, except to the extent that such claims arise from gross negligence, willful neglect, or willful misconduct.

**11.2 Employment Status.** Except as may be provided under any other agreement between the Executive and the Company or Employer, the employment of any Executive by the Company or Employer is "at will" and may be terminated by either the Executive or the Company or Employer at any time, subject to applicable law.

**11.3 Code Section 409A.** Notwithstanding anything herein to the contrary, if and only to the extent any payment or benefit constitutes "nonqualified deferred compensation" as defined in Code Section 409A, then:

- (a) All expenses or other reimbursements or in-kind benefits under this Plan shall be paid or provided on or prior to the last day of the taxable year following the taxable year in which such expenses or in-kind benefits were incurred by the Executive, and no such reimbursement or in-kind benefits in any taxable year shall in any way affect the reimbursement or in-kind benefits in any other taxable year or subject to exchange for cash or other taxable amount.
- (b) The Executive's right to receive any installment payment pursuant to this Plan shall be treated as a right to receive a series of separate and distinct payments.

- (c) Whenever a payment under this Plan specifies a payment period with reference to a number of days (e.g., “payment shall be made within thirty (30) days following the date of termination”), the actual date of payment within the specified period shall be within the sole discretion of the Company.
- (d) A Qualifying Termination shall not be deemed to have occurred for purposes of any provision of this Plan providing for the payment of any amounts or benefits upon or following a Qualifying Termination unless such termination is also a “separation from service” within the meaning of Code Section 409A and, for purposes of any such provision of this Plan, references to a “Qualifying Termination,” “termination of employment” or like terms shall mean “separation from service.”
- (e) No payment will be subject to offset unless otherwise permitted by Code Section 409A.
- (f) Notwithstanding any provisions in this Plan to the contrary, whenever a payment under this Plan may be made upon the Release Effective Date, and the period in which the Executive could execute the release (along with its accompanying revocation period) crosses calendar years, no payments shall be made until the succeeding calendar year.

**11.4 Entire Plan.** This Plan supersedes any prior agreements or understandings, oral or written, between the parties hereto, with respect to the subject matter hereof, and constitutes the entire agreement of the parties with respect thereto. Without limiting the generality of the foregoing sentence, this Plan completely supersedes any and all prior employment agreements entered into by and between the Company or Employer and the Executive, and all amendments thereto, in their entirety. Notwithstanding the foregoing, if the Executive has entered into any agreements or commitments with the Company with regard to Confidential Information, noncompetition, nonsolicitation, or nondisparagement, such agreements or commitments will remain valid and will be read in harmony with this Plan to provide maximum protection to the Company. The Company will address the coordination of this Plan with existing agreements and severance plans.

**11.5 Severability.** In the event that any provision or portion of this Plan shall be determined to be invalid or unenforceable for any reason, the remaining provisions of this Plan shall be unaffected thereby and shall remain in full force and effect.

**11.6 Tax Withholding.** The Company or Employer may withhold from any benefits payable under this Plan all Federal, state, city, or other taxes as may be required pursuant to any law or governmental regulation or ruling.

**11.7 Beneficiaries.** The Executive may designate one (1) or more persons or entities as the primary and/or contingent beneficiaries of any amounts to be received under this Plan. Such designation must be in the form of a signed writing acceptable to the Board or the Board’s designee. The Executive may make or change such designation at any time.

**11.8 Payment Obligation Absolute.** Except as provided in Section 3.6, the Company's obligation to make the payments provided for herein shall be absolute and unconditional, and shall not be affected by any circumstances, including, without limitation, any offset, counterclaim, recoupment, defense, or other right which the Company may have against the Executive or anyone else. The Executive shall not be obligated to seek other employment in mitigation of the amounts payable or arrangements made under any provision of this Plan, and the obtaining of any such other employment shall in no event effect any reduction of the Company's obligations to make the payments and arrangements required to be made under this Plan.

**11.9 Contractual Rights to Benefits.** This Plan establishes and vests in the Executives a contractual right to the benefits to which he or she is entitled hereunder. However, nothing herein contained shall require or be deemed to require, or prohibit or be deemed to prohibit, the Company to segregate, earmark, or otherwise set aside any funds or other assets, in trust or otherwise, to provide for any payments to be made or required hereunder.

