

**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

**FORM 10-K**

(Mark One)

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

For the fiscal year ended March 31, 2020

or

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

For the transition period from \_\_\_\_\_ to \_\_\_\_\_

Commission File No. 1-12235

**Triumph Group, Inc.**

(Exact name of registrant as specified in its charter)

Delaware

(State or other jurisdiction of  
incorporation or organization)

51-0347963

(I.R.S. Employer  
Identification Number)

**899 Cassatt Road, Suite 210, Berwyn, Pennsylvania 19312**

(Address of principal executive offices, including zip code)

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

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

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock, par value \$.001 per share	TGI	New York Stock Exchange
Purchase rights		New York Stock Exchange

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

Indicate by check mark if the Registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes  No

Indicate by check mark if the Registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Securities Exchange Act of 1934. Yes  No

Indicate by check mark whether the Registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the Registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes  No

Indicate by check mark whether the Registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes  No

Indicate by check mark whether the Registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Securities Exchange Act of 1934. (Check one)

Large accelerated filer

Accelerated filer

Non-accelerated filer

Smaller reporting company

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.

Indicate by check mark whether the registrant has filed a report on and attestation to its management's assessment of the effectiveness of its internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act (15 U.S.C. 7262(b)) by the registered public accounting firm that prepared or issued its report.

Indicate by check mark whether the Registrant is a shell company (as defined in Rule 12b-2 of the Securities Exchange Act of 1934). Yes  No

As of September 30, 2019, the aggregate market value of the shares of Common Stock held by non-affiliates of the Registrant was approximately \$1,134 million. Such aggregate market value was computed by reference to the closing price of the Common Stock as reported on the New York Stock Exchange on September 30, 2019. For purposes of making this calculation only, the Registrant has defined affiliates as including all directors and executive officers.

The number of outstanding shares of the Registrant's Common Stock, par value \$.001 per share, on May 26, 2020 was 51,898,357.

**Documents Incorporated by Reference**

Portions of the following document are incorporated herein by reference:

The Proxy Statement of Triumph Group, Inc. to be filed in connection with our 2020 Annual Meeting of Stockholders is incorporated in part in Part III hereof, as specified herein.

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**Item 1. Business****Cautionary Note Regarding Forward-Looking Statements**

This report contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995 relating to our future operations and prospects, including statements that are based on current projections and expectations about the markets in which we operate, and management's beliefs concerning future performance and capital requirements based upon current available information. Such statements are based on management's beliefs as well as assumptions made by and information currently available to management. When used in this document, words like "may," "might," "will," "expect," "anticipate," "plan," "believe," "potential," and similar expressions are intended to identify forward-looking statements. Actual results could differ materially from management's current expectations. For example, there can be no assurance that additional capital will not be required, and that such amounts may be material, or that additional capital, if required, will be available on reasonable terms, if at all, at such times and in such amounts as may be needed by us. In addition to these factors, among other factors that could cause actual results to differ materially, are uncertainties relating to the integration of acquired businesses, general economic conditions affecting our business segments, the continued impact of the coronavirus pandemic (COVID-19), the severe disruptions to the economy, the financial markets and the markets in which we compete, dependence of certain of our businesses on certain key customers, the risk that we will not realize all of the anticipated benefits from acquisitions as well as competitive factors relating to the aerospace industry. For a more detailed discussion of these and other factors affecting us, see the risk factors described in "Item 1A. Risk Factors." A prolonged impact of COVID-19 could also have the effect of heightening many of these risks.

**General**

Triumph Group, Inc. ("Triumph," the "Company," "we," "us," or "our") was incorporated in 1993 in Delaware. Our companies design, engineer, manufacture, repair, and overhaul a broad portfolio of aerospace and defense systems, components, and structures. We serve the global aviation industry, including original equipment manufacturers, or OEMs, and the full spectrum of military and commercial aircraft operators.

**Products and Services**

Effective February 17, 2020, the Company combined its Integrated Systems and Product Support operating segments into one operating segment, Systems & Support. The Company believes that it is well-positioned to supply both critical OEM components and full life cycle aftermarket support and that this combination will allow the Company to accelerate its aftermarket growth rate while simplifying its structure. As a result, effective February 17, 2020, the Company has two reporting segments for financial reporting purposes – Systems & Support and Aerospace Structures.

We offer a variety of products and services to the aerospace industry through two operating segments: (i) Triumph Systems & Support, whose companies' revenues are derived from the design, development, and support of proprietary components, subsystems and systems, production of complex assemblies using external designs, as well as the provision of full life cycle solutions for commercial, regional, and military aircraft; and (ii) Triumph Aerospace Structures, whose companies supply commercial, business, regional and military manufacturers with large metallic and composite structures and produce close-tolerance parts primarily to customer designs and model-based definition, including a wide range of aluminum, hard metal and composite structure capabilities.

*Systems & Support's* capabilities include hydraulic, mechanical and electromechanical actuation, power and control; a complete suite of aerospace gearbox solutions, including engine accessory gearboxes and helicopter transmissions; active and passive heat exchange technology; fuel pumps, fuel metering units and Full Authority Digital Electronic Control fuel systems; hydromechanical and electromechanical primary and secondary flight controls; and a broad spectrum of surface treatment options.

The products that companies within this group design, engineer, build and repair include:

Aircraft and engine-mounted accessory drives	Thermal control systems and components
Cargo hooks	High lift actuation
Cockpit control levers	Hydraulic systems and components
Control system valve bodies	Landing gear actuation systems
Electronic engine controls	Landing gear components and assemblies
Exhaust nozzles and ducting	Main engine gear box assemblies
Geared transmissions and drive train components	Main fuel pumps
Fuel-metering units	Secondary flight control systems
Vibration absorbers	

Extensive product and service offerings include full post-delivery value chain services that simplify the maintenance, repair and overhaul ("MRO") supply chain. Through its ground support equipment maintenance, component MRO and postproduction supply chain activities, Systems & Support is positioned to provide integrated planeside repair solutions globally. Capabilities include metallic and composite aircraft structures; nacelles; thrust reversers; interiors; auxiliary power units; and a wide variety of pneumatic, hydraulic, fuel and mechanical accessories. Companies in Systems & Support repair and overhaul various components for the aviation industry including:

- Air cycle machines
- APUs
- Constant speed drives
- Engine and airframe accessories
- Flight control surfaces
- Integrated drive generators
- Nacelles
- Remote sensors
- Thrust reversers
- Blades and vanes
- Cabin panes, shades, light lenses and other components
- Combustors
- Stators
- Transition ducts
- Sidewalls
- Light assemblies
- Overhead bins
- Fuel bladder cells

*Aerospace Structures'* products include wings, wing boxes, fuselage panels, horizontal and vertical tails, and subassemblies such as floor grids. Aerospace Structures also has the capability to engineer detailed structural designs in metal and composites. Aerospace Structures capabilities also include advanced composite and interior structures, joining processes such as welding, autoclave bonding and conventional mechanical fasteners.

The products that companies within this group design, manufacture, build and repair include:

- Aircraft wings
- Composite and metal bonding
- Engine nacelles
- Comprehensive processing services
- Empennages
- Acoustic and thermal insulation systems
- Flight control surfaces
- Integrated testing and certification services
- Stretch-formed leading edges and fuselage skins
- Wing spars and stringers
- Composite ducts and floor panels

**Proprietary Rights**

We benefit from our proprietary rights relating to designs, engineering and manufacturing processes, and repair and overhaul procedures. For some products, our unique manufacturing capabilities are required by the customer's specifications or designs, thereby necessitating reliance on us for the production of such specially designed products.

We view our name and trademark as significant to our business as a whole. Our products are protected by a portfolio of patents, trademarks, licenses or other forms of intellectual property that expire at various dates in the future. We continually develop and acquire new intellectual property and consider all of our intellectual property to be valuable. However, based on the broad scope of our product lines, management believes that the loss or expiration of any single intellectual property right would not have a material adverse effect on our results of operations, our financial position, or our business segments. Our policy is to file applications and obtain patents for our new products as appropriate, including product modifications and improvements. While patents generally expire 20 years after the patent application filing date, new patents are issued to us on a regular basis.

In our overhaul and repair businesses, OEMs of equipment that we maintain for our customers often include language in repair manuals that relate to their equipment, asserting broad claims of proprietary rights to the contents of the manuals used in our operations. There can be no assurance that OEMs will not try to enforce such claims, including the possible use of legal proceedings. In the event of such legal proceedings, there can be no assurance that such actions against the Company will be unsuccessful. However, we believe that our use of manufacture and repair manuals is lawful.

**Raw Materials and Replacement Parts**

We purchase raw materials, primarily consisting of extrusions, forgings, castings, aluminum and titanium sheets and shapes, and stainless steel alloys, from various vendors. We also purchase replacement parts, which are utilized in our various repair and overhaul operations. We believe that the availability of raw materials to us is adequate to support our operations.

## **Sales, Marketing and Engineering**

While each of our operating companies maintains responsibility for selling and marketing its specific products, we have developed two marketing teams at the operating segment level who are focused on business development and cross-selling our broad capabilities. One team is dedicated to Systems & Support, and the other team supports Aerospace Structures. These teams are responsible for selling aerospace structures, systems, integrated assemblies, and repair and overhaul services, reaching across our operating companies, to our OEM, military, airline and air cargo customers. In certain limited cases, we use independent, commission-based representatives to serve our customers' changing needs in some of the markets and geographic regions in which we operate.

The two group-level marketing teams operate as the front-end of the selling process, establishing or maintaining relationships, identifying opportunities to leverage our brand, and providing service for our customers. Each individual operating company is responsible for its own technical support, pricing, manufacturing, and product support. Also, within Systems & Support, we meet our customers' needs by designing systems that integrate the capabilities of our companies.

A significant portion of our government and defense contracts are awarded on a competitive bidding basis. We generally do not bid or act as the primary contractor but will typically bid and act as a subcontractor on contracts on a fixed-price basis. We generally sell to our other customers on a fixed-price, negotiated contract, or purchase order basis.

When subcontracting, there is a risk of nonperformance by our subcontractors which could lead to disputes regarding quality, cost or impacts to production schedules. Additionally, economic environment changes or natural disasters, trade sanctions, tariffs, budgetary constraints, earthquakes, fires, extreme weather conditions, or pandemics, affecting the prime contractor and our subcontractors may adversely affect their ability to meet or support our performance requirements.

## **Backlog**

We have a number of long-term agreements with several of our customers. These agreements generally describe the terms under which the customer may issue purchase orders to buy our products and services during the term of the agreement. These terms typically include a list of the products or repair services customers may purchase, initial pricing, anticipated quantities and, to the extent known, delivery dates. In tracking and reporting our backlog, however, we only include amounts for which we have actual purchase orders with firm delivery dates or contract requirements generally within the next 24 months, which primarily relate to sales to our OEM customer base. Purchase orders issued by our aftermarket customers are usually completed within a short period of time. As a result, our backlog data relates primarily to the OEM customers. The backlog information set forth below does not include the sales that we expect to generate from long-term agreements for which we do not have actual purchase orders with firm delivery dates.

As of March 31, 2020, we had outstanding purchase orders representing an aggregate invoice price of approximately \$3.20 billion, of which \$1.47 billion and \$1.73 billion related to Systems & Support and Aerospace Structures, respectively. As of March 31, 2019, our continuing operations had outstanding purchase orders representing an aggregate invoice price of approximately \$3.74 billion, of which \$1.47 billion and \$2.28 billion Systems & Support and Aerospace Structures, respectively. Of the existing backlog of \$3.20 billion, approximately \$1.17 billion will not be shipped by March 31, 2021.

## **Dependence on Significant Customers**

As disclosed in Note 19, a significant portion of our net sales are to the Boeing Company ("Boeing") and Gulfstream Aerospace Corporation ("Gulfstream"). Refer to Note 19 for specific disclosure of the concentration of net sales and accounts receivable to these customers. A significant reduction in sales to Boeing and/or Gulfstream may have a material adverse impact on our financial position, results of operations and cash flows.

## **Competition**

We compete primarily with Tier 1 and Tier 2 aerostructures manufacturers, systems suppliers and component manufacturers, some of which are divisions or subsidiaries of other large companies, in the manufacture of aircraft structures, systems components, subassemblies and detail parts.

Competition for the repair and overhaul of aviation components comes from four primary sources, some of whom possess greater financial and other resources than we have, and as a result, may be in a better position to handle the current environment: OEMs, major commercial airlines, government support depots, and other independent repair and overhaul companies. Some major commercial airlines continue to own and operate their own service centers, while others have begun to sell or outsource their repair and overhaul services to other aircraft operators or third parties. Large domestic and foreign airlines that provide repair and overhaul services typically provide these services not only for their own aircraft but for other airlines as well. OEMs also maintain service centers which provide repair and overhaul services for the components they manufacture. Many governments maintain aircraft support depots in their military organizations that maintain and repair the aircraft they operate. Other independent service organizations also compete for the repair and overhaul business of other users of aircraft components.

Participants in the aerospace industry compete primarily on the basis of breadth of technical capabilities, quality, turnaround time, capacity and price.

### **Government Regulation and Industry Oversight**

The aerospace industry is highly regulated in the United States by the Federal Aviation Administration ("FAA") and in other countries by similar agencies. We must be certified by the FAA and, in some cases, by individual OEMs, in order to engineer and service parts and components used in specific aircraft models. If material authorizations or approvals were revoked or suspended, our operations would be adversely affected. New and more stringent government regulations may be adopted, or industry oversight heightened, in the future and these new regulations, if enacted, or any industry oversight, if heightened, may have an adverse impact on us.

We must also satisfy the requirements of our customers, including OEMs, that are subject to FAA regulations, and provide these customers with products and repair services that comply with the government regulations applicable to aircraft components used in commercial flight operations. The FAA regulates commercial flight operations and requires that aircraft components meet its stringent standards. In addition, the FAA requires that various maintenance routines be performed on aircraft components, and we currently satisfy these maintenance standards in our repair and overhaul services. Several of our operating locations are FAA-certificated repair stations.

Generally, the FAA only grants approvals for the manufacture or repair of a specific aircraft component, rather than the broader approvals that have been granted in the past. The FAA approval process may be costly and time-consuming. In order to obtain an FAA Air Agency Certificate, an applicant must satisfy all applicable regulations of the FAA governing repair stations. These regulations require that an applicant have experienced personnel, inspection systems, suitable facilities and equipment. In addition, the applicant must demonstrate a need for the certificate. An applicant must procure manufacturer's repair manuals from design approval holders relating to each particular aircraft component. Because of these regulatory requirements, the application process may involve substantial cost.

The certification processes for the European Aviation Safety Agency ("EASA"), which regulates this industry in the European Union; the Civil Aviation Administration of China; and other comparable foreign regulatory authorities are similarly stringent, involving potentially lengthy audits. EASA was formed in 2002 and is handling most of the responsibilities of the national aviation authorities in Europe, such as the United Kingdom Civil Aviation Authority.

Our operations are also subject to a variety of worker and community safety laws. For example, the Occupational Safety and Health Act of 1970 ("OSHA"), mandates general requirements for safe workplaces for all employees in the United States. In addition, OSHA provides special procedures and measures for the handling of hazardous and toxic substances. Specific safety standards have been promulgated for workplaces engaged in the treatment, disposal or storage of hazardous waste. We believe that our operations are in material compliance with OSHA's health and safety requirements.

### **Environmental Matters**

Our business, operations and facilities are subject to numerous stringent federal, state, local and foreign environmental laws and regulations by government agencies, including the Environmental Protection Agency ("EPA"). Among other matters, these regulatory authorities impose requirements that regulate the emission, discharge, generation, management, transportation and disposal of hazardous materials, pollutants and contaminants; govern public and private response actions to hazardous or regulated substances which may be or have been released to the environment; and require us to obtain and maintain licenses and permits in connection with our operations. This extensive regulatory framework imposes significant compliance burdens and risks on us. Although management believes that our operations and our facilities are in material compliance with such laws and regulations, future changes in these laws, regulations, or interpretations thereof or the nature of our operations or regulatory enforcement actions which may arise, may require us to make significant additional capital expenditures to ensure ongoing compliance or engage in remedial actions.

Certain of our facilities, including facilities acquired and operated by us or one of our subsidiaries have at one time or another been under active investigation for environmental contamination by federal or state agencies when acquired, and at least in some cases, continue to be under investigation or subject to remediation. We are frequently indemnified by prior owners or operators and/or present owners of the facilities for liabilities which we incur as a result of these investigations and the environmental contamination found which pre-dates our acquisition of these facilities, subject to certain limitations. We also maintain a pollution liability policy that provides coverage for certain material liabilities associated with the cleanup of on-site pollution conditions, as well as defense and indemnity for certain third-party suits (including Superfund liabilities at third-party sites), in each case, to the extent not otherwise indemnified. This policy applies to all of our manufacturing and assembly operations worldwide. Also, as we proceed with our plans to exit certain facilities as part of restructuring and related initiatives, the need for remediation for potential environmental contamination could be identified, and such obligations could be material. If we are required to pay the expenses related to environmental liabilities because neither indemnification nor insurance coverage is available, these expenses could have a material adverse effect on us.

## Employees

As of March 31, 2020, we employed 9,989 persons, of whom 2,105 were management employees, 104 were sales and marketing personnel, 1,249 were technical personnel, 452 were administrative personnel and 6,079 were production workers. Our segments were composed of the following employees: Systems & Support - 3,826 persons, Aerospace Structures - 6,022 persons, and Corporate - 141 persons.

Several of our subsidiaries are parties to collective bargaining agreements with labor unions. Under those agreements, we currently employ approximately 1,811 full-time employees. Currently, approximately 18% of our permanent employees are represented by labor unions and approximately 62% of net sales are derived from the facilities at which at least some employees are unionized. Of the 1,811 employees represented by unions, no employees are working under contracts that have expired.

During the fiscal year ended March 31, 2019, the Stuart, Florida facility production and maintenance employees elected the United Autoworkers of America, Local #2505, to represent them in collective bargaining with the Company. As of March 31, 2020, the union and the Company have not reached an agreement.

Our inability to negotiate an acceptable contract with any of our labor unions could result in strikes by the affected workers and increased operating costs as a result of higher wages or benefits paid to union members. If the unionized workers were to engage in a strike or other work stoppage, or other employees were to become unionized, we could experience a significant disruption of our operations and higher ongoing labor costs, which could have an adverse effect on our business and results of operations.

## Executive Officers

Our current executive officers are:

<u>Name</u>	<u>Age</u>	<u>Position</u>
Daniel J. Crowley	57	President and Chief Executive Officer and Director
James F. McCabe, Jr.	57	Senior Vice President, Chief Financial Officer
Jennifer H. Allen	48	Senior Vice President, General Counsel and Secretary
Lance R. Turner	49	Senior Vice President, Chief Human Resources Officer
Thomas A. Quigley, III	43	Vice President, Investor Relations and Controller
Peter K.A. Wick	50	Executive Vice President, Aerospace Structures
William Kircher	53	Executive Vice President, Systems & Support

*Daniel J. Crowley* was appointed President and Chief Executive Officer and a director of the Company on January 4, 2016. Previously, Mr. Crowley served as a corporate vice president and President of Integrated Defense Systems at Raytheon Company from 2013 until 2015, and as President of Network Centric Systems at Raytheon Company from 2010 until 2013. Prior to joining Raytheon Company, Mr. Crowley served as Chief Operating Officer of Lockheed Martin Aeronautics after holding a series of increasingly responsible assignments across its space, electronics, and aeronautics sectors.

*James F. McCabe, Jr.* has been our Senior Vice President and Chief Financial Officer since August 2016. He joined the Company from Steel Partners Holdings where he served in a number of roles from 2007 to 2016, including the following: Senior Vice President and CFO, President, Shared Services, and Senior Vice President and CFO of its affiliates Handy & Harman and Steel Excel. Prior to joining Steel Partners Holdings, Mr. McCabe served as Vice President, Finance and Treasurer of American Water's Northeast Region from 2004 to 2007, and President and CFO of Teleflex Aerospace from 1991 to 2003, which served the global aviation industry. He has previously qualified as a certified public accountant and Six Sigma Green Belt and served as a member of the Board of Governors and the Civil Aviation Council Executive Committee for the Aerospace Industries Association.

*Jennifer H. Allen* has been a Senior Vice President and our General Counsel and Secretary since September 2018. She joined Triumph Group from CIRCOR International, Inc. where she was Senior Vice President, General Counsel & Secretary from 2016 to 2018. Previously, she was Vice President & Associate General Counsel – Corporate for BAE Systems, Inc., from 2010 to 2016, a member of the mergers and acquisition group in the New York office of Jones Day from 2005 to 2010, and a member of the business and finance group in the Philadelphia office of Morgan, Lewis & Bockius LLP from 1996 to 2001.

*Lance R. Turner* was appointed our Senior Vice President and Chief Human Resources Officer in September 2017. From 2013 until September 2017, Mr. Turner served as Vice President of Human Resources for CenturyLink, Inc.; and from 2000 until 2013, as Senior Director of Human Resources for Honeywell.

*Thomas A. Quigley, III* has been our Vice President, Investor Relations and Controller since December 2019. From November 2012 to December 2019, Mr. Quigley served as our Vice President and Controller, and serves as the Company's principal accounting officer. Mr. Quigley previously served as the Company's SEC Reporting Manager from 2009 to 2012. From 2002 until joining Triumph in 2009, Mr. Quigley held various roles within the audit practice of KPMG LLP, including Senior Audit Manager.

*Peter K.A. Wick* was appointed our Executive Vice President, Aerospace Structures in December 2017. He previously served as Executive Vice President, Triumph Precision Components in 2017 and, prior to that, served as Vice President, Contracts for Triumph Group from 2016 to 2017, overseeing all contract-related activities and lead negotiations for major contracts with a primary focus on supply contracts to OEM customers. Prior to joining the Company in 2016, Mr. Wick spent eight years with GKN Aerospace holding a range of leadership positions, the last of which was VP Commercial for their North American business. Mr. Wick has in excess of 25 years of experience working in the aerospace industry across the commercial and military aviation, space and avionics sectors.

*William Kircher* was appointed our Executive Vice President, Product Support in September 2018. Prior to joining the Company, he served as Chief Operating Officer of MB Aerospace, a Blackstone portfolio company, from 2016 to 2017 and as CEO of VAS Aero Services, a HIG portfolio company, in 2015. Mr. Kircher also spent 18 years with United Technologies Corporation in various domestic and international leadership roles including President, UTC Aerospace Singapore, and Vice President, Singapore Overhaul and Repair for Pratt and Whitney.

## Recent Developments

On May 22, 2020, the Company and its subsidiary co-borrowers and guarantors entered into a Twelfth Amendment to Credit Agreement (the "Twelfth Amendment" and the Credit Agreement as amended by the Twelfth Amendment, the "Amended Credit Agreement") with the Administrative Agent and the Lenders party thereto. Among other things, the Twelfth Amendment:

- (i) limits the amount of cash and cash equivalents in the United States the Company can hold on its balance sheet to \$50.0 million, subject to certain limited exceptions;
- (ii) authorizes the completion of asset sales with respect to previously identified Specified TAS Business Units (as defined in the Amended Credit Agreement);
- (iii) provides for a reserve against the availability of up to 75% of the proceeds of Specified Asset Sales (as defined in the Amended Credit Agreement);
- (iv) increases the interest rate margins applicable to the revolving credit loans by 0.50%;
- (v) modifies the interest coverage ratio covenant to require a minimum interest coverage ratio of (i) 1.85 to 1.00 for the fiscal quarter ending June 30, 2020, (ii) 1.35 to 1.00 for the fiscal quarter ending September 30, 2020, (iii) 1.00 to 1.00 for the fiscal quarter ending December 31, 2020, (iv) 1.15 to 1.00 for the fiscal quarter ending March 31, 2021, (v) 1.75 to 1.00 for the fiscal quarter ending June 30, 2021, (vi) 2.00 to 1.00 for the fiscal quarter ending September 30, 2021, (vii) 2.25 to 1.00 for the fiscal quarters ending December 31, 2021 and March 31, 2022, and (viii) 2.75 to 1.00 for each fiscal quarter ending thereafter;
- (vi) suspends the senior secured leverage ratio covenant through the fiscal quarter ending March 31, 2021 and modifies the senior secured leverage ratio for subsequent fiscal quarters to require the senior secured leverage ratio not to exceed (i) 4.50 to 1.00 for the fiscal quarter ending June 30, 2021, (ii) 3.75 to 1.00 for the fiscal quarter ending September 30, 2021, (iii) 3.50 to 1.00 for the fiscal quarters ending December 31, 2021 and March 31, 2022, and (iv) 3.25 to 1.00 for each fiscal quarter ending thereafter;
- (vii) modifies the first lien secured leverage ratio covenant so that the maximum permitted first lien leverage ratio steps down from 2.50 to 1.00 to 2.00 to 1:00, commencing with the fiscal quarter ending March 31, 2021; and
- (v) modifies certain other covenants and terms.

Pursuant to the Amended Credit Agreement, the Company can borrow, repay and re-borrow revolving credit loans, and cause to be issued letters of credit, in an aggregate principal amount not to exceed \$600.0 million outstanding at any time. The loans borrowed under the Amended Credit Agreement bear interest at the Company's option, at a base rate plus a margin of 2.50% to 3.00%, or a eurodollar rate, plus a margin of 3.50% to 4.00%. The applicable interest rate is based upon the Company's ratio of total indebtedness to earnings before interest, taxes, depreciation and amortization; provided, however, that during the Pricing Restriction Period (as defined in the Amended Credit Agreement), the loans will bear interest at the highest rate per annum. In addition, the Company is required to pay a commitment fee of 0.30% to 0.50% on the unused portion of the revolving credit commitments depending on the Company's total leverage ratio and whether a Pricing Restriction Period (as defined in the Amended Credit Agreement) is in effect. The Company's obligations under the Amended Credit Agreement are guaranteed by the Company's domestic subsidiaries.

In connection with entering into the Twelfth Amendment, the Company repaid certain of the outstanding revolving loans under the Credit Facility (as defined below).

The obligations under the Amended Credit Agreement and related documents are secured by liens on substantially all assets of the Company and its domestic subsidiaries pursuant to a Third Amended and Restated Guarantee and Collateral Agreement, dated as of September 23, 2019, among the administrative agent, the Company and the subsidiaries of the Company party thereto.

Approximately \$193.0 million of revolving credit commitments under the Amended Credit Agreement expire on May 3, 2021. As a result, the Company will have to pay accrued interest and fees to non-extending lenders commensurate with their commitment levels as required under the Amended Credit Agreement.



**Available Information**

For more information about us, visit our website at [www.triumphgroup.com](http://www.triumphgroup.com). The contents of the website are not part of this Annual Report on Form 10-K. Our electronic filings with the Securities and Exchange Commission ("SEC") (including all Forms 10-K, 10-Q and 8-K, and any amendments to these reports) are available free of charge through our website immediately after we electronically file with or furnish them to the SEC. The SEC maintains an internet site that contains reports, proxy and information statements, and other information regarding issuers who file electronically with the SEC at [www.sec.gov](http://www.sec.gov).

## Item 1A. Risk Factors

### ***Factors that have an adverse impact on the aerospace industry may adversely affect our results of operations and liquidity.***

A substantial percentage of our gross profit and operating results derive from commercial aviation. Our operations have been focused on designing, engineering, manufacturing, repairing and overhauling a broad portfolio of aerostructures, aircraft components, accessories, subassemblies and systems. Therefore, our business is directly affected by economic factors and other trends that affect our customers in the aerospace industry, including a possible decrease in outsourcing by OEMs and aircraft operators or projected market growth that may not materialize or be sustainable. We are also significantly dependent on sales to the commercial aerospace market, which has been cyclical in nature with significant downturns in the past. When these economic and other factors adversely affect the aerospace industry, they tend to reduce the overall customer demand for our products and services, which decreases our operating income. Economic and other factors that might affect the aerospace industry may have an adverse impact on our results of operations and liquidity. We have credit exposure to a number of commercial airlines, some of which have encountered severe financial difficulties. Some airlines are currently requesting federal assistance and there can be no assurance that they will receive such assistance in the desired amounts, if at all. In addition, an increase in energy costs and the price of fuel to the airlines could result in additional pressure on the operating costs of airlines. The market for jet fuel is inherently volatile and is subject to, among other things, changes in government policy on jet fuel production, fluctuations in the global supply of crude oil and disruptions in oil production or delivery caused by hostility in oil-producing areas. Airlines are sometimes unable to pass on increases in fuel prices to customers by increasing fares due to the competitive nature of the airline industry, and this compounds the pressure on operating costs. Other events of general impact such as natural disasters, pandemics, war, terrorist attacks affecting the industry or pandemic health crises may lead to declines in the worldwide aerospace industry that could adversely affect our business and financial condition.

In addition, demand for our maintenance, repair and overhaul services is strongly correlated with worldwide flying activity. A significant portion of the MRO activity required on commercial aircraft is mandated by government regulations that limit the total time or number of flights that may elapse between scheduled MRO events. As a result, although short-term deferrals are possible, MRO activity is ultimately required to continue to operate the aircraft in revenue-producing service. Therefore, over the intermediate and long term, trends in the MRO market are closely related to the size and utilization level of the worldwide aircraft fleet, as reflected by the number of available seat miles, commonly referred to as ASMs, and cargo miles flown. Consequently, conditions or events which contribute to declines in worldwide ASMs and cargo miles flown, such as those mentioned above, could negatively impact our MRO business.

### ***The effects of COVID-19 and other potential future public health crises, epidemics, pandemics or similar events on our business, operating results and cash flows are uncertain.***

The global outbreak of the coronavirus disease 2019 (COVID-19) was declared a pandemic by the World Health Organization and a national emergency by the U.S. Government in March 2020 and has negatively affected the U.S. and global economy; disrupted global supply chains; resulted in significant travel and transport restrictions, including mandated closures and orders to “shelter-in-place;” and created significant disruption of the financial markets. COVID-19 has already impacted the demand for our products and services. The extent of the continued impact of the COVID-19 pandemic on our operational and financial performance, including our ability to execute our programs in the expected time frame, will depend on future developments, including the duration and spread of the pandemic and related actions taken by the U.S. Government, state and local government officials, and international governments to prevent disease spread, all of which are uncertain and cannot be predicted.

In accordance with the U.S. Department of Defense guidance issued in March 2020 designating the Defense Industrial Base as a critical infrastructure workforce, our U.S. production facilities have continued to operate in support of essential products and services required to meet national security commitments to the U.S. Government and the U.S. military, however, facility closures or work slowdowns or temporary stoppages could occur. In addition, other countries have different practices and policies that can affect our international operations and the operations of our suppliers and customers. For example, we had a brief pause in operations located in Mexico in observance of local COVID-19 policies and additional closures could occur, and we are also seeing impacts from travel restrictions both within and outside the U.S. In some cases, facilities are not operating under full staffing as a result of the impact of COVID-19 on or our customers, which could have a longer-term impact.

If significant portions of our workforce are unable to work effectively, including because of illness, quarantines, absenteeism, government actions, facility closures, travel restrictions, or other restrictions in connection with the COVID-19 pandemic, our operations will be impacted. We may be unable to perform fully on our contracts and our costs may increase as a result of the COVID-19 outbreak. These cost increases, including costs for employees whose jobs cannot be performed remotely, may not be fully recoverable under our contracts, particularly fixed-price contracts, or adequately covered by insurance. The impact of COVID-19 could worsen if there is an extended duration of any COVID-19 outbreak or a resurgence of COVID-19 infection in affected regions after they have begun to experience improvement. We have also incurred increased costs as part of the measures that we have taken to ensure the health and well-being of our employees.

The continued spread of COVID-19 has also led to disruption and volatility in the global capital markets, which depending on future developments could impact our capital resources and liquidity in the future. We are also monitoring the impacts of COVID-19 on the fair value of our assets. As described in Note 2, the Company recognized an impairment of goodwill within the Systems & Support reportable segment that was largely due to the impact of COVID-19 on global capital markets as well as certain of the MRO operations within that segment. We cannot assure you that we will not experience future changes in expectations for sales, earnings and cash flows related to intangible assets and goodwill below our current projections, which could result in additional impairment changes.

To the extent the COVID-19 pandemic adversely affects our business and financial results, it may also have the effect of heightening many of the other risk factors described in this "Risk Factors" section, such as those relating to our level of indebtedness, results of operations and cash flows.

***Changes in levels of U.S. Government defense spending or overall acquisition priorities could negatively impact our financial position and results of operations.***

We derive a significant portion of our revenue from the U.S. Government, primarily from defense-related programs with the U.S. Department of Defense ("U.S. DoD"). Levels of U.S. defense spending are very difficult to predict and may be impacted by numerous factors such as the political environment, U.S. foreign policy, macroeconomic conditions and the ability of the U.S. Government to enact relevant legislation such as authorization and appropriations bills.

In addition, significant budgetary delays and constraints have already resulted in reduced spending levels, and additional reductions may be forthcoming. The Budget Control Act of 2011 established limits on U.S. Government discretionary spending, including a reduction of defense spending between the 2012 and 2021 U.S. Government fiscal years. Accordingly, long-term uncertainty remains with respect to overall levels of defense spending and it is likely that U.S. Government discretionary spending levels will continue to be subject to pressure.

In addition, there continues to be significant uncertainty with respect to program-level appropriations for the U.S. DoD and other government agencies within the overall budgetary framework described above. While the House and Senate Appropriations committees included funding for major military programs in fiscal year 2020, such as CH-47 Chinook, AH-64 Apache, KC-46A Tanker, UH-60 Black Hawk, Northrop Grumman Global Hawk and V-22 Osprey programs, uncertainty remains about how defense budgets in fiscal year 2021 and beyond will affect these programs. Future budget cuts, including cuts mandated by sequestration, or future procurement decisions associated with the authorizations and appropriations process could result in reductions, cancellations, and/or delays of existing contracts or programs. Any of these impacts could have a material effect on the results of the Company's operations, financial position and/or cash flows.

In addition, as a result of the significant ongoing uncertainty with respect to both U.S. defense spending levels and the nature of the threat environment, we expect the U.S. DoD to continue to emphasize cost-cutting and other efficiency initiatives in its procurement processes. If we can no longer adjust successfully to these changing acquisition priorities and/or fail to meet affordability targets set by the U.S. DoD customer, our revenues and market share would be further impacted.

***Our business could be negatively affected by cyber or other security threats or other disruptions.***

Our businesses depend heavily on information technology and computerized systems to communicate and operate effectively. The Company's systems and technologies, or those of third parties on which we rely, could fail or become unreliable due to equipment failures, software viruses, cyber threats, terrorist acts, natural disasters, power failures or other causes. These threats arise in some cases as a result of our role as a defense contractor. Our customers, including the U.S. Government, are increasingly requiring cybersecurity protections and mandating cybersecurity standards in our products, and we may incur additional cost to comply with such demands.

Cybersecurity threats are evolving and include, but are not limited to, malicious software; attempts to gain unauthorized access to our sensitive information, including that of our customers, suppliers, subcontractors, and joint venture partners; and other electronic security breaches that could lead to disruptions in mission critical systems, unauthorized release of confidential or otherwise protected information and corruption of data.

Although we utilize various procedures and controls to monitor and mitigate these threats, there can be no assurance that these procedures and controls will be sufficient to prevent security threats from materializing. If any of these events were to materialize, the costs related to cyber or other security threats or disruptions may not be fully insured or indemnified and could have a material adverse effect on our reputation, operating results and financial condition.

***Our substantial debt could adversely affect our financial condition and our ability to operate and grow our business. The terms of our indentures governing our Senior Notes and Amended Credit Agreement impose significant operating and financial restrictions on the Company and our subsidiaries, which could also adversely affect our operating flexibility and put us at a competitive disadvantage by preventing us from capitalizing on business opportunities and additional financing may not be available on terms acceptable to us.***

The terms of our indentures governing our Senior Notes, Amended Credit Agreement and Securitization Facility (each as defined in Note 10) impose significant operating and financial restrictions on us, which limit our ability to incur liens, sell assets and enter into certain transactions, among other things. In addition, our debt documents require us to comply with various financial and other covenants set forth in the related agreement, and our Amended Credit Agreement requires us to maintain certain financial ratios, including an interest coverage ratio, a senior secured leverage ratio covenant, and a first lien secured leverage ratio. We are in compliance with all of our debt covenants.

We cannot assure you that we will be able to maintain compliance with the covenants in the agreements governing our indebtedness in the future or, if we fail to do so, that we will be able to obtain waivers from the holders of such indebtedness or amend the covenants and other terms of the agreements governing such indebtedness on commercially reasonable terms, if at all. Failure to maintain compliance with these covenants may allow the holders of such indebtedness to require immediate repayment of the indebtedness owed to them and to terminate any unfunded commitments, which could have a material adverse effect on our operations.

We may periodically need to obtain additional financing in order to meet our debt obligations as they come due, to support our operations and/or to make acquisitions. Our access to the debt capital markets and the cost of borrowings are affected by a number of factors, including market conditions and the strength of our credit ratings and the impact of COVID-19 on our markets. If we cannot obtain adequate sources of credit on favorable terms, or at all, our business, operating results, and financial condition could be adversely affected. We may also seek transactions to extend the maturity of our debt, reduce leverage or obtain covenant flexibility. Such transactions could result in us incurring additional secured debt or equity and there can be no assurance that we will be successful in these endeavours.

***The profitability of certain development and production programs depends significantly on the assumptions surrounding satisfactory settlement of claims and assertions.***

For certain of our new development programs, we regularly commence work or incorporate customer-requested changes prior to negotiating pricing terms for engineering work or the product which has been modified. We typically have the legal right to negotiate pricing for customer-directed changes. In those cases, we assert to our customers our contractual rights to obtain the additional revenue or cost reimbursement we expect to receive upon finalizing pricing terms. An expected recovery value of these assertions is incorporated into our contract profitability estimates when applying contract accounting. Our inability to recover these expected values, among other factors, could result in the recognition of a forward loss on these programs or a lower than expected profit margin and could have a material adverse effect on our results of operations. In addition, negotiations over our claims may lead to disputes with our customers that would result in litigation and its associated costs and risks of damages, penalties and injunctive relief, any of which could have a material, adverse effect on our business and results of operations.

***We incur risk associated with new programs with new technologies.***

New programs with new technologies typically carry risks associated with design responsibility, development of new production tools, hiring and training of qualified personnel, increased capital and funding commitments, ability to meet customer specifications, delivery schedules and unique contractual requirements, supplier performance, subcontractor performance, ability of the customer to meet its contractual obligations to us, and our ability to accurately estimate costs associated with such programs. In addition, any new aircraft program may not generate sufficient demand or may experience technological problems or significant delays in the regulatory certification or manufacturing and delivery schedule. If we were unable to perform our obligations under new programs to the customer's satisfaction or manufacture products at our estimated costs, if we were to experience unexpected fluctuations in raw material prices or supplier problems leading to cost overruns, if we were unable to successfully perform under revised design and manufacturing plans or successfully and equitably resolve claims and assertions, or if a new program in which we had made a significant investment was terminated or experienced weak demand, delays or technological problems, our business, financial condition and results of operations could be materially adversely affected. This risk includes the potential for default, quality problems, or inability to meet weight requirements and could result in low margin or forward loss contracts, and the risk of having to write-off inventory or contract assets if they were deemed to be unrecoverable over the life of the program. In addition, beginning new work on existing programs also carries risks associated with the transfer of technology, knowledge and tooling.

In order to perform on new programs, we may be required to construct or acquire new facilities requiring additional up-front investment costs. In the case of significant program delays and/or program cancellations, we could be required to bear certain unrecoverable construction and maintenance costs and incur potential impairment charges for the new facilities. Also, we may need to expend additional resources to determine an alternate revenue generating use for the facilities. Likewise, significant delays in the construction or acquisition of a plant site could impact production schedules.

***Volatility in the financial markets may impede our ability to successfully access capital markets and ensure adequate liquidity and may adversely affect our customers and suppliers.***

Turmoil in the capital markets may impede our ability to access the capital markets when we would like, or need, to raise capital or may restrict our ability to borrow money on favorable terms. Such market conditions could have an adverse impact on our flexibility

to react to changing economic and business conditions and on our ability to fund our operations and capital expenditures in the future. In addition, interest rate fluctuations, financial market volatility, or credit market disruptions may also negatively affect our customers' and our suppliers' ability to obtain credit to finance their businesses on acceptable terms. As a result, our customers' need for and ability to purchase our products or services may decrease, and our suppliers may increase their prices, reduce their output or change their terms of sale. If our customers' or suppliers' operating and financial performance deteriorates, or if they are unable to make scheduled payments or obtain credit, our customers may not be able to pay, or may delay payment of, accounts receivable owed to us, and our suppliers may restrict credit or impose different payment terms. Any inability of customers to pay us for our products and services or any demands by suppliers for different payment terms may adversely affect our earnings and cash flow.

***Cancellations, reductions or delays in customer orders, or new orders under existing forward loss contracts, may adversely affect our results of operations.***

Our overall operating results are affected by many factors, including the timing of orders from large customers and the timing of expenditures to manufacture parts and purchase inventory in anticipation of future sales of products and services. A large portion of our operating expenses are relatively fixed. Because several of our operating locations typically do not obtain long-term purchase orders or commitments from our customers, they must anticipate the future volume of orders based upon the historic purchasing patterns of customers and upon our discussions with customers as to their anticipated future requirements. These historic patterns may be disrupted by many factors, including changing economic conditions, inventory adjustments, or work stoppages or labor disruptions at our customers' locations. Cancellations, reductions or delays in orders by a customer or group of customers could have a material adverse effect on our business, financial condition, and results of operations. Additionally, new orders submitted under long-term contracts that have been determined to be forward loss contracts may result in significant forward loss accruals immediately upon receipt of the new order and have a material adverse effect on our business, financial condition, and results of operations.

***A significant decline in business with a key customer could have a material adverse effect on us.***

As disclosed in Note 19, a significant portion of our net sales are to Boeing and Gulfstream. As a result, a significant reduction in purchases by Boeing and/or Gulfstream could have a material adverse impact on our financial condition, results of operations, and cash flows. In addition, some of our individual companies rely significantly on particular customers, the loss of which could have an adverse effect on those businesses.

***Our international sales and operations are subject to applicable laws relating to trade, export controls and foreign corrupt practices, the violation of which could adversely affect our operations.***

We must comply with all applicable export control laws and regulations of the United States and other countries. United States laws and regulations applicable to us include the Arms Export Control Act, the International Traffic in Arms Regulations ("ITAR"), the Export Administration Regulations ("EAR") and the trade sanctions laws and regulations administered by the United States Department of the Treasury's Office of Foreign Assets Control ("OFAC"). EAR restricts the export of dual-use products and technical data to certain countries, while ITAR restricts the export of defense products, technical data and defense services. The U.S. Government agencies responsible for administering EAR and ITAR have significant discretion in the interpretation and enforcement of these regulations. We cannot provide services to certain countries subject to United States trade sanctions unless we first obtain the necessary authorizations from OFAC. In addition, we are subject to the Foreign Corrupt Practices Act, which generally bars bribes or unreasonable gifts to foreign governments or officials.

Violations of these laws or regulations could result in significant additional sanctions, including fines, more onerous compliance requirements, more extensive debarments from export privileges, loss of authorizations needed to conduct aspects of our international business and criminal penalties and may harm our ability to enter into contracts with the U.S. Government. A future violation of ITAR or the other regulations enumerated above could materially adversely affect our business, financial condition and results of operations.