**11.10 Modification.** The Plan may be amended or terminated by the Board in any manner and at any time, provided (a) that the termination of the Plan shall be subject to the provisions of Section 1.3 and Section 1.4 and (b) no termination or amendment of the Plan will be permitted during (i) any period when the Company is party to an Agreement which, if consummated, would result in a Change in Control or (ii) during the two year period immediately following a Change in Control, in either case to the extent such amendment adversely alters or impairs any rights or obligations of an Executive under the Plan.

**11.11 Gender and Number.** Except where otherwise indicated by the context, any masculine term used herein also shall include the feminine; the plural shall include the singular and the singular shall include the plural.

**11.12 Controlling Law.** This Plan shall be construed and enforced according to the laws of the State of Delaware (without reference to principles or provisions governing conflicts of laws) to the extent not preempted or superseded by Federal laws of the United States. Any provision of this Plan that is determined by a court to be in conflict with any applicable Federal or State laws shall be deemed amended by this paragraph to conform to the minimum requirements of such laws, except to the extent they are preempted by ERISA.

**IN WITNESS WHEREOF**, the Company has executed this Plan on this May 29, 2018.

**TRIUMPH GROUP, INC.**

/s/ Daniel J. Crowley

Name: Daniel J. Crowley

Title: President and Chief Executive Officer



**Exhibit A**  
**Executive Plan Severance Benefits**

(see attached)

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### III. Severance Design



	Without Cause				Change in Control (requires double trigger)				
	CEO	Executive	Mgt	Standard	CEO	Executive	Exc. Mgt	Mgt	Standard
<b>Band (Job Level)</b>	7 (14)	6 (13&12)	5 & 4 (11-8)	3 & below (7-1)	7 (14)	6 (13&12)	5 (11)	5 (10)	4, 3 & below
<b>Headcount Eligible</b>	1	12	525	6,030	1	12	By exception & CMDC approval	52	6,453
<b>Base</b>	2.0x	1.0x	.75x	1 w/yr, min 4 wks max 12 wks	2.0x	1.5x	1.0x	<b>Same terms as regular without cause severance</b>	
<b>Bonus</b>	2.0x	1.0x	Prorate @ target	Prorate @ target	2.0x	1.5x	1.0x		
<b>Annual Equity</b>								<b>No Good Reason Provision</b>	
<b>RSU</b>	18 mth window	12 mth window	6 mth window	N/A	All unvested	All unvested	All unvested	<b>Per Existing Equity Plan Requirements</b>	
<b>PSU</b>	Prorated at target based on service completed during performance period			N/A	All Unvested at performance if able to determine, otherwise target				
<b>RSU</b>	18 mth window	12 mth window	6 mth window	N/A	All unvested	All unvested	All unvested		
<b>PSU</b>	Prorated at target based on service completed during performance period			N/A	All Unvested at performance if able to determine, otherwise target				
<b>COBRA</b>	18 mths	12 mths	6 mths	N/A	24 mths	18 mths	12 mths		
<b>Outplacement</b>	\$25k	\$10k	\$5k	\$1k	\$50k	\$20k	\$5k	\$1k	

**Exhibit B**  
**Form of Release**

(see attached)

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**FORM OF CONFIDENTIAL SEPARATION AND GENERAL RELEASE AGREEMENT**

This Confidential Separation and General Release Agreement (“Agreement”) is executed by and between Triumph Group, Inc. (“Company”) and \_\_\_\_\_ (“Executive”).

WHEREAS Executive has been employed by the Company;

WHEREAS Executive has experienced a Qualifying Termination as defined in the Triumph Group, Inc. Executive Change in Control and General Severance Plan for Executives and Management Employees (the “Plan”);

IT IS HEREBY AGREED by and between the parties as follows:

**1. Employment Status.** Executive agrees that [he][she] experienced a Qualifying Termination under the Plan, effective \_\_\_\_\_, \_\_\_\_\_. Executive agrees that [he][she] has received all wages, personal time off pay, vacation pay and other compensation and benefits due to [him][her] by virtue of [his][her] employment with the Company, including, without limitation, the applicable Severance Benefits as defined in the Plan. Executive understands the Company will have no obligation to rehire, reemploy, reinstate, recall or hire Executive in the future.