***Any significant disruption from key suppliers of raw materials and key components could delay production and decrease revenue.***

We are highly dependent on the availability of essential raw materials such as carbon fiber, aluminum and titanium, and purchased engineered component parts from our suppliers, many of which are available only from single customer-approved sources. Moreover, we are dependent upon the ability of our suppliers to provide raw materials and components that meet our specifications, quality standards and delivery schedules. Our suppliers' failure to provide expected raw materials or component parts could require us to identify and enter into contracts with alternate suppliers that are acceptable to both us and our customers, which could result in significant delays, expenses, increased costs and management distraction and adversely affect production schedules and contract profitability.

We have from time to time experienced limited interruptions of supply, and we may experience a significant interruption in the future. Our continued supply of raw materials and component parts are subject to a number of risks, including:

- availability of capital to our suppliers;
- the destruction of our suppliers' facilities or their distribution infrastructure;
- a work stoppage or strike by our suppliers' employees;
- the failure of our suppliers to provide raw materials or component parts of the requisite quality;
- the failure of essential equipment at our suppliers' plants;
- the failure or shortage of supply of raw materials to our suppliers;
- contractual amendments and disputes with our suppliers;
- reduction to credit terms; and
- geopolitical conditions in the global supply base.

In addition, some contracts with our suppliers for raw materials, component parts and other goods are short-term contracts, which are subject to termination on a relatively short-term basis. The prices of our raw materials and component parts fluctuate depending on market conditions, and substantial increases in prices could increase our operating costs, which, as a result of our fixed-price contracts, we may not be able to recoup through increases in the prices of our products.

Due to economic difficulty, we may face pressure to renegotiate agreements resulting in lower margins. Our suppliers may discontinue provision of products to us at attractive prices or at all, and we may not be able to obtain such products in the future from these or other providers on the scale and within the time periods we require. Furthermore, substitute raw materials or component parts may not meet the strict specifications and quality standards we and our customers demand, or that the U.S. Government requires. If we are not able to obtain key products on a timely basis and at an affordable cost, or we experience significant delays or interruptions of their supply, revenues from sales of products that use these supplies will decrease. The current impact of COVID-19 could also result in a larger period of time to find suitable replacements.

***Significant consolidation by aerospace industry suppliers could adversely affect our business.***

The aerospace industry continues to experience consolidation among suppliers and customers, primarily as it pertains to the airlines. Suppliers have consolidated and formed alliances to broaden their product and integrated system offerings and achieve critical mass. This supplier consolidation is in part attributable to aircraft manufacturers more frequently awarding long-term sole-source or preferred supplier contracts to the most capable suppliers, thus reducing the total number of suppliers. This consolidation could cause us to compete against certain competitors with greater financial resources, market penetration and purchasing power. When we purchase component parts and services from suppliers to manufacture our products, consolidation reduces price competition between our suppliers, which could diminish incentives for our suppliers to reduce prices. If this consolidation continues, our operating costs could increase and it may become more difficult for us to be successful in obtaining new customers. COVID-19 has also put considerable pressure on suppliers which could exacerbate this consolidation.

***Competitive pressures may adversely affect us.***

We have numerous competitors in the aerospace industry. We compete primarily with the top-tier systems integrators and the manufacturers that supply them, some of which are divisions or subsidiaries of OEMs and other large companies that manufacture aircraft components and subassemblies. Our OEM competitors, which include Boeing, Airbus, Bell Helicopter, Bombardier, Cessna, General Electric, Gulfstream, Honeywell, Lockheed Martin, Northrop Grumman, Raytheon, Rolls Royce and Sikorsky, may choose not to outsource production of aerostructures or other components due to, among other things, their own direct labor and overhead considerations, capacity utilization at their own facilities, and desire to retain critical or core skills. Consequently, traditional factors affecting competition, such as price and quality of service, may not be significant determinants when OEMs decide whether to produce a part in-house or to outsource. We also face competition from non-OEM component manufacturers, including Alenia Aeronautica, Fokker Technologies, Fuji Heavy Industries, GKN Westland Aerospace (U.K.), Kawasaki Heavy Industries, Mitsubishi Heavy Industries, Spirit AeroSystems and UTC Aerospace Systems. Competition for the repair and overhaul of aviation components comes from three primary sources: OEMs, major commercial airlines and other independent repair and overhaul companies.

***We may need to expend significant capital to keep pace with technological developments in our industry.***

The aerospace industry is constantly undergoing development and change and it is likely that new products, equipment and methods of repair and overhaul service will be introduced in the future. In order to keep pace with any new developments, such as additive technology, we may need to expend significant capital to purchase new equipment and machines or to train our employees in the new methods of production and service. As a result of the current impact of COVID-19, we cannot assure you whether we will need to allocate resources for other purposes.

***The construction of aircraft is heavily regulated and failure to comply with applicable laws could reduce our sales or require us to incur additional costs to achieve compliance, and we may incur significant expenses to comply with new or more stringent governmental regulation.***

The aerospace industry is highly regulated in the United States by the FAA and in other countries by similar agencies. We must be certified by the FAA and, in some cases, by individual OEMs in order to engineer and service parts, components and aerostructures used in specific aircraft models. If any of our material authorizations or approvals were revoked or suspended, our operations would be adversely affected. New or more stringent governmental regulations may be adopted, or industry oversight heightened in the future, and we may incur significant expenses to comply with any new regulations or any heightened industry oversight.

***Our business could be materially adversely affected by product warranty obligations.***

Our operations expose us to potential liability for warranty claims made by customers or third parties with respect to aircraft components that have been designed, manufactured, or serviced by us or our suppliers. Material product warranty obligations could have a material adverse effect on our business, financial condition and results of operations.

***We may not realize our anticipated return on capital commitments made to expand our capabilities.***

We continually make significant capital expenditures to implement new processes and to increase both efficiency and capacity. Some of these projects require additional training for our employees and not all projects may be implemented as anticipated. If any of these projects do not achieve the anticipated increase in efficiency or capacity, our returns on these capital expenditures may be lower than expected.

***We may not be successful in achieving expected operating efficiencies and sustaining or improving operating expense reductions, and may experience business disruptions associated with restructuring, facility consolidations, realignment, cost reduction and other strategic initiatives.***

Over the past several years, we have implemented a number of restructuring, realignment and cost-reduction initiatives, including facility consolidations, organizational realignments and reductions in our workforce. While we have realized some efficiencies from these actions, we may not realize the benefits of these initiatives to the extent we anticipated. Further, such benefits may be realized later than expected, and the ongoing difficulties in implementing these measures may be greater than anticipated, which could cause us to incur additional costs or result in business disruptions. In addition, if these measures are not successful or sustainable, we may be compelled to undertake additional realignment and cost reduction efforts, which could result in significant additional charges. Moreover, if our restructuring and realignment efforts prove ineffective, our ability to achieve our other strategic and business plan goals may be adversely affected. The continued impact of COVID-19 could also make it more difficult to realize the benefits and synergies of our actions. We generally do not have the ability to pass on additional costs as a result of COVID-19 to our customers under fixed-price contracts.

***Any product liability claims in excess of insurance may adversely affect our financial condition.***

Our operations expose us to potential liability for personal injury or death as a result of the failure of an aircraft component that has been serviced by us or the failure of an aircraft component designed or manufactured by us. While we believe that our liability insurance is adequate to protect us from these liabilities, our insurance may not cover all liabilities. Additionally, should insurance market conditions change, general aviation product liability, insurance coverage may not be available in the future at a cost acceptable to us. Any material liability not covered by insurance or for which third-party indemnification is not available could have a material adverse effect on our financial condition.

***The lack of available skilled personnel may have an adverse effect on our operations.***

From time to time, some of our operating locations have experienced difficulties in attracting and retaining skilled personnel to design, engineer, manufacture, repair and overhaul sophisticated aircraft components. Our ability to operate successfully could be jeopardized if we are unable to attract and retain a sufficient number of skilled personnel to conduct our business.

***Our fixed-price contracts may commit us to unfavorable terms.***

A significant portion of our net sales are derived from fixed-price contracts under which we have agreed to provide components or aerostructures for a price determined on the date we entered into the contract. Several factors may cause the costs we incur in fulfilling these contracts to vary substantially from our original estimates, and we bear the risk that increased or unexpected costs may reduce our profit or cause us to sustain losses on these contracts. In a fixed-price contract, we must fully absorb cost overruns, notwithstanding the difficulty of estimating all of the costs we will incur in performing these contracts. Because our ability to terminate contracts is generally limited, we may not be able to terminate our performance requirements under these contracts at all or without substantial liability and, therefore, in the event we are sustaining reduced profits or losses, we could continue to sustain these reduced profits or losses for the duration of the contract term. Our failure to anticipate technical problems, estimate delivery reductions, estimate costs accurately or control costs during performance of a fixed-price contract may reduce our profitability or cause significant losses on programs similar in nature to the forward losses incurred on the Boeing 747-8 ("747-8 program") and Bombardier Global 7500 contracts.

***Any exposure to environmental liabilities may adversely affect us.***

Our business, operations and facilities are subject to numerous stringent federal, state, local, and foreign environmental laws and regulations, and we are subject to potentially significant fines or penalties, including criminal sanctions, if we fail to comply with these requirements. In addition, we could be affected by future laws and regulations, including those imposed in response to climate change concerns and other actions commonly referred to as "green initiatives." Compliance with current and future environmental laws and regulations currently requires and is expected to continue to require significant operating and capital costs.

Pursuant to certain environmental laws, a current or previous owner or operator of a contaminated site may be held liable for the entire cost of investigation, removal or remediation of hazardous materials at such property. Innocent Landowner Regulations require an Environmental Site Assessment prior to acquisition to prevent unknowingly acquiring impaired property. Once identified, if the transaction continues, the impairment is not covered by insurance. Although management believes that our operations and facilities are in material compliance with such laws and regulations, future changes in such laws, regulations or interpretations thereof or the nature of our operations or regulatory enforcement actions which may arise, may require us to make significant additional capital expenditures to ensure compliance in the future. Certain of our facilities, including facilities acquired and operated by us or one of our subsidiaries, have at one time or another been under active investigation for environmental contamination by federal or state agencies when acquired and, at least in some cases, continue to be under investigation or subject to remediation. Lawsuits, claims and costs involving environmental matters may arise in the future. Individual facilities of ours have also been subject to investigation on occasion for possible past waste disposal practices which might have contributed to contamination at or from remote third-party waste disposal sites. In some instances, we are indemnified by prior owners or operators and/or present owners of the facilities for liabilities which we incur as a result of these investigations and the environmental contamination found which pre-dates our acquisition of these facilities, subject to certain limitations, including, but not limited to, specified exclusions, deductibles and limitations on the survival period of the indemnity. We also maintain a pollution liability policy that provides coverage, subject to specified limitations, for specified material liabilities associated with the cleanup of certain on-site pollution conditions, as well as defense and indemnity for certain third-party suits (including Superfund liabilities at third-party sites), in each case, to the extent not otherwise indemnified. Also, as we proceed with our plans to exit certain facilities as part of restructuring and related initiatives, the need for remediation for potential environmental contamination could be identified. However, if we are required to pay the expenses related to environmental liabilities because neither indemnification nor insurance coverage is available, these expenses could have a material adverse effect on our financial position, results of operations, and cash flows.

***Our expansion into international markets may increase credit, currency and other risks, and our current operations in international markets expose us to such risks.***

As we pursue customers in Asia, South America and other less developed aerospace markets throughout the world, our inability to ensure the creditworthiness of our customers in these areas could adversely impact our overall profitability. In addition, with operations in China, France, Germany, Ireland, Mexico, Thailand and the United Kingdom, and customers throughout the world, we are subject to the legal, political, social and regulatory requirements, and economic conditions of other jurisdictions. In the future, we may also make additional international capital investments, including further acquisitions of companies outside the United States or companies having operations outside the United States. Risks inherent to international operations include, but are not limited to, the following:

- difficulty in enforcing agreements in some legal systems outside the United States;
- imposition of additional withholding taxes or other taxes on our foreign income, tariffs or other restrictions on foreign trade and investment, including currency exchange controls;
- fluctuations in exchange rates which may affect demand for our products and services and may adversely affect our profitability in U.S. dollars;
- inability to obtain, maintain or enforce intellectual property rights;
- changes in general economic and political conditions in the countries in which we operate;



- unexpected adverse changes in the laws or regulatory requirements outside the United States, including those with respect to environmental protection, export duties and quotas;
- failure by our employees or agents to comply with U.S. laws affecting the activities of U.S. companies abroad;
- difficulty with staffing and managing widespread operations; and
- difficulty of and costs relating to compliance with the different commercial and legal requirements of the countries in which we operate.

***Due to the size and long-term nature of many of our contracts, we are required by GAAP to estimate sales and expenses relating to these contracts in our financial statements, which may cause actual results to differ materially from those estimated under different assumptions or conditions.***

Our consolidated financial statements are prepared in conformity with accounting principles generally accepted in the United States ("GAAP"). These principles require our management to make estimates and assumptions regarding our contracts that affect the reported amounts of revenue and expenses during the reporting period. Accounting for revenue recognized over time requires judgment relative to assessing risks, estimating contract sales and costs, and making assumptions for schedule and technical issues. Due to the size and nature of many of our contracts, the estimation of total sales and cost at completion is complicated and subject to many variables. While we base our estimates on historical experience and on various assumptions that we believe to be reasonable under the circumstances at the time made, actual results may differ materially from those estimated.

***We could become involved in intellectual property litigation, which could have a material and adverse impact on our profitability.***

We and other companies in our industry possess certain proprietary rights relating to designs, engineering, manufacturing processes, and repair and overhaul procedures. In the event that we believe that a third party is infringing upon our proprietary rights, we may bring an action to enforce such rights. In addition, third parties may claim infringement by us with respect to their proprietary rights and may initiate legal proceedings against us in the future. The expense and time of bringing an action to enforce such rights or defending against infringement claims can be significant. Intellectual property litigation involves complex legal and factual questions which makes the outcome of any such proceedings subject to considerable uncertainty. Not only can such litigation divert management's attention, but it can also expose the Company to damages and potential injunctive relief which, if granted, may preclude the Company from making, using, or selling particular products or technology. The expense and time associated with such litigation may have a material and adverse impact on our profitability.

***We do not own certain intellectual property and tooling that is important to our business.***

In our overhaul and repair businesses, OEMs of equipment that we maintain for our customers include language in repair manuals relating to their equipment asserting broad claims of proprietary rights to the contents of the manuals used in our operations. Although we believe that our use of manufacture and repair manuals is lawful, there can be no assurance that OEMs will not try to enforce such claims, including through the possible use of legal proceedings, or that any such actions will be unsuccessful.

Our business also depends on using certain intellectual property and tooling that we have rights to use pursuant to license grants under our contracts with our OEM customers. These contracts contain restrictions on our use of the intellectual property and tooling and may be terminated if we violate certain of these restrictions. Our loss of a contract with an OEM customer and the related license rights to use an OEM's intellectual property or tooling would materially adversely affect our business.

***Our operations depend on our manufacturing facilities, which are subject to physical and other risks that could disrupt production.***

Our manufacturing facilities or our customers' facilities could be damaged or disrupted by a natural disaster, war, or terrorist activity. We maintain property damage and business interruption insurance at the levels typical in our industry or for our customers and suppliers, however, a pandemic or other major catastrophe, such as an earthquake, hurricane, fire, flood, tornado or other natural disaster at any of our sites, or war or terrorist activities in any of the areas where we conduct operations could result in a prolonged interruption of our business. Any disruption resulting from these events could cause significant delays in shipments of products and the loss of sales and customers and we may not have insurance to adequately compensate us for any of these events. For leased facilities, timely renewal of leases and risk mitigation from the sale of our leased facilities is required to avoid any business interruption.

***Our reputation; our ability to do business; and our financial position, results of operations and/or cash flows may be impacted by the improper conduct of employees, agents, subcontractors, suppliers, business partners or joint ventures in which we participate.***

We have implemented policies, procedures, training and other compliance controls, and have negotiated terms designed to prevent misconduct by employees, agents or others working on our behalf or with us that would violate the applicable laws of the jurisdictions in which we operate, including laws governing improper payments to government officials, the protection of export controlled or

classified information, cost accounting and billing, competition and data privacy. However, we cannot ensure that we will prevent all such misconduct committed by our employees, agents, subcontractors, suppliers, business partners or others working on our behalf or with us, and this risk of improper conduct may increase as we expand globally. In the ordinary course of our business we form and are members of joint ventures. We may be unable to prevent misconduct or other violations of applicable laws by these joint ventures (including their officers, directors and employees) or our partners. Improper actions by those with whom or through whom we do business (including our employees, agents, subcontractors, suppliers, business partners and joint ventures) could subject us to administrative, civil or criminal investigations and monetary and non-monetary penalties, including suspension and debarment, which could negatively impact our reputation and ability to conduct business and could have a material adverse effect on our financial position, results of operations and/or cash flows.

***We may be subject to work stoppages at our facilities or those of our principal customers and suppliers, which could seriously impact the profitability of our business.***

Our unionized workforces and those of our customers and suppliers may experience work stoppages during collective bargaining agreement negotiations. If we are unable to negotiate a contract with those workforces, our operations may be disrupted and we may be prevented from completing production and delivery of products from those facilities, which would negatively impact our results. Contingency plans have been developed that would allow production to continue in the event of a strike.

Many aircraft manufacturers, airlines and aerospace suppliers have unionized workforces. Strikes, work stoppages or slowdowns experienced by aircraft manufacturers, airlines or aerospace suppliers could reduce our customers' demand for our products or prevent us from completing production. In turn, this may have a material adverse effect on our financial condition, results of operations and cash flows.

***Financial market conditions may adversely affect the benefit plan assets for our defined benefit plans, increase funding requirements and materially impact our statements of financial position and cash flows.***

Our benefit plan assets are invested in a diversified portfolio of investments in both the equity and debt categories, as well as limited investments in other alternative investments. The current market values of all of these investments, as well as the related benefit plan liabilities are impacted by the movements and volatility in the financial markets. In accordance with the *Compensation—Retirement Benefits* topic of the Accounting Standards Codification ("ASC"), we have recognized the overfunded or underfunded status of a defined benefit postretirement plan as an asset or liability on our balance sheet, and will recognize changes in that funded status in the year in which the changes occur. The funded status is measured as the difference between the fair value of the plan's assets and the projected benefit obligation. A decrease in the fair value of these plan assets or a decrease in interest rates resulting from movements in the financial markets will increase the underfunded status of the plans recorded on our consolidated balance sheets and result in additional cash funding requirements to meet the minimum required funding levels.

***The U.S. Government is a significant customer of our largest customers, and we and they are subject to specific U.S. Government contracting rules and regulations.***

The military aircraft manufacturers' business, and by extension, our business, is affected by the U.S. Government's continued commitment to programs under contract with our customers. The terms of defense contracts with the U.S. Government generally permit the government to terminate contracts partially or completely, either for its convenience or if we default by failing to perform under the contract. Termination for convenience provisions provide only for our recovery of unrecovered costs incurred or committed, settlement expenses and profit on the work completed prior to termination. Termination for default provisions provide for the contractor to be liable for excess costs incurred by the U.S. Government in procuring undelivered items from another source. On contracts where the price is based on cost, the U.S. Government may review our costs and performance, as well as our accounting and general business practices. Based on the results of such audits, the U.S. Government may adjust our contract-related costs and fees, including allocated indirect costs. In addition, under U.S. Government purchasing regulations, some of our costs, including most financing costs, portions of research and development costs, and certain marketing expenses may not be subject to reimbursement.

We bear the potential risk that the U.S. Government may unilaterally suspend our customers or us from new contracts pending the resolution of alleged violations of procurement laws or regulations. Sales to the U.S. Government are also subject to changes in the government's procurement policies in advance of design completion. An unexpected termination of, or suspension from, a significant government contract, a reduction in expenditures by the U.S. Government for aircraft using our products, lower margins resulting from increasingly competitive procurement policies, a reduction in the volume of contracts awarded to us, or substantial cost overruns could have a material adverse effect on our financial condition, results of operations and cash flows.

***We are subject to the requirements of the National Industrial Security Program Operating Manual for facility security clearance, which is a prerequisite for our ability to perform on classified contracts for the U.S. Government.***

U.S. DoD facility security clearance is required in order to be awarded and be able to perform on classified contracts for the U.S. DoD and certain other agencies of the U.S. Government, which is a significant part of our business. We have obtained clearance at appropriate levels that require stringent qualifications, and we may be required to seek higher level clearances in the future. We

cannot assure you that we will be able to maintain our security clearance. If for some reason our security clearance is invalidated or terminated, we may not be able to continue to perform our present classified contracts or be able to enter into new classified contracts, which could affect our ability to compete for and capture new business.

***Regulations related to conflict minerals have and will continue to force us to incur additional expenses, may make our supply chain more complex, and could adversely impact our business.***

The Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010 contains provisions to improve transparency and accountability concerning the supply of certain minerals and metals, known as conflict minerals, originating from the Democratic Republic of Congo (the "DRC") and adjoining countries. As a result, in August 2012, the SEC adopted annual investigation, disclosure and reporting requirements for those companies that manufacture or contract to manufacture products that contain conflict minerals that originated from the DRC and adjoining countries. We have and will continue to incur compliance costs, including costs related to determining the sources of conflict minerals used in our products and other potential changes to processes or sources of supply as a consequence of such verification activities. The implementation of these rules could adversely affect the sourcing, supply and pricing of materials used in certain of our products. As there may be only a limited number of suppliers offering "conflict free" minerals, we cannot be sure that we will be able to obtain necessary conflict-free minerals from such suppliers in sufficient quantities or at competitive prices. Also, we may face reputational challenges if we determine that certain of our products contain minerals not determined to be conflict free.

***Our business is subject to regulation in the United States and internationally.***

The manufacturing of our products is subject to numerous federal, state and foreign governmental regulations. The number of laws and regulations that are being enacted or proposed by various governmental bodies and authorities are increasing. Compliance with these regulations is difficult and expensive. If we fail to adhere, or are alleged to have failed to adhere, to any applicable federal, state or foreign laws or regulations, or if such laws or regulations negatively affect sales of our products, our business, prospects, results of operations, financial condition or cash flows may be adversely affected. In addition, our future results could be adversely affected by changes in applicable federal, state, and foreign laws and regulations, or the interpretation or enforcement thereof, including those relating to manufacturing processes, product liability, government contracts, trade rules and customs regulations, intellectual property, consumer laws, privacy laws, as well as accounting standards and taxation requirements (including tax-rate changes, new tax laws or revised tax law interpretations).

***Brexit may have short-term and long-term adverse impacts on the Company's operations in the United Kingdom.***

The Company's United Kingdom operations represented approximately 4% of consolidated net sales for the 12 months ended March 31, 2020. The impact of Brexit could adversely affect our business, results of operations, and financial condition. In the short-term, volatility in the British pound sterling could continue as the United Kingdom negotiates its anticipated exit from the European Union. In the longer term, any impact from Brexit on the Company's United Kingdom operations will depend, in part, on the outcome of tariff, trade, regulatory, and other negotiations.

**Item 1B. Unresolved Staff Comments**

None.

**Item 2. Properties**

As of March 31, 2020, our segments owned or leased properties that are material to our operations with the following square footage:

<i>(Square feet in thousands)</i>	Owned	Leased	Total
Systems & Support	1,444	563	2,007
Aerospace Structures	2,812	2,845	5,657
Corporate	—	22	22
Total	4,256	3,430	7,686

At March 31, 2020, our segments occupied 64% of the square footage in the table above at the following major locations:

- Systems & Support: West Hartford, Connecticut; Park City, Utah; and Hot Springs, Arkansas
- Aerospace Structures: Milledgeville, Georgia; Hawthorne, California; Red Oak, Texas; Grand Prairie, Texas; and Stuart, Florida

We believe that our properties are adequate to support our operations for the foreseeable future.

**Item 3. Legal Proceedings**

In the ordinary course of business, we are involved in disputes, claims and lawsuits with employees, suppliers and customers, as well as governmental and regulatory inquiries, that are deemed to be immaterial. Some may involve claims or potential claims of substantial damages, fines, penalties or injunctive relief. While we cannot predict the outcome of any pending or future litigation or proceeding and no assurances can be given, we do not believe that any pending matter will have a material effect, individually or in the aggregate, on its financial position or results of operations.

**Item 4. Mine Safety Disclosures**

Not applicable.

## PART II

### Item 5. Market for Registrant's Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities

Our common stock is traded on the New York Stock Exchange under the symbol "TGI." As of May 26, 2020, there were approximately 114 holders of record of our common stock and we believe that our common stock was beneficially owned by approximately 15,000 persons.

#### Dividend Policy

During fiscal 2020 and 2019, we paid cash dividends of \$0.16 per share and \$0.16 per share, respectively. However, we suspended the declaration and payment of dividends in March 2020 and, pursuant to the Twelfth Amendment, we agreed not to pay any cash dividends prior to the first date after a fiscal quarter ending on or after March 31, 2022 with respect to which we deliver a compliance certificate demonstrating compliance with the financial maintenance covenants under our Amended Credit Agreement. Further, our declaration and payment of cash dividends in the future and the amount thereof will depend upon our results of operations, financial condition, cash requirements, future prospects, limitations imposed by credit agreements or indentures governing debt securities and other factors deemed relevant by our Board of Directors. No assurance can be given that cash dividends will continue to be declared and paid at historical levels or at all. Certain of our debt arrangements, including the Amended Credit Agreement, restrict our paying dividends and making distributions on our capital stock, except for the payment of stock dividends and redemptions of an employee's shares of capital stock upon termination of employment. The Company currently has an accumulated deficit which could limit or restrict our ability to pay dividends in the future.

#### Repurchases of Stock

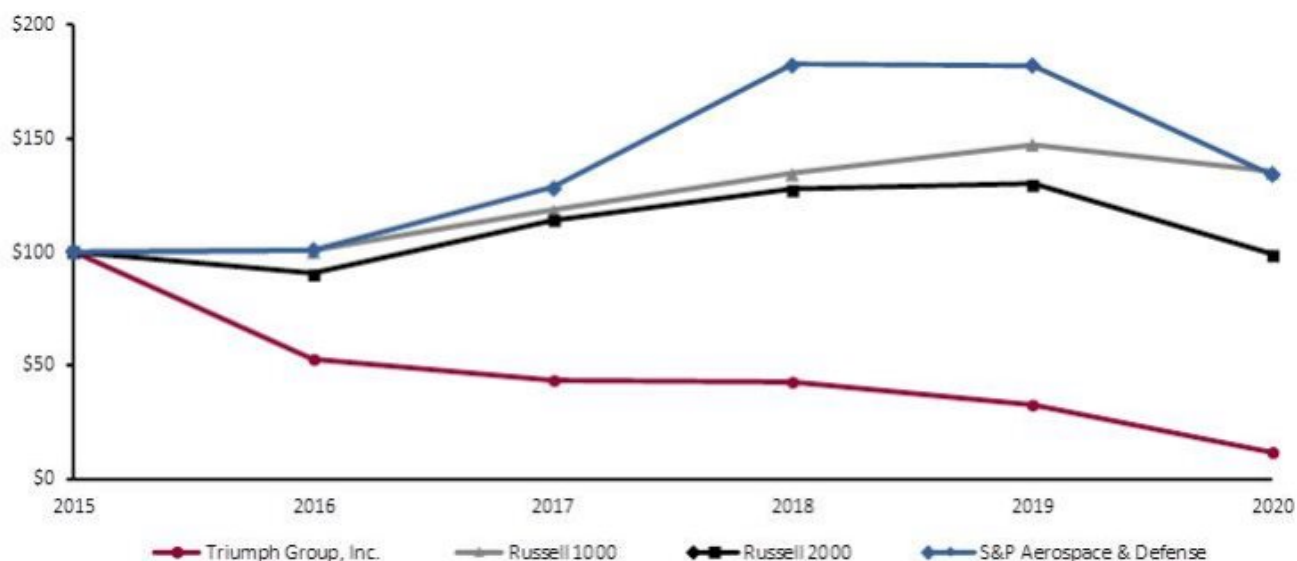
In December 1998, we announced a program to repurchase up to 500,000 shares of our common stock. In February 2008, the Company's Board of Directors authorized an increase in the Company's existing stock repurchase program by up to an additional 500,000 shares of its common stock. In February 2014, the Company's Board of Directors authorized an increase in the Company's existing stock repurchase program by up to an additional 5,000,000 shares of its common stock. Though no purchases have been made in recent years, to the extent permitted by our Amended Credit Agreement and other documentation governing our indebtedness, repurchases may be made from time to time in open market transactions, block purchases, privately negotiated transactions or otherwise at prevailing prices. No time limit has been set for completion of the program and the terms of our Amended Credit Agreement do not currently permit us to repurchase shares under the program. As of May 28, 2020, the Company remains able to purchase an additional 2,277,789 shares under such program.

#### Equity Compensation Plan Information

The information required regarding equity compensation plan information will be included in our 2020 Proxy Statement in connection with our 2020 Annual Meeting of Stockholders to be held on July 16, 2020, under the heading "Equity Compensation Plan Information" and is incorporated herein by reference.

The following graph compares the cumulative 5-year total return provided stockholders on our common stock relative with the cumulative total returns of the Russell 1000 index, the Russell 2000 index and the S&P Aerospace & Defense index. An investment of \$100 (with reinvestment of all dividends) is assumed to have been made in our common stock and in each of the indexes on March 31, 2015, and its relative performance is tracked through March 31, 2020.

**COMPARISON OF 5-YEAR CUMULATIVE TOTAL RETURN\***  
**Among Triumph Group, Inc., and The Russell 1000 and 2000 Indexes**  
**And The S&P Aerospace & Defense Index**



\* \$100 invested on March 31, 2015, in stock or index, including reinvestment of dividends.

	Fiscal year ended March 31,					
	2015	2016	2017	2018	2019	2020
<b>Triumph Group, Inc.</b>	<b>100.00</b>	<b>52.91</b>	<b>43.51</b>	<b>42.81</b>	<b>32.63</b>	<b>11.66</b>
<b>Russell 1000</b>	<b>100.00</b>	<b>100.50</b>	<b>118.02</b>	<b>134.52</b>	<b>147.03</b>	<b>135.23</b>
<b>Russell 2000</b>	<b>100.00</b>	<b>90.24</b>	<b>113.90</b>	<b>127.33</b>	<b>129.94</b>	<b>98.77</b>
<b>S&amp;P Aerospace &amp; Defense</b>	<b>100.00</b>	<b>100.97</b>	<b>128.44</b>	<b>182.43</b>	<b>182.20</b>	<b>134.14</b>

*The stock price performance included in this graph is not necessarily indicative of future stock price performance.*

## Item 6. Selected Financial Data

The following selected financial data should be read in conjunction with the consolidated financial statements and related notes thereto and management's discussion and analysis of financial condition and results of operations included herein.

	Fiscal Year Ended March 31,				
	2020 <sup>(1)</sup>	2019 <sup>(2)</sup>	2018 <sup>(3)</sup>	2017 <sup>(4)</sup>	2016 <sup>(5)</sup>
	(in thousands, except per share data)				
<b>Operating Data:</b>					
Net sales	\$ 2,900,117	\$ 3,364,930	\$ 3,198,951	\$ 3,532,799	\$ 3,886,072
Cost of sales	2,307,393	2,924,920	2,607,556	2,774,449	3,671,684
	592,724	440,010	591,395	758,350	214,388
Selling, general and administrative	257,529	298,386	292,630	285,001	290,338
Depreciation and amortization	138,168	149,904	158,368	176,946	177,755
Impairment of intangible assets	66,121	—	535,227	266,298	874,361
Restructuring	25,340	31,098	40,069	42,177	36,182
Loss on sale of assets and businesses	56,916	235,301	30,741	19,124	—
(Gain) loss on legal judgment or settlement, net of expenses	(9,257)	—	—	—	5,476
Operating income (loss)	57,907	(274,679)	(465,640)	(31,196)	(1,169,724)
Non-service defined benefit income	(41,894)	(62,105)	(103,234)	(88,085)	(78,618)
Interest expense and other	122,129	114,619	99,442	80,501	68,041
Loss from continuing operations, before income taxes	(22,328)	(327,193)	(461,848)	(23,612)	(1,159,147)
Income tax expense (benefit)	5,798	(5,426)	(36,457)	19,340	(111,187)
Net loss	\$ (28,126)	\$ (321,767)	\$ (425,391)	\$ (42,952)	\$ (1,047,960)
<b>Loss per share:</b>					
Loss from continuing operations:					
Basic	\$ (0.56)	\$ (6.47)	\$ (8.60)	\$ (0.87)	\$ (21.29)
Diluted <sup>(6)</sup>	\$ (0.56)	\$ (6.47)	\$ (8.60)	\$ (0.87)	\$ (21.29)
Cash dividends declared per share	\$ 0.16	\$ 0.16	\$ 0.16	\$ 0.16	\$ 0.16
Shares used in computing earnings per share:					
Basic	50,494	49,698	49,442	49,303	49,218
Diluted <sup>(6)</sup>	50,494	49,698	49,442	49,303	49,218

	As of March 31,				
	2020 <sup>(1)</sup>	2019 <sup>(2)</sup>	2018 <sup>(3)</sup>	2017 <sup>(4)</sup>	2016 <sup>(5)</sup>
	(in thousands)				
<b>Balance Sheet Data:</b>					
Working capital	\$ 573,879	\$ 265,795	\$ 930,486	\$ 438,659	\$ 606,767
Total assets	2,980,333	2,854,574	3,807,064	4,414,600	4,835,093
Long-term debt, including current portion	1,807,507	1,488,821	1,438,284	1,196,300	1,417,320
Total stockholders' (deficit) equity	\$ (781,264)	\$ (573,313)	\$ 450,534	\$ 846,473	\$ 934,944

- (1) Includes the divestiture of Triumph Aerospace Structures' manufacturing operations in Nashville, Tennessee, as well as the gain recognized as a result of the transfer of certain assets and liabilities to AeroSpace Technologies of Korea Inc.
- (2) Includes the divestitures of Triumph Fabrications - San Diego, Inc.; Triumph Fabrications - Ft. Worth, Inc.; Triumph Structures - Kansas City, Inc.; Triumph Structures - Wichita, Inc.; Triumph Gear Systems - Toronto, ULC and Triumph Northwest (The Triumph Group Operations, Inc.); Triumph Aviation Services - NAAS Division, Inc.; Triumph Structures - East Texas, Inc. as well as all of the shares of Triumph Structures - Los Angeles, Inc.; and Triumph Processing, Inc.; as well as the loss recognized as a result of the transition of the Global 7500 program to Bombardier.
- (3) Includes the divestitures of Triumph Processing- Embee Division (September 2017) and Triumph Structures- Long Island (March 2018). Additionally, the fiscal 2018 and prior period operating data has been adjusted as a result of Accounting Standards Update ("ASU") 2017-07, *Compensation-Retirement Benefits (Topic 715): Improving the Presentation of Net Periodic Pension Cost and Net Periodic Postretirement Benefit Cost* ("ASU 2017-07"). The fiscal 2018 and prior period operating data has not been adjusted as a result of ASU 2014-09, *Revenue From Contracts with Customers* ("ASU 2014-09"); this affects the comparability of the information reflected in the selected financial data for this year. See Notes to the Consolidated Financial Statements.
- (4) Includes the divestitures of Triumph Aerospace Systems-Newport News, Inc. (September 2016) and Triumph Air Repair, the Auxiliary Power Unit Overhaul Operations of Triumph Aviations Services - Asia, Ltd. and Triumph Engines - Tempe (December 2016). Additionally, the fiscal 2018 and prior period operating data has been adjusted as a result of ASU 2017-07. The fiscal 2018 and prior period operating data has not been adjusted as a result of ASU 2014-09; this affects the comparability of the information reflected in the selected financial data for this year. See Notes to the Consolidated Financial Statements.
- (5) Includes the acquisition of Fairchild Controls Corporation (October 2015) from the date of acquisition, forward losses on the Bombardier and 747-8 programs of \$561,158 (March 2016). Additionally, the fiscal 2018 and prior period operating data has been adjusted as a result of ASU 2017-07. The fiscal 2018 and prior period operating data has not been adjusted as a result of ASU 2014-09; this affects the comparability of the information reflected in the selected financial data for this year. See Notes to the Consolidated Financial Statements.
- (6) Diluted earnings per share for the fiscal years ended March 31, 2015, included 40,177 shares related to the dilutive effects of the Company's Convertible Notes.

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

The following discussion should be read in conjunction with the consolidated financial statements and notes thereto contained elsewhere herein.

### OVERVIEW

We are a major supplier to the aerospace industry and have two reportable segments: (i) Systems & Support, whose companies' revenues are derived from integrated solutions, including design, development and support of proprietary components, subsystems and systems, production of complex assemblies using external designs, as well as full life cycle solutions for commercial, regional and military aircraft; and (ii) Aerospace Structures, whose companies supply commercial, business, regional, and military manufacturers with large metallic and composite structures and produce close-tolerance parts primarily to customer designs and model-based definition, including a wide range of aluminum, hard metal and composite structure capabilities.

During the fiscal year ended March 31, 2020, the Company divested of a number of its assets and operations, including the sale of its manufacturing operations at its Nashville, TN, facility and the assignment of its E-2 Jets contract with Embraer for the manufacture of structural components for their program to AeroSpace Technologies of Korea Inc. ("ASTK"). The operating results of the Nashville manufacturing operations are included in Aerospace Structures through the date of divestiture or assignment. Collectively, these transactions are referred to as the "fiscal 2020 divestitures." The Company recognized combined net losses of \$56.9 million associated with the fiscal 2020 divestitures, which are presented on the accompanying consolidated statements of operations within loss on sale of assets and businesses, net.

Significant financial results for the fiscal year ended March 31, 2020, include:

- Net sales for fiscal 2020 decreased 13.8% to \$2.90 billion.
- Operating income for fiscal 2020 was \$57.9 million.
- Included in operating income for fiscal 2020 was loss on sale of assets and businesses of \$56.9 million and restructuring charges of \$25.3 million.
- Net loss for fiscal 2020 was \$28.1 million or \$0.56 per diluted common share.
- Backlog decreased 14.5% over the prior year to \$3.2 billion due to divestitures.

Our working capital needs are generally funded through cash flows from operations and borrowings under our credit arrangements. For the fiscal year ended March 31, 2020, we generated \$96.7 million of cash flows from operating activities, received \$7.4 million from investing activities, and received \$293.7 million from financing activities. Cash flows used in operating activities in fiscal year 2019 were \$174.4 million.

The Company has committed to several plans (which were initiated in fiscal 2016) that incorporated the restructuring of certain of its businesses as well as the consolidation of certain of its facilities. As of March 31, 2020, with the exception of three pending facility closures to be completed in fiscal 2021 or 2022, the Company has substantially completed these plans.

On March 18, 2020, in response to anticipated market headwinds primarily arising from the impact of COVID-19, the Company committed to new restructuring and cost reduction activities to align capacity with expected demand. These plans and related activities are expected to generate savings of approximately \$120.0 million in fiscal 2021 on a consolidated basis, primarily from headcount and other human resource related cost reductions. While the long-term outlook for the aerospace industry remains positive due the fundamental drivers of air travel demand, current expectations are that it will take 2-3 years for travel to return to calendar 2019 levels and a few years beyond that for the industry to return to long-term trend growth, although there can be no assurance that such period will not be longer. To balance the supply and demand given the COVID-19 shock and to preserve long-term potential and competitiveness, our customers have decided to reduce the production rates of several of their commercial aircraft programs. These rate decisions were based on assessments of the demand environment. There is significant uncertainty with respect to when commercial air traffic levels will begin to recover, and whether and at what point capacity will return to and/or exceed pre-COVID-19 levels. The Company will work with its customers to closely monitor the key factors that affect backlog and future demand including customers' evolving manufacturing plans, the widebody replacement cycle and the cargo market, but such impact could be material and make it difficult to compare periods.

The Company expects COVID-19 to reduce demand for commercial aviation aftermarket due to the recent sharp decreases in flights; as well as reduce demand for commercial aviation production as OEMs have lowered their related delivery rate assumptions. The COVID-19 related reduction in OEM production rates will result in additional costs to produce and deliver our products, which may not be mitigated through our cost reduction initiatives and could negatively impact earnings and cash flows, particularly with respect to our fixed-price contracts.

The Company is unable at this time to reasonably estimate potential future additional financial impacts or a range of loss, if any, due to continued uncertainties related to the impacts of COVID-19 on our operations, supply chain and customers, future changes to OEM production rates, supply chain impacts, and/or the results of negotiations with particular customers. Any such impacts, including any changes in our estimates, could have a material adverse effect on our financial position, results of operations, and/or cash flows.



For example, the Company expects that, in the event that its customers are unable to resume aircraft deliveries consistent with provided assumptions, the continued absence of revenue, earnings, and cash flows associated with those deliveries would continue to have a material impact on our operating results. In the event that future OEM production rate increases occur at a slower rate or take longer than the Company is currently assuming, the Company expects that the growth in inventory and other cash flow impacts associated with production would decrease. However, while any prolonged delays in planned OEM production rate increases could mitigate the impact on our liquidity, it could significantly increase the overall expected costs to manufacture our products, which would reduce operating margins and/or increase abnormal production costs in the future. Additionally, the declines in global air travel are expected to result in reduced demand for MRO services and uncertainty exists related to the length of time until air travel returns to historical levels.

From fiscal 2014 through fiscal 2020, our Aerospace Structures business unit had been performing design, development and initial manufacturing on several new programs, including the Global 7500, the Embraer second generation E-Jet ("E2-Jets") and more recently, the Gulfstream G500/G600 programs. Historically, low-rate production commences during flight testing, followed by an increase to full-rate production, assuming that successful testing and certification are achieved. While work progressed on these development programs, we have experienced difficulties in achieving estimated cost targets particularly in the areas of engineering and estimated recurring costs which resulted in forward losses. Additionally, from fiscal 2015 to fiscal 2019, our Aerospace Structures business unit experienced operating and forward losses on its production of the Boeing 747-8 fuselage for Boeing, Gulfstream G280 wing for Israel Aerospace Industries, Ltd ("IAI") and Gulfstream G650 wing for Gulfstream. Further discussion is included below regarding the significant developments of each program.

#### *Boeing 737 MAX*

The Boeing 737 MAX program represents approximately 5% of revenue for the fiscal year ended March 31, 2020. The temporary suspension of 737 MAX production by Boeing in January 2020 and subsequent temporary suspension of production operations in the Puget Sound area as a result of the COVID-19 crisis in March 2020, had minimal unfavorable effect on our results through March 31, 2020. Boeing has since resumed production operations during the week of April 20, 2020 and updated the delivery rate assumptions. Boeing's assumptions include the return of 737 MAX aircraft production during the second calendar quarter of 2020 as timing and conditions of return to service and COVID-19 impacts are better understood; as well as the timing of regulatory approvals will enable 737 MAX deliveries to resume during the third calendar quarter of 2020.

Boeing has stated it has approximately 450 airplanes in inventory at March 31, 2020, and has also assumed that the majority of 737 MAX airplanes produced during the grounding and included within inventory will be delivered during the first year after the resumption of deliveries, although at a slower pace than our previous assumptions due to COVID-19. The slower production and delivery rate ramp-ups reflect commercial airline industry uncertainty due to the impact of COVID-19. Based on the above assumption, Triumph expects to see declines in revenue across both of its operating segments in its fiscal 2021. A resurgence of COVID-19 that results in additional delays or shut downs could further exacerbate this expectation.

#### *Boeing 747-8*

As disclosed during fiscal 2016, Boeing announced a rate reduction to the 747-8 program, which lowered production to one plane every two months. The impact of the rate reduction resulted in additional forward loss during the fiscal year ended March 31, 2016.

In March 2017, the Company settled several outstanding change orders and open pricing on a number of its programs with Boeing. The agreement included pricing settlements, advanced payments, delivery schedule adjustments and the opportunity to extend the mutual relationship on future programs. The agreement also provided for continued build ahead on the 747-8 program through the end of the existing contract, resulting in a reduction to the previously recognized forward losses on the 747-8 program.

As of March 31, 2020, Triumph's production on this program has substantially completed from its Hawthorne, CA facility, with the remaining production from its Grand Prairie, TX, facility expected to complete in late fiscal 2021. Facility exit plans are underway at both locations and are expected to result in additional cost to exit of approximately \$20.0 million through mid-fiscal 2022 and result in projected cash uses.

#### *G280*

We acquired both the G280 and G650 wing programs in fiscal 2015 and received proceeds for \$160.0 million as both contracts were operating at a loss. While operations have improved on the G650 since acquisition as noted further below, the cost profile of the G280 wing program has continued to result in forward loss charges, including \$29.1 million in the fiscal year ended March 31, 2019.

In April 2019, the Company and IAI reached an agreement to transition the manufacture of the G280 wing to IAI. The two companies have developed detailed transition plans to enable a transition of work. Our contract with IAI will terminate upon completion of the transition of work. Our forward loss recognized in the fiscal year ended March 31, 2019, noted above includes the cost to transition, which is estimated to be completed in mid-fiscal 2021 and include projected cash uses. Changes to the forward loss associated with this program were immaterial in the year ended March 31, 2020.

In May 2020, the Company reached a letter of intent to the accelerated transfer of the G280 wing program to Israel Aerospace Industries and Korean Aerospace Industries by mid-2020 at which point the leased Tulsa factory will be closed.

#### *G650*

In the first quarter of fiscal 2019, the Company reached an agreement with Gulfstream to optimize the supply chain on the Company's G650 work scope. The G650 wing box and wing completion work, which had been co-produced across three facilities at both companies, are being consolidated into Gulfstream's facilities in Savannah, Georgia. The Company completed the manufacturing of its final wing box in July 2019. The Company anticipates reaching an agreement to sell its remaining G650 wing supply chain activity and engineering services to Gulfstream, although the continued impact of COVID-19 could impact the timing and terms thereof. This transaction is expected to close in the first half of fiscal 2021.

#### *E2-Jets*

Under our contract with Embraer, we had the exclusive right to design, develop and manufacture the center fuselage section III, rear fuselage section and various tail section components (rudder and elevator) for the E2-Jets over the initial 600 ship sets. The contract provided for funding on a fixed amount of nonrecurring costs, to be paid over a specified number of production units. Higher than expected spending on the E2-Jets program resulted in a near break-even estimated profit margin percentage, with additional potential future cost pressures as well as opportunities for improved performance. Risks related to additional engineering on the retained component manufacturing as well as the recurring cost profile remain on this program.

During the fiscal year ended March 31, 2018, the Company reached an agreement with AeroSpace Technologies of Korea Inc. ("ASTK") to optimize the supply chain under our portion of the E2 program. Under this agreement, ASTK will build and transport fuselage shipsets to Embraer and establish a facility in Brazil to manage stock and repairs locally. At the time, the Company maintained its role as the supply chain integrator on the program.

In April 2019, we announced an agreement to assign our contract with Embraer for the manufacture of structural components for their program to ASTK. Under this agreement, we will remain a supplier to ASTK for the rudder and elevator components. We completed the assignment of our contract during fiscal year 2020 and recognized a gain of approximately \$10.0 million included in our Aerospace Structures operating income.

#### *T-7 Red Hawk*

In September 2017, the Company reached an agreement with Boeing to supply the wing, vertical tail and horizontal tail structures for the new T-7 Red Hawk, originally known as the Boeing T-X, for the U.S. Air Force. In September 2018, the U.S. Air Force awarded the contract to Boeing. In fiscal 2020, the Company continued supply chain analysis in support of Boeing's preliminary design. Risks related to development and recurring productions costs are possible and could result in future forward losses.

Although none of the development or production programs noted above individually are expected to have a material impact on our net revenues, they do have the potential, either individually or in the aggregate, to materially and negatively impact our consolidated results of operations if future changes in estimates result in the need for a forward loss provision. Absent any such loss provisions, we do not anticipate that any of these programs will significantly dilute our future consolidated margins, although a prolonged impact of COVID-19 could result in changes in expectations.

During the fiscal year ended March 31, 2019, the Company divested of a number of its assets and operations, including (i) selling all of the shares of Triumph Structures - East Texas, Inc. and all of the shares of Triumph Structures - Los Angeles, Inc. and Triumph Processing, Inc. (collectively, the "Long & Large"), (ii) transitioning the responsibility for the Bombardier Global 7500 ("Global 7500") wing program manufacturing operations of Aerospace Structures to Bombardier, (iii) selling all of the shares of Triumph Fabrications - San Diego, Inc. and Triumph Fabrications - Ft. Worth, Inc. (together, "Fabrications"), (iv) selling all of the shares of Triumph Structures - Kansas City, Inc., Triumph Structures - Wichita, Inc., Triumph Gear Systems - Toronto, ULC and Triumph Northwest (The Triumph Group Operations, Inc.) (together, "Machining"), and (v) selling all of the shares of Triumph Aviation Services - NAAS Division, Inc. ("NAAS"). Collectively, these transactions are referred to as the "fiscal 2019 divestitures". The Company recognized combined net losses of \$235.3 million associated with the fiscal 2019 divestitures, which are presented on the accompanying consolidated statements of operations within loss on divestitures. With the exception of NAAS, the operating results for the fiscal 2019 divestitures are included in Aerospace Structures ("fiscal 2019 Aerospace Structures Divestitures") through the respective dates of divestiture. The operating results for NAAS are included in Systems & Support through the date of divestiture.

During fiscal 2018, the Company sold all of the shares of (i) Triumph Processing - Embee Division, Inc. ("Embee") and (ii) Triumph Structures - Long Island ("TS-LI"), (collectively, the "fiscal 2018 divestitures") for total cash proceeds of \$74.5 million and a combined loss of \$28.3 million presented on the accompanying consolidated statements of operations as loss on divestitures and is included in Corporate. The operating results of Embee were included in Systems & Support and the operating results of TS-LI were included in Aerospace Structures, respectively, through their dates of disposal.

## RESULTS OF OPERATIONS

The following includes a discussion of our consolidated and business segment results of operations. The Company's diverse structure and customer base do not provide for precise comparisons of the impact of price and volume changes to our results. However, we have disclosed the significant variances between the respective periods.

### Non-GAAP Financial Measures

We prepare and publicly release annual audited and quarterly unaudited financial statements prepared in accordance with U.S. GAAP. In accordance with Securities and Exchange Commission (the "SEC") rules, we also disclose and discuss certain non-GAAP financial measures in our public filings and earnings releases. Currently, the non-GAAP financial measures that we disclose are Adjusted EBITDA, which is our net loss before interest, income taxes, amortization of acquired contract liabilities, legal settlements, loss on divestitures, depreciation and amortization; and Adjusted EBITDAP, which is Adjusted EBITDA, before pension expense or benefit, including the effects of curtailments, settlements, and other early retirement incentives. We disclose Adjusted EBITDA on a consolidated and Adjusted EBITDAP on a consolidated and a reportable segment basis in our earnings releases, investor conference calls and filings with the SEC. The non-GAAP financial measures that we use may not be comparable to similarly titled measures reported by other companies. Also, in the future, we may disclose different non-GAAP financial measures in order to help our investors more meaningfully evaluate and compare our future results of operations with our previously reported results of operations.

We view Adjusted EBITDA and Adjusted EBITDAP as operating performance measures and, as such, we believe that the U.S. GAAP financial measure most directly comparable to such measures is net loss. In calculating Adjusted EBITDA and Adjusted EBITDAP, we exclude from net loss the financial items that we believe should be separately identified to provide additional analysis of the financial components of the day-to-day operation of our business. We have outlined below the type and scope of these exclusions and the material limitations on the use of these non-GAAP financial measures as a result of these exclusions. Adjusted EBITDA and Adjusted EBITDAP are not measurements of financial performance under U.S. GAAP and should not be considered as a measure of liquidity, as an alternative to net loss, or as an indicator of any other measure of performance derived in accordance with U.S. GAAP. Investors and potential investors in our securities should not rely on Adjusted EBITDA or Adjusted EBITDAP as a substitute for any U.S. GAAP financial measure, including net loss. In addition, we urge investors and potential investors in our securities to carefully review the reconciliation of Adjusted EBITDA and Adjusted EBITDAP to net loss set forth below, in our earnings releases, and in other filings with the SEC and to carefully review the U.S. GAAP financial information included as part of our Quarterly Reports on Form 10-Q and our Annual Reports on Form 10-K that are filed with the SEC, as well as our quarterly earnings releases, and compare the U.S. GAAP financial information with our Adjusted EBITDA and Adjusted EBITDAP.

Adjusted EBITDA and Adjusted EBITDAP are used by management to internally measure our operating and management performance and by investors as a supplemental financial measure to evaluate the performance of our business that, when viewed with our U.S. GAAP results and the accompanying reconciliation, we believe provides additional information that is useful to gain an understanding of the factors and trends affecting our business. We have spent more than 20 years expanding our product and service capabilities, partially through acquisitions of complementary businesses. Due to the expansion of our operations, which included acquisitions, our net loss has included significant charges for depreciation and amortization. Adjusted EBITDA and Adjusted EBITDAP exclude these charges and provide meaningful information about the operating performance of our business, apart from charges for depreciation and amortization. We believe the disclosure of Adjusted EBITDA and Adjusted EBITDAP helps investors meaningfully evaluate and compare our performance from quarter to quarter and from year to year. We also believe Adjusted EBITDA and Adjusted EBITDAP are measures of our ongoing operating performance because the isolation of noncash charges, such as depreciation and amortization, and nonoperating items, such as interest, income taxes, pension and other postretirement benefits, provides additional information about our cost structure and, over time, helps track our operating progress. In addition, investors, securities analysts, and others have regularly relied on Adjusted EBITDA and Adjusted EBITDAP to provide financial measures by which to compare our operating performance against that of other companies in our industry.

Set forth below are descriptions of the financial items that have been excluded from our net income to calculate Adjusted EBITDA and Adjusted EBITDAP and the material limitations associated with using these non-GAAP financial measures as compared with net loss from continuing operations:

- Gains or losses from sale of assets and businesses may be useful for investors to consider because they reflect gains or losses from sale of operating units or other assets. We do not believe these earnings necessarily reflect the current and ongoing cash earnings related to our operations.
- Legal judgments and settlements, when applicable, may be useful for investors to consider because it reflects gains or losses from disputes with third parties. We do not believe these earnings necessarily reflect the current and ongoing cash earnings related to our operations.

- Non-service defined benefit income or expense from our pension and other postretirement benefit plans (inclusive of the adoption of ASU 2017-07 and certain pension related transactions such as curtailments, settlements, early retirement or other incentives) may be useful for investors to consider because they represent the cost of postretirement benefits to plan participants, net of the assumption of returns on the plan's assets and are not indicative of the cash paid for such benefits. We do not believe these earnings (expenses) necessarily reflect the current and ongoing cash earnings related to our operations.
- Amortization of acquired contract liabilities may be useful for investors to consider because it represents the non-cash earnings on the fair value of off-market contracts acquired through acquisitions. We do not believe these earnings necessarily reflect the current and ongoing cash earnings related to our operations.
- Amortization expense (including goodwill and intangible asset impairments) may be useful for investors to consider because it represents the estimated attrition of our acquired customer base and the diminishing value of tradenames, product rights, licenses, or, in the case of goodwill, other assets that are not individually identified and separately recognized under U.S. GAAP. We do not believe these charges necessarily reflect the current and ongoing cash charges related to our operating cost structure.
- Depreciation may be useful for investors to consider because it generally represents the wear and tear on our property and equipment used in our operations. We do not believe these charges necessarily reflect the current and ongoing cash charges related to our operating cost structure.
- The amount of interest expense and other we incur may be useful for investors to consider and may result in current cash inflows or outflows. However, we do not consider the amount of interest expense and other to be a representative component of the day-to-day operating performance of our business.
- Income tax expense may be useful for investors to consider because it generally represents the taxes which may be payable for the period and the change in deferred income taxes during the period and may reduce the amount of funds otherwise available for use in our business. However, we do not consider the amount of income tax expense to be a representative component of the day-to-day operating performance of our business.

Management compensates for the above-described limitations of using non-GAAP measures only to supplement our U.S. GAAP results and to provide additional information that is useful to gain an understanding of the factors and trends affecting our business.

The following table shows our Adjusted EBITDA and Adjusted EBITDAP reconciled to our net loss for the indicated periods (in thousands):

	Fiscal year ended March 31,		
	2020	2019	2018
Net loss (U.S. GAAP measure)	\$ (28,126)	\$ (321,767)	\$ (425,391)
Legal judgment gain, net of expenses	(9,257)	—	—
Loss on sale of assets and businesses, net	56,916	235,301	30,741
Adoption of ASU 2017-07	—	87,241	—
Amortization of acquired contract liabilities	(75,286)	(67,314)	(125,148)
Depreciation and amortization*	204,289	149,904	693,595
Interest expense and other	122,129	114,619	99,442
Curtailments, settlements and early retirement incentives	14,293	4,032	(25,722)
Union represented employee incentives	7,071	—	—
Income tax expense (benefit)	5,798	(5,426)	(36,457)
Adjusted EBITDA (non-GAAP measure)	\$ 297,827	\$ 196,590	\$ 211,060
Non-service defined benefit income (excluding settlements)	(56,187)	(66,137)	(77,512)
Adjusted EBITDAP (non-GAAP measure)	\$ 241,640	\$ 130,453	\$ 133,548

\* Includes impairment charges related to intangible assets

The following tables show our Adjusted EBITDAP by reportable segment reconciled to our operating (loss) income for the indicated periods (in thousands):

	Fiscal year ended March 31, 2020			
	Total	Systems & Support	Aerospace Structures	Corporate/ Eliminations
Operating income (loss)	\$ 57,907	\$ 141,341	\$ 41,864	\$ (125,298)
Legal judgment gain, net of expenses	(9,257)	—	—	(9,257)
Loss (gain) on sale of assets and businesses	56,916	—	(10,121)	67,037
Union represented employee incentives	7,071	—	7,071	—
Amortization of acquired contract liabilities	(75,286)	(34,486)	(40,800)	—
Depreciation and amortization*	204,289	98,497	102,418	3,374
Adjusted EBITDAP	\$ 241,640	\$ 205,352	\$ 100,432	\$ (64,144)

	Fiscal year ended March 31, 2019			
	Total	Systems & Support	Aerospace Structures	Corporate/ Eliminations
Operating (loss) income	\$ (274,679)	\$ 201,094	\$ (152,407)	\$ (323,366)
Loss on sale of assets and businesses	235,301	—	—	235,301
Adoption of ASU 2017-07	87,241	—	87,241	—
Amortization of acquired contract liabilities	(67,314)	(34,121)	(33,193)	—
Depreciation and amortization	149,904	35,373	111,431	3,100
Adjusted EBITDAP	\$ 130,453	\$ 202,346	\$ 13,072	\$ (84,965)

	Fiscal year ended March 31, 2018			
	Total	Systems & Support	Aerospace Structures	Corporate/ Eliminations
Operating (loss) income	\$ (465,640)	\$ 231,103	\$ (568,164)	\$ (128,579)
Loss on sale of assets and businesses	30,741	—	—	30,741
Amortization of acquired contract liabilities	(125,148)	(38,293)	(86,855)	—
Depreciation and amortization*	693,595	42,730	649,013	1,852
Adjusted EBITDAP	\$ 133,548	\$ 235,540	\$ (6,006)	\$ (95,986)

\* Includes impairment charges related to intangible assets

The fluctuations from period to period within the amounts of the components of the reconciliations above are discussed further below within Results of Operations.

### Fiscal year ended March 31, 2020, compared with fiscal year ended March 31, 2019

	Year Ended March 31,	
	2020	2019
	(in thousands)	
Net sales	\$ 2,900,117	\$ 3,364,930
Segment operating income	\$ 183,205	\$ 48,687
Corporate expense	(125,298)	(323,366)
Total operating income (loss)	57,907	(274,679)
Interest expense and other	122,129	114,619
Non-service defined benefit income	(41,894)	(62,105)
Income tax expense (benefit)	5,798	(5,426)
Net loss	\$ (28,126)	\$ (321,767)

Net sales decreased by \$464.8 million, or 13.8%, to \$2.90 billion for the fiscal year ended March 31, 2020, from \$3.36 billion for the fiscal year ended March 31, 2019. Organic sales adjusted for inter-segment sales increased \$140.5 million, or 5.2%, offset by declines from the fiscal 2019 divestitures and fiscal 2020 divestitures, including the Global 7500 transition, of \$605.3 million. Organic sales increased primarily due to increased volumes across Airbus commercial programs and various military programs, as well as aftermarket demand for military rotorcraft programs in Systems & Support, increased volumes on G550, 767, 787, G280, and M100 programs as well as increased volume and pricing on E-2 Jets sales to ASTK in Aerospace Structures, and increased demand for accessory components. These increases were partially offset in decreased volumes on 737.

Cost of sales decreased by \$617.5 million, or 21.1%, to \$2.31 billion for the fiscal year ended March 31, 2020, from \$2.92 billion for the fiscal year ended March 31, 2019. Organic cost of sales adjusted for inter-segment sales increased \$26.3 million, or 1.2%, offset by declines from the fiscal 2019 divestitures and fiscal 2020 divestitures, including the Global 7500 transition, of \$645.6 million. Organic cost of sales increased primarily due to the higher volumes in the above programs partially offset by the prior year forward loss provisions from the adoption of ASU 2017-07 of \$87.2 million. Organic gross margin for the fiscal year ended March 31, 2020, was 20.8% compared with 17.6% for the fiscal year ended March 31, 2019. The gross margin for the fiscal year ended March 31, 2020, increased compared with the prior year period due to the nonrecurring forward loss provisions from the adoption of ASU 2017-07.

Gross margin included net unfavorable cumulative catch-up adjustments on long-term contracts of \$22.8 million. The unfavorable cumulative catch-up adjustments to operating income included gross favorable adjustments of \$43.4 million and gross unfavorable adjustments of \$66.2 million. Gross margins for fiscal 2019 included net unfavorable cumulative catch-up adjustments of \$68.7 million.

Segment operating income increased by \$134.5 million, or 276.3%, to \$183.2 million for the fiscal year ended March 31, 2020, from \$48.7 million for the fiscal year ended March 31, 2019. Organic segment operating income increased by \$45.1 million, or 31.7%, primarily due to the increased margins above as well as decreases in administrative compensation cost of \$13.7 million and research and development of \$8.5 million, were partially offset by a \$66.1 million goodwill impairment charge under Systems & Support. The fiscal 2019 divestitures and fiscal 2020 divestitures contributed \$89.4 million in increased operating income in the current year primarily due to incurring operating losses of the fiscal year ended March 31, 2019.

Corporate operations incurred expenses of \$125.3 million for the fiscal year ended March 31, 2020, as compared with \$323.4 million for the fiscal year ended March 31, 2019. The corporate expenses included decreased loss on sale of assets and businesses of \$168.3 million, decreased compensation cost of \$12.3 million, with additional benefit from the legal judgment gain of \$9.3 million.

Interest expense and other increased by \$7.5 million, or 6.6%, to \$122.1 million for the fiscal year ended March 31, 2020, compared with \$114.6 million for the fiscal year ended March 31, 2019, due to higher interest rates and relative debt levels.

Non-service defined benefit income decreased by \$20.2 million, or 32.5%, to \$41.9 million for the fiscal year ended March 31, 2020, compared with \$62.1 million for the fiscal year ended March 31, 2019. The decrease was primarily due to additional expense in the current year from pension settlements, special termination benefits, and curtailment losses of \$63.8 million partially offset by a gain from curtailment of other post-employment benefits of \$49.5 million, as well as changes in actuarial assumptions and experience which reduced income for fiscal year 2020 by \$9.0 million.

The income tax expense was \$5.8 million for the fiscal year ended March 31, 2020, reflecting an effective tax rate of (26.0)%. During the fiscal year ended March 31, 2020, the Company adjusted the valuation allowance against the consolidated net deferred tax asset by \$36.9 million primarily due to an increase in the net operating loss and changes to temporary differences related to pension and other postretirement benefit plans. As of March 31, 2020, management determined that it was necessary to maintain a valuation allowance against principally all of its net deferred tax assets.

### Fiscal year ended March 31, 2019, compared with fiscal year ended March 31, 2018

	Year Ended March 31,	
	2019	2018
	(in thousands)	
Net sales	\$ 3,364,930	\$ 3,198,951
Segment operating income (loss)	\$ 48,687	\$ (337,061)
Corporate expenses	(323,366)	(128,579)
Total operating loss	(274,679)	(465,640)
Interest expense and other	114,619	99,442
Non-service defined benefit income	(62,105)	(103,234)
Income tax benefit	(5,426)	(36,457)
Net loss	\$ (321,767)	\$ (425,391)

Net sales increased by \$166.0 million, or 5.2%, to \$3.36 billion for the fiscal year ended March 31, 2019, from \$3.20 billion for the fiscal year ended March 31, 2018. Net sales increases included the production ramp on Global 7500 of \$232.5 million prior to transition. Organic sales adjusted for inter-segment sales increased \$34.9 million, or 1.3%. The fiscal 2018 divestitures and fiscal 2019 divestitures, excluding the Global 7500 transition contributed \$101.4 million to the net sales decrease as compared with the prior fiscal year. Organic sales increased primarily due to the rate increases on key commercial programs and higher volumes on military programs in Systems & Support as well as increased demand for structural component repair offset by decreased business jet sales from reduced scope of the G650 wing.

Cost of sales increased by \$317.4 million, or 12.2%, to \$2.92 billion for the fiscal year ended March 31, 2019, from \$2.61 billion for the fiscal year ended March 31, 2018. Net sales increases from the production ramp on Global 7500 contributed \$343.9 million increase in cost of sales prior to transition, including \$60.4 million in forward loss charges. Organic cost of sales adjusted for inter-segment sales increased \$121.3 million or 4.6% and included additional forward loss provisions from the adoption of ASU 2017-07 of \$87.2 million, as well as \$29.1 million on the G280 wing program. The fiscal 2018 divestitures and fiscal 2019 divestitures, excluding the Global 7500 transition contributed \$94.8 million to the cost of sales variance compared with the prior fiscal year. Organic gross margin for the fiscal year ended March 31, 2019, was 17.2% compared with 20.8% for the fiscal year ended March 31, 2018. The gross margin for the fiscal year ended March 31, 2019, decreased compared with the comparable prior year period due to the additional forward loss provisions noted above.

Gross margin included net unfavorable cumulative catch-up adjustments on long-term contracts of \$68.7 million. The favorable cumulative catch-up adjustments to operating income included gross favorable adjustments of \$46.1 million and gross unfavorable adjustments of \$114.8 million. Additionally, the adoption of ASU 2017-07 resulted in a change in estimates due to a change in accounting principles of \$87.2 million. Gross margins for fiscal 2018 included net favorable cumulative catch-up adjustments of \$19.7 million.

Segment operating income increased by \$385.7 million, or 114.4%, to an operating income of \$48.7 million for the fiscal year ended March 31, 2019, from \$337.1 million of operating loss for the fiscal year ended March 31, 2018. Organic operating income increased due to a prior year goodwill impairment charge of \$535.2 million. The fiscal 2018 divestitures and fiscal 2019 divestitures contributed \$16.7 million to an operating income decrease compared with the prior fiscal year.

Corporate operations incurred expenses of \$323.4 million for the fiscal year ended March 31, 2019, as compared with \$128.6 million for the fiscal year ended March 31, 2018. The corporate expenses included increased loss on divestitures of \$204.6 million, partially offset by \$13.0 million in decreased restructuring expenses.

Interest expense and other increased by \$15.2 million, or 15.3%, to \$114.6 million for the fiscal year ended March 31, 2019, compared with \$99.4 million for the fiscal year ended March 31, 2018, due to higher interest rates and relative debt levels and the favorable net change in foreign exchange rate gain/loss of approximately \$6.8 million compared with the prior year period.

Non-service defined benefit income decreased by \$41.1 million, or 39.8%, to \$62.1 million for the fiscal year ended March 31, 2019, compared with \$103.2 million for the fiscal year ended March 31, 2018. The decrease was primarily due to nonrecurring income recognized in fiscal year 2018 from a curtailment of other post-employment benefits of \$26.3 million and changes in actuarial assumptions and experience which reduced income for fiscal year 2019 by \$6.0 million.

The income tax benefit was \$5.4 million for the fiscal year ended March 31, 2019, reflecting an effective tax rate of 1.7%. During the fiscal year ended March 31, 2019, the Company adjusted the valuation allowance against the consolidated net deferred tax asset by \$252,243 primarily due to an increase in the net operating loss and changes to temporary differences related to ASC 606. As of March 31, 2019, management determined that it was necessary to maintain a valuation allowance against principally all of its net deferred tax assets.

## Business Segment Performance

We report our financial performance based on the following two reportable segments: Systems & Support and Aerospace Structures. The Company's Chief Operating Decision Maker ("CODM") utilizes Adjusted EBITDAP as a primary measure of profitability to evaluate performance of its segments and allocate resources.

The results of operations among our reportable segments vary due to differences in competitors, customers, extent of proprietary deliverables and performance. For example, Systems & Support, which generally includes proprietary products and/or arrangements where we become the primary source or one of a few primary sources to our customers, our unique manufacturing capabilities command a higher margin. Also, OEMs are increasingly focusing on assembly activities while outsourcing more manufacturing and repair to third parties, and as a result, are less of a competitive force than in previous years. This compares to Aerospace Structures, which generally includes long-term sole-source or preferred supplier contracts and the success of these programs provides a strong foundation for our business and positions us well for future growth on new programs and new derivatives.

Refer to Item 1 for further details regarding the operations and capabilities of each of our reportable segments.

We currently generate a majority of our revenue from clients in the commercial aerospace industry, the military, the business jet industry and the regional airline industry. Our growth and financial results are largely dependent on continued demand for our products and services from clients in these industries. If any of these industries experiences a downturn, our clients in these sectors may conduct less business with us. The following table summarizes our net sales by end market by business segment. The loss of one or more of our major customers or an economic downturn in the commercial airline or the military and defense markets could have a material adverse effect on our business.

	Year Ended March 31,		
	2020	2019	2018
<b>Systems &amp; Support</b>			
Commercial aerospace	26.5%	22.6%	23.8%
Military	15.0	12.2	11.5
Business Jets	2.3	1.9	1.7
Regional	1.5	1.4	1.5
Non-aviation	1.3	0.8	0.8
Total Integrated Systems net sales	46.6%	38.9%	39.3%
<b>Aerospace Structures</b>			
Commercial aerospace	30.3%	30.4%	33.9%
Military	4.0	7.1	8.6
Business Jets	16.0	21.7	16.8
Regional	3.1	1.1	0.7
Non-aviation	0.0	0.8	0.7
Total Aerospace Structures net sales	53.4%	61.1%	60.7%
Total Consolidated net sales	100.0%	100.0%	100.0%

We continue to experience a higher proportion of our sales mix in the commercial aerospace end market across both of our segments due to the 737, 767/Tanker, 777, 787, A320, A321, and G650 programs. Systems & Support has experienced an increase in its military end market primarily from volume on military rotorcraft, and Aerospace Structures has experienced a decrease in its military end market due to reduced volume in the C-130 program and certain military rotorcraft.

**Business Segment Performance—Fiscal year ended March 31, 2020, compared with fiscal year ended March 31, 2019**

	Year Ended March 31,		% Change	% of Total Sales	
	2020	2019		2020	2019
	(in thousands)				
NET SALES					
Systems & Support	\$ 1,357,564	\$ 1,325,011	2.5%	46.8%	39.4%
Aerospace Structures	1,555,887	2,062,404	(24.6)%	53.7%	61.3%
Elimination of inter-segment sales	(13,334)	(22,485)	40.7%	(0.5)%	(0.7)%
Total net sales	\$ 2,900,117	\$ 3,364,930	(13.8)%	100.0%	100.0%

	Year Ended March 31,		% Change	% of Segment Sales	
	2020	2019		2020	2019
	(in thousands)				
SEGMENT OPERATING (LOSS) INCOME					
Systems & Support	\$ 141,341	\$ 201,094	(29.7)%	10.4%	15.2%
Aerospace Structures	41,864	(152,407)	127.5%	2.7%	(7.4)%
Corporate	(125,298)	(323,366)	61.3%	n/a	n/a
Total segment operating (loss) income	\$ 57,907	\$ (274,679)	121.1%	2.0%	(8.2)%

	Year Ended March 31,		% Change	% of Segment Sales	
	2020	2019		2020	2019
	(in thousands)				
Adjusted EBITDAP					
Systems & Support	\$ 205,352	\$ 202,346	1.5%	15.5%	15.7%
Aerospace Structures	100,432	13,072	668.3%	6.6%	0.6%
Corporate	(64,144)	(84,965)	24.5%	n/a	n/a
	\$ 241,640	\$ 130,453	85.2%	8.6%	4.0%

**Systems & Support:** Systems & Support net sales increased by \$32.6 million, or 2.5%, to \$1.36 billion for the fiscal year ended March 31, 2020, from \$1.33 billion for the fiscal year ended March 31, 2019. Organic sales increased by \$63.3 million, or 4.9%, offset by declines of \$30.8 million from the fiscal 2019 divestitures within Systems & Support. Organic sales increased due to increased volumes on engine components, Airbus commercial programs, aftermarket demand for military rotorcraft components, and aftermarket spare part sales and accessory component repairs. These increases were partially offset by decreased volumes on 737.

Systems & Support cost of sales increased by \$8.7 million, or 0.9%, to \$960.5 million for the fiscal year ended March 31, 2020, from \$951.8 million for the fiscal year ended March 31, 2019. Organic cost of sales increased by \$33.1 million, or 3.6%, offset by declines of \$24.4 million from the fiscal 2019 divestitures within Systems & Support. Organic gross margin for the fiscal year ended March 31, 2020, was 29.3% compared with 28.3% for the fiscal year ended March 31, 2019. Organic cost of sales increased due to the sales increase noted above and sales mix, partially offset by a reduction of cost of sales as a result of a \$5.3 million reduction in acquired contract reserves, which also drove the increased gross margin for the fiscal year ended March 31, 2020.

Systems & Support operating income decreased by \$59.8 million, or 29.7%, to \$141.3 million for the fiscal year ended March 31, 2020, from \$201.1 million for the fiscal year ended March 31, 2019. Organic operating income decreased by \$57.2 million, or 28.8% primarily due to the goodwill impairment charge of \$66.1 million and increased restructuring costs of \$8.3 million, partially offset by decreased research and development costs of \$5.9 million and the increased gross margin described above. The fiscal 2019 divestitures resulted in \$2.6 million in decreased operating income in the current year primarily due to operating income earned in the fiscal year ended March 31, 2019.

Systems & Support operating income as a percentage of segment sales decreased to 10.4% for the fiscal year ended March 31, 2020, as compared with 15.2% for the fiscal year ended March 31, 2019, due to the factors described above. These same factors contributed to the decrease in Adjusted EBITDAP margin year over year.



**Aerospace Structures:** Aerospace Structures net sales decreased by \$506.5 million, or 24.6%, to \$1.56 billion for the fiscal year ended March 31, 2020, from \$2.06 billion for the fiscal year ended March 31, 2019. Organic net sales increased by \$68.0 million, offset by declines of \$574.5 million from the fiscal 2019 and fiscal 2020 divestitures within Aerospace Structures. Organic net sales increased due to increased volumes for the G280, G550, 767, and M100 programs, as well as increased volumes and pricing related to the E-2 Jets and 787 programs. These increases were partially offset by decreased volumes on 737.

Aerospace Structures cost of sales decreased by \$637.2 million, or 31.9%, to \$1.36 billion for the fiscal year ended March 31, 2020, from \$2.00 billion for the fiscal year ended March 31, 2019. Organic cost of sales decreased by \$16.0 million, with an additional reduction in cost of sales of \$621.3 million from the fiscal 2019 and fiscal 2020 divestitures within Aerospace Structures. Organic gross margin for the fiscal year ended March 31, 2020, was 13.0% compared with 7.7% for the fiscal year ended March 31, 2019. The decrease in organic cost of sales is due to the nonrecurring forward loss provisions from the adoption of ASU 2017-07 in the year ended March 31, 2019, of \$87.2 million and a reduction in unfavorable cumulative catch-up adjustments of \$45.8 million partially offset by increases related to the increased net sales above. The gross margin included net unfavorable cumulative catch-up adjustments of \$22.9 million due in large part to the estimated effects of COVID-19. The net unfavorable cumulative catch-up adjustments included gross favorable adjustments of \$43.3 million and gross unfavorable adjustments of \$66.2 million. The net unfavorable cumulative catch-up adjustment for the fiscal year ended March 31, 2019, was \$68.7 million.

Aerospace Structures operating income increased by \$194.3 million, or 127.5%, to \$41.9 million for the fiscal year ended March 31, 2020, from an operating loss of \$152.4 million for the fiscal year ended March 31, 2019. Organic operating income increased by \$102.3 million, or 182.0%, with further increases resulting from the fiscal 2019 and fiscal 2020 divestitures within Aerospace Structures of \$92.0 million. The increased organic operating income for the fiscal year ended March 31, 2020, was primarily due to the increased gross margin discussed above as well as lower administrative compensation due to decreased severance and headcount of approximately \$18.8 million and the approximately \$10.0 million gain recognized as a result of the transfer of the E-2 Jets program to ASTK. The increase in Adjusted EBITDAP year over year is due to the same factors that increased operating income.

Aerospace Structures operating income as a percentage of segment sales increased to 2.7% for the fiscal year ended March 31, 2020, as compared with (7.4)% for the fiscal year ended March 31, 2019, due to the increase in operating income as noted above. These same factors as noted above for the Adjusted EBITDAP contributed to the increased Adjusted EBITDAP margin year over year.

### Business Segment Performance—Fiscal year ended March 31, 2019, compared with fiscal year ended March 31, 2018

	Year Ended March 31,		% Change	% of Total Sales	
	2019	2018		2019	2018
	(in thousands)				
<b>NET SALES</b>					
Systems & Support	\$ 1,325,011	\$ 1,267,508	4.5%	39.4%	39.6%
Aerospace Structures	2,062,404	1,954,729	5.5%	61.3%	61.1%
Elimination of inter-segment sales	(22,485)	(23,286)	3.4%	(0.7)%	(0.7)%
<b>Total net sales</b>	<b>\$ 3,364,930</b>	<b>\$ 3,198,951</b>	<b>5.2%</b>	<b>100.0%</b>	<b>100.0%</b>

	Year Ended March 31,		% Change	% of Segment Sales	
	2019	2018		2019	2018
	(in thousands)				
<b>SEGMENT OPERATING INCOME (LOSS)</b>					
Systems & Support	\$ 201,094	\$ 231,103	(13.0)%	15.2%	18.2%
Aerospace Structures	(152,407)	(568,164)	73.2%	(7.4)%	(29.1)%
Corporate	(323,366)	(128,579)	(151.5)%	n/a	n/a
<b>Total segment operating income (loss)</b>	<b>\$ (274,679)</b>	<b>\$ (465,640)</b>	<b>41.0%</b>	<b>(8.2)%</b>	<b>(14.6)%</b>

	Year Ended March 31,		% Change	% of Segment Sales	
	2019	2018		2019	2018
	(in thousands)				
<b>Adjusted EBITDAP</b>					
Systems & Support	\$ 202,346	\$ 235,540	(14.1)%	15.7%	19.2%
Aerospace Structures	13,072	(6,006)	317.7%	0.6%	(0.3)%
Corporate	(84,965)	(95,986)	11.5%	n/a	n/a
<b>Total Adjusted EBITDAP</b>	<b>\$ 130,453</b>	<b>\$ 133,548</b>	<b>(2.3)%</b>	<b>4.0%</b>	<b>4.3%</b>

**Systems & Support:** Systems & Support net sales increased by \$57.5 million, or 4.5%, to \$1.33 billion for the fiscal year ended March 31, 2019, from \$1.27 billion for the fiscal year ended March 31, 2018. Organic sales increased by \$87.9 million, or 7.3%. The divestitures of NAAS, RPL, Embee, Engines and APU (“TSS divestitures”) contributed (\$30.4 million) to the net sales variance. Organic sales increased primarily due to rate increases on key commercial programs, higher volumes on certain military programs and increased demand in structural component repairs.

Systems & Support cost of sales increased by \$86.3 million, or 10.0%, to \$949.9 million for the fiscal year ended March 31, 2019, from \$863.6 million for the fiscal year ended March 31, 2018. Organic cost of sales increased by \$107.4 million, or 13.1%, while divestitures contributed (\$21.1 million) reduction to cost of sales. Organic gross margin for the fiscal year ended March 31, 2019, was 28.5% compared with 32.2% for the fiscal year ended March 31, 2018. The decrease in gross margin for the fiscal year ended March 31, 2019, is the result of sales mix, the higher costs incurred to drive future operational improvements noted above, increased costs on a development program, learning curves on new repair programs and a favorable settlement of customer assertions in the comparable prior period.

Systems & Support operating income decreased by \$30.0 million, or 13.0%, to \$201.1 million for the fiscal year ended March 31, 2019, from \$231.1 million for the fiscal year ended March 31, 2018. Organic operating income decreased (\$26.6 million), or (11.8)%, while divestitures contributed (\$3.4 million) to operating income in the prior year period.

Organic operating income decreased due to the decreased gross margin noted above and increased restructuring expenses of \$5.3 million. These same factors contributed to the decrease in Adjusted EBITDAP year over year.

Systems & Support operating income as a percentage of segment sales decreased to 15.2% for the fiscal year ended March 31, 2019, as compared with 18.2% for the fiscal year ended March 31, 2018, due to the gross margin increases. These same factors contributed to the decrease in Adjusted EBITDAP margin year over year.

**Aerospace Structures:** Aerospace Structures net sales increased by \$107.7 million, or 5.5%, to \$2.06 billion for the fiscal year ended March 31, 2019, from \$1.95 billion for the fiscal year ended March 31, 2018. Net sales increases included the production ramp on Global 7500 of \$232.5 million prior to transition. Organic net sales decreased \$54.8 million due to declines in business jet, primarily on our change in scope on the G650 program. The fiscal 2019 Aerospace Structures divestitures, excluding the Global 7500 transition contributed \$71.1 million to the net sales variance.

Aerospace Structures cost of sales increased by \$232.0 million, or 13.1%, to \$2.00 billion for the fiscal year ended March 31, 2019, from \$1.77 billion for the fiscal year ended March 31, 2018. The cost of sales increase was driven by the increased sales and included additional forward loss provisions from the adoption of ASU 2017-07 of \$87.2 million, as well as from the Bombardier Global 7500 program of \$60.4 million prior to transition and \$29.1 million on the G280 wing program.

Gross margin for the fiscal year ended March 31, 2019, was 3.1% compared with 9.7% for the fiscal year ended March 31, 2018. The decreased gross margin is due to additional forward loss charges noted above. In addition to the forward loss provision from the adoption of ASU 2017-07 noted above, the gross margin included net unfavorable cumulative catch-up adjustments of \$68.7 million. The net unfavorable cumulative catch-up adjustments included gross favorable adjustments of \$46.1 million and gross unfavorable adjustments of \$114.8 million. The net unfavorable cumulative catch-up adjustment for the fiscal year ended March 31, 2016, was \$19.7 million.

Aerospace Structures operating loss decreased by \$415.8 million, or 73.2%, to \$152.4 million for the fiscal year ended March 31, 2019, from a loss of \$568.2 million for the fiscal year ended March 31, 2018. The decreased operating loss for the fiscal year ended March 31, 2019, is due to the aforementioned goodwill impairment charge of \$535.2 million in the prior year period, partially offset by the additional forward loss charges noted above. The Adjusted EBITDAP is adjusted for the adoption of ASU 2017-07 and increased for the fiscal year ended March 31, 2019, due to the increased sales.

Aerospace Structures operating loss as a percentage of segment sales improved to 7.4% for the fiscal year ended March 31, 2019, as compared with 29.1% for the fiscal year ended March 31, 2018, due to the goodwill impairment charge in the prior year period discussed above. The Adjusted EBITDAP margin improvement was also affected by the increased sales noted above.

## Liquidity and Capital Resources

For the fiscal year ended March 31, 2020, we had a net cash inflow of \$96.7 million from operating activities, an increase of \$271.1 million, compared with a net cash outflow of \$174.4 million for the fiscal year ended March 31, 2019. We liquidated approximately \$89.0 million in prior period customer advances against current period deliveries. During the fiscal year ended March 31, 2019, we invested in inventory to support ramping and existing programs.

In March 2020, in response to anticipated headwinds resulting from the impact of COVID-19 on the aerospace industry, including the impact on global air travel, we implemented certain cost reduction actions to improve our financial health, align capacity with expected demand, and ensure our long-term competitiveness. This has included the reduction of overhead and indirect staff and temporary workers and the selective implementation of furloughs across our business to reduce costs while delivering on customer commitments. When combined with reductions in travel, corporate events, and other expenses, Triumph expects annual savings to operating cash flows of approximately \$120.0 million beginning in fiscal 2021, although there can be no assurance that we will achieve such synergy in the anticipated amounts and timeline. Unrelated to COVID-19, the Company currently expects certain material cash outflows related to the completion of certain previously announced consolidation and shutdown costs with sunseting programs within Aerospace Structures.

Cash flows provided by investing activities for the fiscal year ended March 31, 2020, decreased \$193.2 million from the fiscal year ended March 31, 2019. Cash flows provided by investing activities for the fiscal year ended March 31, 2020, included cash from the fiscal 2020 sales of assets and businesses of \$47.2 million offset by capital expenditures of \$39.8 million. Cash flows used in investing activities for the fiscal year ended March 31, 2019, included cash from the fiscal 2019 divestitures of \$247.6 million offset by capital expenditures of \$47.1 million.

Cash flows provided by financing activities for the fiscal year ended March 31, 2020, were \$293.7 million, compared with cash flows provided by financing activities for the fiscal year ended March 31, 2019, of \$32.5 million. Cash flows provided by financing activities for the fiscal year ended March 31, 2020, included the issuance of our Senior Secured Notes due 2024 of \$525.0 million, offset by repayment of the Senior Notes due 2021 of \$375.0 million, and payment of financing fees of approximately \$17.7 million. Additionally, the Company drew on its Credit Facility (as defined below), bringing the outstanding balance as of March 31, 2020, to \$400.0 million. This was done as part of a comprehensive precautionary approach to increase the Company's cash position and maximize its financial flexibility, in light of the current volatility in the global markets resulting from the COVID-19 pandemic. We have since repaid approximately \$200.0 million of the borrowings, and cash continues to be used to repay the borrowings through an automated cash sweep mechanism implemented with our lenders. Cash flows provided by financing activities for the fiscal year ended March 31, 2019, included additional borrowings to fund operations.

As of March 31, 2020, we had \$485.5 million of cash on hand and \$70.3 million was available under the Company's existing credit agreement (the "Credit Facility"). On March 31, 2020, approximately \$22.3 million in letters of credit were outstanding under the Credit Facility, all of which were accruing interest at LIBOR plus applicable basis points totaling approximately 3.50% per annum. Amounts repaid under the Credit Facility may be reborrowed.

We are taking a number of actions to improve liquidity. In March 2020, we suspended the declaration and/or payment of dividends until further notice. We have furloughed certain employees and recently announced reductions in force which we have implemented in the first quarter of fiscal 2021. We are reducing discretionary spending as well as reducing or deferring research and development and capital expenditures. We are also working with our customers and supply chain to accelerate receipts and conserve cash. We are also deferring certain employer payroll tax payments pursuant to the Coronavirus Aid, Relief, and Economic Security (CARES) Act. We expect to take advantage of additional programs if passed by the federal government.