**2. Separation Payment.** In consideration of Executive signing and not revoking this Agreement, the Company will pay Executive the applicable Severance Benefits under the Plan (“Separation Payment”). This Separation Payment shall be paid in accordance with the provisions of the Plan. Executive acknowledges that this Separation Payment constitutes valuable consideration to which [he][she] would not otherwise be entitled.

**3. Release of Claims.** In consideration of the Separation Payment, and for other good and valuable consideration, Executive releases the Company, its parents, subsidiaries, affiliates, and all related entities, and its and their past and present officers, directors, employees, agents, predecessors, successors and assigns (“Releasees”), from all claims that Executive ever had, now has, or hereafter may have, whether known or unknown, asserted or unasserted from the beginning of time through the date of this Agreement. This release includes but is not limited to the following:

- Claims arising under the Americans with Disabilities Act;
- Discrimination, interference or retaliation claims arising under the Family Medical Leave Act;
- Claims arising under Title VII of the Civil Rights Act of 1964, as amended, the Civil Rights Act of 1866, as amended, the Civil Rights Act of 1991, as amended, and the federal Equal Pay Act;
- Claims arising under the Genetic Information and Non-Discrimination Act;

- Claims of age discrimination under the Age Discrimination in Employment Act, as amended by the Older Workers Benefit Protection Act, or state anti-discrimination statutes;
- Claims arising under the Executive Retirement Income Security Act;
- Whistleblower claims arising under state or federal law;
- Claims arising under the United States Constitution;
- Claims arising under the National Labor Relations Act, Uniformed Services Employment and Reemployment Rights Act, and the Occupational Safety and Health Act;
- Claims arising under the Worker Adjustment Retraining and Notification Act;
- Claims arising under any other federal, state or local law or ordinances, or any common law claim under tort, contract or any other theories now or hereafter recognized; and
- Claims for any type of damages cognizable under any of the laws referenced herein, including, but not limited to, any and all claims for compensatory damages, punitive damages, and attorneys' fees and costs.

Executive also agrees that this release should be interpreted as broadly as possible to achieve [his][her] intention to waive all of [his][her] claims against the Releasees.

**4. Claims Not Released.** Notwithstanding any other provision of this Agreement, the following are not barred by the Agreement: (a) claims relating to the validity of this Agreement; (b) claims by either party to enforce this Agreement; (c) claims under any state workers' compensation or unemployment law; (d) Claims under the Plan; and (e) claims that legally may not be waived. Further, it is understood and agreed that this Agreement does not bar Executive's right to file an administrative charge with the Securities and Exchange Commission (SEC), the Equal Employment Opportunity Commission (EEOC), the United States Department of Labor (DOL), the National Labor Relations Board (NLRB), or any other federal, state or local agency; prevent [him][her] from reporting to any government agency any concerns [he][she] may have regarding the Company's practices; or preclude [his][her] participation in an investigation by the SEC, EEOC, DOL, NLRB or any other federal, state or local agency, although the Agreement does bar [his][her] right to recover any personal relief (including monetary relief) if [he][she] or any person, organization, or entity asserts a charge or complaint on [his][her] behalf, including in a subsequent lawsuit or arbitration.

**5. No Future Payments Except Those Described Herein.** Except as set forth in this Agreement, it is expressly agreed and understood by the parties that the Company does not have, and will not have, any obligation to provide Executive at any time in the future with any bonus or other payments, benefits, or consideration other than those set forth in the Agreement

and other than those to which Executive may be entitled under the Company's benefit plans, including 401(k) plan, if applicable. Executive acknowledges that no portion of the Separation Payment shall be made to a 401(k) plan.

**6. No Admission of Liability.** Executive agrees and acknowledges that this Agreement is not to be construed as an admission of any violation of any federal, state or local statute, ordinance or regulation or of any duty allegedly owed by the Company to Executive. The Company specifically disclaims any liability to Executive on any basis. The execution of this Agreement by the Company is a voluntary act to provide an amicable conclusion to its employment relationship with Executive.