We believe, based on an assessment of current market conditions, that cash flows from operations and borrowings under the Amended Credit Agreement will be sufficient to meet anticipated cash requirements for our current operations for at least the next 12 months. We are evaluating additional funding options from the U.S. government via the U.S. Treasury and various Federal Reserve programs. We are also considering various divestiture opportunities that should provide liquidity. However, the COVID-19 crisis is constraining the credit and capital markets and our ability to access credit and capital markets may be reduced. In the event that the overall aviation market experiences delayed recoveries and divestiture opportunities do not occur, the availability under the Amended Credit Agreement may change or be fully utilized and additional funding sources may be needed. There can be no assurance that such funding sources will be available to us on terms favorable to us, if at all. We may also seek transactions to extend the maturity of our indebtedness, reduce leverage, decrease interest expense or obtain covenant flexibility. Such transactions could include one or more repurchases or exchanges of our outstanding indebtedness. These transactions could increase our total amount of secured indebtedness or be dilutive to stockholders. There can be no assurances if or when we will consummate any such transactions or the timing thereof.

In December 2019, the Company amended its receivable securitization facility (the "Securitization Facility") decreasing the purchase limit from \$125.0 million to \$75.0 million and extended the term through December 2022. At March 31, 2020, there was \$75.0 million outstanding under our Securitization Facility. Interest rates on the Securitization Facility are based on prevailing market rates for short-term commercial paper, plus a program fee and a commitment fee. The Securitization Facility's net availability is not affected by the borrowing capacity of the Amended Credit Agreement.

The 5.25% Senior Notes due June 1, 2022 (the "2022 Notes"), the 6.250% Senior Secured Notes due September 15, 2024 (the "2024 Notes"), and the 7.750% Senior Notes due August 15, 2025 (the "2025 Notes") (collectively, the "Senior Notes") are the Company's senior unsecured obligations and rank equally in right of payment with all of its other existing and future senior unsecured indebtedness and senior in right of payment to all of its existing and future subordinated indebtedness. The Senior Notes are guaranteed on a full, joint and several basis by each of the Guarantor Subsidiaries.

Pursuant to the documentation governing the Senior Notes, the Company may redeem some or all of its Senior Notes prior to their stated maturities, subject to certain limitations set forth in the indenture governing the applicable Senior Notes and, in certain cases, subject to significant prepayment premiums; however, the Amended Credit Agreement restricts us from doing so. The Company is obligated to offer to repurchase the Senior Notes at specified prices as a result of certain change-of-control events and a sale of all or substantially all of its assets. These restrictions and prohibitions are subject to certain qualifications and exceptions.

The indentures governing the Senior Notes, as well as the Amended Credit Agreement and Securitization Facility, contain covenants and restrictions that, among other things, limit the Company's ability and the ability of any of the Guarantor Subsidiaries to (i) grant liens on its assets; (ii) make dividend payments, other distributions or other restricted payments; (iii) incur restrictions on the ability of the Guarantor Subsidiaries to pay dividends or make other payments or investments; (iv) enter into sale and leaseback transactions; (v) merge, consolidate, transfer or dispose of substantially all of their assets; (vi) incur additional indebtedness; (vii) use the proceeds from sales of assets, including capital stock of restricted subsidiaries (in the case of the Senior Notes); and

(viii) enter into transactions with affiliates. The Company is currently in compliance with all financial covenants under its debt documents.

For further information on the Company's long-term debt, see Note 10.

On May 22, 2020, the Company and its subsidiary co-borrowers and guarantors entered into an Twelfth Amendment to the Credit Agreement with the Administrative Agent and the Lenders party thereto. Among other things, the Twelfth Amendment (i) limits the amount of cash in the United States the Company can hold on its balance sheet to \$50.0 million, (ii) authorizes the sale of any Specified TAS Business Unit (as defined in the Amended Credit Agreement); (iii) provides for a reserve against the availability of up to 75% of the proceeds of Specified Asset Sales; and (iv) modifies certain financial covenants and other terms over the quarterly periods ending June 2020 through March 2022. Refer to Item 1 – Recent Developments for further details regarding the Twelfth Amendment.

On September 23, 2019, the Company issued \$525.0 million principal amount of 6.250% Senior Secured Notes due September 15, 2024. The 2024 Notes are guaranteed on a full, senior secured, joint and several basis by each of the Company's domestic restricted subsidiaries that is a borrower under the Company's Credit Facility or that guarantees any of the Company's debt or that of any of the Company's domestic restricted subsidiaries under the Company's Credit Facility and in the future by any of the Company's domestic restricted subsidiaries that are borrowers under any credit facility or that guarantee any debt of the Company or any of its domestic restricted subsidiaries incurred under any credit facility. Under certain circumstances, the guarantees may be released without action by, or the consent of, the holders of the 2024 Notes.

The 2022 Notes and 2025 Notes are the Company's senior unsecured obligations and rank equally in right of payment with all of its other existing and future senior unsecured indebtedness and senior in right of payment to all of its existing and future subordinated indebtedness. The 2021 Notes and 2025 Notes are guaranteed on a full, joint and several basis by each of the Company's existing and future domestic restricted subsidiaries that is a borrower under any of the Company's credit facilities or that guarantees any of the Company's debt or that of any of its restricted subsidiaries, in each case incurred under any of the Company's credit facilities.

The only consolidated subsidiaries of the Company that are not guarantors of the 2022 Notes, the 2024 Notes and the 2025 Notes (the "Non-Guarantor Subsidiaries") are: (i) the receivables securitization special purpose entity, and (ii) the foreign operating subsidiaries.

The 2024 Notes and the guarantees are secured, subject to permitted liens, by second-priority liens on all assets of the Company and its subsidiary guarantors (the "Collateral") that secure all of the indebtedness under the Company's Credit Facility and certain hedging and cash management obligations. The 2024 Notes and the guarantees are not secured by the assets of Non-Guarantor Subsidiaries. Some of the Company's assets are excluded from the Collateral, including the Company's real property assets.

<b>Parent and Guarantor Summarized Financial Information</b>	<b>As of and for the fiscal year ended March 31, 2020</b>
Current assets	\$ 1,177,461
Noncurrent assets	1,248,525
Current liabilities	920,414
Noncurrent liabilities	2,514,760
Due to/from Non-Guarantor Subsidiaries	14,624
Net sales	2,572,806
Gross profit	520,096
Loss from continuing operations	(50,842)
Net loss	(54,048)

For the fiscal year ended March 31, 2019, we had a net cash outflow of \$174.4 million from operating activities, a decrease of \$114.5 million, compared with a net cash outflow of \$288.9 million for the fiscal year ended March 31, 2018. We invested in inventory and contract assets for new programs which impacts our cash flows from operating activities. Cash flows used on new programs included approximately \$230.0 million and \$16.0 million pertaining to the Bombardier Global 7500 program, through the date of transition in February 2019, and the Embraer E-Jet, respectively. The Company received approximately \$125.0 million in customer advances. In addition, the Company liquidated approximately \$177.0 million of prior period advances against current period deliveries. The Company also received approximately \$20 million to settle an indemnification receivable initially recognized related to a specific matter that we acquired from the seller.

Cash flows provided by investing activities for the fiscal year ended March 31, 2019, increased \$162.3 million from the fiscal year ended March 31, 2018. Cash flows provided by investing activities for the fiscal year ended March 31, 2019, included cash from the fiscal 2019 divestitures of \$247.6 million offset by capital expenditures of \$47.1 million. Cash flows used in investing activities for the fiscal year ended March 31, 2018, included cash from the fiscal 2018 divestitures of \$83.1 million, offset by capital expenditures of \$42.1 million.

Our expected future cash flows for the next five years for long-term debt, leases and other obligations are as follows:

Contractual Obligations	Payments Due by Period				
	Total	Less than 1 Year	1 - 3 Years (in thousands)	4 - 5 Years	After 5 Years
Debt principal	\$ 1,823,933	\$ 7,336	\$ 381,611	\$ 927,216	\$ 507,770
Debt interest <sup>(1)</sup>	469,489	110,386	191,996	147,009	20,098
Operating leases	84,983	16,843	25,595	15,353	27,192
Purchase obligations	1,374,122	950,626	390,305	15,128	18,064
<b>Total</b>	<b>3,752,527</b>	<b>1,085,191</b>	<b>989,506</b>	<b>1,104,706</b>	<b>573,124</b>

(1) Includes fixed-rate interest only.

The above table excludes unrecognized tax benefits of \$19.1 million as of March 31, 2020, since we cannot predict with reasonable certainty the timing of cash settlements with the respective taxing authorities.

In addition to the financial obligations detailed in the table above, we also had obligations related to our benefit plans at March 31, 2020, as detailed in the following table. Our other postretirement benefits are not required to be funded in advance, so benefit payments are paid as they are incurred. Our expected net contributions and payments are included in the table below:

	Pension Benefits		Other Postretirement Benefits	
	(in thousands)			
Projected benefit obligation at March 31, 2020	\$	2,254,985	\$	7,150
Plan assets at March 31, 2020		1,598,045		—
Projected contributions by fiscal year				
2021		—		4,824
2022		81,800		813
2023		90,600		182
2024		85,800		171
2025		70,100		162
<b>Total 2021 - 2025</b>	<b>\$</b>	<b>328,300</b>	<b>\$</b>	<b>6,152</b>

Current plan documents reserve our right to amend or terminate the plans at any time, subject to applicable collective bargaining requirements for represented employees.

## CRITICAL ACCOUNTING POLICIES AND ESTIMATES

Critical accounting policies are those accounting policies that can have a significant impact on the presentation of our financial condition and results of operations, and that require the use of complex and subjective estimates based upon past experience and management's judgment. Because of the uncertainty inherent in such estimates, actual results may differ from these estimates. Below are those policies applied in preparing our consolidated financial statements that management believes are the most dependent on the application of estimates and assumptions. For additional accounting policies, see Note 2 of "Notes to Consolidated Financial Statements."

## Revenue Recognition and Contract Balances

The Company's accounting policy regarding revenue recognition is disclosed in Note 2 to the consolidated financial statements. As described in Note 2, for certain contracts and performance obligations, the Company is required to exercise judgment when developing assumptions regarding expected total costs to fulfill performance obligations, variable consideration, and the standalone selling price of a performance obligation. These assumptions are most significant within the Company's Aerospace Structures business segment because the size and long-term nature of its contracts with customers. Specifically, assumptions regarding the total costs require significant judgment with regard to materials, labor, and overhead costs that are affected by the Company's ability to achieve technical requirements and schedule requirements, as well as the Company's estimation of internal and subcontractor performance projections, anticipated volume, asset utilization, labor agreements, and inflation trends. The Company continually reviews and update its assumptions based on market trends and experience. Material changes in assumptions may result in positive or negative cumulative catch-up adjustments related to revenues previously recognized or, in some cases, forward loss contract reserves.

## Goodwill and Intangible Assets

Refer to Note 2 and Note 7 for details on our goodwill and intangible asset accounting policies. We test goodwill for impairment on an annual basis during the fourth quarter or whenever events or circumstances change between annual tests that could more likely than not reduce the fair value of a reporting unit below its carrying amount. When such events or circumstances are identified, the Company performs a quantitative test to assess whether goodwill is impaired.

When applying the quantitative approach to testing goodwill for impairment, we determine fair value for reporting units using a combination of the income approach and the market approach, applying appropriate weighting based on events and circumstances existing at the valuation date.

Valuations using the market approach are derived from metrics of publicly traded companies. We consider risk profiles, size, geography, and diversity of products and services when selecting comparable businesses in the markets in which our reporting units operate. The market approach is only used when there are publicly traded companies that have the characteristics similar to our businesses.

Under the income approach, fair value is determined based on the present value of estimated future cash flows, discounted at an appropriate risk-adjusted rate. We use our internal forecasts to estimate future cash flows and include an estimate of long-term future growth rates based on our most recent views of the long-term outlook for each business. Actual results may differ from those assumed in our forecasts. The discount rate applied to the cash flows is based upon a market-derived weighted average cost of capital ("WACC") that takes into account the required rate of return for both debt and equity investors. We use discount rates that are commensurate with the risks and uncertainty inherent in the respective businesses and in our internally developed forecasts. Discount rates used in our annual reporting unit valuations ranged from 14.5% to 16.0%.

Estimating the fair value of reporting units requires the exercise of judgment to develop various assumptions used in the valuation approaches. The most significant area of judgment pertains to the development of our internal forecasts regarding future operating results. Internal forecasts and other key assumptions used to estimate the fair value of reporting units are based on judgments that consider actual operating results, market observable pricing multiples of similar businesses and comparable transactions, possible control premiums, determining the appropriate discount rate and long-term growth rate assumptions, and, if multiple approaches are being used, determining the appropriate weighting applied to each approach. It is reasonably possible that the judgments and estimates described above could change in future periods.

We review identified intangible assets with definite lives and subject to amortization for impairment whenever events or changes in circumstances indicate that the related carrying amounts may not be recoverable. Determining whether an impairment loss has occurred requires the use of our internal forecast to estimate future cash flows and the useful life over which these cash flows will occur.

As disclosed in Note 7, as of March 31, 2020, Aerospace Structures had goodwill of \$1.2 billion which was fully impaired during fiscal year 2018. In the year ended March 31, 2020, Systems & Support recognized a goodwill impairment charge of \$66.1 million.

## Postretirement Plans

Certain of our current and former employees participate in defined benefit pension and other postretirement defined benefit plans (collectively, referred to as "defined benefit plans") in the United States, Canada, and the United Kingdom, which are sponsored by the Company. The determination of projected benefit obligations and the recognition of expenses related to defined benefit pension plans are dependent on various assumptions. The most significant of these assumptions are the discount rates and the long-term expected rates of return on plan assets. Actual results that differ from our assumptions are accumulated and amortized for each plan to the extent required over the estimated future life expectancy of plan participants.

### *Significant Assumptions*

We develop assumptions using relevant experience, in conjunction with market-related data for each plan. Assumptions are reviewed annually with third party consultants and adjusted as appropriate. Refer to Note 15 for details regarding the assumptions used to estimate projected benefit obligations and net periodic benefit cost as they pertain to our defined benefit pension plans.

### Expected Return on Plan Assets

We determine our expected return on plan assets by evaluating both historical returns and estimates of future returns. Specifically, we consider the plan's actual historical annual return on assets and historical broad market returns over long-term time frames based on our strategic allocation, which is detailed in Note 15. Future returns are based on independent estimates of long-term asset class returns. Based on this approach, the weighted average long-term expected annual rate of return on assets was estimated at 7.94% for fiscal year 2020.

## Discount Rate

The discount rate is used to calculate the present value of expected future benefit payments at the measurement date. A decrease in the discount rate increases the present value of benefit obligations and generally decreases pension expense. The discount rate assumption is based on current investment yields of high-quality fixed income investments during the retirement benefits maturity period. The pension discount rate is determined by considering an interest rate yield curve comprising AAA/AA bonds, with maturities between zero and thirty years, developed by the plan's actuaries. Annual benefit payments are then discounted to present value using this yield curve to develop a single discount rate matching the plan's characteristics. The discount rate assumption will change from measurement date to measurement date as market yields on high quality corporate bonds change.

## *Sensitivity Analysis*

### Pension Expense

A 25 basis point change in each of the long-term expected rate of return on plan assets and discount rate would have the following effect on the combined U.S. defined benefit pension plans' pension income for the next 12 months:

	Increase/(Decrease) in Pension Income	
	25 Basis Point Increase	25 Basis Point Decrease
	(In thousands)	
Expected long-term rate of return on plan assets	\$ 4,167	\$ (4,167)
Discount rate	\$ (104)	\$ 235

### Projected Benefit Obligation

Funded status is derived by subtracting the respective year-end values of the projected benefit obligations ("PBO") from the fair value of plan assets. The sensitivity of the PBO to changes in the discount rate varies depending on the magnitude and direction of the change in the discount rate. Refer to Note 12 for a quantitative sensitivity analysis for the PBO.

## **Income Tax**

The Company follows Accounting Standards Codification ("ASC") ASC 740, *Income Taxes*, which prescribes a recognition threshold and measurement attribute criteria for the financial statement recognition and measurement of a tax position taken or expected to be taken in a tax return, as well as guidance on derecognition, classification, interest and penalties, accounting in interim periods, disclosure and transition.

We recognize deferred tax assets and liabilities based on the differences between the financial statement basis and the tax basis of assets, liabilities, net operating losses and tax carryforwards. A valuation allowance is required to be recognized to reduce the recorded deferred tax asset to the amount that will more likely than not be realized. The ultimate realization of deferred tax assets is dependent upon the generation of future taxable income by jurisdiction during the periods in which those temporary differences become deductible or when carryforwards can be utilized. We consider the scheduled reversal of deferred tax liabilities, projected future taxable income and tax planning strategies in this assessment. As of March 31, 2020, we have a valuation allowance against substantially all of our net deferred tax assets given the insufficient positive evidence to support the realization of our deferred tax assets. A reduction in the valuation allowance could result in a significant decrease in income tax expense in the period that the reduction is recorded. However, the exact timing and amount of the reduction in our valuation allowance are unknown at this time and will be subject to the earnings level we achieve as well as our projected income in future periods.

## **Recently Issued Accounting Pronouncements**

Refer to Note 2 for disclosure of the effects of recently issued accounting guidance.

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

### *Commodity Price Risk*

Some contracts with our suppliers for raw materials, component parts and other goods are short-term contracts, which are subject to termination on a relatively short-term basis. The prices of our raw materials and component parts fluctuate depending on market conditions, and substantial increases in prices could increase our operating costs, which, as a result of our fixed-price contracts, we may not be able to recoup through increases in the prices of our products. We generally do not employ forward contracts or other financial instruments to hedge commodity price risk, although we continue to review a full range of business options focused on strategic risk management for all material commodities.

Any failure by our suppliers to provide acceptable raw materials, components, kits or subassemblies could adversely affect our production schedules and contract profitability. We assess qualification of suppliers and continually monitor them to control risk associated with such supply base reliance.

To a lesser extent, we also are exposed to fluctuations in the prices of certain utilities and services, such as electricity, natural gas, chemicals and freight. We utilize a range of long-term agreements to minimize procurement expense and supply risk in these areas.

#### Foreign Exchange Risk

In addition, even when revenues and expenses are matched, we must translate foreign denominated results of operations, assets and liabilities for our foreign subsidiaries to U.S. dollars in our consolidated financial statements. Consequently, increases and decreases in the value of the U.S. dollar as compared with the respective foreign currencies will affect our reported results of operations and the value of our assets and liabilities on our consolidated balance sheets, even if our results of operations or the value of those assets and liabilities has not changed in its original currency. These transactions could significantly affect the comparability of our results between financial periods and/or result in significant changes to the carrying value of our assets, liabilities and stockholders' equity.

We are subject to foreign currency exchange rate risk relating to receipts from customers and payments to suppliers in foreign currencies. We use foreign currency forward contracts to hedge the price risk associated with forecasted foreign denominated payments related to our ongoing business. Foreign currency forward contracts are sensitive to changes in foreign currency exchange rates. At March 31, 2020, a 10% change in the exchange rate in our portfolio of foreign currency contracts would not have material impact on our unrealized gains. Consistent with the use of these contracts to neutralize the effect of exchange rate fluctuations, such unrealized losses or gains would be offset by corresponding gains or losses, respectively, in the remeasurement of the underlying transactions being hedged. When taken together, these forward currency contracts and the offsetting underlying commitments do not create material market risk.

#### Interest Rate Risk

Our primary exposure to market risk consists of changes in interest rates on borrowings. An increase in interest rates would adversely affect our operating results and the cash flow available after debt service to fund operations and expansion. In addition, an increase in interest rates would adversely affect our ability to pay dividends on our common stock, if permitted to do so under certain of our debt arrangements, including the Amended Credit Agreement. We manage exposure to interest rate fluctuations by optimizing the use of fixed and variable rate debt. As of March 31, 2020, approximately 74% of our debt was fixed-rate debt. Our financing policy states that we generally maintain between 50% and 75% of our debt as fixed-rate debt on a fully leveraged basis. The information below summarizes our market risks associated with debt obligations and should be read in conjunction with Note 10 of notes to consolidated financial statements.

The following table presents principal cash flows and the related interest rates. Fixed interest rates disclosed represent the weighted average rate as of March 31, 2020. Variable interest rates disclosed fluctuate with the LIBOR, federal funds rates, and other weekly rates and represent the weighted average rate at March 31, 2020.

#### Expected Years of Maturity

	Next 12 Months	13 - 24 Months	25 - 36 Months	37 - 48 Months	49 - 60 Months	Thereafter	Total
Fixed rate cash flows (in thousands)	\$ 7,336	\$ 4,659	\$ 301,952	\$ 1,486	\$ 525,730	\$ 507,770	\$ 1,348,933
Weighted average interest rate (%)	6.58%	5.71%	6.10%	6.98%	7.23%	7.92%	
Variable rate cash flows (in thousands)	\$ —	\$ —	\$ 75,000	\$ 400,000	\$ —	\$ —	\$ 475,000
Weighted average interest rate (%)	4.61%	4.61%	4.69%	4.97%	—%	—%	

There are no other significant market risk exposures.



## Item 8. Financial Statements and Supplementary Data

### Report of Independent Registered Public Accounting Firm

To the Board of Directors and Stockholders of Triumph Group, Inc.

#### Opinion on the Financial Statements

We have audited the accompanying consolidated balance sheets of Triumph Group, Inc. (“the Company”) as of March 31, 2020 and 2019, the related consolidated statements of operations, comprehensive loss, stockholders’ (deficit) equity and cash flows for each of the three years in the period ended March 31, 2020, and the related notes and financial statement schedule listed in the Index at Item 15(a) (collectively referred to as the “consolidated financial statements”). In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Company at March 31, 2020 and 2019, and the results of its operations and its cash flows for each of the three years in the period ended March 31, 2020, in conformity with U.S. generally accepted accounting principles.

We also have also audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (“PCAOB”), the Company’s internal control over financial reporting as of March 31, 2020, based on criteria established in Internal Control – Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (2013 framework) and our report dated May 28, 2020, expressed an unqualified opinion thereon.

#### Adoption of New Accounting Standards

As discussed in Note 2 to the consolidated financial statements, the Company changed its method for accounting for revenue in the year ended March 31, 2019.

#### Basis for Opinion

These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the Company's financial statements based on our audits. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audits provide a reasonable basis for our opinion.

#### Critical Audit Matters

The critical audit matters communicated below are matters arising from the current period audit of the financial statements that were communicated or required to be communicated to the audit committee and that: (1) relate to accounts or disclosures that are material to the financial statements and (2) involved our especially challenging, subjective, or complex judgments. The communication of critical audit matters does not alter in any way our opinion on the consolidated financial statements, taken as a whole, and we are not, by communicating the critical audit matters below, providing separate opinions on the critical audit matters or on the accounts or disclosures to which they relate.

#### Revenue Recognition for Performance Obligations Satisfied Over Time

##### *Description of the Matter*

As described in Notes 2 and 4 of the consolidated financial statements, the Company’s Aerospace Structures reportable segment recognizes revenue for performance obligations that are satisfied over time using an input method with revenue recognized proportionately as costs are incurred relative to the total expected costs to satisfy the performance obligation (“estimate-at-completion”). This method of revenue recognition requires management to continuously update estimate-at-completion costs, changes to which affect the amount of profit and loss recognized each period. During fiscal year 2020, approximately \$1.4 billion of the revenue for Aerospace Structures represent revenues from performance obligations that have been satisfied over time.

Auditing the revenue recognition for performance obligations satisfied over time within the Aerospace Structures reportable segment, including its estimate-at-completion analyses, was especially challenging due to the significant judgment involved in evaluating the key assumptions, including materials, labor and overhead costs, made by management in its estimates of the total expected costs to satisfy the performance obligations. The estimate-at-completion analyses and resultant forecasted profit or loss of each performance obligation are sensitive to assumptions surrounding the Company's ability to achieve the technical requirements, schedule requirements, internal and subcontractor performance projections, anticipated business volume, anticipated asset utilization, and anticipated labor agreements, as well as the accuracy of estimated inflation trends, each of which can materially change the key cost assumptions.

*How We Addressed the Matter in Our Audit*

We obtained an understanding, evaluated the design and tested the operating effectiveness of controls over the Company's process to recognize revenue for performance obligations that are satisfied over time within the Aerospace Structures reportable segment. In particular, we tested controls over management's review of the key assumptions in the estimate-at-completion analyses, which are describe above. We also tested management's controls over the completeness and accuracy of the data used in the estimate-at-completion analyses.

To test the recognition of revenue for performance obligations that are satisfied over time within the Aerospace Structures reportable segment, our audit procedures included, among others, evaluating the key assumptions used to develop the estimate-at-completion analyses and the completeness and accuracy of the underlying data used in management's calculations. For example, we compared estimated costs to satisfy performance obligations in the estimate-at-completion analyses to historical results and source documentation including supplier agreements, current and projected labor rates, expected inflation rates, as well as overhead costs including rent expense and depreciation of long-lived assets. We recalculated the revenue recognized and resulting profit or loss based on actual costs and estimate-at-completion assumptions. When testing the significant assumptions, we involved our engineering specialists to assist in evaluating key judgments including cost projections related to management's determination of estimate-at-completion costs. In addition, we assessed the accuracy of the Company's historical estimates by comparing them to actual costs incurred. When there was a significant change in estimate, we inspected underlying evidence for the reason for the change in the estimate and the timing of the change in estimate.

**Realizability of Deferred Tax Assets**

*Description of the Matter*

As described in Note 12 of the consolidated financial statements, at March 31, 2020 the Company had deferred tax assets for deductible temporary differences and tax attributes of \$162 million (net of a \$439 million valuation allowance). Deferred tax assets are reduced by a valuation allowance if, based upon the weight of all available evidence, it is more likely than not that some portion, or all, of the deferred tax assets will not be realized.

Auditing the Company's analysis of the realizability of its deferred tax assets required complex auditor judgment because the amounts are material to the financial statements and the assessment process involves significant judgment to apply changes in the tax law, determine the future reversal pattern of existing taxable temporary differences and other assumptions of future taxable income that may be affected by future market or economic conditions.

*How We Addressed the Matter in Our Audit*

We obtained an understanding, evaluated the design, and tested the operating effectiveness of controls that address the risks of material misstatement relating to the realizability of deferred tax assets. This included controls over management's evaluation and application of the effects of changes in the tax law and the scheduling of the future reversal pattern of existing taxable temporary differences that have been identified as a source of future taxable income.

To test the Company's assessment of the realizability of deferred tax assets and the resulting valuation allowance, our audit procedures included, among others, testing the Company's calculation of future taxable income from the reversal of existing temporary taxable differences and evaluating the scheduling of the reversal patterns. In addition, we compared taxable income in prior carryback years, if any, to the Company's income tax returns; considered the feasibility of tax planning strategies; and, evaluated projected future taxable income exclusive of reversing temporary differences and carryforwards. We involved our tax professionals to assist in evaluating the application of tax law, including any changes in the tax law, in the Company's consideration of the sources of future taxable income.

## **Defined Benefit Pension and Other Postretirement Benefit Obligations**

### *Description of the Matter*

At March 31, 2020, the Company's aggregate defined benefit pension and other postretirement benefit obligation was \$2.3 billion and the net periodic benefit income was \$39 million. As described in Note 15 of the consolidated financial statements, the Company updates the estimates used to measure the defined benefit pension obligation and plan assets in the fourth quarter and upon a remeasurement event to reflect the actual return on plan assets and updated actuarial assumptions. The Company had a remeasurement event in the second quarter of fiscal year 2020.

Auditing the defined benefit pension and other postretirement benefit obligations and the related net periodic benefit income required complex auditor judgment and technical expertise due to the highly judgmental nature of the actuarial assumptions (e.g., discount rate, mortality rate, expected return on plan assets) used in the measurement process. These assumptions had a significant effect on the projected benefit obligation and the net periodic benefit income. Further, the accounting guidance for remeasurement events, including plan amendments, curtailments, and special termination benefits was complex and required significant judgment.

### *How We Addressed the Matter in Our Audit*

We obtained an understanding, evaluated the design and tested the operating effectiveness of controls over management's determination of the defined benefit pension and other post-retirement benefit obligation calculations, the significant actuarial assumptions described above and the data inputs provided to the Company's actuarial specialists, as well as management's evaluation of the relevant authoritative accounting literature to recognize the effects of plan amendments, curtailments and special termination benefits.

To test the defined benefit pension and other postretirement benefit obligation, and the related net periodic benefit income, our audit procedures included, among others, evaluating the methodology used, the significant actuarial assumptions described above, the underlying data used by management and its actuaries and the appropriateness of management's judgments in applying the authoritative accounting literature. We compared the actuarial assumptions used by management with historical trends and evaluated the change in the defined benefit pension and other postretirement obligation from prior year resulting from the change in service cost, interest cost, benefit payments, actuarial gains and losses, participant contributions, special termination benefits and plan amendments. In addition, we involved our actuarial specialists to assist in evaluating management's methodology for determining the actuarial assumptions. For example, we evaluated management's methodology for determining the discount rate that reflects the maturity and duration of the benefit payments and is used to measure the defined benefit pension obligation. As part of this assessment, we compared the projected defined benefit pension and other postretirement obligation cash flows with prior year amounts and compared the current year benefits paid to the prior year projected cash flows. To evaluate the mortality rate, we assessed whether the information is consistent with publicly available information, and whether any market data adjusted for entity-specific adjustments were applied. We also tested the completeness and accuracy of the underlying data, including the participant data provided to the Company's actuarial specialists. Lastly, to evaluate the expected return on plan assets, we assessed whether management's assumptions were consistent with a range of returns for a portfolio of comparative investments.

We have served as the Company's auditor since 1993.

/s/ Ernst & Young LLP

Philadelphia, Pennsylvania  
May 28, 2020

**TRIUMPH GROUP, INC.**  
**Consolidated Balance Sheets**  
(Dollars in thousands, except per share data)

	March 31,	
	2020	2019
<b>ASSETS</b>		
Current assets:		
Cash and cash equivalents	\$ 485,463	\$ 92,807
Trade and other receivables, less allowance for doubtful accounts of \$4,293 and \$3,646	359,487	373,590
Contract assets	244,417	326,667
Inventory, net	452,976	413,560
Prepaid expenses and other current assets	19,289	34,446
Total current assets	1,561,632	1,241,070
Property and equipment, net	418,141	543,710
Goodwill	513,527	583,225
Intangible assets, net	381,968	430,954
Other, net	105,065	55,615
Total assets	\$ 2,980,333	\$ 2,854,574
<b>LIABILITIES AND STOCKHOLDERS' DEFICIT</b>		
Current liabilities:		
Current portion of long-term debt	\$ 7,336	\$ 8,201
Accounts payable	457,694	433,783
Contract liabilities	295,320	293,719
Accrued expenses	227,403	239,572
Total current liabilities	987,753	975,275
Long-term debt, less current portion	1,800,171	1,480,620
Accrued pension and other postretirement benefits	660,065	540,479
Deferred income taxes	7,439	6,964
Other noncurrent liabilities	306,169	424,549
Stockholders' deficit:		
Common stock, \$.001 par value, 100,000,000 shares authorized, 52,460,920 and 52,460,920 shares issued; 51,858,089 and 49,887,268 shares outstanding	52	52
Capital in excess of par value	804,830	867,545
Treasury stock, at cost, 602,831 and 2,573,652 shares	(36,217)	(159,154)
Accumulated other comprehensive loss	(719,428)	(487,684)
Accumulated deficit	(830,501)	(794,072)
Total stockholders' deficit	(781,264)	(573,313)
Total liabilities and stockholders' deficit	\$ 2,980,333	\$ 2,854,574

SEE NOTES TO CONSOLIDATED FINANCIAL STATEMENTS.

**TRIUMPH GROUP, INC.**  
**Consolidated Statements of Operations**  
(In thousands, except per share data)

	Year ended March 31,		
	2020	2019	2018
Net sales	\$ 2,900,117	\$ 3,364,930	\$ 3,198,951
Operating costs and expenses:			
Cost of sales (exclusive of depreciation shown separately below)	2,307,393	2,924,920	2,607,556
Selling, general and administrative	257,529	298,386	292,630
Depreciation and amortization	138,168	149,904	158,368
Legal judgment gain, net of expenses	(9,257)	—	—
Impairment of goodwill	66,121	—	535,227
Restructuring	25,340	31,098	40,069
Loss on sale of assets and businesses	56,916	235,301	30,741
	<u>2,842,210</u>	<u>3,639,609</u>	<u>3,664,591</u>
Operating income (loss)	57,907	(274,679)	(465,640)
Non-service defined benefit income	(41,894)	(62,105)	(103,234)
Interest expense and other, net	122,129	114,619	99,442
Loss from continuing operations before income taxes	(22,328)	(327,193)	(461,848)
Income tax expense (benefit)	5,798	(5,426)	(36,457)
Net loss	<u>\$ (28,126)</u>	<u>\$ (321,767)</u>	<u>\$ (425,391)</u>
Loss per share—basic:			
Net loss	\$ (0.56)	\$ (6.47)	\$ (8.60)
Weighted average common shares outstanding—basic	50,494	49,698	49,442
Loss per share—diluted:			
Net loss	\$ (0.56)	\$ (6.47)	\$ (8.60)
Weighted average common shares outstanding—diluted	50,494	49,698	49,442

SEE NOTES TO CONSOLIDATED FINANCIAL STATEMENTS.

**TRIUMPH GROUP, INC.**  
**Consolidated Statements of Comprehensive Loss**  
(in thousands)

	Year ended March 31,		
	2020	2019	2018
Net loss	\$ (28,126)	\$ (321,767)	\$ (425,391)
Other comprehensive (loss) income:			
Foreign currency translation adjustment	(13,439)	10,077	28,529
Defined benefit pension plans and other postretirement benefits:			
Amounts arising during the period - net of tax (expense) benefit			
Prior service credit (cost), net of taxes of \$0, \$0, and \$0, respectively	94,182	(1,139)	21,980
Actuarial (loss) gain, net of taxes of \$0, \$0, and \$(283), respectively	(304,324)	(125,540)	10,306
Reclassification to net loss - net of expense (benefit)			
Amortization of net loss, net of taxes of \$0, \$(656), and \$(5), respectively	49,290	6,314	7,147
Recognized prior service credits, net of taxes of \$0, \$0, and \$0, respectively	(54,280)	(8,274)	(37,623)
Total defined benefit pension plans and other postretirement benefits, net of taxes	(215,132)	(128,639)	1,810
Cash flow hedges:			
Unrealized (loss) gain arising during the period, net of tax benefit of \$0, \$(228), and \$(25), respectively	(1,611)	30	133
Reclassification of loss included in net earnings, net of tax expense of \$0, \$228, and \$14, respectively	(1,562)	(1,282)	(2,164)
Net unrealized loss on cash flow hedges, net of tax	(3,173)	(1,252)	(2,031)
Total other comprehensive (loss) income	(231,744)	(119,814)	28,308
Total comprehensive loss	\$ (259,870)	\$ (441,581)	\$ (397,083)

SEE NOTES TO CONSOLIDATED FINANCIAL STATEMENTS.

**TRIUMPH GROUP, INC.**  
**Consolidated Statements of Stockholders' (Deficit) Equity**  
(Dollars in thousands)

	Outstanding Shares	Common Stock All Classes	Capital in Excess of Par Value	Treasury Stock	Accumulated Other Comprehensive Loss	Retained Earnings (Accumulated Deficit)	Total
March 31, 2017	49,573,029	\$ 51	\$ 846,807	\$ (183,696)	\$ (396,178)	\$ 579,489	\$ 846,473
Net loss	—	—	—	—	—	(425,391)	(425,391)
Foreign currency translation adjustment	—	—	—	—	28,529	—	28,529
Pension liability adjustment, net of income taxes of (\$288)	—	—	—	—	1,810	—	1,810
Change in fair value of derivatives	—	—	—	—	(2,013)	—	(2,013)
Change in fair value of foreign currency hedges, net of income taxes of \$11	—	—	—	—	(18)	—	(18)
Cash dividends (\$0.16 per share)	—	—	—	—	—	(7,943)	(7,943)
Share-based compensation	56,548	—	6,662	1,287	—	—	7,949
Repurchase of restricted shares for minimum tax obligation	(19,361)	—	—	(483)	—	—	(483)
Employee stock purchase plan	59,632	—	(2,189)	3,810	—	—	1,621
March 31, 2018	49,669,848	51	851,280	(179,082)	(367,870)	146,155	450,534
Net loss	—	—	—	—	—	(321,767)	(321,767)
Adoption of ASC 606	—	—	—	—	—	(585,015)	(585,015)
Foreign currency translation adjustment	—	—	—	—	10,077	—	10,077
Pension liability adjustment, net of income taxes of (\$656)	—	—	—	—	(128,639)	—	(128,639)
Change in fair value of foreign currency hedges, net of income taxes of \$228	—	—	—	—	(1,252)	—	(1,252)
Cash dividends (\$0.16 per share)	—	—	—	—	—	(7,971)	(7,971)
Share-based compensation	186,572	—	(1,448)	11,707	—	—	10,259
Repurchase of restricted shares for minimum tax obligation	(42,146)	—	—	(860)	—	—	(860)
Employee stock purchase plan	72,994	—	(3,354)	4,675	—	—	1,321
Other	—	1	21,067	4,406	—	(25,474)	—
March 31, 2019	49,887,268	52	867,545	(159,154)	(487,684)	(794,072)	(573,313)
Net loss	—	—	—	—	—	(28,126)	(28,126)
Adoption of ASC 842	—	—	—	—	—	(225)	(225)
Foreign currency translation adjustment	—	—	—	—	(13,439)	—	(13,439)
Pension liability adjustment, net of income taxes of \$0	—	—	—	—	(215,132)	—	(215,132)
Change in fair value of foreign currency hedges, net of income taxes of \$0	—	—	—	—	(3,173)	—	(3,173)
Cash dividends (\$0.16 per share)	—	—	—	—	—	(8,078)	(8,078)
Share-based compensation	264,658	—	(5,508)	16,222	—	—	10,714
Repurchase of restricted shares for minimum tax obligation	(69,601)	—	—	(1,442)	—	—	(1,442)
Employee stock purchase plan	45,061	—	(1,811)	2,761	—	—	950
Contribution of treasury shares to pension plan	1,730,703	—	(55,396)	105,396	—	—	50,000
March 31, 2020	51,858,089	\$ 52	\$ 804,830	\$ (36,217)	\$ (719,428)	\$ (830,501)	\$ (781,264)

SEE NOTES TO CONSOLIDATED FINANCIAL STATEMENTS.

**TRIUMPH GROUP, INC.**  
**Consolidated Statements of Cash Flows**  
(Dollars in thousands)

	Year ended March 31,		
	2020	2019	2018
<b>Operating Activities</b>			
Net loss	\$ (28,126)	\$ (321,767)	\$ (425,391)
Adjustments to reconcile net loss to net cash (used in) provided by operating activities:			
Depreciation and amortization	138,168	149,904	158,368
Impairment of goodwill	66,121	—	535,227
Amortization of acquired contract liability	(75,286)	(67,314)	(125,148)
Loss on sale of assets and businesses	56,916	235,301	30,741
Curtailments, settlements and early retirement incentives	14,293	4,032	(25,722)
Other amortization included in interest expense	11,157	8,770	11,677
Provision (recovery) for doubtful accounts receivable	1,554	(495)	(242)
Provision (benefit) for deferred income taxes	2,823	(7,939)	(43,108)
Share-based compensation	11,062	10,259	7,949
Changes in other assets and liabilities, excluding the effects of acquisitions and divestitures:			
Trade and other receivables	5,001	(89,728)	(99,620)
Contract assets	50,440	65,191	(5,484)
Inventories	(48,802)	(15,930)	(163,417)
Prepaid expenses and other current assets	16,376	(3,144)	(4,239)
Accounts payable, accrued expenses and income taxes payable	(61,338)	(71,767)	(43,696)
Accrued pension and other postretirement benefits	(67,826)	(79,911)	(88,464)
Other	4,133	10,118	(8,325)
Net cash provided by (used in) operating activities	96,666	(174,420)	(288,894)
<b>Investing Activities</b>			
Capital expenditures	(39,834)	(47,099)	(42,050)
Proceeds from sale of assets and businesses	47,229	247,647	83,082
Acquisitions, net of cash acquired	—	—	(2,818)
Net cash provided by investing activities	7,395	200,548	38,214
<b>Financing Activities</b>			
Net increase in revolving credit facility	185,000	102,113	82,888
Proceeds from issuance of long-term debt	585,580	54,600	544,243
Retirement of debt and capital lease obligations	(449,650)	(113,425)	(387,373)
Payment of deferred financing costs	(17,718)	(1,982)	(17,729)
Dividends paid	(8,078)	(7,971)	(7,943)
Repurchase of restricted shares for minimum tax obligations	(1,442)	(860)	(483)
Net cash provided by financing activities	293,692	32,475	213,603
Effect of exchange rate changes on cash	(5,097)	(1,615)	3,263
Net change in cash and cash equivalents	392,656	56,988	(33,814)
Cash and cash equivalents at beginning of year	92,807	35,819	69,633
Cash and cash equivalents at end of year	\$ 485,463	\$ 92,807	\$ 35,819

SEE NOTES TO CONSOLIDATED FINANCIAL STATEMENTS.



## **1. BACKGROUND AND BASIS OF PRESENTATION**

Triumph Group, Inc. ("Triumph") is a Delaware corporation which, through its operating subsidiaries, designs, engineers, manufactures and sells products for the global aerospace original equipment manufacturers ("OEMs") of aircraft and aircraft components and repairs and overhauls aircraft components and accessories for commercial airline, air cargo carrier and military customers on a worldwide basis. Triumph and its subsidiaries (collectively, the "Company") are organized based on the products and services that they provide. Effective February 17, 2020, the Company combined its Integrated Systems and Product Support operating segments into one operating segment, Systems & Support. Under this organizational structure, the Company has two reportable segments: Systems & Support and Aerospace Structures. Segment information for prior periods has been recast to conform to this organizational structure.

Systems & Support consists of the Company's operations that provide integrated solutions, including design, development, and support of proprietary components, subsystems and systems, as well as production of complex assemblies using external designs. Capabilities include hydraulic, mechanical and electromechanical actuation, power and control; a complete suite of aerospace gearbox solutions, including engine accessory gearboxes and helicopter transmissions; active and passive heat exchange technology; fuel pumps, fuel metering units and Full Authority Digital Electronic Control fuel systems; hydromechanical and electromechanical primary and secondary flight controls. Systems & Support also provides full life cycle solutions for commercial, regional and military aircraft. The Company's extensive product and service offerings include full post-delivery value chain services that simplify the MRO supply chain. Through its ground support equipment maintenance, component MRO and post-production supply chain activities, Systems & Support is positioned to provide integrated planeside repair solutions globally. Capabilities include metallic and composite aircraft structures; nacelles; thrust reversers; interiors; auxiliary power units; and a wide variety of pneumatic, hydraulic, fuel and mechanical accessories. Repair services generally involve the replacement and/or remanufacturing of parts, which is similar to the original manufacture of the part. The processes that the Company performs related to repair and overhaul services are essentially the repair of wear parts or replacement of parts that are beyond economic repair. The repair service generally involves remanufacturing a complete part or a component of a part.

Aerospace Structures consists of the Company's operations that supply commercial, business, regional and military manufacturers with large metallic and composite structures and aircraft interior systems, including air ducting and thermal acoustic insulations systems. Products include wings, wing boxes, fuselage panels, horizontal and vertical tails, subassemblies such as floor grids, and aircraft interior systems, including air ducting and thermal acoustic insulations systems. Aerospace Structures also has the capability to engineer detailed structural designs in metal and composites. Capabilities include advanced composite and interior structures, joining processes such as welding, autoclave bonding, and conventional mechanical fasteners.

The accompanying consolidated financial statements include the accounts of Triumph and its wholly-owned subsidiaries. Intercompany accounts and transactions have been eliminated from the consolidated financial statements.

The preparation of financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect the amounts reported in the consolidated financial statements and accompanying notes. Actual results could differ from those estimates.

### *Standards Recently Implemented*

#### *Adoption of ASU 2016-02*

In February 2016, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") 2016-02, *Leases (Topic 842)*. This ASU requires lessees to recognize most leases on their balance sheets as lease liabilities with corresponding right-of-use ("ROU") assets. The Company adopted the standard as of April 1, 2019, using the modified retrospective approach and applying the standard's transition provisions at the adoption date. Reporting periods beginning on or after April 1, 2019, are presented in accordance with Accounting Standards Codification ("ASC") 842, *Leases*. Prior periods have not been adjusted and continue to be reported in accordance with previous accounting standards. The Company elected the package of practical expedients permitted under the transition guidance, which among other things, allows the Company to not reassess the historical lease classification.

Adoption of the new standard resulted in the recognition of operating lease ROU assets and lease liabilities of \$76,444 and \$84,663, respectively, with the difference due to prepaid and deferred rent that were reclassified to the ROU asset value. An adjustment to opening retained earnings of \$225 was also recognized. The standard did not materially affect the Company's consolidated statements of operations or cash flows. See Note 9 for further details.

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*Adoption of ASU 2018-02*

In February 2018, the FASB issued ASU 2018-02, *Income Statement-Reporting Comprehensive Income (Topic 220): Reclassification of Certain Tax Effects from Accumulated Other Comprehensive Income*. This ASU permits a company to reclassify the income tax effects of the 2017 Tax Cuts and Jobs Act (“U.S. tax reform”) on items within AOCI to retained earnings. The Company adopted the provisions of this ASU in the first quarter of 2019 and elected not to reclassify the income tax effects of U.S. tax reform from items in accumulated other comprehensive income. The Company's policy is to release the tax effects from accumulated other comprehensive income when the all of the related assets or liabilities that gave rise to the accumulated other comprehensive income have been derecognized.

*Standards Issued Not Yet Implemented*

In June 2016, the FASB issued ASU 2016-13, *Financial Instruments – Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments*. This ASU modifies the measurement of expected credit losses of certain financial instruments. ASU 2016-13 is effective for annual periods beginning after December 15, 2019, and interim periods within those annual periods. The amendments in this ASU should be applied on a modified retrospective basis to all periods presented. The Company adopted ASU 2016-13 effective April 1, 2020, and the impact on our consolidated financial statements of adoption was not significant.

In August 2018, the FASB issued ASU 2018-13, *Fair Value Measurement (Topic 820): Disclosure Framework—Changes to the Disclosure Requirements for Fair Value Measurement*. This ASU modifies the disclosure requirements for fair value measurements by removing, modifying or adding certain disclosures. ASU 2018-13 is effective for annual periods beginning after December 15, 2019, and interim periods within those annual periods, with early adoption permitted. The amendments on changes in unrealized gains and losses, the range and weighted average of significant unobservable inputs used to develop Level 3 fair value measurements, and the narrative description of measurement uncertainty should be applied prospectively for only the most recent interim or annual period presented in the initial fiscal year of adoption. All other amendments should be applied retrospectively to all periods presented upon their effective date. The Company adopted ASU 2018-13 effective April 1, 2020, and does not expect the adoption to have a significant impact on its consolidated financial statement disclosures.

In August 2018, the FASB issued ASU 2018-15, *Intangibles-Goodwill and Other-Internal-Use Software (Subtopic 350-40): Customer's Accounting for Implementation Costs Incurred in a Cloud Computing Arrangement That Is a Service Contract*. This ASU aligns the requirements for capitalizing implementation costs incurred in a hosting arrangement that is a service contract with the requirements for capitalizing implementation costs incurred to develop or obtain internal-use software (and hosting arrangements that include an internal-use software license). ASU 2018-15 is effective for annual periods beginning after December 15, 2019, and interim periods within those annual periods, with early adoption permitted. The amendments in this ASU should be applied either retrospectively or prospectively to all implementation costs incurred after the date of adoption. The Company adopted ASU 2018-15 effective April 1, 2020, electing to apply the standard prospectively. As a result of applying the standard prospectively, there was no impact on the Company's consolidated financial statements and disclosures upon adoption.

In August 2018, the FASB issued ASU 2018-14, *Compensation—Retirement Benefits—Defined Benefit Plans—General (Subtopic 715-20): Disclosure Framework—Changes to the Disclosure Requirements for Defined Benefit Plans*, which modifies the disclosure requirements for defined benefit pension plans and other postretirement plans. ASU 2018-14 is effective for annual periods beginning after December 15, 2020, with early adoption permitted. The amendments in this ASU should be applied on a retrospective basis to all periods presented. The Company is currently evaluating the effect that ASU 2018-14 will have on its consolidated financial statements and related disclosures.

## **2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

*Cash and Cash Equivalents*

Cash equivalents consist of highly liquid investments with a maturity of three months or less at the time of purchase. Fair value of cash equivalents approximates carrying value.

*Trade and Other Receivables, net*

Trade and other receivables are recorded net of an allowance for doubtful accounts. Trade and other receivables include amounts billed and currently due from customers and amounts retained by the customer pending contract completion. The Company performs ongoing credit evaluations of its customers and generally does not require collateral. The Company records the allowance for doubtful accounts based on prior experience and for specific collectibility matters when they arise. The Company writes off balances against the reserve when collectibility is deemed remote. The Company's trade and other receivables are exposed to credit risk; however, the risk is limited due to the diversity of the customer base.

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Trade and other receivables, net composed of the following:

	March 31,	
	2020	2019
Total trade receivables	\$ 314,007	\$ 336,888
Other receivables	49,773	40,348
Total trade and other receivables	363,780	377,236
Less: Allowance for doubtful accounts	(4,293)	(3,646)
Total trade and other receivables, net	\$ 359,487	\$ 373,590

**Goodwill and Intangible Assets**

The Company accounts for goodwill and intangible assets in accordance with Accounting Standards Codification ("ASC") 350, *Intangibles—Goodwill and Other*. Under ASC 350, goodwill and intangible assets with indefinite lives are not amortized; rather, they are tested for impairment on at least an annual basis. Intangible assets with finite lives are amortized over their useful lives.

The Company assesses whether goodwill impairment exists using both the qualitative and quantitative assessments. The qualitative assessment involves determining whether events or circumstances exist that indicate it is more likely than not that the fair value of a reporting unit is less than its carrying amount, including goodwill. If based on this qualitative assessment the Company determines it is not more likely than not that the fair value of a reporting unit is less than its carrying amount or if the Company elects not to perform a qualitative assessment, a quantitative assessment is performed as required by ASC 350 to determine whether a goodwill impairment exists at the reporting unit.

The quantitative test is used to compare the carrying amount of the reporting unit's assets to the fair value of the reporting unit. If the fair value exceeds the carrying value, no further evaluation is required, and no impairment loss is recognized. If the carrying amount exceeds the fair value, then an impairment loss occurs. The impairment is measured by using the amount by which the carrying value exceeds the fair value not to exceed the amount of recorded goodwill. The determination of the fair value of its reporting units is based, among other things, on estimates of future operating performance of the reporting unit being valued. The Company is required to complete an impairment test for goodwill and record any resulting impairment losses at least annually. Changes in market conditions, among other factors, may have an impact on these estimates and require interim impairment assessments.

When performing the quantitative impairment test, the Company's methodology includes the use of an income approach which discounts future net cash flows to their present value at a rate that reflects the Company's cost of capital, otherwise known as the discounted cash flow method ("DCF"). These estimated fair values are based on estimates of future cash flows of the businesses. Factors affecting these future cash flows include the continued market acceptance of the products and services offered by the businesses, the development of new products and services by the businesses and the underlying cost of development, the future cost structure of the businesses and future technological changes. The Company also incorporates market multiples for comparable companies in determining the fair value of its reporting units. Any such impairment would be recognized in full in the reporting period in which it has been identified. The fair value estimates resulting from the application of these methodologies are based on inputs classified within Level 3 of the fair value hierarchy, as described below.

During the fourth quarter of the fiscal year ended March 31, 2020, the Company performed its annual goodwill impairment assessment for each of its reporting units with no impairment identified.

Subsequent to its annual testing date and at March 31, 2020, the Company identified indicators of impairment due to the decline in the Company's share price as well as potential negative impacts due to the uncertainty of the impact of the COVID-19 pandemic. As a result of these indicators, the Company performed an interim assessment of goodwill, which included using a combination of both market and income approaches to estimate the fair value of each reporting unit. The Company concluded that its Product Support reporting unit had a fair value that was lower than its carrying value by an amount that exceeded the remaining goodwill for the reporting unit. Therefore, the Company recorded a noncash impairment charge during the fiscal quarter ended March 31, 2020, of \$66,121, which is presented on the consolidated statements of operations as "Impairment of goodwill" for the fiscal year ended March 31, 2020. The decline in fair value is the result of expected declines in revenues from MRO services and the uncertainty in the rate and timing of recovery and therefore the timing of associated earnings and cash flows. The assessment of the Company's Integrated Systems reporting unit indicated that its fair value exceeded its carrying amount.

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Finite-lived intangible assets are amortized over their useful lives ranging from 7 to 30 years. The Company continually evaluates whether events or circumstances have occurred that would indicate that the remaining estimated useful lives of long-lived assets, including intangible assets, may warrant revision or that the remaining balance may not be recoverable. Long-lived assets are evaluated for indicators of impairment. When factors indicate that long-lived assets, including intangible assets, should be evaluated for possible impairment, an estimate of the related undiscounted cash flows over the remaining life of the long-lived assets, including intangible assets, is used to measure recoverability based on the primary asset of the asset group. Some of the more important factors management considers include the Company's financial performance relative to expected and historical performance, significant changes in the way the Company manages its operations, negative events that have occurred, and negative industry and economic trends. If the estimated undiscounted cash flows are less than the carrying amount, measurement of the impairment will be based on the difference between the carrying value and fair value of the asset group, generally determined based on the present value of expected future cash flows associated with the use of the asset.

Refer to below for the Company's accounting policy regarding fair value measurements and the definition of fair value levels.

#### *Revenue Recognition and Contract Balances*

The Company adopted ASC 606 on April 1, 2018. The Company's revenue is principally from contracts with customers to provide design, development, manufacturing, and support services associated with specific customer programs. The Company regularly enters into long-term master supply agreements that establish general terms and conditions and may define specific program requirements. Many agreements include clauses that provide sole supplier status to the Company for the duration of the program's life. Purchase orders (or authorizations to proceed) are issued pursuant to the master supply agreements. Additionally, a majority of the Company's agreements with customers include options for future purchases. Such options primarily reduce the administrative effort of issuing subsequent purchase orders and do not represent material rights granted to customers. The Company generally enters into agreements directly with its customers and is the principal in all current contracts.

The identification of a contract with a customer for purposes of accounting and financial reporting requires an evaluation of the terms and conditions of agreements to determine whether presently enforceable rights and obligations exist. Management considers a number of factors when making this evaluation that include, but are not limited to, the nature and substance of the business exchange, the specific contractual terms and conditions, the promised products and services, the termination provisions in the contract, as well as the nature and execution of the customer's ordering process and how the Company is authorized to perform work. Generally, presently enforceable rights and obligations are not created until a purchase order is issued by a customer for a specified number of units of product or services. Therefore, the issuance of a purchase order is generally the point at which a contract is identified for accounting and financial reporting purposes.

Management identifies the promises to the customer. Promises are generally explicitly stated in each contract, but management also evaluates whether any promises are implied based on the terms of the agreement, past business practice, or other facts and circumstances. Each promise is evaluated to determine if it is a performance obligation. A performance obligation is a promise in a contract to transfer a distinct good or service. The Company considers a number of factors when determining whether a promise is a distinct performance obligation, including whether the customer can benefit from the good or service on its own or together with other resources that are readily available to the customer, whether the Company provides a significant service of integrating goods or services to deliver a combined output to the customer, or whether the goods or services are highly interdependent. The Company's performance obligations consist of a wide range of engineering design services and manufactured components, as well as spare parts and repairs for original equipment manufacturers ("OEMs").

The transaction price for a contract reflects the consideration the Company expects to receive for fully satisfying the performance obligations in the contract. Typically, the transaction price consists solely of fixed consideration but may include variable consideration for contractual provisions such as unpriced contract modifications, cost-sharing provisions, and other receipts or payments to customers. The Company identifies and estimates variable consideration, typically at the most likely amount the Company expects to receive from its customers. Variable consideration is only included in the transaction price to the extent it is probable that a significant reversal of cumulative revenue recognized for the contract will not occur, or when the uncertainty associated with the variable consideration is resolved. The Company's contracts with customers generally require payment under normal commercial terms after delivery with payment typically required within 30 to 120 days of delivery. However, a subset of the Company's current contracts includes significant financing components because the timing of the transfer of the underlying products and services under contract are at the customers' discretion. For these contracts, the Company adjusts the transaction price to reflect the effects of the time value of money.

The Company generally is not subject to collecting sales tax and has made an accounting policy election to exclude from the transaction price any sales and other similar taxes collected from customers. As a result, any such collections are accounted for on a net basis.

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The total transaction price is allocated to each of the identified performance obligations using the relative stand-alone selling price. The objective of the allocation is to reflect the consideration that the Company expects to receive in exchange for the products or services associated with each performance obligation. Stand-alone selling price is the price at which the Company would sell a promised good or service separately to a customer. Stand-alone selling prices are established at contract inception, and subsequent changes in transaction price are allocated on the same basis as at contract inception. When stand-alone selling prices for the Company's products and services are not observable, the Company uses either the "Expected Cost Plus a Margin" or "Adjusted Market Assessment" approaches to estimate stand-alone selling price. Expected costs are typically derived from the available periodic forecast information.

Revenue is recognized when or as control of promised products or services transfers to a customer and is recognized at the amount allocated to each performance obligation associated with the transferred products or services. Service sales, principally representing repair, maintenance, and engineering activities are recognized over the contractual period or as services are rendered. Sales under long-term contracts with performance obligations satisfied over time are recognized using either an input or output method. The Company recognizes revenue over time as it performs on these contracts because of the continuous transfer of control to the customer as represented by contractual terms that entitle the Company to the reimbursement of costs plus a reasonable profit for work performed to manufacture products for which the Company has no alternate use or for work performed on a customer-owned asset.

With control transferring over time, revenue is recognized based on the extent of progress toward completion of the performance obligation. The Company generally uses the cost-to-cost input method of progress for its contracts because it best depicts the transfer of control to the customer that occurs as work progresses. Under the cost-to-cost method, the extent of progress toward completion is measured based on the proportion of costs incurred to date to the total estimated costs at completion of the performance obligation. The Company reviews its cost estimates on contracts on a periodic basis, or when circumstances change and warrant a modification to a previous estimate. Cost estimates are largely based on negotiated or estimated purchase contract terms, historical performance trends and other economic projections. Significant factors that influence these estimates include inflationary trends, technical and schedule risk, internal and subcontractor performance trends, business volume assumptions, asset utilization, and anticipated labor agreements.

Revenue and cost estimates are regularly monitored and revised based on changes in circumstances. Impacts from changes in estimates of net sales and cost of sales are recognized on a cumulative catch-up basis, which recognizes in the current period the cumulative effect of the changes on current and prior periods based on a performance obligation's percentage of completion. Forward loss reserves for anticipated losses on long-term contracts are recorded in full when such losses become evident, to the extent required, and are included in contract liabilities on the accompanying consolidated balance sheets. The Company believes that the accounting estimates and assumptions made by management are appropriate given the increased uncertainties surrounding the severity and duration of the impacts of the COVID-19 pandemic, however actual results could differ materially from those estimates.

For the fiscal year ended March 31, 2020, cumulative catch-up adjustments resulting from changes in contract values and estimated costs that arose during the fiscal year increased revenue, operating loss, net loss and loss per share by approximately \$12,011, (\$22,844), (\$22,844), and (\$0.45), respectively. The cumulative catch-up adjustments to operating income for the fiscal year ended March 31, 2020, included gross favorable adjustments of approximately \$43,405 and gross unfavorable adjustments of approximately \$66,249.

For the fiscal year ended March 31, 2019, cumulative catch-up adjustments resulting from changes in estimates increased net sales, decreased operating loss, net loss and earnings per share by approximately \$7,944, (\$68,694), (\$68,694), and (\$1.38), respectively. The cumulative catch-up adjustments to operating income for the fiscal year ended March 31, 2019, included gross favorable adjustments of approximately \$46,074 and gross unfavorable adjustments of approximately \$114,768. These cumulative catch-up adjustments do not include a noncash charge the Company recorded as a result of the adoption of ASU 2017-07 of \$87,241 due to a change in estimate from a change in accounting principles, which is presented on the accompanying consolidated statements of operations within cost of sales.

For the fiscal year ended March 31, 2018, cumulative catch-up adjustments resulting from changes in estimates decreased operating loss, net loss and decreased loss per share by approximately \$19,677, \$13,479, and \$0.27, respectively. The cumulative catch-up adjustments to operating income for the fiscal year ended March 31, 2018, included gross favorable adjustments of approximately \$85,844 and gross unfavorable adjustments of approximately \$66,167.

Revenues for performance obligations that are not recognized over time are recognized at the point in time when control transfers to the customer. For performance obligations that are satisfied at a point in time, the Company evaluates the point in time when the customer can direct the use of and obtain the benefits from the products and services. Generally, the shipping terms determine the point in time when control transfers to customers. Shipping and handling activities are not considered performance obligations and related costs are included in cost of sales as incurred.

Differences in the timing of revenue recognition and contractual billing and payment terms result in the recognition contract assets and liabilities. Refer to Note 4 for further discussion.

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In connection with several of prior acquisitions, the Company assumed existing long-term contracts. Based on review of these contracts, the Company concluded that the terms of certain contracts to be either more or less favorable than could be realized in market transactions as of the date of the acquisition. As a result, the Company recognized acquired contract liabilities, net of acquired contract assets as of the acquisition date of each respective acquisition, based on the present value of the difference between the contractual cash flows of the executory contracts and the estimated cash flows had the contracts been executed at the acquisition date. The liabilities principally relate to long-term contracts that were initially executed several years prior to the respective acquisition. The Company measured these net liabilities in the year they were acquired under the measurement provisions of ASC 820, *Fair Value Measurement*, which is based on the price to transfer the obligation to a market participant at the measurement date, assuming that the net liabilities will remain outstanding in the marketplace. The portion of the Company's revenue resulting from transactions other than contracts with customers pertains to the amortization of these acquired contract liabilities.

The balance of the liability as of March 31, 2020, is \$92,962 and, based on the expected delivery schedule of the underlying contracts, the Company estimates annual amortization of the liability as follows: 2021 — \$44,958; 2022 — \$17,568; 2023 — \$7,302; 2024 — \$3,512; 2025 — \$1,690; thereafter \$17,932.

#### *Leases*

The Company leases office space, manufacturing facilities, land, vehicles, and equipment. The Company determines if an agreement is or contains a lease at the lease inception date and recognizes right-of-use assets and lease liabilities at the lease commencement date. A ROU asset and corresponding lease liability are not recorded for leases with an initial term of 12 months or less ("short-term leases").

ROU assets represent the Company's right to use an underlying asset during the lease term, and lease liabilities represent the Company's obligation to make lease payments arising from the lease. The determination of the length of lease terms is affected by options to extend or terminate the lease when it is reasonably certain that the Company will exercise that option. The existence of significant economic incentive is the primary consideration when assessing whether the Company is reasonably certain of exercising an option in a lease. Both finance and operating lease ROU assets and liabilities are recognized at commencement date and measured as the present value of lease payments to be made over the lease term. As the interest rate implicit in the lease is not readily available for most of the Company's leases, the Company uses its estimated incremental borrowing rate in determining the present value of lease payments. The estimated incremental borrowing rate is derived from information available at the lease commencement date. The lease ROU asset recognized at commencement is adjusted for any lease payments related to initial direct costs, prepayments, and lease incentives.

For operating leases, lease expense is recognized on a straight-line basis over the lease term. For finance leases, lease expense comprises the amortization of the ROU assets recognized on a straight-line basis generally over the shorter of the lease term or the estimated useful life of the underlying asset and interest on the lease liability. Variable lease payments not dependent on a rate or index are recognized when the event, activity, or circumstance in the lease agreement upon which those payments are contingent is probable of occurring and are presented in the same line of the consolidated balance sheet as the rent expense arising from fixed payments. The Company has lease agreements with lease and non-lease components. Non-lease components are combined with the related lease components and accounted for as lease components for all classes of underlying assets.

#### *Retirement Benefits*

Defined benefit pension plans are recognized in the consolidated financial statements on an actuarial basis. A significant element in determining the Company's pension income (expense) is the expected long-term rate of return on plan assets. This expected return is an assumption as to the average rate of earnings expected on the funds invested or to be invested to provide for the benefits included in the projected pension benefit obligation. The Company applies this assumed long-term rate of return to a calculated value of plan assets, which recognizes changes in the fair value of plan assets in a systematic manner over five years. This produces the expected return on plan assets that is included in pension income (expense). The difference between this expected return and the actual return on plan assets is deferred. The net deferral of past asset gains (losses) affects the calculated value of plan assets and, ultimately, future pension income (expense).

The Company periodically experiences events or makes changes to its benefit plans that result in curtailment or special charges. Curtailments are recognized when events occur that significantly reduce the expected years of future service of present employees or eliminates the benefits for a significant number of employees for some or all of their future service.

Curtailment losses are recognized when it is probable the curtailment will occur and the effects are reasonably estimable. Curtailment gains are recognized when the related employees are terminated or a plan amendment is adopted, whichever is applicable.

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From time to time, the Company may enter into transactions that relieve it of primary responsibility for all or more than a minor portion of certain of its pension benefit obligations. When these transactions are effected through an irrevocable action that relieves the Company of primary responsibility for its pension or other postretirement benefit obligations and eliminates significant risks related to the obligation and the related assets used to effect the transaction, they are considered settlements, as defined by ASC 715, *Compensation – Retirement Benefits*. When a transaction meets the definition of a settlement, at the time of settlement the Company recognizes as a gain or loss the pro rata amount of the net gain or loss in accumulated other comprehensive income based on the proportion of the projected benefit obligation settled to the total projected benefit obligation.

As required under ASC 715, the Company remeasures plan assets and obligations during an interim period whenever a significant event occurs that results in a material change in the net periodic pension cost. The determination of significance is based on judgment and consideration of events and circumstances impacting the pension costs.

At March 31 of each year, the Company determines the fair value of its pension plan assets as well as the discount rate to be used to calculate the present value of plan liabilities. The discount rate is an estimate of the interest rate at which the pension benefits could be effectively settled. In estimating the discount rate, the Company looks to rates of return on high-quality, fixed-income investments currently available and expected to be available during the period to maturity of the pension benefits. The Company uses a portfolio of fixed-income securities, which receive at least the second-highest rating given by a recognized ratings agency.

#### *Fair Value Measurements*

Fair value is defined as the exchange price that would be received for an asset or paid to transfer a liability in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. When determining fair value measurements for assets and liabilities required to be recorded at fair value, the Company considers the principal or most advantageous market in which it would transact and also considers assumptions that market participants would use when pricing an asset or liability. The fair value hierarchy has three levels of inputs that may be used to measure fair value: Level 1—Unadjusted quoted prices in active markets for identical assets or liabilities; Level 2—Unadjusted quoted prices in active markets for similar assets or liabilities, or unadjusted quoted prices for identical or similar assets or liabilities in markets that are not active, or inputs other than quoted prices that are observable for the asset or liability; and Level 3—Unobservable inputs for the asset or liability. The Company has applied fair value measurements when measuring goodwill impairment in fiscal year 2018 and fiscal year 2020 (see Note 7), and to its pension and postretirement plan assets (see Note 15).

#### *Income Taxes*

The Company accounts for income taxes using the asset and liability method. The asset and liability method requires recognition of deferred tax assets and liabilities for expected future tax consequences of temporary differences that currently exist between tax bases and financial reporting bases of the Company's assets and liabilities. A valuation allowance is provided on deferred taxes if it is determined that it is more likely than not that the asset will not be realized.

Management judgment is required to determine the amount of benefit to be recognized in relation to an uncertain tax position. The Company uses a two-step process to evaluate tax positions. The first step requires an entity to determine whether it is more likely than not (greater than 50% chance) that the tax position will be sustained. The second step requires an entity to recognize in the financial statements the benefit of a tax position that meets the more-likely-than-not recognition criterion. The amounts ultimately paid upon resolution of issues raised by taxing authorities may differ materially from the amounts accrued and may materially impact the financial statements of the Company in future periods. The Company recognizes penalties and interest accrued related to income tax liabilities in the provision for income taxes on its consolidated statements of operations.

#### *Supplemental Cash Flow Information*

For the fiscal year ended March 31, 2020, the Company paid \$4,005 for income taxes, net of income tax refunds received. For the fiscal year ended March 31, 2019, the Company received \$4,701 as income tax refunds, net of taxes paid. For the fiscal year ended March 31, 2018, the Company paid \$11,190 for income taxes, net of income tax refunds received.

### **3. DIVESTED OPERATIONS AND ASSETS HELD FOR SALE**

#### *Fiscal 2020 Divestitures*

In December 2019, the Company completed the sale of its manufacturing operations at its Nashville, TN, facility for cash proceeds net of transaction costs of approximately \$58,000, including approximately \$7,000 allocated as a premium paid by the buyer in exchange for a specified performance guarantee. The Company recognized a loss of approximately \$64,000, which is presented on the accompanying consolidated statements of operations within loss on sale of assets and businesses. The operating results of the Nashville manufacturing operations are included in Aerospace Structures through the date of divestiture. Additionally, as part of the transaction, the Company agreed to transfer to the buyer, within 120 days from the date of closing, certain defined benefit pension assets and obligations of approximately \$55,000 associated with the Nashville manufacturing operations. In accordance with applicable defined benefit pension plan accounting guidance, the transfer was treated as a settlement for purposes of the Company's financial statements and resulted in accelerated recognition of previously unrecognized actuarial losses. The Company completed the transfer of the defined benefit pension assets and obligations in March 2020 and recognized a one-time settlement loss of approximately \$28,000.

In September 2019, the Company completed the assignment of its E-2 Jets contract with Embraer for the manufacture of structural components for their program to AeroSpace Technologies of Korea Inc. ("ASTK"). As part of this transaction, the Company transferred certain assets and liabilities to ASTK and recognized a gain of approximately \$10,000, which is presented on the accompanying consolidated statements of operations within loss on sale of assets and businesses. The assets and liabilities transferred were included within Aerospace Structures through the date of divestiture.

#### *Fiscal 2019 Divestitures*

In March 2019, the Company sold all of the shares of Triumph Structures – Kansas City, Inc.; Triumph Structures – Wichita, Inc.; Triumph Gear Systems – Toronto; ULC; and Triumph Northwest (The Triumph Group Operations, Inc.) (together, "Machining"). Total cash proceeds net of transaction costs for the sale of Machining was approximately \$43,000. A portion of the proceeds associated with the sale of Machining included consideration in the form of a note receivable of \$10,000. Upon closing, the Company recognized a loss of approximately \$116,000. An additional loss of approximately \$3,000 was recognized during the fiscal 2020, as a result of working capital adjustments and additional transaction costs and is presented within loss on sale of assets and businesses on the accompanying condensed consolidated statements of operations.

In March 2019, the Company sold all of the shares of (i) Triumph Fabrications - San Diego, Inc. and Triumph Fabrications - Ft. Worth, Inc. (together, "Fabrications"), and (ii) Triumph Aviation Services - NAAS Division, Inc. ("NAAS"). Total cash proceeds net of transaction costs for the sales of Fabrications and NAAS were approximately \$133,000 and \$18,000, respectively. As a result of the sales of Fabrications, the Company recognized a gain of approximately \$54,000. The sale of NAAS resulted in an immaterial gain.

In February 2019, the Company transitioned responsibility for the Global 7500 wing program manufacturing operations of Aerospace Structures to Bombardier at which point Bombardier assumed the program's assets and obligations. As a result of this transfer, the Company recognized a loss of approximately \$169,000. The Company continues to provide transition services related to infrastructure support reducing in scope over the next several months, as well as a lease of the building in Red Oak, Texas, dedicated to the manufacturer of the Global 7500 wing to Bombardier.

In July and August 2018, respectively, the Company sold all of the shares of Triumph Structures - East Texas, Inc. as well as all of the shares of Triumph Structures - Los Angeles, Inc., and Triumph Processing, Inc. for combined cash proceeds net of transactions costs of approximately \$43,000 and a note receivable of \$7,000. The note receivable was collected in October 2018. As a result of these sales, the Company recognized losses of approximately \$17,000, which are presented on the accompanying consolidated statements of operations within loss on sale of assets and businesses.

#### *Fiscal 2018 Divestitures*

In March 2018, the Company sold all of the shares of Triumph Structures - Long Island, LLC ("TS-LI") for cash proceeds of \$9,500 and a note receivable of \$1,400. The note receivable was collected in July 2018. As a result of the sale of TS-LI, the Company recognized a loss of \$10,370. The operating results of TS-LI were included in Aerospace Structures through the date of divestiture.

In September 2017, the Company sold all of the shares of Triumph Processing - Embee Division, Inc. ("Embee") for total cash proceeds of \$64,986. As a result of the sale of Embee, the Company recognized a loss of \$17,857. The operating results of Embee were included in Integrated Systems through the date of divestiture.



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**4. REVENUE RECOGNITION AND CONTRACTS WITH CUSTOMERS**

*Disaggregation of Revenue*

The Company disaggregates revenue based on the method of measuring satisfaction of the performance obligation either over time or at a point in time. Additionally, the Company disaggregates revenue based upon the end market where products and services are transferred to the customer. The Company's principal operating segments and related revenue are discussed in Note 13, Segments.

The following table shows disaggregated net sales satisfied overtime and at a point in time (excluding intercompany sales) for the year ended March 31, 2020 and 2019:

	Year Ended March 31,	
	2020	2019
<b>Systems &amp; Support</b>		
Satisfied over time	\$ 578,117	\$ 548,562
Satisfied at a point in time	738,158	726,791
Revenue from contracts with customers	1,316,275	1,275,353
Amortization of acquired contract liabilities	34,486	34,121
Total revenue	1,350,761	1,309,474
<b>Aerospace Structures</b>		
Satisfied over time	\$ 1,378,866	\$ 1,832,422
Satisfied at a point in time	129,690	189,841
Revenue from contracts with customers	1,508,556	2,022,263
Amortization of acquired contract liabilities	40,800	33,193
Total revenue	1,549,356	2,055,456
	\$ 2,900,117	\$ 3,364,930

The following table shows disaggregated net sales by end market (excluding intercompany sales) for the year ended March 31, 2020 and 2019:

	Year Ended March 31,	
	2020	2019
<b>Systems &amp; Support</b>		
Commercial aerospace	\$ 737,885	\$ 730,562
Military	436,166	409,027
Business jets	61,338	63,649
Regional	43,761	45,397
Non-aviation	37,125	26,718
Revenue from contracts with customers	1,316,275	1,275,353
Amortization of acquired contract liabilities	34,486	34,121
Total revenue	\$ 1,350,761	\$ 1,309,474
<b>Aerospace Structures</b>		
Commercial aerospace	\$ 879,690	\$ 1,020,649
Military	116,846	237,501
Business jets	422,681	699,747
Regional	89,318	36,038
Non-aviation	21	28,328
Revenue from contracts with customers	1,508,556	2,022,263
Amortization of acquired contract liabilities	40,800	33,193
Total revenue	1,549,356	2,055,456
	\$ 2,900,117	\$ 3,364,930

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**Contract Assets and Liabilities**

Contract assets primarily represent revenues recognized for performance obligations that have been satisfied or partially satisfied but for which amounts have not been billed. This typically occurs when revenue is recognized over time but the Company's contractual right to bill the customer and receive payment is conditional upon the satisfaction of additional performance obligations in the contract, such as final delivery of the product. Contract assets are recognized when the revenue associated with the contract is recognized prior to billing and derecognized when billed in accordance with the terms of the contract. The Company performs ongoing evaluations of the potential impairment of its contract assets based on prior experience and specific matters when they arise. No impairments to contract assets were recorded for the years ended March 31, 2020 or 2019.

Contract liabilities are recorded when customers remit contractual cash payments in advance of the Company satisfying performance obligations under contractual arrangements, including those with performance obligations to be satisfied over a period of time. Contract liabilities other than those pertaining to forward loss reserves are derecognized when or as revenue is recognized.

Contract modifications can also impact contract asset and liability balances. When contracts are modified to account for changes in contract specifications and requirements, the Company considers whether the modification either creates new or changes the existing enforceable rights and obligations. Contract modifications that are for goods or services that are not distinct from the existing contract, due to the significant integration with the original good or service provided, are accounted for as if they were part of that existing contract. The effect of a contract modification to an existing contract on the transaction price and our measure of progress for the performance obligation to which it relates, is recognized as an adjustment to revenue (either as an increase in or a reduction of revenue) on a cumulative catch-up basis. When the modifications include additional performance obligations that are distinct and at relative stand-alone selling price, they are accounted for as a new contract and performance obligation, which are recognized prospectively.

Contract balances are classified as assets or liabilities on a contract-by-contract basis at the end of each reporting period. The following table summarizes our contract assets and liabilities balances:

	March 31, 2020	March 31, 2019	Change
Contract assets	\$ 267,079	\$ 326,667	\$ (59,588)
Contract liabilities	(386,585)	(450,051)	63,466
Net contract liability	\$ (119,506)	\$ (123,384)	\$ 3,878

The Company recognized revenue due to changes in estimates associated with performance obligations satisfied or partially satisfied in previous periods of \$12,011. The decrease in contract assets is the result of \$76,667 and \$39,753 in contract assets liquidated as part of the assignment of the E2-Jets contract to ASTK and the sale of the Nashville manufacturing operations, respectively, partially offset by revenue recognized in excess of amounts billed during the year ended March 31, 2020. The decrease in contract liabilities is the result of revenue recognized in excess of the receipt of additional customer advances during the period as well as \$12,641 in contract liabilities liquidated as part of the assignment of the E2-Jets contract to ASTK. For the period ended March 31, 2020, the Company recognized \$89,012 of revenue that was included in the contract liability balance at the beginning of the period. Noncurrent contract assets presented in other, net on the accompanying consolidated balance sheets as of March 31, 2020 and 2019, were \$22,662 and \$34,185, respectively. Noncurrent contract liabilities presented in other noncurrent liabilities on the accompanying consolidated balance sheets as of March 31, 2020 and 2019, were \$91,265 and \$156,332, respectively.

**Performance Obligations**

Customers generally contract with the Company for requirements in a segment relating to a specific program, and the Company's performance obligations consist of a wide range of engineering design services and manufactured components, as well as spare parts and repairs for OEMs. A single contract may contain multiple performance obligations consisting of both recurring and nonrecurring elements.

As of March 31, 2020, the Company has the following unsatisfied, or partially unsatisfied, performance obligations that are expected to be recognized in the future as noted in the table below. The Company expects options to be exercised in addition to the amounts presented below.

	Total	Less than 1 year	1-3 years	4-5 years	More than 5 years
Unsatisfied performance obligations	\$ 3,875,679	\$ 1,956,289	\$ 1,104,754	\$ 441,808	\$ 372,828

**5. INVENTORIES**

The Company records inventories at the lower of cost (average-cost or specific-identification methods) or market. The Company expenses general and administrative costs related to products and services provided essentially under commercial terms and conditions as incurred. The Company determines the costs of inventories sold by the first-in, first-out or average cost methods.

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The components of inventories are as follows:

	March 31,	
	2020	2019
Raw materials	\$ 32,552	\$ 35,883
Work-in-process, including manufactured and purchased components	312,953	277,996
Finished goods	50,011	42,399
Rotable assets	57,460	57,282
<b>Total inventories</b>	<b>\$ 452,976</b>	<b>\$ 413,560</b>

**6. PROPERTY AND EQUIPMENT**

Property and equipment, which include equipment under finance lease and leasehold improvements, are recorded at cost and depreciated over the estimated useful lives of the related assets, or the lease term if shorter in the case of leasehold improvements, using the straight-line method. Buildings and improvements are depreciated over a period of 15 to 39.5 years, and machinery and equipment are depreciated over a period of 7 to 15 years (except for furniture, fixtures and computer equipment which are depreciated over a period of 3 to 10 years).

Net property and equipment is:

	March 31,	
	2020	2019
Land	\$ 42,438	\$ 52,333
Construction-in-process	19,231	25,310
Buildings and improvements	285,407	320,289
Machinery and equipment	701,018	814,040
	1,048,094	1,211,972
Less: accumulated depreciation	629,953	668,262
	<b>\$ 418,141</b>	<b>\$ 543,710</b>

Depreciation expense for the fiscal years ended March 31, 2020, 2019, and 2018, was \$89,857, \$97,323 and \$101,873, respectively, which includes depreciation of assets under finance lease.

**7. GOODWILL AND OTHER INTANGIBLE ASSETS**

The following is a summary of the changes in the carrying value of goodwill by reportable segment, for the fiscal years ended March 31, 2020 and 2019:

	Systems & Support
March 31, 2019	\$ 583,225
Effect of exchange rate changes	(3,577)
Impairment of goodwill	(66,121)
<b>March 31, 2020</b>	<b>\$ 513,527</b>

	Systems & Support
March 31, 2018	\$ 592,828
Goodwill associated with dispositions	(2,788)
Effect of exchange rate changes	(6,815)
<b>March 31, 2019</b>	<b>\$ 583,225</b>

As of March 31, 2020 and 2019, Aerospace Structures had gross goodwill of \$1,166,773 and \$1,246,454, respectively, which was fully impaired. As of March 31, 2020 and 2019, Systems & Support had gross goodwill of \$579,649 and \$583,225, respectively, and accumulated goodwill impairment of \$66,121 and \$0, respectively.

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*Intangible Assets*

The components of intangible assets, net are as follows:

	March 31, 2020			
	Weighted-Average Life (in Years)	Gross Carrying Amount	Accumulated Amortization	Net
Customer relationships	17.7	\$ 550,131	\$ (276,980)	\$ 273,151
Product rights, technology and licenses	11.4	54,676	(46,180)	8,496
Noncompete agreements and other	16.7	2,656	(1,208)	1,448
Tradenames	10.0	150,000	(51,127)	98,873
<b>Total intangibles, net</b>		<b>\$ 757,463</b>	<b>\$ (375,495)</b>	<b>\$ 381,968</b>

	March 31, 2019			
	Weighted-Average Life (in Years)	Gross Carrying Amount	Accumulated Amortization	Net
Customer relationships	17.7	\$ 551,093	\$ (245,626)	\$ 305,467
Product rights, technology and licenses	11.4	54,850	(43,978)	10,872
Noncompete agreements and other	16.7	2,656	(1,041)	1,615
Tradenames	10.0	150,000	(37,000)	113,000
<b>Total intangibles, net</b>		<b>\$ 758,599</b>	<b>\$ (327,645)</b>	<b>\$ 430,954</b>

Amortization expense for the fiscal years ended March 31, 2020, 2019, and 2018, was \$48,311, \$52,581, and \$56,495, respectively. Amortization expense for the five fiscal years succeeding March 31, 2020, by year is expected to be as follows: 2021: \$48,139; 2022: \$47,898; 2023: \$47,898; 2024: \$47,898; 2025: \$47,898, and thereafter: \$142,237.

**8. ACCRUED EXPENSES**

Accrued expenses consist of the following items:

	March 31,	
	2020	2019
Accrued pension	\$ 753	\$ 742
Accrued other postretirement benefits	4,775	10,758
Accrued compensation and benefits	84,404	102,009
Accrued interest	13,252	12,374
Accrued warranties	30,079	18,977
Accrued workers' compensation	16,583	17,635
Accrued income tax	3,796	5,974
Operating lease liabilities	13,139	—
All other	60,622	71,103
<b>Total accrued expenses</b>	<b>\$ 227,403</b>	<b>\$ 239,572</b>

**9. LEASES**

The components of lease expense for the year ended March 31, 2020, are disclosed in the table below.

Lease Cost	Financial Statement Classification	Year ended March 31, 2020
Operating lease cost	Cost of sales or Selling, general and administrative expense	\$ 24,539
Variable lease cost	Cost of sales or Selling, general and administrative expense	8,382
Financing Lease Cost:		
Amortization of right-of-use assets	Depreciation and amortization	5,317
Interest on lease liability	Interest expense and other	2,307
<b>Total lease cost (1)</b>		<b>\$ 40,545</b>

(1) Total lease cost does not include short-term leases or sublease income, both of which are immaterial.

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Supplemental cash flow information for the year ended March 31, 2020, is disclosed in the table below.

	Year ended March 31, 2020
Cash paid for amounts included in the measurement of lease liabilities	
Operating cash flows used in operating leases	\$ 21,430
Operating cash flows used in finance leases	2,327
Financing cash flows used in finance leases	8,370
ROU assets obtained in exchange for lease liabilities	
Operating leases	3,826
Finance leases	\$ 1,039

Supplemental balance sheet information related to leases as of March 31, 2020, is disclosed in the table below.

Leases	Classification	March 31, 2020
<b>Assets</b>		
Operating lease ROU assets	Other, net	\$ 61,461
Finance lease ROU assets, cost	Property and equipment, net	39,461
Accumulated amortization	Property and equipment, net	(18,650)
Finance lease ROU assets, net		20,811
<b>Total lease assets</b>		<b>\$ 82,272</b>
<b>Liabilities</b>		
Current		
Operating	Accrued expenses	\$ 13,139
Finance	Current portion of long-term debt	7,336
Noncurrent		
Operating	Other noncurrent liabilities	54,687
Finance	Long-term debt, less current portion	16,597
<b>Total lease liabilities</b>		<b>\$ 91,759</b>

Information related to lease terms and discount rates as of March 31, 2020, is disclosed in the table below.

	March 31, 2020
Weighted average remaining lease term (years)	
Operating leases	7.2
Finance leases	6.9
Weighted average discount rate	
Operating leases	6.2%
Finance leases	5.9%

The maturity of the Company's lease liabilities as of March 31, 2020, is disclosed in the table below.

	Operating leases	Finance leases	Total
FY2021	\$ 16,843	\$ 8,545	\$ 25,388
FY2022	14,523	5,571	20,094
FY2023	11,072	2,707	13,779
FY2024	8,311	2,138	10,449
FY2025	7,042	1,308	8,350
Thereafter	27,192	9,954	37,146
Total lease payments	84,983	30,223	115,206
Less: Imputed interest	(17,157)	(6,290)	(23,447)
<b>Total lease liabilities</b>	<b>\$ 67,826</b>	<b>\$ 23,933</b>	<b>\$ 91,759</b>

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At March 31, 2019, future minimum payments under noncancelable operating leases with initial or remaining terms of more than one year were as follows: 2020—\$21,543; 2021—\$18,516; 2022—\$14,394; 2023—\$11,037; 2024—\$8,409 and thereafter—\$34,828 through 2031. In the normal course of business, operating leases are generally renewed or replaced by other leases.