**7. Confidentiality.** Executive agrees to keep the existence, terms, and conditions of this Agreement *strictly confidential* and not to disclose them to anyone, including current and former Company employees, except that Executive may disclose them to [his][her] spouse, tax advisor, or attorney after first obtaining that individual's agreement to keep the information confidential and not disclose it to others.

**8. Integration and Modification.** This Agreement contains all of the promises and understandings of the parties. There are no other agreements or understandings except as set forth herein, and this Agreement may be amended only by a written agreement signed by all the parties.

**9. Advice to Consult Legal Representation.** Executive is advised to consult with legal counsel of Executive's choosing, at Executive's own expense regarding the meaning and binding effect of this Agreement and every term hereof prior to executing it.

**10. Governing Law and Jurisdiction.** This Agreement shall be enforced in accordance with the laws of the Commonwealth of Pennsylvania without regard to any principles of choice of law that may otherwise be applicable, except to the extent superseded by federal law (e.g. ERISA). Executive hereby consents and agrees to the jurisdiction before a court of law in the Commonwealth of Pennsylvania.

**11. Waiver.** If a party, by its actions or omissions, waives or is adjudged to have waived any breach of this Agreement, any such waiver shall not operate as a waiver of any other subsequent breach of this Agreement.

**12. Successors.** This Agreement is binding upon and shall inure to the benefit of the parties hereto and their respective heirs, executors, administrators, personal or legal representatives, successors and/or assigns.

**13. Severability.** If any provision of this Agreement is or shall be declared invalid or unenforceable by a court of competent jurisdiction, the remaining provisions shall not be affected thereby and shall remain in full force and effect.

**14. Executive Acknowledgement.** Executive acknowledges that:

(a) Executive has read this Agreement and has had an opportunity to discuss it with individuals of Executive's own choice, who are not associated with the Company;

- (b) The Company has advised Executive to consult with an attorney of Executive's own choosing;
- (c) Neither the Company nor its agents, representatives or employees have made any representations to Executive concerning the terms or effects of this Agreement, other than those contained in the Agreement;
- (d) Executive has the intention of releasing all claims recited herein in exchange for the enhanced benefits described herein, which Executive acknowledges as adequate and satisfactory and in addition to anything to which Executive otherwise is entitled; and
- (e) Executive has returned all things in Executive's possession or control relating to the Company's business, including but not limited to a Company-issued cell phone, laptops, files, all materials relating to any client, keys, badges, or other identification, reports, correspondence, manuals, ledgers, or other proprietary material pertaining to the Company.

**15. Consideration Period.** Executive acknowledges that Executive has been provided with at least twenty-one (21) calendar days following [his][her] receipt of this Agreement to consider the offer of this Agreement prior to entering into it. Executive acknowledges that any modifications, material or otherwise, made to this Agreement will not restart or extend this twenty-one (21) calendar day period. Executive agrees to notify the Company of acceptance of this Agreement by delivering a signed copy to the Company, addressed to the attention of SVP, Human Resources at 899 Cassatt Road, Suite 210, Berwyn, PA 19312. Executive understands that the entire twenty-one (21) calendar day period may be taken to consider this Agreement. Executive may return this Agreement in less than the twenty-one (21) calendar day period. By signing and returning this Agreement, Executive acknowledges that the consideration period afforded Executive was a reasonable period of time to consider fully each and every term of this Agreement, including the general release set forth in Paragraph 3.

**16. [Reserved][Revocation Period. Executive acknowledges that [he][she] shall have seven (7) calendar days after signing this Agreement to revoke this Agreement if [he][she] chooses to do so. If Executive elects to revoke this Agreement, [he][she] shall give written notice of such revocation to the Company by delivering it to the SVP, Human Resources at the above address, in such a manner that it is actually received within the seven-day period.]**

\_\_\_\_\_ expressly acknowledges that [he][she] has read the foregoing, that [he][she] has had sufficient time to review this Agreement with an attorney of [his][her] choosing, that [he][she] understands the Agreement's terms and conditions and that [he][she] intends to be legally bound by it.

\_\_\_\_\_ TRIUMPH GROUP, Inc.

Printed \_\_\_\_\_ By: \_\_\_\_\_  
Name:  
Title:

Signature \_\_\_\_\_

Date: \_\_\_\_\_ Date: \_\_\_\_\_