**10. LONG-TERM DEBT**

Long-term debt consists of the following:

	March 31,	
	2020	2019
Revolving credit facility	\$ 400,000	\$ 215,000
Receivable securitization facility	75,000	80,700
Finance leases	23,933	31,292
Senior secured notes due 2024	525,000	—
Senior notes due 2021	—	375,000
Senior notes due 2022	300,000	300,000
Senior notes due 2025	500,000	500,000
Less: debt issuance costs	(16,426)	(13,171)
	1,807,507	1,488,821
Less: current portion	7,336	8,201
	\$ 1,800,171	\$ 1,480,620

**Revolving Credit Facility**

On September 23, 2019, the Company and its subsidiary co-borrowers and guarantors entered into an Eleventh Amendment to the Credit Agreement (the "Eleventh Amendment" and the existing Credit Agreement as amended by the Eleventh Amendment, the "Credit Agreement") with the Administrative Agent and the Lenders party thereto. Among other things, the Eleventh Amendment:

- (i) permits the Company to incur indebtedness in respect of the Senior Secured Notes due 2024 (the "2024 Notes") in an aggregate principal amount of up to \$525,000, subject to the terms and conditions of the Intercreditor Agreement;
- (ii) lowers the aggregate amount of revolving credit commitments from \$700,000 to \$600,000 upon the earlier of (a) the completion by the Company of \$100,000 in certain asset sales or divestitures or (b) March 31, 2020;
- (iii) extends, with respect to extending banks representing approximately \$406,500 of \$600,000 total commitments outstanding as of March 31, 2020, the expiration date for the revolving line of credit available to the Company pursuant to the Credit Agreement to March 15, 2024; and retains an accordion feature that permits the Company to request an increase to the revolving credit commitments by up to \$200,000;
- (iv) adds an additional mandatory prepayment provision requiring that the Company prepay any outstanding revolving credit loans in an amount equal to (a) with respect to an Identified Asset Sale (as defined in the Credit Agreement) the greater of (x) \$50,000 and (y) 100% of the net asset sale proceeds received in connection therewith, and (b) with respect to other Specified Asset Sales (as defined in the Credit Agreement), 100% of the net asset proceeds received from such other Specified Asset Sales; and
- (v) modifies certain financial covenants and other terms.

In connection with the Eleventh Amendment to the Credit Agreement, the Company incurred \$6,944 of financing costs. These costs, along with the \$6,222 of unamortized financing costs subsequent to the Tenth Amendment, are being amortized over the remaining term of the Credit Agreement on a lender-by-lender basis. As a result of the reduction in the capacity of the Credit Agreement, the Company wrote off a proportional amount of unamortized financing fees existing prior to the Eleventh Amendment. As of March 31, 2020, revolving credit commitments are \$600,000.

The obligations under the Credit Agreement and related documents are secured by liens on substantially all assets of the Company and its domestic subsidiaries pursuant to a Second Amended and Restated Guarantee and Collateral Agreement, dated as of November 19, 2013, among the administrative agent, the Company and the subsidiaries of the Company party thereto.

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Pursuant to the Credit Agreement, the Company can borrow, repay and re-borrow revolving credit loans, and cause to be issued letters of credit, in an aggregate principal amount not to exceed \$600,000 outstanding at any time as such revolving credit commitments are or have been reduced as discussed above. The Credit Agreement bears interest at either: (i) London Interbank Offered Rate ("LIBOR") plus between 1.50% and 3.50%; (ii) the prime rate; or (iii) an overnight rate at the option of the Company. The applicable interest rate is based upon the Company's ratio of total indebtedness to earnings before interest, taxes, depreciation and amortization provided, however, that during the Pricing Restriction Period (as defined in the Credit Agreement), the loans will bear interest at the highest rate above LIBOR. In addition, the Company is required to pay a commitment fee of 0.50% on the unused portion of the Credit Agreement. The Company's obligations under the Credit Agreement are guaranteed by the Company's domestic subsidiaries.

At March 31, 2020, there were \$400,000 in borrowings and \$22,338 in letters of credit outstanding under the Revolving Line of Credit provisions of the Credit Agreement, primarily to support insurance policies. We have since repaid approximately \$200,000 of the borrowings. At March 31, 2019, there were \$215,000 in outstanding borrowings and \$30,773 in letters of credit outstanding under the Revolving Line of Credit provisions of the Credit Agreement, primarily to support insurance policies. The level of unused borrowing capacity under the Revolving Line of Credit provisions of the Credit Agreement varies from time to time depending in part upon its compliance with financial and other covenants set forth in the related agreement. The Credit Agreement contains certain affirmative and negative covenants, including limitations on specified levels of indebtedness to earnings before interest, taxes, depreciation and amortization, and interest coverage requirements, and includes limitations on, among other things, liens, mergers, consolidations, sales of assets, and incurrence of debt. If an event of default were to occur under the Credit Agreement, the lenders would be entitled to declare all amounts borrowed under it immediately due and payable. The occurrence of an event of default under the Credit Agreement could also cause the acceleration of obligations under certain other agreements. The Company is currently in compliance with all such covenants. As of March 31, 2020, the Company had borrowing capacity under this agreement of \$70,271 after reductions for borrowings, letters of credit outstanding under the facility and consideration of covenant limitations.

On May 22, 2020, the Company and its subsidiary co-borrowers and guarantors entered into an Twelfth Amendment to the Credit Agreement (the "Twelfth Amendment" and the existing Credit Agreement as amended by the Twelfth Amendment, the "Amended Credit Agreement") with the Administrative Agent and the Lenders party thereto. Among other things, the Twelfth Amendment (i) limits the amount of cash in the United States the Company can hold on its balance sheet to \$50,000, (ii) authorizes the sale of any Specified TAS Business Unit (as defined in the Amended Credit Agreement); (iii) provides for a reserve against the availability of up to 75% of the proceeds of Specified Asset Sales (as defined in the Amended Credit Agreement); and (iv) modifies certain financial covenants and other terms over the quarterly periods ending June 2020 through March 2022.

### **Receivables Securitization Program**

In December 2019, the Company amended its receivable securitization facility (the "Securitization Facility") decreasing the purchase limit from \$125,000 to \$75,000 and extending the term through December 2022. In connection with the Securitization Facility, the Company sells on a revolving basis certain eligible accounts receivable to Triumph Receivables, LLC, a wholly-owned special-purpose entity, which in turn sells a percentage ownership interest in the receivables to commercial paper conduits sponsored by financial institutions. The Company is the servicer of the trade accounts receivable under the Securitization Facility. As of March 31, 2020, the maximum amount available under the Securitization Facility was \$75,000. Interest rates are based on LIBOR plus a program fee and a commitment fee. The program fee is 0.13% on the amount outstanding under the Securitization Facility. Additionally, the commitment fee is 0.50% on 100.00% of the maximum amount available under the Securitization Facility. The Company secures its trade accounts receivable, which are generally non-interest-bearing, in transactions that are accounted for as borrowings pursuant to ASC 860, *Transfers and Servicing*.

The agreement governing the Securitization Facility contains restrictions and covenants, including limitations on the making of certain restricted payments; creation of certain liens; and certain corporate acts such as mergers, consolidations and the sale of all or substantially all the Company's assets.

### **Senior Secured Notes Due 2024**

On September 23, 2019, the Company issued \$525,000 principal amount of 6.250% Senior Secured Notes due September 15, 2024. The 2024 Notes were sold at 100% of principal amount and have an effective interest yield of 6.250%. Interest is payable semiannually in cash in arrears on March 15 and September 15 of each year, commencing on March 15, 2020. In connection with the issuance of the 2024 Notes, the Company incurred approximately \$9,300 of costs, which were deferred and are being amortized over the term of the 2024 Notes.

The 2024 Notes are second lien secured obligations of the Company and its subsidiary guarantors. The 2024 Notes:

- (i) rank equal in right of payment to existing and future senior indebtedness of the Company and its subsidiary guarantors, including the obligations of the Company and its subsidiary guarantors under the Company's credit facility;
- (ii) are effectively subordinated to all obligations of the Company and its subsidiary guarantors that are either (A) secured by a lien on the Collateral (as defined below) that is senior or prior to the second-priority liens securing the 2024 Notes, including

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- the first-priority liens securing borrowings under the Company's credit facility and certain cash management and hedging obligations, or (B) secured by assets that do not constitute the Collateral, in each case to the extent of the value of the assets securing such obligations;
- (iii) are senior in right of payment to existing and future subordinated indebtedness of the Company and its subsidiary guarantors;
  - (iv) are effectively senior to all existing and future unsecured debt of the Company and its subsidiary guarantors, but only to the extent of the value of the Collateral (after giving effect to any senior liens on the Collateral); and
  - (v) are structurally subordinated in right of payment to all indebtedness and other liabilities of the Company's existing and future subsidiaries that do not guarantee the 2024 Notes.

The 2024 Notes are guaranteed on a full, senior secured, joint and several basis by each of the Company's domestic restricted subsidiaries that is a borrower under the Company's credit facility or that guarantees any of the Company's debt or that of any of the Company's domestic restricted subsidiaries under the Company's credit facility and in the future by any of the Company's domestic restricted subsidiaries that are borrowers under any credit facility or that guarantee any debt of the Company or any of its domestic restricted subsidiaries incurred under any credit facility (the "Guarantor Subsidiaries").

The Company may redeem the 2024 Notes, in whole or in part, at any time or from time to time on or after September 15, 2020, at specified redemption prices, plus accrued and unpaid interest, if any, to the redemption date. At any time or from time to time prior to September 15, 2020, the Company may redeem the 2024 Notes, in whole or in part, at a redemption price equal to 100% of their principal amount plus a make whole premium, together with accrued and unpaid interest, if any, to the redemption date. In addition, the Company may redeem up to 40% of the aggregate principal amount of the outstanding 2024 Notes prior to September 15, 2020, with the net cash proceeds from certain equity offerings at a redemption price equal to 106.250% of their principal amount, together with accrued and unpaid interest, if any, to the redemption date.

If the Company experiences specific kinds of changes of control, the Company is required to offer to purchase all of the 2024 Notes at a purchase price of 101% of their principal amount, plus accrued and unpaid interest, if any, to the date of purchase.

The 2024 Notes were issued pursuant to an indenture dated as of September 23, 2019 (the "Indenture"). The Indenture contains covenants that, among other things, limit the ability of the Company and its restricted subsidiaries to: (i) incur additional indebtedness; (ii) pay dividends or make other distributions; (iii) make other restricted payments and investments; (iv) create liens; (v) incur restrictions on the ability of restricted subsidiaries to pay dividends or make certain other payments; (vi) sell assets, including capital stock of restricted subsidiaries; (vii) enter into sale and leaseback transactions; (viii) merge or consolidate with other entities; and (ix) enter into transactions with affiliates.

#### **Senior Notes due 2021**

On September 23, 2019, the Company called all outstanding 4.875% Senior Notes due 2021 (the "2021 Notes") and discharged the 2021 Notes by irrevocably depositing with the 2021 Notes trustee sufficient funds to pay all principal and accrued interest through October 23, 2019. On October 23, 2019, the Company redeemed \$375,000 principal amount of the 2021 Notes with the proceeds of the 2024 Notes.

#### **Senior Notes due 2022**

On June 3, 2014, the Company issued \$300,000 principal amount of 5.25% Senior Notes due June 1, 2022 (the "2022 Notes"). The 2022 Notes were sold at 100% of principal amount and have an effective interest yield of 5.25%. Interest is payable semiannually in cash in arrears on June 1 and December 1 of each year, commencing on December 1, 2014. In connection with the issuance of the 2022 Notes, the Company incurred approximately \$4,990 of costs, which were deferred and are being amortized on the effective interest method over the term of the 2022 Notes.

The 2022 Notes are the Company's senior unsecured obligations and rank equally in right of payment with all of its other existing and future senior unsecured indebtedness and senior in right of payment to all of its existing and future subordinated indebtedness. The 2022 Notes are guaranteed on a full, joint and several basis by each of the Guarantor Subsidiaries.

The Company is obligated to offer to repurchase the 2022 Notes at a price of (i) 101% of their principal amount plus accrued and unpaid interest, if any, as a result of certain change-of-control events and (ii) 100% of their principal amount plus accrued and unpaid interest, if any, in the event of certain asset sales. These restrictions and prohibitions are subject to certain qualifications and exceptions.



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The 2022 Indenture contains covenants that, among other things, limit the Company's ability and the ability of any of the Guarantor Subsidiaries to (i) grant liens on its assets, (ii) make dividend payments, other distributions or other restricted payments, (iii) incur restrictions on the ability of the Guarantor Subsidiaries to pay dividends or make other payments, (iv) enter into sale and leaseback transactions, (v) merge, consolidate, transfer or dispose of substantially all of their assets, (vi) incur additional indebtedness, (vii) use the proceeds from sales of assets, including capital stock of restricted subsidiaries, and (viii) enter into transactions with affiliates.

**Senior Notes Due 2025**

On August 17, 2017, the Company issued \$500,000 principal amount of 7.75% Senior Notes due August 15, 2025 (the "2025 Notes"). The 2025 Notes were sold at 100% of principal amount and have an effective interest yield of 7.75%. Interest is payable semiannually in cash in arrears on February 15 and August 15 of each year, commencing on February 15, 2018. In connection with the issuance of the 2025 Notes, the Company incurred approximately \$8,779 of costs, which were deferred and are being amortized on the effective interest method over the term of the 2025 Notes.

The 2025 Notes are the Company's senior unsecured obligations and rank equally in right of payment with all of its other existing and future senior unsecured indebtedness and senior in right of payment to all of its existing and future subordinated indebtedness. The 2025 Notes are guaranteed on a full, joint and several basis by each of the Guarantor Subsidiaries.

The Company may redeem some or all of the 2025 Notes prior to August 15, 2020, by paying a "make-whole" premium. The Company may redeem some or all of the 2025 Notes on or after August 15, 2020, at specified redemption prices. In addition, prior to August 15, 2020, the Company may redeem up to 35% of the 2025 Notes with the net proceeds of certain equity offerings at a redemption price equal to 107.75% of the aggregate principal amount plus accrued and unpaid interest, if any, subject to certain limitations set forth in the indenture governing the 2025 Notes (the "2025 Indenture").

The Company is obligated to offer to repurchase the 2025 Notes at a price of (i) 101% of their principal amount plus accrued and unpaid interest, if any, as a result of certain change-of-control events and (ii) 100% of their principal amount plus accrued and unpaid interest, if any, in the event of certain asset sales. These restrictions and prohibitions are subject to certain qualifications and exceptions.

The 2025 Indenture contains covenants that, among other things, limit the Company's ability and the ability of any of the guarantor subsidiaries to (i) grant liens on its assets, (ii) make dividend payments, other distributions or other restricted payments, (iii) incur restrictions on the ability of the Guarantor Subsidiaries to pay dividends or make other payments, (iv) enter into sale and leaseback transactions, (v) merge, consolidate, transfer or dispose of substantially all of their assets, (vi) incur additional indebtedness, (vii) use the proceeds from sales of assets, including capital stock of restricted subsidiaries, and (viii) enter into transactions with affiliates.

*Financial Instruments Not Recorded at Fair Value*

Carrying amounts and the related estimated fair values of the Company's long-term debt not recorded at fair value in the consolidated financial statements are as follows:

March 31, 2020				March 31, 2019			
Carrying Value		Fair Value		Carrying Value		Fair Value	
\$	1,807,507	\$	1,559,455	\$	1,488,821	\$	1,568,037

The fair value of the long-term debt was calculated based on either interest rates available for debt with terms and maturities similar to the Company's existing debt arrangements or broker quotes on our existing debt (Level 2 inputs).

Interest paid on indebtedness during the fiscal years ended March 31, 2020, 2019, and 2018, amounted to \$99,438, \$99,981 and \$86,345, respectively.

As of March 31, 2020, the maturities of long-term debt are as follows: 2021 — \$7,336; 2022 — \$4,659; 2023 — \$376,952; 2024 — \$401,486; 2025 — \$525,730; and thereafter— \$507,770 through 2032.

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**11. OTHER NONCURRENT LIABILITIES**

Other noncurrent liabilities are composed of the following items:

	March 31,	
	2020	2019
Acquired contract liabilities, net	\$ 92,962	\$ 184,612
Accrued warranties	31,036	39,418
Accrued workers' compensation	13,603	13,501
Noncurrent contract liabilities	91,265	156,332
Operating lease liabilities	54,687	—
Environmental contingencies	18,060	16,040
Income tax reserves	594	551
All other	3,962	14,095
<b>Total other noncurrent liabilities</b>	<b>\$ 306,169</b>	<b>\$ 424,549</b>

**12. INCOME TAXES**

The components of loss from continuing operations before income taxes are as follows:

	Year ended March 31,		
	2020	2019	2018
Foreign	\$ 33,399	\$ (18,336)	\$ (57,673)
Domestic	(55,727)	(308,857)	(404,175)
	<b>\$ (22,328)</b>	<b>\$ (327,193)</b>	<b>\$ (461,848)</b>

The components of income tax (benefit) expense are as follows:

	Year ended March 31,		
	2020	2019	2018
Current:			
Federal	\$ (654)	\$ (1,253)	\$ 1,130
State	27	431	88
Foreign	3,602	3,335	5,433
	2,975	2,513	6,651
Deferred:			
Federal	2,748	(9,076)	(44,262)
State	73	1,593	(14,672)
Foreign	2	(456)	15,826
	2,823	(7,939)	(43,108)
	<b>\$ 5,798</b>	<b>\$ (5,426)</b>	<b>\$ (36,457)</b>

A reconciliation of the statutory federal income tax rate to the effective tax rate is as follows:

	Year ended March 31,		
	2020	2019	2018
Statutory federal income tax rate	21.0%	21.0%	31.5%
State and local income taxes, net of federal tax benefit	(12.1)	4.6	3.2
Goodwill impairment	(37.4)	—	(29.6)
Disposition of business	—	3.2	(0.3)
Miscellaneous permanent items and nondeductible accruals	3.9	(1.2)	(0.2)
Research and development tax credit	30.4	3.3	3.2
Foreign tax credits	(24.1)	(0.7)	1.2
Valuation allowance	27.9	(28.5)	(3.4)
Tax reform and CARES	(12.3)	0.4	5.1
Global Intangible Low-Taxed Income	(20.4)	(1.3)	—
Other (including foreign rate differential and FIN 48)	(2.8)	0.9	(2.8)
<b>Effective income tax rate</b>	<b>(26.0)%</b>	<b>1.7%</b>	<b>7.9%</b>

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The components of deferred tax assets and liabilities are as follows:

	March 31,	
	2020	2019
<b>Deferred tax assets:</b>		
Net operating loss and other credit carryforwards	\$ 318,341	\$ 309,961
Inventory	17,521	17,849
Accruals and reserves	40,492	41,091
Interest carryforward	38,383	24,457
Pension and other postretirement benefits	152,048	126,337
Lease right-of-use assets	11,495	—
Prepaid expenses and other	241	—
Acquired contract liabilities, net	21,771	45,479
	600,292	565,174
Valuation allowance	(438,667)	(399,013)
<b>Net deferred tax assets</b>	<b>161,625</b>	<b>166,161</b>
<b>Deferred tax liabilities:</b>		
Deferred revenue	38,458	27,159
Property and equipment	34,939	46,538
Goodwill and other intangible assets	80,740	93,272
Lease liabilities	14,928	—
Prepaid expenses and other	—	6,156
	169,065	173,125
<b>Net deferred tax liabilities</b>	<b>\$ 7,440</b>	<b>\$ 6,964</b>

The Company follows ASC 740, *Income Taxes*, which prescribes a recognition threshold and measurement attribute criteria for the financial statement recognition and measurement of a tax position taken or expected to be taken in a tax return, as well as guidance on derecognition, classification, interest and penalties, disclosure and transition.

A valuation allowance, if needed, reduces deferred tax assets to the amount expected to be realized. When determining the amount of net deferred tax assets that are more likely than not to be realized, the Company assesses all available positive and negative evidence. This evidence includes, but is not limited to, prior earnings history, expected future earnings, carry-back and carry-forward periods and the feasibility of ongoing tax strategies that could potentially enhance the likelihood of the realization of a deferred tax asset. The weight given to the positive and negative evidence is commensurate with the extent the evidence may be objectively verified. As such, it is generally difficult for positive evidence regarding projected future taxable income exclusive of reversing taxable temporary differences to outweigh objective negative evidence of recent financial reporting losses.

Based on these criteria and the relative weighting of both the positive and negative evidence available, and in particular the activity surrounding the Company's prior earnings history, including the forward losses and intangible impairments previously recognized, management determined that it was necessary to establish a valuation allowance against principally all of its net deferred tax assets. Given the objective verifiable negative evidence of a three-year cumulative loss and the weighting of all available positive evidence, the Company excluded projected taxable income (aside from reversing taxable temporary differences) from the assessment of income that could be used as a source of taxable income to realize the deferred tax assets.

During fiscal year 2020, the Company adjusted the valuation allowance against the consolidated net deferred tax asset by \$39,654 primarily due to an increase in the net operating loss and changes to temporary differences related to the pension and other postretirement benefit plans. As of March 31, 2020, management determined that it was necessary to maintain a valuation allowance against principally all of its net deferred tax assets.

As of March 31, 2020, the Company has net operating loss carryforwards of \$658,146, \$1,369,092, and \$127,088 for U.S. federal, state, and foreign jurisdictions, respectively.

The effective income tax rate for the fiscal year ended March 31, 2020, was (26.0)% as compared with 1.7% for the fiscal year ended March 31, 2019. The effective income tax rate for the fiscal year ended March 31, 2020, included the benefit of the R&D tax credit of \$6,778, the benefit of the foreign tax rate differences of \$5,375, and the change in the valuation allowance of \$3,474. Due to the current year pretax loss, the effective tax rate drivers on a percentage basis are amplified. Accordingly, a year-over-year comparison of the effective tax rate may not be indicative of changes in the Company's tax position.

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The Company has been granted income tax holiday as an incentive to attract foreign investment by the Government of Thailand. The tax holidays expire in various years through 2026. We do not have any other tax holidays in the jurisdictions in which we operate. The income tax benefit attributable to the tax status of our subsidiaries in Thailand was approximately \$1,932 or \$0.04 per diluted share in fiscal 2020, \$2,160 or \$0.04 per diluted share in fiscal 2019 and \$1,530 or \$0.03 per diluted share in fiscal 2018.

At March 31, 2020, cumulative undistributed earnings of foreign subsidiaries, for which no U.S. income or foreign withholding taxes have been recorded is \$150,780. As the Company currently intends to indefinitely reinvest all such earnings, no provision has been made for income taxes that may become payable upon distribution of such earnings, and it is not practicable to determine the amount of the related unrecognized deferred income tax liability.

On March 27, 2020, the U.S. government enacted the Coronavirus Aid, Relief, and Economic Security Act (CARES Act) which is aimed at providing emergency assistance and health care for individuals, families, and businesses affected by the COVID-19 pandemic and generally supporting the U.S. economy. The CARES Act, among other things, includes provisions relating to refundable payroll tax credits, deferment of employer side social security payments, net operating loss rules, alternative minimum tax credit refunds, modifications to the net interest deduction limitations and technical corrections to tax depreciation methods for qualified improvement property. Our income tax expense was increased by \$2,747 due to certain provisions relating to net operating loss carryforward periods.

The Company has classified uncertain tax positions as noncurrent income tax liabilities unless expected to be paid in one year.

As of March 31, 2020 and 2019, the total amount of unrecognized tax benefits was \$18,965 and \$19,152, respectively, all of which would impact the effective rate, if recognized. The Company anticipates that total unrecognized tax benefits may be reduced by zero in the next 12 months. With a few exceptions, the Company is no longer subject to U.S. federal, state, or local income tax examinations for fiscal years ended before March 31, 2014, or foreign income tax examinations by tax authorities for fiscal years ended before March 31, 2013.

As of March 31, 2020, the Company is not subject to any income tax examinations. The Company has filed appeals in a prior state examination related to fiscal years ended March 31, 1999 through March 31, 2005. The Company believes appropriate provisions for all outstanding issues have been made for all jurisdictions and all open years.

A reconciliation of the liability for uncertain tax positions, which are included in deferred taxes for the fiscal years ended March 31, 2020 and 2019, follows:

	Year ended March 31,		
	2020	2019	2018
Beginning balance	\$ 19,373	\$ 11,759	\$ 10,696
Adjustments for tax positions related to the current year	1,057	7,364	1,032
Adjustments for tax positions of prior years	(1,303)	250	31
Ending balance	\$ 19,127	\$ 19,373	\$ 11,759

### 13. STOCKHOLDERS' DEFICIT

In March 2019, the Company adopted a tax benefits preservation plan (the "Plan") designed to preserve Triumph's ability to utilize its net operating loss carryforwards and other tax attributes (collectively, "Tax Benefits"). The Plan is similar to plans adopted by other public companies with significant Tax Benefits. The Company obtained stockholder approval for the Plan as well as an amendment to the Company's amended and restated certificate of incorporation that permitted the issuance of Rights (as defined below) related to preferred stock, at its annual meeting of stockholders in 2019.

Under the Plan, Triumph declared a dividend distribution of one right (a "Right") for each share of its common stock outstanding at the close of business on March 25, 2019. The Rights trade with Triumph's common shares and will expire on March 13, 2022. The Rights also will expire: (i) if the Rights are redeemed or exchanged as provided in the Plan; (ii) if the Board determines that the Plan is no longer necessary or desirable for the preservation of the Tax Benefits; or (iii) if the Board determines that no Tax Benefits, once realized, as applicable, may be carried forward (in which case, the Rights will expire on the first date of the relevant taxable year for which such determination is made).

Pursuant to the Plan, if a stockholder (or group) becomes a 5% stockholder without meeting certain customary exceptions, the Rights become exercisable and entitle stockholders (other than the 5% stockholder or group causing the rights to become exercisable) to purchase additional shares of Triumph at a significant discount, resulting in significant dilution in the economic interest and voting power of the 5% stockholder or group causing the Rights to become exercisable. Stockholders owning five percent or more of Triumph's outstanding shares at the time the Plan was adopted were grandfathered and will only cause the Rights to distribute and become exercisable if they acquire an additional one percent or more of Triumph's outstanding shares. Under the Plan, the Board has the ability to determine in its sole discretion that any person shall not be deemed an acquiring person and therefore that the Rights shall not become exercisable if such person becomes a 5% stockholder. The adoption of the Plan and the dividend distribution did not have an impact on our consolidated financial statements.

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In 2014, the Company's Board of Directors authorized an increase in the Company's existing stock repurchase program by up to 5,000,000 shares of its common stock in addition to the 500,800 shares authorized under prior authorizations. As of March 31, 2020, the Company remains able to purchase an additional 2,277,789 shares. Repurchases may be made from time to time in open market transactions, block purchases, privately negotiated transactions or otherwise at prevailing prices. No time limit has been set for completion of the program.

The holders of the common stock are entitled to one vote per share on all matters to be voted upon by the stockholders of Triumph.

The Company has preferred stock of \$0.01 par value, 250,000 shares authorized. At March 31, 2020 and 2019, zero shares of preferred stock were outstanding.

### Accumulated Other Comprehensive Loss

Changes in accumulated other comprehensive loss ("AOCI") by component for the years ended March 31, 2020 and 2019, were as follows:

	Currency Translation Adjustment	Unrealized Gains and Losses on Derivative Instruments	Defined Benefit Pension Plans and Other Postretirement Benefits	Total (1)
March 31, 2018	\$ (58,683)	\$ 122	\$ (309,309)	\$ (367,870)
AOCI before reclassifications	(15,770)	30	(126,679)	(142,419)
Amounts reclassified from AOCI	(3) 25,847	(1,282)	(1,960) (2)	22,605
Net current period OCI	10,077	(1,252)	(128,639)	(119,814)
March 31, 2019	(48,606)	(1,130)	(437,948)	(487,684)
AOCI before reclassifications	(13,439)	(1,611)	(210,142)	(225,192)
Amounts reclassified from AOCI	—	(1,562)	(4,990) (2)	(6,552)
Net current period OCI	(13,439)	(3,173)	(215,132)	(231,744)
March 31, 2020	\$ (62,045)	\$ (4,303)	\$ (653,080)	\$ (719,428)

(1) Net of tax.

(2) Includes amortization of actuarial losses and recognized prior service (credits) costs, which are included in the net periodic pension cost of which a portion is allocated to production as inventoried costs.

(3) Includes amounts transferred from cumulative translation adjustments as a result of the sale of Triumph Gear Systems – Toronto.

### 14. LOSS PER SHARE

The following is a reconciliation between the weighted average common shares outstanding used in the calculation of basic and diluted loss per share:

	Year ended March 31,		
	2020	2019	2018
	(thousands)		
Weighted average common shares outstanding—basic	50,494	49,698	49,442
Net effect of dilutive stock options and non-vested stock <sup>(1)</sup>	—	—	—
Weighted average common shares outstanding—diluted	50,494	49,698	49,442

(1) For the fiscal years ended March 31, 2020, 2019, and 2018, the shares that could potentially dilute earnings per share in the future but were not included in diluted weighted average common shares outstanding because to do so would have been anti-dilutive were immaterial.

### 15. EMPLOYEE BENEFIT PLANS

#### Defined Contribution Pension Plan

The Company sponsors a defined contribution 401(k) plan, under which salaried and certain hourly employees may defer a portion of their compensation. Eligible participants may contribute to the plan up to the allowable amount as determined by the plan of their regular compensation before taxes. The Company generally matches contributions up to 75% of the first 6% of compensation contributed by the participant. All contributions and Company matches are invested at the direction of the employee in one or more investment options offered under the plan. Company matching contributions vest immediately and aggregated to \$14,763, \$13,685, and \$13,616 for the fiscal years ended March 31, 2020, 2019, and 2018, respectively. Effective April 1, 2020, the Company suspended its 401(k) match program for fiscal year 2021.

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*Defined Benefit Pension and Other Postretirement Benefit Plans*

The Company sponsors several defined benefit pension plans covering some of its employees. Most employees are ineligible to participate in the plans or have ceased to accrue additional benefits under the plans. Benefits under the defined benefit plans are based on years of service and, for most non-represented employees, on average compensation for certain years. It is the Company's policy to fund at least the minimum amount required for all qualified plans, using actuarial cost methods and assumptions acceptable under applicable government regulations, by making payments into a trust separate from us.

In addition to the defined benefit pension plans, the Company provides certain health care benefits for eligible retired employees. Such benefits are unfunded as of March 31, 2020. Employees achieve eligibility to participate in these contributory plans upon retirement from active service if they meet specified age and years of service requirements. Current plan documents reserve the right to amend or terminate the plans at any time, subject to applicable collective bargaining requirements for represented employees. During the fiscal year, the Company reached agreement with two unions whose members make up the vast majority of participants eligible for retiree healthcare benefits. Under the terms of these agreements, the right to benefits under the current program ceased for all represented participants (actively employed and retired) by April 1, 2020. Company-funded notional health reimbursement accounts were provided to retired participants (and their dependents) whose eligibility for current benefits ended under the new agreement. The average size of each account is immaterial and the Company anticipates that these accounts will be fully drawn down in two years. These changes served to reduce the Company's other postretirement benefit ("OPEB") liability by approximately \$99,000.

In accordance with ASC 715, the Company has recognized the funded status of the benefit obligation as of March 31, 2020 and 2019, on the accompanying consolidated balance sheets. The funded status is measured as the difference between the fair value of the plans' assets and the PBO or accumulated postretirement benefit obligation of the plan. The majority of the plan assets are publicly traded investments which were valued based on the market price as of the measurement date. Investments that are not publicly traded were valued based on the estimated fair value of those investments based on our evaluation of data from fund managers and comparable market data.

The following table sets forth the Company's consolidated defined benefit pension plans for its union and non-union employees as of March 31, 2020 and 2019, and the amounts recorded on the consolidated balance sheets at March 31, 2020 and 2019. Company contributions include amounts contributed directly to plan assets and indirectly as benefits paid from the Company's assets. Benefit payments reflect the total benefits paid from the plans and the Company's assets. Information on the plans includes both the domestic qualified and nonqualified plans and the foreign qualified plans.

	Pension Benefits		Other Postretirement Benefits	
	Year ended March 31,		Year ended March 31,	
	2020	2019	2020	2019
<b>Change in projected benefit obligations</b>				
Projected benefit obligation at beginning of year	\$ 2,234,734	\$ 2,277,816	\$ 109,455	\$ 119,164
Service cost	2,336	3,292	62	227
Interest cost	68,446	79,446	1,559	4,039
Actuarial loss (gain)	138,652	48,931	3,472	(2,576)
Plan amendments	4,898	1,138	(99,080)	—
Curtailments	22,732	—	—	—
Divestitures	(55,354)	—	—	—
Participant contributions	204	196	252	833
Settlements	(14,579)	—	—	—
Special termination benefits	11,642	4,032	—	—
Benefits paid	(156,084)	(176,398)	(8,570)	(12,232)
Currency translation adjustment	(2,642)	(3,719)	—	—
<b>Projected benefit obligation at end of year</b>	<b>\$ 2,254,985</b>	<b>\$ 2,234,734</b>	<b>\$ 7,150</b>	<b>\$ 109,455</b>
<b>Accumulated benefit obligation at end of year</b>	<b>\$ 2,252,126</b>	<b>\$ 2,229,188</b>	<b>\$ 7,150</b>	<b>\$ 109,455</b>
<b>Assumptions used to determine benefit obligations at end of year</b>				
Discount rate	2.47 - 3.32%	2.54 - 3.88%	3.00%	3.77%
Rate of compensation increase	3.50 - 4.50%	3.50 - 4.50%	N/A	N/A

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	Pension Benefits		Other Postretirement Benefits	
	Year ended March 31,		Year ended March 31,	
	2020	2019	2020	2019
<b>Change in fair value of plan assets</b>				
Fair value of plan assets at beginning of year	\$ 1,796,111	\$ 1,903,901	\$ —	\$ —
Actual return on plan assets	(20,869)	67,753	—	—
Settlements	(14,579)	—	—	—
Participant contributions	204	196	252	833
Divestitures	(55,354)	—	—	—
Company contributions	51,372	4,580	8,319	11,399
Benefits paid	(156,084)	(176,398)	(8,571)	(12,232)
Currency translation adjustment	(2,756)	(3,921)	—	—
Fair value of plan assets at end of year	\$ 1,598,045	\$ 1,796,111	\$ —	\$ —
<b>Funded status (underfunded)</b>				
Funded status	\$ (656,940)	\$ (438,623)	\$ (7,150)	\$ (109,455)
<b>Reconciliation of amounts recognized on the consolidated balance sheets</b>				
Pension asset—noncurrent	\$ 1,503	\$ 3,900	\$ —	\$ —
Accrued benefit liability—current	(753)	(742)	(4,775)	(10,758)
Accrued benefit liability—noncurrent	(657,690)	(441,781)	(2,375)	(98,697)
Net amount recognized	\$ (656,940)	\$ (438,623)	\$ (7,150)	\$ (109,455)
<b>Reconciliation of amounts recognized in accumulated other comprehensive income</b>				
Prior service credits	\$ 5,595	\$ 780	\$ (59,214)	\$ (14,497)
Actuarial losses (gains)	926,893	682,226	(58,151)	(67,985)
Income tax (benefits) expenses related to above items	(204,594)	(204,594)	42,016	42,016
Unamortized benefit plan costs (gains)	\$ 727,894	\$ 478,412	\$ (75,349)	\$ (40,466)

The components of net periodic benefit cost for fiscal years ended March 31, 2020, 2019, and 2018, are as follows:

	Pension Benefits			Other Postretirement Benefits		
	Year Ended March 31,			Year Ended March 31,		
	2020	2019	2018	2020	2019	2018
<b>Components of net periodic pension cost</b>						
Service cost	\$ 2,336	\$ 3,292	\$ 4,505	\$ 62	\$ 227	\$ 391
Interest cost	68,446	79,446	75,189	1,559	4,039	4,393
Expected return on plan assets	(141,329)	(147,411)	(152,346)	—	—	—
Amortization of prior service credit cost	(874)	(3,619)	(2,841)	(4,872)	(4,655)	(8,537)
Amortization of net loss	27,199	16,822	13,905	(6,361)	(9,851)	(7,275)
Curtailment loss (gain)	23,690	—	29	(49,491)	—	(26,274)
Settlements	28,452	—	523	—	—	—
Special termination benefits	11,642	4,032	—	—	—	—
Total net periodic benefit (income) expense	\$ 19,562	\$ (47,438)	\$ (61,036)	\$ (59,103)	\$ (10,240)	\$ (37,302)
<b>Assumptions used to determine net periodic pension cost</b>						
Discount rate	2.54 - 3.88%	2.65 - 4.01%	2.87 - 4.06%	2.68 - 3.77%	3.93%	3.62 - 3.93%
Expected long-term rate of return on plan assets	5.00 - 8.00%	5.00 - 8.00%	6.50 - 8.00%	N/A	N/A	N/A
Rate of compensation increase	3.50 - 4.50%	3.50 - 4.50%	3.50 - 4.50%	N/A	N/A	N/A

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The discount rate is determined annually as of each measurement date, based on a review of yield rates associated with long-term, high-quality corporate bonds. At the end of each year, the discount rate is primarily determined using the results of bond yield curve models based on a portfolio of high-quality bonds matching notional cash inflows with the expected benefit payments for each significant benefit plan.

The expected return on plan assets is determined based on a market-related value of plan assets, which is a smoothed asset value. The market-related value of assets is calculated by recognizing investment performance that is different from that expected on a straight-line basis over five years. Actuarial gains and losses are amortized over the average remaining life expectancy of inactive participants for plans that are predominantly inactive and over the expected future service for active participants for other plans, but only to the extent unrecognized gains or losses exceed a corridor equal to 10% of the greater of the projected benefit obligation or market-related value of assets.

The Company estimates the service and interest cost of its pension and OPEB plans by using the specific spot rates derived from the yield curve used to discount the cash flows reflected in the measurement of the benefit obligation. The Company believes this approach provides a precise measurement of service and interest costs due to the correlation between projected benefit cash flows to the corresponding spot yield curve rates. The Company amortizes actuarial gains and losses over the average life expectancy of inactive plan participants because almost all plan participants are inactive.

During the fiscal year ended March 31, 2020, the Society of Actuaries released new base mortality tables and an updated projection scale. The Company has reflected these new releases in the measurement of our U.S. pension and OPEB plans as of March 31, 2020. This change resulted in a decrease in the benefit obligation.

The Company periodically experiences events or makes changes to its benefit plans that result in curtailment or special charges. Curtailments are recognized when events occur that significantly reduce the expected years of future service of present employees or eliminates the benefits for a significant number of employees for some or all of their future service.

Curtailment losses are recognized when it is probable the curtailment will occur and the effects are reasonably estimable. Curtailment gains are recognized when the related employees are terminated or a plan amendment is adopted, whichever is applicable.

As required under ASC 715, the Company remeasures plan assets and obligations during an interim period whenever a significant event occurs that results in a material change in the net periodic pension cost. The determination of significance is based on judgment and consideration of events and circumstances impacting the pension costs.

The following summarizes the key events whose effects on net periodic benefit cost and obligations are included in the tables above:

- As disclosed in Note 3, in March 2020, the Company transferred approximately \$55,354 of pension assets and liabilities to the buyer of its Nashville manufacturing operations. The divestiture transaction and resulting transfer resulted in a settlement charge of approximately \$28,452 and a curtailment charge of approximately \$214. These amounts are included in non-service defined benefit income on the consolidated statements of operations for the year ended March 31, 2020.
- In September 2019, the Company and the union which represents a portion of the workforce at the Company's Grand Prairie, TX, facility, in conjunction with an announced shutdown of this facility, agreed to changes to the pension and retiree welfare plans for represented plan members. Effective April 1, 2020, all current retiree welfare benefits for the union-represented retirees and active employees will cease. A new benefit consisting of a one-time credit to Health Reimbursement Accounts for the current retirees and their covered dependents will be provided. The Company and the union also agreed to increased pension benefits which are effective with the ratification of the agreement. This agreement resulted in a decrease of the projected other post-employment benefits ("OPEB") benefit obligation of \$61,766. It also resulted in a one-time OPEB curtailment gain of \$41,128. As a result of the planned shutdown, subsidized early retirement provisions within the retirement plan and the agreed-to pension benefit increases, a pension curtailment loss of \$23,476 was recognized, along with a one-time charge of \$11,642 for special termination benefits. The net curtailment gain and charge for special termination benefits are included in non-service defined benefit income on the consolidated statements of operations for the year ended March 31, 2020.
- In August 2019, the Company and the union which represents a portion of the workforce at the Company's Nashville, TN, facility agreed to changes to the pension and retiree welfare plans for represented plan members. Effective January 1, 2020, all current retiree welfare benefits for the union-represented retirees and active employees will cease. A new benefit consisting of a one-time credit to Health Reimbursement Accounts for the current retirees and their covered dependents will be provided. The Company and the union also agreed to increased pension benefits which are effective on February 1, 2020, and the union also agreed to increased pension benefits which are effective with the ratification of the agreement. This agreement resulted in a decrease of the projected OPEB benefit obligation of \$34,731. It also resulted in a one-time OPEB curtailment gain of \$8,363. The agreed-to pension benefit increases resulted in an increase of the projected pension benefit obligation of \$4,898. The curtailment gain is included in non-service defined benefit income on the consolidated statements of operations for the year ended March 31, 2020.



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- In February 2019, the Company transferred its Global 7500 wing manufacturing operations to Bombardier. In conjunction with this transaction, the Company provided special termination pension benefits to certain pension participants who transferred employment from Triumph to Bombardier. This change resulted in the recognition of a charge of \$4,032 for special termination benefits. The special termination benefits charge is included in non-service defined benefit income on the consolidated statements of operations for the year ended March 31, 2019.
- In March 2018, the Company ratified a new collective bargaining agreement with a group of union-represented employees, who were working without an agreement. The agreement resulted in plan amendments for one of our pension plans and our postretirement welfare benefit plan. These amendments eliminated future service under the plans and generated curtailments, which accelerated \$11,146 of prior service credits for the postretirement welfare benefits plan and accelerates \$29 of prior service costs for the pension plan. These amounts are included in non-service defined benefit income on the consolidated statements of operations for the year ended March 31, 2018.
- In November 2017, the Company announced an amendment to the postretirement welfare benefits plan for its non-represented employee participants. Effective January 1, 2018, the Company eliminated and reduced certain welfare benefits for non-represented retirees and active participants. Those changes resulted in a decrease in the OPEB obligation of \$17,652 and a curtailment gain of \$15,099 included in non-service defined benefit income on the consolidated statements of operations for the year ended March 31, 2018.

The following table shows those amounts expected to be recognized in net periodic benefit costs during the fiscal year ending March 31, 2021:

	Pension Benefits	Other Postretirement Benefits
<b>Amounts expected to be recognized in FY 2021 net periodic benefit costs</b>		
Prior service credit	\$ 974	\$ (5,105)
Actuarial loss	\$ 32,899	\$ (4,766)

**Expected Pension Benefit Payments**

The total estimated future benefit payments for the pension plans are expected to be paid from the plan assets and company funds. The OPEB payments reflect the Company's portion of the funding. Estimated future benefit payments from plan assets and Company funds for the next ten years are as follows:

Year	Pension Benefits	Other Postretirement Benefits*
2021	\$ 200,097	\$ 4,824
2022	163,389	813
2023	159,963	182
2024	155,123	171
2025	150,985	162
2026 – 2030	690,383	666

\* Net of expected Medicare Part D subsidies of \$400 and \$70 in the years ended March 31, 2021 and 2022, respectively.

**Plan Assets, Investment Policy and Strategy**

The table below sets forth the Company's target asset allocation for fiscal 2020 and the actual asset allocations at March 31, 2020 and 2019.

Asset Category	Target Allocation	Actual Allocation	
	Fiscal 2020	2020	March 31, 2019
Equity securities	40% - 50%	42%	45%
Fixed income securities	40% - 50%	50	48
Alternative investment funds	0% - 10%	6	5
Other	0% - 5%	2	2
<b>Total</b>		<b>100%</b>	<b>100%</b>

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Pension plan assets are invested in various asset classes that are expected to produce a sufficient level of diversification and investment return over the long-term. The investment goals are to exceed the assumed actuarial rate of return over the long-term within reasonable and prudent levels of risks and to meet future obligations.

Asset/liability studies are conducted on a regular basis to provide guidance in setting investment goals for the pension portfolio and its asset allocation. The asset allocation aims to prudently achieve a strong, risk-adjusted return while seeking to minimize funding level volatility and improve the funded status of the plans. The pension plans currently employ a liability-driven investment ("LDI") approach, where assets and liabilities move in the same direction. The goal is to limit the volatility of the funding status and cover part, but not all, of the changes in liabilities. Most of the liabilities' changes are due to interest rate movements.

To balance expected risk and return, allocation targets are established and monitored against acceptable ranges. All investment policies and procedures are designed to ensure that the plans' investments are in compliance with the Employee Retirement Income Security Act of 1974 ("ERISA"). Guidelines are established defining permitted investments within each asset class. Each investment manager has contractual guidelines to ensure that investments are made within the parameters of their asset class or in the case of multi-asset class managers, the parameters of their multi-asset class strategy. Certain investments are not permitted at any time, including investment directly in employer securities and uncovered short sales.

The tables below provide the fair values of the Company's plan assets at March 31, 2020 and 2019, by asset category. The table also identifies the level of inputs used to determine the fair value of assets in each category (refer to Note 2 for definition of levels).

	March 31, 2020			
	Level 1	Level 2	Level 3	Total
<b>Assets</b>				
Cash and cash equivalents	\$ 35,110	\$ —	\$ —	\$ 35,110
<b>Equity securities</b>				
International	155,389	—	—	155,389
U.S. equity	2	—	—	2
U.S. commingled fund	400,131	—	—	400,131
International commingled fund	34,014	—	—	34,014
<b>Fixed income securities</b>				
Corporate bonds	—	23,672	—	23,672
Government securities	—	93,677	—	93,677
U.S. commingled fund	605,487	—	—	605,487
<b>Other</b>				
Insurance contracts	—	—	910	910
<b>Total investment in securities—assets</b>	<b>\$ 1,230,133</b>	<b>\$ 117,349</b>	<b>\$ 910</b>	<b>\$ 1,348,392</b>
U.S. equity commingled fund				8,180
International equity commingled fund				67,101
U.S. fixed income commingled fund				73,838
International fixed income commingled fund				1,380
Government securities commingled fund				8,333
Private equity and infrastructure				89,797
Other				1,534
Total investment measured at NAV as a practical expedient				\$ 250,163
Receivables				3,292
Payables				(3,802)
<b>Total plan assets</b>				<b>\$ 1,598,045</b>

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	March 31, 2019			
	Level 1	Level 2	Level 3	Total
<b>Assets</b>				
Cash and cash equivalents	\$ 25,798	\$ 6,189	\$ —	\$ 31,987
<b>Equity securities</b>				
International	161,132	—	—	161,132
U.S. equity	8,464	—	—	8,464
U.S. commingled fund	489,463	—	—	489,463
International commingled fund	39,797	—	—	39,797
<b>Fixed income securities</b>				
Corporate bonds	—	24,942	—	24,942
Government securities	—	109,306	—	109,306
U.S. commingled fund	654,269	—	—	654,269
<b>Other</b>				
Insurance contracts	—	—	1,021	1,021
<b>Total investment in securities—assets</b>	<b>\$ 1,378,923</b>	<b>\$ 140,437</b>	<b>\$ 1,021</b>	<b>\$ 1,520,381</b>
U.S. equity commingled fund				4,690
International equity commingled fund				96,867
U.S. fixed income commingled fund				76,766
Private equity and infrastructure				95,760
Other				1,693
Total investment measured at NAV as a practical expedient				\$ 275,776
Receivables				1,238
Payables				(1,284)
<b>Total plan assets</b>				<b>\$ 1,796,111</b>

Cash equivalents and other short-term investments are primarily held in registered short-term investment vehicles which are valued using a market approach based on quoted market prices of similar instruments.

Public equity securities, including common stock, are primarily valued using a market approach based on the closing fair market prices of identical instruments in the principal market on which they are traded. Commingled funds that are open-ended mutual funds for which the fair value per share is determined and published by the respective mutual fund sponsor and is the basis for current observable transactions are categorized as Level 1 fair value measures.

Investments in commingled funds and private equity and infrastructure funds are carried at net asset value ("NAV") as a practical expedient to estimate fair value. The NAV is the total value of the fund divided by the number of shares outstanding. Adjustments to NAV, if any, are determined based on evaluation of data provided by fund managers, including valuation of the underlying investments derived using inputs such as cost, operating results, discounted future cash flows and market-based comparable data. In accordance with ASC 820-10, investments that are measured at NAV practical expedient are not classified in the fair value hierarchy; however, their fair value amounts are presented in these tables to permit reconciliation of the fair value hierarchy to the total plan assets disclosed in this footnote.

Corporate, government agency bonds and mortgage-backed securities are primarily valued using a market approach with inputs that include broker quotes, benchmark yields, base spreads and reported observable trades for identical or comparable instruments.

Other investments include private equity and infrastructure funds and insurance contracts. Investments in private equity and infrastructure funds are carried at estimated fair value based on NAV as a practical expedient and other appropriate adjustments to NAV as determined based on an evaluation of data provided by fund managers, including valuations of the underlying investments derived using inputs such as cost, operating results, discounted future cash flows, and market-based comparable data.

**Assumptions and Sensitivities**

The discount rate is determined as of each measurement date, based on a review of yield rates associated with long-term, high-quality corporate bonds. The calculation separately discounts benefit payments using the spot rates from a long-term, high-quality corporate bond yield curve.

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The effect of a 25 basis-point change in discount rates as of March 31, 2020, is shown below:

		Pension Benefits		Other Postretirement Benefits
<b>Increase of 25 basis points</b>				
Obligation	*\$	(56,208)	\$	(44)
Net periodic expense		104		(144)
<b>Decrease of 25 basis points</b>				
Obligation	*\$	58,058	\$	46
Net periodic expense		(235)		149

\* Excludes impact to plan assets due to the LDI investment approach discussed above under "Plan Assets, Investment Policy and Strategy."

The long-term rate of return assumption represents the expected average rate of earnings on the funds invested to provide for the benefits included in the benefit obligations. The long-term rate of return assumption is determined based on a number of factors, including historical market index returns, the anticipated long-term asset allocation of the plans, historical plan return data, plan expenses and the potential to outperform market index returns. For fiscal 2021, the expected long-term rate of return is 5.00%- 8.00%.

**Anticipated Contributions to Defined Benefit and Postretirement Welfare Benefit Plans**

The Company does not expect to contribute to its qualified U.S. defined benefit pension plans during fiscal 2021. The Company expects to contribute \$4,824 to its postretirement welfare benefits plan during fiscal 2021. No plan assets are expected to be returned to the Company in fiscal 2021.

**16. STOCK COMPENSATION PLANS**

The Company has stock incentive plans under which employees and non-employee directors may be granted equity awards to acquire shares of the Company's common stock at the fair value at the time of the grant. The stock incentive and compensation plans under which outstanding equity awards have been granted to employees, officers and non-employee directors are the Triumph Group 2018 Equity Plan (the "2018 Plan"), the Triumph Group 2013 Equity and Cash Incentive Plan (the "2013 Plan"), the 2016 Directors' Equity Compensation Plan, as amended (the "Directors' Plan"), and the Amended and Restated Directors' Stock Incentive Plan (the "Prior Directors' Plan"). The Prior Directors' Plan expired by its terms during fiscal 2017. The current stock incentive and compensation plans used for future awards are the 2013 Plan for employees, officers and consultants, the Directors' Plan, and the 2018 Plan. The 2018 Plan, the 2013 Plan, the Directors' Plan, and the Prior Directors' Plan are collectively referred to in this note as the plans.

Management and the compensation committee have utilized restricted stock and restricted stock units as its primary form of share-based incentive compensation. The restricted stock and restricted stock units are subject to graded vesting, generally over a three year period and are subject to forfeiture should the grantee's employment be terminated prior to an applicable vesting date. The share-based payment expense arising from restricted stock and restricted stock unit expense is included in capital in excess of par value. The fair value of restricted shares under the Company's restricted stock plans is determined by the product of the number of shares granted and the grant date market price of the Company's common stock. The fair value of share-based compensation granted to employees was \$13,249, \$15,911, and \$18,122 during the fiscal years ended March 31, 2020, 2019, and 2018, respectively. The awards contain service conditions and may also contain performance or market conditions that affect the number of shares that vest. The fair value of restricted stock and restricted stock unit awards is expensed on a straight-line basis over the requisite service period which is typically the vesting period. The Company recognized \$11,062, \$10,259 and \$7,949 of share-based compensation expense during the fiscal years ended March 31, 2020, 2019, and 2018, respectively. The Company has classified share-based compensation within selling, general and administrative expenses to correspond with the same line item as the majority of the cash compensation paid to employees.

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At March 31, 2020 and 2019, 1,564,791 shares and 5,586,421 shares of common stock, respectively, were available for issuance under the plans. A summary of the status of the Company's non-vested shares/units of restricted stock and deferred stock units as of March 31, 2020, and changes during the fiscal year ended March 31, 2020, is presented below.

	Shares		Weighted-Average Grant Date Fair Value
Non-vested restricted awards and deferred stock units at March 31, 2019	1,081,379	\$	26.01
Granted	598,879		22.12
Vested	(282,330)		24.98
Forfeited	(238,298)		22.18
Non-vested restricted awards and deferred stock units at March 31, 2020	1,159,630	\$	24.40

The fair value of employee restricted stock which vested during fiscal 2020, 2019 and 2018 was \$7,052, \$7,031, and \$2,081, respectively. Upon the vesting of restricted stock units, the Company first transfers treasury stock, then will issue new shares. Expected future compensation expense on restricted stock net of expected forfeitures, is approximately \$10,320, which is expected to be recognized over the remaining weighted average vesting period of 1.5 years.

## 17. COMMITMENTS AND CONTINGENCIES

Certain of the Company's business operations and facilities are subject to a number of federal, state, local and foreign environmental laws and regulations. Former owners generally indemnify the Company for environmental liabilities related to the assets and businesses acquired which existed prior to the acquisition dates. In the opinion of management, there are no significant environmental contingent liabilities which would have a material effect on the financial condition or operating results of the Company which are not covered by such indemnification. As the Company completes its restructuring plans as disclosed in Note 18, including the disposal of certain facilities, the Company may be exposed to additional costs such as environmental remediation obligations, lease termination costs, or supplier claims which may have a material effect on its financial position or results of operations when such matters arise and a reasonable estimate of the costs can be made.

The Company's risk related to pension projected obligations as of March 31, 2020, is significant. This amount is currently in excess of the related plan assets. Benefit plan assets are invested in a diversified portfolio of investments in both the equity and debt categories, as well as limited investments in real estate and other alternative investments. The market value of all of these investment categories may be adversely affected by external events and the movements and volatility in the financial markets, including such events as the current credit and real estate market conditions. Declines in the market values of our plan assets could expose the total asset balance to significant risk which may cause an increase to future funding requirements.

Some raw materials and operating supplies are subject to price and supply fluctuations caused by market dynamics. The Company's strategic sourcing initiatives seek to find ways of mitigating the inflationary pressures of the marketplace. In recent years, these inflationary pressures have affected the market for raw materials. However, the Company believes that raw material prices will remain stable through the remainder of fiscal 2021 and after that, experience increases that are in line with inflation. Additionally, the Company generally does not employ forward contracts or other financial instruments to hedge commodity price risk.

The Company's suppliers' failure to provide acceptable raw materials, components, kits and subassemblies would adversely affect production schedules and contract profitability. The Company maintains an extensive qualification and performance surveillance system to control risk associated with such supply base reliance. The Company is dependent on third parties for certain information technology services. To a lesser extent, the Company is also exposed to fluctuations in the prices of certain utilities and services, such as electricity, natural gas, chemical processing and freight. The Company utilizes a range of long-term agreements and strategic aggregated sourcing to optimize procurement expense and supply risk in these categories.

In the ordinary course of business, the Company is involved in disputes, claims and lawsuits with employees, suppliers and customers, as well as governmental and regulatory inquiries, that it deems to be immaterial. Some may involve claims or potential claims of substantial damages, fines, penalties or injunctive relief. While the Company cannot predict the outcome of any pending or future litigation or proceeding and no assurances can be given, the Company does not believe that any pending matter will have a material effect, individually or in the aggregate, on its financial position or results of operations. In fiscal year 2020, the Company was awarded \$9,257 in a legal judgment associated with a longstanding litigation matter arising from a prior acquisition.

## **18. RESTRUCTURING COSTS**

The Company committed to various restructuring plans involving certain of its businesses, as well as the consolidation of certain of its facilities over the past several years. With the exception of certain consolidations to be completed in future years, these plans were substantially complete as of March 31, 2019. The Company incurred costs of \$25,340 associated with new restructuring plans during fiscal year 2020. These costs, the majority of which are being incurred within the Systems & Support reportable segment and relate to third-party consulting costs, are substantially complete as of March 31, 2020.

## **19. CUSTOMER CONCENTRATION**

Trade and other accounts receivable from Boeing represented approximately 21% and 18% of total accounts receivable as of March 31, 2020 and 2019, respectively. Trade and other accounts receivable from Gulfstream represented approximately 6% and 11% of total accounts receivable as of March 31, 2020 and 2019, respectively. Trade and other accounts receivables from Bombardier represented approximately 16% and 13% of total accounts receivable as of March 31, 2020 and 2019, respectively, and include receivables from transition services. The Company had no other significant concentrations of credit risk.

Sales to Boeing for fiscal 2020 were \$983,762, or 34% of net sales, of which \$254,659 and \$729,103 were from Systems & Support and Aerospace Structures, respectively. Sales to Boeing for fiscal 2019 were \$1,031,107, or 31% of net sales, of which \$243,047 and \$788,061 were from Systems & Support and Aerospace Structures, respectively. Sales to Boeing for fiscal 2018 were \$1,004,274, or 31% of net sales, of which \$216,122 and \$788,151 were from Systems & Support and Aerospace Structures, respectively.

Sales to Gulfstream for fiscal 2020 were \$337,173, or 12% of net sales, of which \$3,250 and \$333,924 were from Systems & Support and Aerospace Structures, respectively. Sales to Gulfstream for fiscal 2019 were \$361,451, or 11% of net sales, of which \$3,068 and \$358,382 were from Systems & Support and Aerospace Structures, respectively. Sales to Gulfstream for fiscal 2018 were \$421,985, or 13% of net sales, of which \$1,780 and \$420,204 were from Systems & Support and Aerospace Structures, respectively.

No other single customer accounted for more than 10% of the Company's net sales; however, the loss of any significant customer, including Boeing and/or Gulfstream, could have a material adverse effect on the Company and its operating subsidiaries.

The Company currently generates a majority of its revenue from clients in the commercial aerospace industry, the business jet industry and the military. The Company's growth and financial results are largely dependent on continued demand for its products and services from clients in these industries. If any of these industries experiences a downturn, clients in these sectors may conduct less business with the Company.

## **20. COLLECTIVE BARGAINING AGREEMENTS**

Approximately 18% of the Company's labor force is covered under collective bargaining agreements. As of March 31, 2020, none of the Company's collectively bargained workforce are working under contracts that have expired, and 5% of the Company's collectively bargained workforce are working under contracts that are set to expire within one year.

During the fiscal year ended March 31, 2018, the Company ratified a collective bargaining agreement with its union employees with United Autoworkers of America and its Local Union 848 at its Red Oak, Texas, facility.

During the fiscal year ended March 31, 2019, the Company ratified a collective bargaining agreement with its union employees with United Autoworkers of America and its Local Union 952 at its Tulsa, Oklahoma facility. Also occurring during the fiscal year ended March 31, 2019, the Stuart Florida facility production and maintenance employees elected the United Autoworkers of America, Local #2505, to represent them in collective bargaining with the Company. As of the March 31, 2020, the union and the Company have not reached an agreement.

During the fiscal year ended March 31, 2020, effects and closure agreements were made for the Tulsa, Oklahoma, and Grand Prairie, Texas, locations. In addition, the Company and leadership of Aero Lodge No.735 of the International Association of Machinists and Aerospace Workers ("IAM") agreed to negotiate a Memorandum of Agreement to sunset the retiree medical plans. Both the Company and the IAM leadership full endorsed this agreement, and local IAM members voted to ratify it on August 10, 2019.

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**21. SEGMENTS**

The Company reports financial performance based on the following two reportable segments: Systems & Support and Aerospace Structures. The Company's reportable segments are aligned with how the business is managed, and the Company's views of the markets it serves. The Chief Operating Decision Maker (the "CODM") evaluates performance and allocates resources based upon review of segment information. The CODM utilizes earnings before interest, income taxes, depreciation and amortization, and pension ("Adjusted EBITDAP") as a primary measure of segment profitability to evaluate performance of its segments and allocate resources.

Segment Adjusted EBITDAP is total segment revenue reduced by operating expenses (less depreciation and amortization) identifiable with that segment. Corporate includes general corporate administrative costs and any other costs not identifiable with one of the Company's segments, including loss on sale of assets and businesses of \$67,037 for the year ended March 31, 2020.

The Company does not accumulate net sales information by product or service or groups of similar products and services, and therefore the Company does not disclose net sales by product or service because to do so would be impracticable.

Selected financial information for each reportable segment is as follows:

	Year Ended March 31, 2020			
	Total	Corporate & Eliminations	Systems & Support	Aerospace Structures
Net sales to external customers	\$ 2,900,117	\$ —	\$ 1,350,761	\$ 1,549,356
Intersegment sales (eliminated in consolidation)	—	(13,334)	6,803	6,531
Segment profit and reconciliation to consolidated income before income taxes:				
Adjusted EBITDAP	305,784	—	205,352	100,432
Reconciliation of segment profit to income (loss) before income taxes				
Depreciation and amortization	(138,168)	(3,374)	(32,376)	(102,418)
Interest expense and other, net	(122,129)			
Corporate expenses	(53,082)			
Share-based compensation expense	(11,062)			
Loss on sale of assets and businesses	(56,916)			
Amortization of acquired contract liabilities	75,286			
Non-service defined benefit income	41,894			
Union represented employee incentives	(7,071)			
Legal judgment gain, net	9,257			
Impairment of goodwill	(66,121)			
Income before income taxes	<u>(22,328)</u>			
Total capital expenditures	\$ 39,834	\$ 1,502	\$ 17,141	\$ 21,191
Total assets	\$ 2,980,333	\$ 481,162	\$ 1,478,679	\$ 1,020,492

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	Year Ended March 31, 2019			
	Total	Corporate & Eliminations	Systems & Support	Aerospace Structures
Net sales to external customers	\$ 3,364,930	\$ —	\$ 1,309,474	\$ 2,055,456
Intersegment sales (eliminated in consolidation)	—	(22,485)	15,537	6,948
Segment profit and reconciliation to consolidated income before income taxes:				
Adjusted EBITDAP	215,418	—	202,346	13,072
Reconciliation of segment profit to income (loss) before income taxes				
Depreciation and amortization	(149,904)	(3,100)	(35,373)	(111,431)
Interest expense and other, net	(114,619)			
Corporate expenses	(74,706)			
Share-based compensation expense	(10,259)			
Loss on sale of assets and businesses	(235,301)			
Amortization of acquired contract liabilities	67,314			
Non-service defined benefit income	62,105			
Loss on adoption of ASU 2017-07	(87,241)			
Income before income taxes	<u>(327,193)</u>			
Total capital expenditures	\$ 47,099	\$ 784	\$ 15,734	\$ 30,581
Total assets	\$ 2,854,574	\$ 110,372	\$ 1,487,163	\$ 1,257,039
	Year Ended March 31, 2018			
	Total	Corporate & Eliminations	Systems & Support	Aerospace Structures
Net sales to external customers	\$ 3,198,951	\$ —	\$ 1,253,640	\$ 1,945,311
Intersegment sales (eliminated in consolidation)	—	(23,286)	13,868	9,418
Segment profit and reconciliation to consolidated income before income taxes:				
Adjusted EBITDAP	229,534	—	235,540	(6,006)
Reconciliation of segment profit to income (loss) before income taxes				
Depreciation and amortization	(158,368)	(1,852)	(42,730)	(113,786)
Interest expense and other, net	(99,442)			
Corporate expenses	(88,037)			
Share-based compensation expense	(7,949)			
Loss on sale of assets and businesses	(30,741)			
Amortization of acquired contract liabilities	125,148			
Non-service defined benefit income	103,234			
Impairment of goodwill	(535,227)			
Income before income taxes	<u>(461,848)</u>			
Total capital expenditures	\$ 42,050	\$ 4,179	\$ 8,352	\$ 29,519

During fiscal years ended March 31, 2020, 2019, and 2018, the Company had foreign sales of \$724,193, \$960,299, and \$758,936, respectively. The Company reports as foreign sales those sales with delivery points outside of the United States. As of March 31, 2020 and 2019, the Company had foreign long-lived assets of \$205,243 and \$294,990, respectively.



**Triumph Group, Inc.**  
**Notes to Consolidated Financial Statements**  
(Dollars in thousands, except per share data)

**22. QUARTERLY FINANCIAL INFORMATION (UNAUDITED)**

	Fiscal 2020				Fiscal 2019			
	June 30	Sept. 30	Dec. 31	Mar. 31	June 30	Sept. 30	Dec. 31	Mar. 31
<b>BUSINESS SEGMENT SALES</b>								
Systems & Support	\$ 313,605	\$ 352,969	\$ 338,924	\$ 352,066	\$ 306,632	\$ 332,562	\$ 323,619	\$ 362,198
Aerospace Structures	419,178	422,579	368,972	345,158	532,387	528,366	490,337	511,314
Inter-segment Elimination	(2,552)	(3,438)	(3,230)	(4,114)	(6,119)	(5,820)	(6,061)	(4,485)
<b>TOTAL SALES</b>	<b>\$ 730,231</b>	<b>\$ 772,110</b>	<b>\$ 704,666</b>	<b>\$ 693,110</b>	<b>\$ 832,900</b>	<b>\$ 855,108</b>	<b>\$ 807,895</b>	<b>\$ 869,027</b>
<b>GROSS PROFIT (1)</b>	<b>\$ 119,461</b>	<b>\$ 131,456</b>	<b>\$ 142,200</b>	<b>\$ 116,085</b>	<b>\$ 38,742</b>	<b>\$ 107,357</b>	<b>\$ 72,007</b>	<b>\$ 131,239</b>
<b>OPERATING INCOME (LOSS)</b>								
Systems & Support	\$ 44,048	\$ 62,337	\$ 57,434	\$ (22,478)	\$ 43,078	\$ 51,380	\$ 51,368	\$ 55,270
Aerospace Structures	12,283	13,608	18,039	(2,066)	(79,587)	(22,744)	(49,813)	(264)
Corporate	(20,820)	(14,908)	(73,812)	(15,758)	(30,039)	(30,637)	(18,488)	(244,203)
<b>TOTAL OPERATING INCOME (LOSS)</b>	<b>\$ 35,511</b>	<b>\$ 61,037</b>	<b>\$ 1,661</b>	<b>\$ (40,302)</b>	<b>\$ (66,548)</b>	<b>\$ (2,001)</b>	<b>\$ (16,933)</b>	<b>\$ (189,197)</b>
<b>NET LOSS</b>	<b>\$ 18,088</b>	<b>\$ 42,701</b>	<b>\$ (13,846)</b>	<b>\$ (75,069)</b>	<b>\$ (76,534)</b>	<b>\$ (14,676)</b>	<b>\$ (30,945)</b>	<b>\$ (199,612)</b>
Basic Income (Loss) per share	\$ 0.36	\$ 0.85	\$ (0.27)	\$ (1.45)	\$ (1.54)	\$ (0.30)	\$ (0.62)	\$ (4.01)
Diluted Income (Loss) per share	\$ 0.36	\$ 0.85	\$ (0.27)	\$ (1.45)	\$ (1.54)	\$ (0.30)	\$ (0.62)	\$ (4.01)

\* Difference due to rounding.

(1) Gross profit includes depreciation.

(2) Includes impairment of goodwill of \$66,121 in Systems & Support.

**TRIUMPH GROUP, INC.**  
**SCHEDULE II—VALUATION AND QUALIFYING ACCOUNTS**  
(in thousands)

	Balance at beginning of year	Additions charged to (income) expense	Other (1)	Balance at end of year
For year ended March 31, 2020:				
Deferred tax assets valuation allowance	\$ 399,013	(3,474)	43,128	\$ 438,667
For year ended March 31, 2019:				
Deferred tax assets valuation allowance	\$ 146,770	93,311	158,932	\$ 399,013
For year ended March 31, 2018:				
Deferred tax assets valuation allowance	\$ 141,214	6,885	(1,329)	\$ 146,770

(1) Adjustments relate to changes in defined benefit pension plan and other postretirement benefit plan obligations. The adjustment in the year ended March 31, 2019, also included an adjustment of approximately \$132,000 as a result of the adoption of ASC 606.

## **Item 9. Changes in and Disagreements With Accountants on Accounting and Financial Disclosure**

None.

## **Item 9A. Controls and Procedures**

### **Evaluation of Disclosure Controls and Procedures**

We maintain disclosure controls and procedures that are designed to ensure that information required to be disclosed in our Exchange Act reports is recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms, and that such information is accumulated and communicated to our management, including our principal executive officer and principal financial officer, as appropriate, to allow timely decisions regarding required disclosure. In designing and evaluating the disclosure controls and procedures, management recognized that any controls and procedures, no matter how well designed and operated, can provide only reasonable assurance of achieving the desired control objectives, and management necessarily was required to apply its judgment in evaluating the cost-benefit relationship of possible controls and procedures.

As of March 31, 2020, we completed an evaluation, under the supervision and with the participation of our management, including our principal executive officer and principal financial officer, of the effectiveness of the design and operation of our disclosure controls and procedures. Based on the foregoing, our principal executive officer and principal financial officer concluded that our disclosure controls and procedures were effective at the reasonable assurance level as of March 31, 2020.

## MANAGEMENT'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING

The management of Triumph Group, Inc. ("Triumph") is responsible for establishing and maintaining adequate internal control over financial reporting as defined in Rules 13a-15(f) and 15d-15(f) under the Securities Exchange Act of 1934. Triumph's internal control system over financial reporting is designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with U.S. generally accepted accounting principles. The Company's internal control over financial reporting includes those policies and procedures that:

- (i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
- (ii) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with U.S. generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and
- (iii) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of the company's assets that could have a material effect on the financial statements.

Because of inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Therefore, even those systems determined to be effective can provide only reasonable assurance with respect to financial statement preparation and presentation. Also, projections of any evaluation of effectiveness to future periods are subject to risk that controls may become inadequate because of changes in condition, or that the degree of compliance with the policies or procedures may deteriorate.

Triumph's management assessed the effectiveness of Triumph's internal control over financial reporting as of March 31, 2020. In making this assessment, management used the criteria set forth by the Committee of Sponsoring Organizations of the Treadway Commission (2013 framework) ("COSO") in Internal Control—Integrated Framework. Based on management's assessment and those criteria, management believes that Triumph maintained effective internal control over financial reporting as of March 31, 2020.

Triumph's independent registered public accounting firm, Ernst & Young LLP, has audited Triumph's effectiveness of internal control over financial reporting. This report appears on the following page.

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/s/ Daniel J. Crowley

Daniel J. Crowley

*President, Chief Executive Officer and Director*

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/s/ James F. McCabe, Jr.

James F. McCabe, Jr.

*Senior Vice President and  
Chief Financial Officer*

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/s/ Thomas A. Quigley, III

Thomas A. Quigley, III

*Vice President and Controller*

May 28, 2020

## Report of Independent Registered Public Accounting Firm

To the Board of Directors and Stockholders of Triumph Group, Inc.

### Opinion on Internal Control Over Financial Reporting

We have audited Triumph Group, Inc.'s internal control over financial reporting as of March 31, 2020, based on criteria established in Internal Control-Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (2013 framework) (the "COSO criteria"). In our opinion, Triumph Group, Inc. (the "Company") maintained, in all material respects, effective internal control over financial reporting as of March 31, 2020, based on the COSO criteria.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) ("PCAOB"), the consolidated balance sheets of Triumph Group, Inc. as of March 31, 2020 and 2019, the related consolidated statements of operations, comprehensive loss, stockholders' (deficit) equity and cash flows for each of the three years in the period ended March 31, 2020, and the related notes and financial statement schedule listed in the Index at Item 15(a) and our report dated May 28, 2020, expressed an unqualified opinion thereon.

### Basis for Opinion

The Company's management is responsible for maintaining effective internal control over financial reporting, and for its assessment of the effectiveness of internal control over financial reporting included in the accompanying *Management's Report on Internal Control Over Financial Reporting*. Our responsibility is to express an opinion on the Company's internal control over financial reporting based on our audit. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audit in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects.

Our audit included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, testing and evaluating the design and operating effectiveness of internal control based on the assessed risk, and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

### Definition and Limitations of Internal Control Over Financial Reporting

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

/s/ Ernst & Young LLP

Philadelphia, Pennsylvania  
May 28, 2020

### **Changes in Internal Control Over Financial Reporting**

In addition to management's evaluation of disclosure controls and procedures as discussed above, we continue to review and enhance our policies and procedures for internal control over financial reporting.

We have developed and implemented a formal set of internal controls and procedures for financial reporting in accordance with the SEC's rules regarding management's report on internal controls. As a result of continued review and testing by management and by our internal and independent auditors, or as a result of newly adopted accounting standards, additional changes may be made to our internal controls and procedures. However, we did not make any changes to our internal control over financial reporting in the fourth quarter of fiscal 2020 that has materially affected or is reasonably likely to materially affect our internal control over financial reporting.

### **Item 9B. Other Information**

None.

## PART III

### **Item 10. Directors, Executive Officers and Corporate Governance**

The information required for directors and executive officers is incorporated herein by reference to our definitive 2020 Proxy Statement for our 2020 Annual Meeting of Stockholders.

### **Delinquent Section 16(a) Reports**

The information required regarding Section 16(a) beneficial ownership reporting compliance is incorporated herein by reference to the 2020 Proxy Statement.

### **Code of Business Conduct**

The information required regarding our Code of Business Conduct is incorporated herein by reference to the 2020 Proxy Statement.

### **Stockholder Nominations**

The information required with respect to any material changes to the procedures by which stockholders may recommend nominees to the Company's board of directors is incorporated herein by reference to the 2020 Proxy Statement.

### **Audit Committee and Audit Committee Financial Expert**

The information required with respect to the Audit Committee and Audit Committee financial experts is incorporated herein by reference to the 2020 Proxy Statement.

### **Item 11. Executive Compensation**

The information required under this item is incorporated herein by reference to the 2020 Proxy Statement.

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

The information required under this item is incorporated herein by reference to the 2020 Proxy Statement.

### **Item 13. Certain Relationships and Related Transactions and Director Independence**

The information required under this item is incorporated herein by reference to the 2020 Proxy Statement.

### **Item 14. Principal Accountant Fees and Services**

The information required under this item is incorporated herein by reference to the 2020 Proxy Statement.

**PART IV**

**Item 15. Exhibits, Financial Statement Schedules**

*(a) Financial Statements*

(1) The following consolidated financial statements are included in Item 8 of this report:

<b>Triumph Group, Inc.</b>	<b>Page</b>
<a href="#">Consolidated Balance Sheets as of March 31, 2020 and 2019</a>	44
<a href="#">Consolidated Statements of Operations for the Fiscal Years Ended March 31, 2020, 2019, and 2018</a>	45
<a href="#">Consolidated Statements of Comprehensive Loss for the Fiscal Years Ended March 31, 2020, 2019, and 2018</a>	46
<a href="#">Consolidated Statements of Stockholders' (Deficit) Equity for the Fiscal Years Ended March 31, 2020, 2019, and 2018</a>	47
<a href="#">Consolidated Statements of Cash Flows for the Fiscal Years Ended March 31, 2020, 2019, and 2018</a>	48
<a href="#">Notes to Consolidated Financial Statements</a>	49
<a href="#">Report of Ernst &amp; Young LLP, Independent Registered Public Accounting Firm</a>	85

(2) The following financial statement schedule is included in this report:

<a href="#">Schedule II—Valuation and Qualifying Accounts</a>	<b>Page</b>
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All other schedules have been omitted as not applicable or because the information is included elsewhere in the Consolidated Financial Statements or notes thereto.

(3) The following is a list of exhibits. Where so indicated, exhibits which were previously filed are incorporated by reference.

Exhibit Number	Exhibit Description	Incorporated by Reference to			
		Form	File No.	Exhibit(s)	Filing Date
<a href="#">3.1</a>	<a href="#">Amended and Restated Certificate of Incorporation of Triumph Group, Inc.</a>	10-K	001-12235	3.1	May 22, 2009
<a href="#">3.2</a>	<a href="#">Certificate of Amendment of Amended and Restated Certificate of Incorporation of Triumph Group, Inc.</a>	8-K	001-12235	3.1	July 20, 2012
<a href="#">3.3</a>	<a href="#">Form of Certificate of Designations, Preferences and Rights of Series B Junior Participating Preferred Stock</a>	8-K	001-12235	3.1	March 13, 2019
<a href="#">3.4</a>	<a href="#">Certificate of Amendment to Amended and Restated Certificate of Incorporation of Triumph Group, Inc.</a>	8-K/A	001-12235	3.1	August 5, 2019
<a href="#">3.5</a>	<a href="#">Amended and Restated By-Laws of Triumph Group, Inc.</a>	8-K	001-12235	3.1	April 26, 2019
<a href="#">4.1</a>	<a href="#">Form of Certificate evidencing Common Stock of Triumph Group, Inc.</a>	8-K	001-12235	4.2	March 13, 2019
<a href="#">4.2</a>	<a href="#">Indenture, dated as of February 26, 2013, between Triumph Group, Inc. and U.S. Bank National Association, as trustee</a>	8-K	001-12235	4.1	March 1, 2013
<a href="#">4.2.1</a>	<a href="#">Form of 4.875% Senior Subordinated Notes due 2021 (included as Exhibit A to Exhibit 4.1)</a>	8-K	001-12235	4.2	March 1, 2013
<a href="#">4.3</a>	<a href="#">Indenture, dated as of June 3, 2014, between Triumph Group, Inc. and U.S. Bank National Association, as trustee</a>	8-K	001-12235	4.1	June 5, 2014
<a href="#">4.3.1</a>	<a href="#">Form of 5.250% Senior Notes due 2022 (included as Exhibit A to the Indenture filed as Exhibit 4.1)</a>	8-K	001-12235	4.2	June 5, 2014
<a href="#">4.4</a>	<a href="#">Second Supplemental Indenture dated as of May 18, 2016 by and among Triumph Group, Inc., the guarantors signatory thereto and U.S. Bank National Association, as trustee, relating to the 4.875% Senior Notes due 2021</a>	10-K	001-12235	4.12	May 27, 2016
<a href="#">4.5</a>	<a href="#">Indenture, dated as of August 17, 2017, between Triumph Group, Inc. and U.S. Bank National Association, as trustee</a>	8-K	001-12235	4.1	August 18, 2017
<a href="#">4.6</a>	<a href="#">Form of 7.750% Senior Notes due 2025 (included as Exhibit A to the Indenture filed as Exhibit 4.1)</a>	8-K	001-12235	4.2	August 18, 2017
<a href="#">4.7</a>	<a href="#">Indenture, dated as of September 23, 2019, between Triumph Group, Inc., the subsidiary guarantors signatory thereto and U.S. Bank National Association, as trustee.</a>	10-Q	001-12235	4.1	November 7, 2019
<a href="#">4.8</a>	<a href="#">Form of 6.250% Senior Secured Notes due 2024 (included as Exhibit A to the Indenture filed as Exhibit 4.1).</a>	10-Q	001-12235	4.1	November 7, 2019
<a href="#">4.9</a>	<a href="#">Tax Benefits Preservation Plan, dated as of March 13, 2019, between Triumph Group, Inc. and Computershare Trust Company, N.A.</a>	8-K	001-12235	4.3	March 13, 2019



Exhibit Number	Exhibit Description	Incorporated by Reference to			
		Form	File No.	Exhibit(s)	Filing Date
<a href="#">4.10</a>	<a href="#">Description of Securities</a>	10-K	001-12235	4.8	May 23, 2019
<a href="#">10.1</a>	<a href="#">Amended and Restated Directors' Stock Incentive Plan</a>	10-K	001-12235	10.1	May 29, 2012
<a href="#">10.1.1</a>	<a href="#">Form of Deferred Stock Unit Award Agreement under the Amended and Restated Directors' Stock Incentive Plan</a>	10-K	001-12235	10.2	May 30, 2013
<a href="#">10.2</a>	<a href="#">Triumph Group, Inc. 2004 Stock Incentive Plan*</a>	10-K	001-12235	10.3	May 30, 2013
<a href="#">10.2.1</a>	<a href="#">Form of Stock Award Agreement under the 2004 Stock Incentive Plan*</a>	10-K	001-12235	10.7	May 22, 2009
<a href="#">10.2.2</a>	<a href="#">Form of letter confirming Stock Award Agreement under the 2004 Stock Incentive Plan*</a>	10-K	001-12235	10.8	May 22, 2009
<a href="#">10.3</a>	<a href="#">Triumph Group, Inc. Supplemental Executive Retirement Plan effective January 1, 2003*</a>	10-K	001-12235	10.17	June 12, 2003
<a href="#">10.4</a>	<a href="#">Compensation for the non-employee members of the Board of Directors of Triumph Group, Inc.</a>	8-K	001-12235	10.1	November 15, 2016
<a href="#">10.6</a>	<a href="#">Form of Receivables Purchase Agreement, dated August 7, 2008, by and among the Triumph Group, Inc., as Initial Servicer, Triumph Receivables, LLC, as Seller, the various Purchasers and Purchase Agents from time to time party thereto and PNC National Association, as Administrative Agent.</a>	8-K	001-12235	10.1	August 12, 2008
<a href="#">10.7</a>	<a href="#">Third Amendment to Receivables Purchase Agreement, dated as of June 21, 2010, by and among Triumph Receivables LLC, Triumph Group, Inc., Market Street Funding LLC and PNC Bank, National Association</a>	8-K	001-12235	10.1	June 25, 2010
<a href="#">10.8</a>	<a href="#">Triumph Group, Inc. Executive Incentive Plan, effective September 28, 2010 *</a>	10-Q	001-12235	10.1	November 5, 2010
<a href="#">10.9</a>	<a href="#">Form of letter informing Triumph Group, Inc. executives they are eligible to participate in the Company's Long Term Incentive Plan *</a>	10-K	001-12235	10.22	May 18, 2011
<a href="#">10.10</a>	<a href="#">Form of letter informing Triumph Group, Inc. executives they have earned an award under the Company's Long Term Incentive Plan and the amount of the award *</a>	10-K	001-12235	10.23	May 18, 2011
<a href="#">10.11</a>	<a href="#">Sixth Amendment to Receivables Purchase Agreement, dated as of February 26, 2013, by and among Triumph Receivables LLC, Triumph Group, Inc., Market Street Funding LLC and PNC Bank, National Association</a>	8-K	001-12235	10.1	March 1, 2013
<a href="#">10.12</a>	<a href="#">Form of Third Amended and Restated Credit Agreement, dated as of November 19, 2013, by and among Triumph Group, Inc., and the other Borrowers party thereto and the Guarantors party thereto and the Banks party thereto and PNC Bank, National Association, as Administrative Agent, PNC Capital Markets LLC, J.P. Morgan Securities, LLC, RBC Capital Markets, RBS Citizens, N.A., and Santander Bank, N.A., as Joint Lead Arrangers and Joint Bookrunners, JPMorgan Chase Bank N.A., Royal Bank of Canada, Citizens Bank of Pennsylvania, and Santander Bank, N.A., as Syndication Agents, the Bank of Tokyo-Mitsubishi UFJ, Ltd. U.S. Bank National Association, TD Bank, N.A., and Manufacturers and Traders Trust Company, as Documentation Agents</a>	8-K	001-12235	10.1	November 25, 2013
<a href="#">10.13</a>	<a href="#">Form of Second Amended and Restated Guarantee and Collateral Agreement made by Triumph Group, Inc., and certain of its Subsidiaries in favor of PNC Bank, National Association, as Administrative Agent and as Collateral Agent for the other Secured Parties identified herein, dated as of November 19, 2013</a>	8-K	001-12235	10.2	November 25, 2013
<a href="#">10.14</a>	<a href="#">Triumph Group, Inc. 2013 Equity and Cash Incentive Plan, as amended and restated as of June 7, 2017*</a>	8-K	001-12235	99.1	June 12, 2017
<a href="#">10.15</a>	<a href="#">Form of letter regarding eligibility to participate in the Triumph Group, Inc. Restricted Stock Plan*</a>	10-K	001-12235	10.24	May 19, 2014
<a href="#">10.16</a>	<a href="#">Tenth Amendment to Receivables Purchase Agreement dated as of November 25, 2014</a>	8-K	001-12235	10.1	November 26, 2014

Exhibit Number	Exhibit Description	Incorporated by Reference to			
		Form	File No.	Exhibit(s)	Filing Date
10.17	<a href="#">Third Amendment to Third Amended and Restated Credit Agreement, dated as of February 3, 2015, by and among Triumph Group, Inc. and the other Borrowers party thereto and the Guarantors party thereto and the Banks party thereto and PNC Bank, National Association, as Administrative Agent</a>	10-Q	001-12235	10.1	February 9, 2015
10.18	<a href="#">The First Amendment of the Triumph Group, Inc. Supplemental Executive Retirement Plan, effective as of May 1, 2015 *</a>	8-K	001-12235	10.1	May 7, 2015
10.19	<a href="#">First Amendment to Triumph Group, Inc. 2013 Employee Stock Purchase Plan *</a>	10-Q	001-12235	10.1	August 4, 2015
10.20	<a href="#">Employment Agreement between Triumph Group, Inc. and Daniel J. Crowley, dated as of April 1, 2016*</a>	8-K	001-12235	10.1	April 7, 2016
10.21	<a href="#">Form of Sixth Amendment to Third Amended and Restated Credit Agreement, dated May 3, 2016</a>	8-K	001-12235	10.1	May 4, 2016
10.22	<a href="#">Employment letter between Triumph Group, Inc. and James F. McCabe dated July 26, 2016 *</a>	8-K	001-12235	10.1	July 27, 2016
10.23	<a href="#">Form of Seventh Amendment to Third Amended and Restated Credit Agreement, dated October 21, 2016</a>	10-Q	001-12235	10.1	November 9, 2016
10.24	<a href="#">Triumph Group, Inc. Directors' Deferred Compensation Plan, effective January 1, 2017</a>	8-K	001-12235	10.2	November 15, 2016
10.25	<a href="#">Eighth Amendment to the Third Amended and Restated Credit Agreement, dated May 1, 2017</a>	8-K	001-12235	10.1	May 10, 2017
10.26	<a href="#">Form of the 2016 Directors' Equity Compensation Plan, as amended</a>	10-K/A	001-12235	10.34	May 26, 2017
10.27	<a href="#">Form of Restricted Stock Unit Agreement under the 2016 Directors' Equity Compensation Plan, as amended</a>	10-K/A	001-12235	10.35	May 26, 2017
10.28	<a href="#">Triumph Group, Inc. Directors' Deferred Compensation Plan, effective January 1, 2017</a>	8-K	001-12235	10.2	November 15, 2016
10.29	<a href="#">Twentieth Amendment to Receivables Purchase Agreement dated as of November 3, 2017</a>	8-K	001-12235	10.1	November 7, 2017
10.30	<a href="#">Ninth Amendment to the Third Amended and Restated Credit Agreement, dated July 31, 2017</a>	10-Q	001-12235	10.1	November 8, 2017
10.31	<a href="#">Employment Letter between Triumph Group, Inc. and Peter Wick dated January 20, 2018 *</a>	10-Q	001-12235	10.1	February 7, 2018
10.32	<a href="#">Triumph Group, Inc. 2018 Equity Incentive Plan, effective May 29, 2018*</a>	8-K	001-12235	10.1	June 4, 2018
10.32.1	<a href="#">Amendment to Triumph Group, Inc. 2018 Equity Incentive Plan, effective February 19, 2018*</a>	10-K	001-12235	10.32.1	May 23, 2019
10.32.2	<a href="#">Form of Long-Term Incentive Award Letter under the 2018 Equity Incentive Plan*</a>	10-K	001-12235	10.32.2	May 23, 2019
10.33	<a href="#">Triumph Group, Inc. 2018 Executive Cash Incentive Compensation Plan, effective April 1, 2018*</a>	8-K	001-12235	10.2	June 4, 2018
10.33.1	<a href="#">Form of Short-Term Cash Incentive Award Letter under the 2018 Executive Cash Incentive Compensation Plan*</a>	10-K	001-12235	10.33.1	May 23, 2019
10.34	<a href="#">Tenth Amendment to the Third Amended and Restated Credit Agreement, dated July 19, 2018</a>	8-K	001-12235	10.1	July 20, 2018
10.35	<a href="#">Separation Agreement Triumph Group, Inc. and John B. Wright, dated January 7, 2019*</a>	8-K/A	001-12235	10.1	January 25, 2019
10.36	<a href="#">Separation Agreement Triumph Group, Inc. and Michael Abram, dated January 7, 2019*</a>	8-K/A	001-12235	10.2	January 25, 2019
10.37	<a href="#">Separation Agreement between Triumph Group, Inc. and Thomas Holzthum, dated February 15, 2019*</a>	8-K/A	001-12235	10.1	February 22, 2019
10.38	<a href="#">Employment Letter between Triumph Group, Inc. and Lance Turner, dated September 5, 2017*</a>	10-K	001-12235	10.33.1	May 23, 2019
10.39	<a href="#">Employment Letter between Triumph Group, Inc. and Daniel Ostrosky, dated March 25, 2015, with Addendum dated April 10, 2015*</a>	10-K	001-12235	10.33.1	May 23, 2019
10.40	<a href="#">Triumph Group, Inc. Executive General Severance Plan, effective February 19, 2019*</a>	10-K	001-12235	10.33.1	May 23, 2019

Exhibit Number	Exhibit Description	Incorporated by Reference to			
		Form	File No.	Exhibit(s)	Filing Date
<a href="#">10.41</a>	<a href="#">Triumph Group, Inc. Executive Change in Control Severance Plan, effective February 19, 2019*</a>	10-K	001-12235	10.33.1	May 23, 2019
<a href="#">10.42</a>	<a href="#">Eleventh Amendment to the Third Amended and Restated Credit Agreement, dated September 23, 2019</a>	10-Q	001-12235	10.1	November 7, 2019
<a href="#">10.43</a>	<a href="#">Twelfth Amendment to the Third Amended and Restated Credit Agreement, dated May 22, 2020</a>	#	#	#	#
<a href="#">10.44</a>	<a href="#">Twenty-Fifth Amendment to the Receivables Purchase Agreement dated as of December 6, 2019 (Incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K filed on December 9, 2019)</a>	8-K	001-12235	10.1	December 9, 2019
<a href="#">10.45</a>	<a href="#">Employment Letter between Triumph Group, Inc. and Jennifer Allen, dated August 14, 2018</a>	#	#	#	#
<a href="#">21.1</a>	<a href="#">Subsidiaries of Triumph Group, Inc.</a>	#	#	#	#
<a href="#">23.1</a>	<a href="#">Consent of Ernst &amp; Young LLP, Independent Registered Public Accounting Firm</a>	#	#	#	#
<a href="#">31.1</a>	<a href="#">Principal Executive Officer Certification Required by Rule 13a-14(a) or Rule 15d-14(a) under the Securities Exchange Act of 1934, as amended.</a>	#	#	#	#
<a href="#">31.2</a>	<a href="#">Principal Financial Officer Certification Required by Rule 13a-14(a) or Rule 15d-14(a) under the Securities Exchange Act of 1934, as amended.</a>	#	#	#	#
<a href="#">32.1</a>	<a href="#">Principal Executive Officer Certification Required by Rule 13a-14(b) or Rule 15d-14(b) under the Securities Exchange Act of 1934, as amended, and 18 U.S.C. Section 1350.</a>	##	##	##	##
<a href="#">32.2</a>	<a href="#">Principal Financial Officer Certification Required by Rule 13a-14(b) or Rule 15d-14(b) under the Securities Exchange Act of 1934, as amended, and 18 U.S.C. Section 1350.</a>	##	##	##	##
<a href="#">101</a>	<a href="#">The following financial information from Triumph Group, Inc.'s Annual Report on Form 10-K for the fiscal year ended March 31, 2020 formatted in iXBRL: (i) Consolidated Balance Sheets as of March 31, 2020 and 2019; (ii) Consolidated Statements of Operations for the fiscal years ended March 31, 2020, 2019, and 2018; (iii) Consolidated Statements of Stockholders' (Deficit) Equity for the fiscal years ended March 31, 2020, 2019, and 2018; (iv) Consolidated Statements of Cash Flows for the fiscal years ended March 31, 2020, 2019, and 2018; (v) Consolidated Statements of Comprehensive Loss for the fiscal years ended March 31, 2020, 2019, and 2018; and (vi) Notes to the Consolidated Financial Statements</a>	#	#	#	#
104	Cover Page Interactive Data File, formatted in iXBRL and contained in Exhibit 101.	#	#	#	#

In accordance with Item 601(b)(4)(iii)(A) of Regulations S-K, copies of specific instruments defining the rights of holders of long-term debt of the Company or its subsidiaries are not filed herewith. Pursuant to this regulation, we hereby agree to furnish a copy of any such instrument to the SEC upon request

\* Indicates management contract or compensatory plan or arrangement

# Filed herewith

## Furnished herewith

#### Item 16. Form 10-K Summary

The Registrant has elected not to include a summary.

## SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, as amended, the Registrant has duly caused this report to be signed by the undersigned, thereunto duly authorized.

TRIUMPH GROUP, INC.

Dated: May 28, 2020

/s/ Daniel J. Crowley  
By: Daniel J. Crowley  
*President, Chief Executive Officer and Director*  
*(Principal Executive Officer)*

Pursuant to the requirements of the Securities Exchange Act of 1934, as amended, this report has been signed below by the following persons on behalf of the Registrant and in the capacities and on the dates indicated.

<u>/s/ Daniel J. Crowley</u> Daniel J. Crowley	President, Chief Executive Officer and Director (Principal Executive Officer)	May 28, 2020
<u>/s/ James F. McCabe, Jr.</u> James F. McCabe, Jr.	Senior Vice President and Chief Financial Officer (Principal Financial Officer)	May 28, 2020
<u>/s/ Thomas A. Quigley III</u> Thomas A. Quigley III	Vice President, Investor Relations and Controller (Principal Accounting Officer)	May 28, 2020
<u>/s/ Ralph E. Eberhart</u> Ralph E. Eberhart	Chairman and Director	May 28, 2020
<u>/s/ Paul Bourgon</u> Paul Bourgon	Director	May 28, 2020
<u>/s/ Daniel P. Garton</u> Daniel P. Garton	Director	May 28, 2020
<u>/s/ Richard Goglia</u> Richard Goglia	Director	May 28, 2020
<u>/s/ Barbara Humpton</u> Barbara Humpton	Director	May 28, 2020
<u>/s/ William L. Mansfield</u> William L. Mansfield	Director	May 28, 2020
<u>/s/ Adam J. Palmer</u> Adam J. Palmer	Director	May 28, 2020
<u>/s/ Colleen C. Replier</u> Colleen C. Replier	Director	May 28, 2020
<u>/s/ Larry O. Spencer</u> Larry O. Spencer	Director	May 28, 2020

**TWELFTH AMENDMENT TO THIRD AMENDED AND RESTATED CREDIT AGREEMENT**

THIS TWELFTH AMENDMENT TO THIRD AMENDED AND RESTATED CREDIT AGREEMENT (this “**Amendment**”), dated as of May 22, 2020, is made by and among **TRIUMPH GROUP, INC.**, a Delaware corporation (“**TGI**”), the other **BORROWERS** party to the Credit Agreement (as hereinafter defined) (together with TGI, collectively, the “**Borrowers**” and, each, a “**Borrower**”), the **GUARANTORS** party to the Credit Agreement (collectively, the “**Guarantors**”), certain of the **BANKS** party to the Credit Agreement that are party hereto and **PNC BANK, NATIONAL ASSOCIATION**, in its capacity as administrative agent for the Banks (in such capacity, together with its successors and permitted assigns in such capacity, the “**Administrative Agent**”) under the Credit Agreement (as hereinafter defined). Capitalized terms used herein and not otherwise defined herein and defined in the Credit Agreement shall have the meanings assigned to them in the Credit Agreement.

**RECITALS:**

WHEREAS, the Borrowers, the Guarantors, the Banks and the Administrative Agent are parties to that certain Third Amended and Restated Credit Agreement dated as of November 19, 2013 (as heretofore amended, the “**Existing Credit Agreement**”);

WHEREAS, the Loan Parties have requested that the Banks make certain modifications to the Existing Credit Agreement, as set forth in more detail herein; and

WHEREAS, the Banks listed on the signature pages hereto have agreed to the modifications, subject to and on the terms and conditions set forth herein.

NOW, THEREFORE, the parties hereto, in consideration of their mutual covenants and agreements hereinafter set forth and intending to be legally bound hereby, covenant and agree as follows:

1. Incorporation of Recitals. The foregoing recitals are hereby incorporated herein by reference.
2. Amendments to Credit Agreement. The Existing Credit Agreement is hereby amended as reflected by the amended Credit Agreement attached hereto as Exhibit A (the Existing Credit Agreement, as so amended, the “**Credit Agreement**”) and any term or provision of the Existing Credit Agreement which is different from that set forth in the Credit Agreement shall be replaced and superseded in all respects by the terms and provisions of the Credit Agreement. In addition to the foregoing, Exhibit 8.3.3 to the Credit Agreement is hereby deleted in its entirety and replaced and superseded in all respects by Exhibit 8.3.3 attached hereto as Exhibit B.

3. Representations and Warranties. The Loan Parties hereby represent and warrant and certify to the Administrative Agent and the Banks that immediately before and immediately after giving effect to this Amendment:

(a) the representations and warranties of the Loan Parties contained in the Credit Agreement and the other Loan Documents are true and correct on and as of the date hereof with the same force and effect as though made by the Loan Parties on such date (except representations and warranties which expressly relate solely to an earlier date or time, which representations and warranties shall be true and correct on and as of the specific dates or times referred to therein);

(b) the Loan Parties are in compliance with all terms, conditions, provisions, and covenants contained in the Credit Agreement and the other Loan Documents;

(c) the execution, delivery, and performance of this Amendment by each Loan Party have been duly authorized by all necessary organizational (or foreign jurisdictional equivalent) action under the laws of its jurisdiction of organization, require no governmental approval or consent from any governmental or non-governmental Person, and will neither contravene, conflict with, nor result in the breach of any law, charter, articles, or certificate of incorporation or organization, bylaws, operating agreement or other material agreement governing or binding upon any of the Loan Parties or any of their property;

(d) no Event of Default or Potential Default has occurred and is continuing or exists;

(e) this Amendment has been duly and validly executed and delivered by each Loan Party and constitutes legal, valid and binding obligations of each Loan Party, enforceable against such Loan Party in accordance with its terms, except to the extent that enforceability may be limited by bankruptcy, insolvency, reorganization, moratorium, or other similar laws affecting the enforceability of creditors' rights generally or limiting the right to specific performance;

(f) since March 31, 2019, nothing has occurred which has, or could reasonably be expected to result in a Material Adverse Change;

(g) (i) each Loan Party and each Material Subsidiary of any Borrower is solvent, (ii) no Loan Party and no Material Subsidiary of any Borrower has admitted in writing its inability to pay its debts as they mature and (iii) no Loan Party nor any Material Subsidiary of a Borrower intends, in consummating the transactions contemplated by the Credit Agreement or this Amendment, to hinder, delay, or defraud either present or future creditors or any other person to which any Loan Party or any Material Subsidiary of a Borrower is, or will become on or after the date hereof, indebted;

(h) neither any Loan Party nor any Subsidiary has any claim or offset against, or defense or counterclaim to, any obligations or liabilities of such Loan Party or such Subsidiary under the Credit Agreement or any other Loan Document; and

(i) this Amendment does not contravene any Secured Debt Document (as defined in the Second Lien Intercreditor Agreement).

4. Conditions of Effectiveness of Amendment. This Amendment shall not become effective until the Administrative Agent shall have received each of the following in form and substance satisfactory to the Administrative Agent:

(a) Execution and Delivery. Each of the Loan Parties and the Banks listed on the signature pages hereto shall have executed and delivered to the Administrative Agent this Amendment.

(b) Consultant. Counsel to the Administrative Agent has retained Berkeley Research Group, LLC (“**BRG**”) as its financial advisor (BRG, or any other similar financial consultant, the “**Financial Advisor**”). The Borrowers hereby acknowledge such engagement and agree that they are obligated to reimburse the Administrative Agent for the reasonable and documented out-of-pocket fees, costs and expenses of the Financial Advisor.

(c) Fees and Expenses. The Borrowers shall have paid or caused to be paid all fees and expenses for which the Administrative Agent is entitled to be paid or reimbursed on or prior to the date hereof, including fees and expenses of counsel to the extent such fees and expenses have been invoiced prior to the date hereof.

(d) Consents. The Loan Parties shall have delivered all material consents, if any, required to effectuate the transactions contemplated by this Amendment.

(e) Legal Details. All material legal details and proceedings, if any, in connection with the transactions contemplated by this Amendment shall be in form and substance satisfactory to the Administrative Agent and counsel for the Administrative Agent, and the Administrative Agent shall have received all such other counterpart originals or certified or other copies of such documents and proceedings in connection with such transactions, in form and substance satisfactory to the Administrative Agent and said counsel, as the Administrative Agent or said counsel may reasonably request.

(f) Amendment Fees. The Borrowers shall have paid or caused to be paid all fees identified in the Fee Letter, dated as of May 8, 2020, by and among TGI, the Administrative Agent and PNC Capital Markets LLC, and such other fees and expenses as are due and payable on or before the Twelfth Amendment Effective Date.

(g) Other Documents and Deliveries. The Administrative Agent shall have received such other documents, instruments or other materials as it shall have reasonably requested.

5. Force and Effect. Each of the Loan Parties: (a) reconfirms, restates, and ratifies the Credit Agreement, the Loan Documents and all other documents executed in connection therewith except to the extent any such documents are expressly modified by this Amendment; (b) confirms that all such documents remain in full force and effect since the date of their execution; and (c) acknowledges and agrees that this Amendment is a Loan Document as defined under the Credit Agreement, and a violation of any provision of this Amendment shall constitute

an Event of Default (after giving effect to any applicable grace period) under the Credit Agreement.

6. Governing Law. This Amendment shall be deemed to be a contract under the laws of the Commonwealth of Pennsylvania and for all purposes shall be governed by and construed and enforced in accordance with the internal laws of the Commonwealth of Pennsylvania without regard to its conflict of laws principles.

7. Counterparts. This Amendment may be signed by telecopy (or other electronic image scan transmission) or original in any number of counterparts each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

8. Credit Agreement Unaffected. Each reference to “this Agreement” in the Credit Agreement or to “the Credit Agreement” in any other Loan Document shall hereafter be construed as a reference to the Credit Agreement as amended hereby. Except as herein otherwise specifically provided, all provisions of the Credit Agreement shall remain in full force and effect and be unaffected hereby.

9. Waiver; RELEASE OF CLAIMS. Each Loan Party, by signing below, hereby waives and releases the Administrative Agent and each of the Banks and their respective Related Parties from any and all claims, offsets, defenses and counterclaims arising out of or related to the transactions contemplated by this Amendment, the Credit Agreement or any of the other Loan Documents, or any act, omission or event occurring in connection herewith or therewith, such waiver and release being with full knowledge and understanding of the circumstances and effect thereof and after having consulted legal counsel with respect thereto. **THE LOAN PARTIES, JOINTLY AND SEVERALLY, AGREE TO RELEASE AND HEREBY DO RELEASE AND DISCHARGE, THE ADMINISTRATIVE AGENT AND EACH BANK, THEIR RESPECTIVE SHAREHOLDERS, AGENTS, EMPLOYEES, DIRECTORS, OFFICERS, ATTORNEYS, AFFILIATES, SUBSIDIARIES, PREDECESSORS, SUCCESSORS AND ASSIGNS AND ALL PERSONS, FIRMS, CORPORATIONS, AND ORGANIZATIONS ACTING ON THEIR BEHALF (EACH A “RELEASED PARTY” ) OF AND FROM ALL DAMAGES, LOSSES, CLAIMS, DEMANDS, LIABILITIES, OBLIGATIONS, ACTIONS AND CAUSES OF ACTION WHATSOEVER THAT ANY LOAN PARTY HAS OR CLAIMS TO HAVE AGAINST ANY RELEASED PARTY AS OF THE DATE HEREOF AND WHETHER KNOWN OR UNKNOWN AT THE TIME OF THIS RELEASE, AND OF EVERY NATURE AND EXTENT WHATSOEVER ON ACCOUNT OF OR IN ANY WAY, DIRECTLY OR INDIRECTLY, TOUCHING, CONCERNING, ARISING OUT OF OR FOUNDED UPON THE LOAN DOCUMENTS OR THE LENDING RELATIONSHIP RESPECTING THE OBLIGATIONS BETWEEN ANY LOAN PARTY AND ANY RELEASED PARTY.** The Administrative Agent and the Banks would not agree to enter into this Amendment but for the provisions set forth in this Section 9. The Loan Parties confirm that they have agreed to the provisions of this Section 9 of their own volition, with full knowledge of the extent and effect of the various releases and waivers granted by this Section 9 and of the importance to the Administrative Agent and the Banks of these waivers and releases and after having had the opportunity to discuss this matter with counsel of their own choice.



10. Entire Agreement. This Amendment, together with the Credit Agreement and the other Loan Documents integrate all the terms and conditions mentioned herein or incidental hereto and supersede all oral representations and negotiations and prior writings with respect to the subject matter hereof.

11. JURY TRIAL WAIVER. EACH OF THE PARTIES TO THIS AMENDMENT HEREBY IRREVOCABLY WAIVES ALL RIGHT TO A TRIAL BY JURY IN ANY ACTION, PROCEEDING OR COUNTERCLAIM ARISING OUT OF OR RELATING TO THIS AMENDMENT OR ANY OF THE OTHER LOAN DOCUMENTS (INCLUDING, WITHOUT LIMITATION, ANY AMENDMENTS, WAIVERS OR OTHER MODIFICATIONS RELATING TO ANY OF THE FOREGOING), OR THE TRANSACTIONS CONTEMPLATED HEREBY OR THEREBY.

[SIGNATURE PAGES FOLLOW]

IN WITNESS WHEREOF, the parties hereto, by their officers thereunto duly authorized, have executed this Amendment as of the day and year first above written.

**BORROWERS:**

TRIUMPH GROUP, INC.

By: /s/ Daniel J. Crowley

Name: Daniel J. Crowley

Title: President and CEO

**BORROWERS AND GUARANTORS (Continued):**

NU-TECH BRANDS, INC.  
TRIUMPH BRANDS, INC.  
TRIUMPH GROUP ACQUISITION CORP  
TRIUMPH INTEGRATED AIRCRAFT INTERIORS, INC.  
TRIUMPH INSULATION SYSTEMS, LLC  
TRIUMPH ACCESSORY SERVICES - GRAND PRAIRIE, INC.  
TRIUMPH ACTUATION SYSTEMS - VALENCIA, INC.  
TRIUMPH ACTUATION SYSTEMS, LLC  
TRIUMPH ACTUATION SYSTEMS - CONNECTICUT, LLC  
HT PARTS, L.L.C.  
TRIUMPH STRUCTURES - KANSAS CITY, INC.  
TRIUMPH AEROSPACE SYSTEMS GROUP, LLC  
TRIUMPH AFTERMARKET SERVICES GROUP, LLC  
TRIUMPH AIRBORNE STRUCTURES, LLC  
TRIUMPH AVIATIONS INC.  
TRIUMPH COMPOSITE SYSTEMS, INC.  
TRIUMPH CONTROLS, LLC  
TRIUMPH ENGINEERED SOLUTIONS, INC.  
TRIUMPH ENGINEERING SERVICES, INC.  
TRIUMPH GEAR SYSTEMS, INC.  
TRIUMPH GEAR SYSTEMS - MACOMB, INC.  
TRIUMPH GROUP ACQUISITION HOLDINGS, INC.  
TRIUMPH THERMAL SYSTEMS, LLC  
TRIUMPH TURBINE SERVICES, INC.  
TRIUMPH STRUCTURES - WICHITA, INC.  
TRIUMPH FABRICATIONS - ORANGEBURG, INC. (F/K/A  
TRIUMPH FABRICATIONS - ST. LOUIS, INC.)  
VAC INDUSTRIES, INC.  
TRIUMPH AEROSTRUCTURES, LLC  
TRIUMPH AEROSTRUCTURES HOLDINGS, LLC  
TRIUMPH ENGINE CONTROL HOLDINGS, INC.  
TRIUMPH ENGINE CONTROL SYSTEMS, LLC  
TRIUMPH INVESTMENT HOLDINGS, INC.  
TRIUMPH ACTUATION SYSTEMS - YAKIMA, LLC  
TRIUMPH AEROSTRUCTURES - TULSA, LLC  
TRIUMPH THERMAL SYSTEMS – MARYLAND, INC.  
THE TRIUMPH GROUP OPERATIONS, INC.  
TRIUMPH INSTRUMENTS – BURBANK, INC.

By: /s/ Daniel J. Crowley  
Name: Daniel J. Crowley  
Title: President and CEO

PNC BANK, NATIONAL ASSOCIATION, as a Bank and as  
Administrative Agent

By: /s/ John T. Wilden  
Name: John T. Wilden  
Title: Senior Vice President

JP MORGAN CHASE BANK, N.A.

By: /s/ Kelly Milton

Name: Kelly Milton

Title: Executive Director

NAI-1512846779v6

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ROYAL BANK OF CANADA,

By: /s/ Richard C. Smith

Name: Richard C. Smith

Title: Authorized Signatory

Citizens Bank, National Association

By: /s/ Michael J. McWalters  
Name: Michael J. McWalters  
Title: Director

---

NAI-1512846779v6

---

TD Bank, N.A.

By: /s/ Bernadette Collins  
Name: Bernadette Collins  
Title: Senior Vice President

---



BARCLAYS BANK PLC,

By: /s/ Craig Malloy

Name: Craig Malloy

Title: Director

NAI-1512846779v6

---

SANTANDER BANK, N.A.

By: /s/ Richard A. Wolbach  
Name: Richard A. Wolbach  
Title: Vice President

---

NAI-1512846779v6

---

Manufacturers and Traders Trust Company

By: /s/ Nicholas Richards

Name: Nicholas Richards

Title: Vice President

THE HUNTINGTON NATIONAL BANK

By: /s/ Marcel Fournier  
Name: Marcel Fournier  
Title: Vice President

---

KEY BANK NATIONAL ASSOCIATION

By: /s/ Marc Evans  
Name: Marc Evans  
Title: Senior Vice President

---

CITIBANK, N.A.

By: /s/ Brian Reed  
Name: Brian Reed  
Title: Vice President

---

**EXHIBIT A**  
**CREDIT AGREEMENT**

See attached.

**EXHIBIT B**

**EXHIBIT 8.3.3**

See attached.



**COMPOSITE CREDIT AGREEMENT REFLECTING THE FIRST AMENDMENT DATED AS OF MAY 29, 2014, THE SECOND AMENDMENT DATED AS OF AUGUST 8, 2014, THE THIRD AMENDMENT DATED AS OF FEBRUARY 4, 2015, THE FOURTH AMENDMENT DATED AS OF MAY 13, 2015, THE FIFTH AMENDMENT DATED AS OF MARCH 28, 2016, THE SIXTH AMENDMENT DATED AS OF MAY 3, 2016, THE SEVENTH AMENDMENT DATED AS OF OCTOBER 21, 2016, THE EIGHTH AMENDMENT DATED AS OF MAY 1, 2017, THE NINTH AMENDMENT DATED AS OF JULY 31, 2017, THE TENTH AMENDMENT DATED AS OF JULY 19, 2018, THE ELEVENTH AMENDMENT DATED AS OF SEPTEMBER 23, 2019, AND THE TWELFTH AMENDMENT DATED AS OF MAY 22, 2020.**

**\$600,000,000.00 REVOLVING CREDIT FACILITY**

**THIRD AMENDED AND RESTATED CREDIT AGREEMENT**

**by and among**

**TRIUMPH GROUP, INC.**

**and**

**THE OTHER BORROWERS PARTY HERETO**

**and**

**THE GUARANTORS PARTY HERETO**

**and**

**THE BANKS PARTY HERETO**

**and**

**PNC BANK, NATIONAL ASSOCIATION,  
as Administrative Agent**

**Dated as of November 19, 2013**

**PNC CAPITAL MARKETS LLC, JPMORGAN CHASE BANK, N.A., CITIZENS BANK, N.A. AND MUFG BANK, LTD.,  
as Joint Lead Arrangers**

**JPMORGAN CHASE BANK, N.A., CITIZENS BANK, N.A. AND MUFG BANK, LTD., as Syndication Agents**

**FIFTH THIRD BANK, BARCLAYS BANK PLC, BANK OF AMERICA, N.A. AND SANTANDER BANK, N.A., as  
Documentation Agents**

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EXHIBIT 5.8.6(D)	-U.S. TAX COMPLIANCE CERTIFICATE (PARTNERSHIP FOREIGN LENDERS)
EXHIBIT 8.3.3	-COMPLIANCE CERTIFICATE
EXHIBIT 11.20(A)	-BORROWER JOINDER
EXHIBIT 11.20(B)	-GUARANTOR JOINDER

### THIRD AMENDED AND RESTATED CREDIT AGREEMENT

THIS THIRD AMENDED AND RESTATED CREDIT AGREEMENT is dated as of November 19, 2013 and is made by and among **TRIUMPH GROUP, INC.**, a Delaware corporation (“TGI”), the other **BORROWERS** (as hereinafter defined), the **GUARANTORS** (as hereinafter defined), the **BANKS** (as hereinafter defined), and **PNC BANK, NATIONAL ASSOCIATION**, in its capacity as Administrative Agent for the Banks under this Agreement (hereinafter referred to in such capacity together with its successors and assigns, as the “Administrative Agent”).

WITNESSETH:

WHEREAS, the parties hereto are amending and restating the Original Credit Agreement on the terms and conditions set forth below; and

NOW, THEREFORE, the parties hereto, in consideration of their mutual covenants and agreements hereinafter set forth and intending to be legally bound hereby, covenant and agree that the Original Credit Agreement is amended and restated in its entirety as follows:

#### 1. CERTAIN DEFINITIONS

##### 1.1 Certain Definitions.

In addition to words and terms defined elsewhere in this Agreement, the following words and terms shall have the following meanings, respectively, unless the context hereof clearly requires otherwise:

Adjusted Funding Target Attainment Percentage shall mean the adjusted funding target attainment percentage as defined in Sections 206(g)(9) of ERISA and 436(j)(2) of the Internal Revenue Code.

Administrative Agent shall mean PNC Bank, National Association, and its successors and assigns, in its capacity as administrative agent hereunder.

Administrative Agent’s Fee shall have the meaning assigned to that term in Section 10.15.

Administrative Agent’s Letter shall have the meaning assigned to that term in Section 10.15.

Affiliate as to any Person shall mean any other Person (i) which directly or indirectly controls, is controlled by, or is under common control with such Person, (ii) which beneficially owns or holds 10% or more of any class of the voting or other equity interests of such Person, or (iii) 10% or more of any class of voting interests or other equity interests of which is beneficially owned or held, directly or indirectly, by such Person. “Control”, as used in this definition, shall mean the possession, directly or indirectly, of the power to direct or cause the direction of the management or policies of a Person, whether through the ownership of voting securities, by

contract or otherwise, including the power to elect a majority of the directors or trustees of a corporation or trust, as the case may be.

Agreement shall mean this Third Amended and Restated Credit Agreement, as the same may be supplemented, amended or restated from time to time, including all schedules and exhibits.

Anti-Corruption Laws shall mean all laws, rules, and regulations of any jurisdiction applicable to any Borrower or any of their Subsidiaries from time to time concerning or relating to bribery or corruption.

Anti-Terrorism Laws shall mean any Laws relating to terrorism, trade sanctions, programs and embargoes, import/export licensing, money laundering or bribery, and any regulation, order, or directive promulgated, issued or enforced pursuant to such Laws, all as amended, supplemented or replaced from time to time.

Approved Fund shall mean any Fund that is administered or managed by (i) a Bank, (ii) an Affiliate of a Bank or (iii) an entity or an Affiliate of an entity that administers or manages a Bank.

ASC 715-30 shall mean the U.S. GAAP Codification of Accounting Standards, Topic 715-30 [Defined Benefit Plans – Pensions].

Assignment and Assumption Agreement shall mean an Assignment and Assumption Agreement by and among a Purchasing Bank, the Transferor Bank and the Administrative Agent, as Administrative Agent and on behalf of the remaining Banks, substantially in the form of Exhibit 1.1(A).

Authorized Officer shall mean those individuals, designated by written notice to the Administrative Agent from TGI, as agent for each Borrower, authorized to execute notices, reports and other documents on behalf of such Borrower required hereunder. Any Borrower may amend such list of individuals from time to time by having TGI give written notice of such amendment on its behalf to the Administrative Agent.

Available Currencies shall mean, at any time, Dollars and all Optional Currencies at such time; individually, an “Available Currency”.

Availability Reserve shall mean an amount equal to 75% of the Net Asset Sale Proceeds received from any Specified Asset Sale, as calculated in accordance with Section 5.6.4.

Bail-In Action shall mean the exercise of any Write-Down and Conversion Powers by the applicable EEA Resolution Authority in respect of any liability of an EEA Financial Institution.

Bail-In Legislation shall mean, with respect to any EEA Member Country implementing Article 55 of Directive 2014/59/EU of the European Parliament and of the Council of the European Union, the implementing law for such EEA Member Country from time to time which is described in the EU Bail-In Legislation Schedule.



Balance Sheet Cash shall mean cash and Cash Equivalents of TGI and the other Domestic Loan Parties that would be reflected as “cash and cash equivalents” in accordance with GAAP on a consolidated balance sheet of TGI and its Subsidiaries other than (a) any cash set aside to pay in the ordinary course of business amounts then due and owing by TGI or another Domestic Loan Party to unaffiliated third parties and for which TGI or another Domestic Loan Party has issued checks or has initiated wires or ACH transfers in order to pay such amounts, (b) any cash of TGI or another Domestic Loan Party constituting purchase price deposits or other contractual or legal requirements to deposit money held by an unaffiliated third party, (c) deposits of cash or Cash Equivalents from unaffiliated third parties that are subject to return pursuant to binding agreements with such third parties, (d) cash and Cash Equivalents in deposit or securities accounts that are designated solely as accounts for, and are used solely for, payroll funding, employee compensation, employee benefits or taxes, in each case in the ordinary course of business and (e) any cash or Cash Equivalents controlled by or held for the benefit of any Person jointly owned by TGI or another Domestic Loan Party with any third party, and in each case, their respective subsidiaries.

Bank-Provided Foreign Currency Hedge shall mean a Foreign Currency Hedge which, at the time such Foreign Currency Hedge is entered into, is provided by any Bank or its Affiliate and for which such Bank confirms to the Administrative Agent in writing that it: (i) is documented in a standard International Swaps and Derivatives Association Master Agreement or another reasonable and customary manner, (ii) provides for the method of calculating the reimbursable amount of the provider’s credit exposure in a reasonable and customary manner, and (iii) is entered into for hedging (rather than speculative) purposes. The liabilities owing to the provider of any Bank-Provided Foreign Currency Hedge (the “Foreign Currency Hedge Liabilities”) by any Loan Party that is party to such Bank-Provided Foreign Currency Hedge shall, for purposes of this Agreement and all other Loan Documents be “Obligations” of such Person and of each other Loan Party, be guaranteed obligations under the Guarantee and Collateral Agreement and secured obligations under any other Loan Document, as applicable, and otherwise treated as Obligations for purposes of the other Loan Documents, except to the extent constituting Excluded Hedge Liabilities of such Person. The Liens securing the Foreign Currency Hedge Liabilities shall be pari passu with the Liens securing all other Obligations under this Agreement and the other Loan Documents, subject to the express provisions of Section 9.2.5 [Application of Proceeds].

Bank-Provided Hedge shall mean an Interest Rate Hedge or other hedging transaction which, at the time such Interest Rate Hedge or other hedging transaction is entered into, is provided by any Bank or any Affiliate thereof, and for which such Bank confirms to the Administrative Agent in writing that it: (i) is documented in a standard International Swaps and Derivatives Association Master Agreement (or another reasonable and customary manner), (ii) provides for the method of calculating the reimbursable amount of the provider’s credit exposure in a reasonable and customary manner, and (iii) is entered into for hedging (rather than speculative) purposes. The liabilities of any Borrower or any Guarantor to the provider of any Bank-Provided Hedge (the “Hedge Liabilities”) shall be “Obligations” hereunder, guaranteed obligations under the Guarantee and Collateral Agreement and secured obligations under any other Loan Document, as applicable, and otherwise treated as Obligations for purposes of each of the other Loan Documents, except to the extent constituting Excluded Hedge Liabilities of such Person. The Liens securing the Hedge Liabilities shall be pari passu with the Liens securing all

other Obligations under this Agreement and the other Loan Documents, subject to the express provisions of Section 9.2.5 [Application of Proceeds].

Banks shall mean the financial institutions named on Schedule 1.1(B) and their respective successors and assigns as permitted hereunder, each of which is referred to herein as a Bank.

Base Rate shall mean the greatest of (i) the interest rate per annum announced from time to time by the Administrative Agent at its Principal Office as its then prime rate, which rate may not be the lowest rate then being charged commercial borrowers by the Administrative Agent, (ii) the Overnight Bank Funding Rate plus 1/2% per annum, or (iii) the Daily Euro-Rate plus 1% per annum. Notwithstanding the foregoing, if the Base Rate as determined under any method above would be less than 2%, such rate shall be deemed to be 2% for purposes of this Agreement.

Base Rate Option shall mean the option of the Borrowers, exercisable by TGI as their agent, to have Loans bear interest at a fluctuating rate per annum (computed on the basis of a year of 365/366 days, as the case may be, or, if the Base Rate is measured by reference to the Daily Euro-Rate, 360 days, and in each case actual days elapsed) equal to the Base Rate plus the applicable number of basis points calculated under the Pricing Grid, such interest rate to change automatically from time to time effective as of the effective date of each change in the Base Rate.

Benchmark Replacement shall mean, with respect to any Available Currency, the sum of: (i) the alternate benchmark rate that has been selected by the Administrative Agent and the Borrowers for such Available Currency giving due consideration to (a) any selection or recommendation of a replacement rate or the mechanism for determining such a rate by the Relevant Governmental Body with respect to such Available Currency or (b) any evolving or then-prevailing market convention for determining a rate of interest as a replacement to the Euro-Rate for (A) with respect to Dollar Loans under the Euro-Rate Option, U.S. dollar-denominated credit facilities or (B) with respect to Optional Currency Loans, U.S. credit facilities providing for loans in such Optional Currency and (ii) the Benchmark Replacement Adjustment; provided that, if the Benchmark Replacement as so determined would be less than 1%, the Benchmark Replacement will be deemed to be 1% for the purposes of this Agreement.

Benchmark Replacement Adjustment shall mean, with respect to any replacement of the Euro-Rate for any Available Currency with an alternate benchmark rate for each applicable Interest Period for such Available Currency, the spread adjustment, or method for calculating or determining such spread adjustment, (which may be a positive or negative value or zero) that has been selected by the Administrative Agent and the Borrowers (i) giving due consideration to (a) any selection or recommendation of a spread adjustment, or method for calculating or determining such spread adjustment, for the replacement of the Euro-Rate in such Available Currency with the applicable Benchmark Replacement for such Available Currency (excluding such spread adjustment) by the Relevant Governmental Body with respect to such Available Currency or (b) any evolving or then-prevailing market convention for determining a spread adjustment, or method for calculating or determining such spread adjustment, for such replacement of the Euro-Rate for (A) with respect to Dollar Loans under the Euro-Rate Option, U.S. dollar-denominated credit facilities at such time or (B) with respect to Optional Currency

Loans, U.S. credit facilities providing for loans in such Optional Currency and (ii) which may also reflect adjustments to account for (a) the effects of the transition from the Euro-Rate for such Available Currency to the Benchmark Replacement for such Available Currency and (b) yield- or risk-based differences between the Euro-Rate and the Benchmark Replacement for such Available Currency.

Benchmark Replacement Conforming Changes shall mean, with respect to any Benchmark Replacement for any Available Currency, any technical, administrative or operational changes (including changes to the definition of “Base Rate,” the definition of “Interest Period,” timing and frequency of determining rates and making payments of interest and other administrative matters) that the Administrative Agent decides may be appropriate to reflect the adoption and implementation of such Benchmark Replacement for such Available Currency and to permit the administration thereof by the Administrative Agent in a manner substantially consistent with market practice in the United States (or, if the Administrative Agent decides that adoption of any portion of such market practice is not administratively feasible or if the Administrative Agent determines that no market practice for the administration of the Benchmark Replacement exists, in such other manner of administration as the Administrative Agent decides is reasonably necessary in connection with the administration of this Agreement).

Benchmark Replacement Date shall mean the earlier to occur of the following events with respect to the Euro-Rate for any Available Currency:

(i) in the case of clause (i) or (ii) of the definition of “Benchmark Transition Event,” the later of (a) the date of the public statement or publication of information referenced therein and (b) the date on which the administrator of the Euro-Rate for such Available Currency permanently or indefinitely ceases to provide the Euro-Rate for such Available Currency; or

(ii) in the case of clause (iii) of the definition of “Benchmark Transition Event,” the date of the public statement or publication of information referenced therein.

Benchmark Transition Event shall mean the occurrence of one or more of the following events with respect to the Euro-Rate for any Available Currency:

(i) a public statement or publication of information by or on behalf of the administrator of the Euro-Rate for such Available Currency announcing that such administrator has ceased or will cease to provide the Euro-Rate for such Available Currency, permanently or indefinitely, provided that, at the time of such statement or publication, there is no successor administrator that will continue to provide the Euro-Rate for such Available Currency;

(ii) a public statement or publication of information by an Official Body having jurisdiction over the Administrative Agent, the regulatory supervisor for the administrator of the Euro-Rate for such Available Currency, the Federal Reserve System, an insolvency official with jurisdiction over the administrator for the Euro-Rate for such Available Currency, a resolution authority with jurisdiction over the administrator for the Euro-Rate for such Available Currency or a court or an entity with similar insolvency or resolution authority over the administrator for the Euro-Rate for such Available Currency, which states that the administrator of the Euro-Rate

for such Available Currency has ceased or will cease to provide the Euro-Rate for such Available Currency permanently or indefinitely, provided that, at the time of such statement or publication, there is no successor administrator that will continue to provide the Euro-Rate for such Available Currency;

(iii) a public statement or publication of information by the regulatory supervisor for the administrator of the Euro-Rate for such Available Currency or an Official Body having jurisdiction over the Administrative Agent announcing that the Euro-Rate for such Available Currency is no longer representative.

Benchmark Unavailability Period shall mean, with respect to any Available Currency, if a Benchmark Transition Event and its related Benchmark Replacement Date have occurred with respect to the Euro-Rate for such Available Currency and solely to the extent that the Euro-Rate for such Available Currency has not been replaced with a Benchmark Replacement, the period (i) beginning at the time that such Benchmark Replacement Date for such Available Currency has occurred if, at such time, no Benchmark Replacement for such Available Currency has replaced the Euro-Rate for such Available Currency for all purposes hereunder in accordance with Section 1.6 and (y) ending at the time that a Benchmark Replacement for such Available Currency has replaced the Euro-Rate for such Available Currency for all purposes hereunder pursuant to Section 1.6.

Beneficial Ownership Regulation shall mean 31 C.F.R. § 1010.230.

Benefit Arrangement shall mean at any time any material “employee benefit plan”, within the meaning of Section 3(3) of ERISA, which is neither a Plan nor a Multiemployer Plan and which is maintained, sponsored or otherwise contributed to by any member of the ERISA Group.

Benefit Plan shall mean any of (i) an “employee benefit plan” (as defined in ERISA) that is subject to Title I of ERISA, (ii) a “plan” as defined in and subject to Section 4975 of the Internal Revenue Code or (iii) any Person whose assets include (for purposes of ERISA Section 3(42) or otherwise for purposes of Title I of ERISA or Section 4975 of the Internal Revenue Code) the assets of any such “employee benefit plan” or “plan”.

Borrower Joinder shall have the meaning assigned to such term in Section 11.20.

Borrowers shall mean collectively TGI and each of TGI’s Subsidiaries which have executed this Agreement as a Borrower, or which becomes a Borrower pursuant to Section 11.20 hereof, and, if a Foreign Borrower, has not terminated its status as a Borrower pursuant to Section 11.20(iv).

Borrowing Date shall mean, with respect to any Loan, the date for the making thereof or the renewal or conversion thereof to the same or a different Interest Rate Option, which shall be a Business Day.

Borrowing Tranche shall mean specified portions of Loans outstanding as follows: (i) all Revolving Credit Loans to which a Euro-Rate Option applies which become subject to the same

Interest Rate Option under the same Loan Request by TGI, on behalf of the Borrowers, and which have the same Interest Period shall constitute one Borrowing Tranche, (ii) all Revolving Credit Loans to which a Base Rate Option applies shall constitute one Borrowing Tranche, (iii) all Swing Loans to which the Euro-Rate Option applies which become subject to the same Interest Rate Option under the same Loan Request by TGI, on behalf of the Borrowers, and which have the same Interest Period and which are denominated either in Dollars or in the same Optional Currency shall constitute one Borrowing Tranche; and (iv) all Swing Loans to which the Base Rate Option applies shall be one Borrowing Tranche.

Business Day shall mean any day other than a Saturday or Sunday or a legal holiday on which commercial banks are authorized or required to be closed for business in Pittsburgh, Pennsylvania and (i) if the applicable Business Day relates to any Loan to which the Euro-Rate Option applies, such day must also be a day on which dealings are carried on in the London interbank market, (ii) with respect to advances or payments of Loans or any other matters relating to Loans denominated in an Optional Currency, such day also shall be a day on which dealings in deposits in the relevant Optional Currency are carried on in the applicable interbank market, and (iii) with respect to advances or payments of Loans denominated in an Optional Currency, such day shall also be a day on which all applicable banks into which Loan proceeds may be deposited are open for business and foreign exchange markets are open for business in the principal financial center of the country of such currency.

Capital Lease Obligations shall mean any obligation under a lease that is required to be capitalized for financial reporting purposes in accordance with GAAP; and the amount of Indebtedness represented by such obligations shall be the capitalized amount of such obligation determined in accordance with GAAP; and the stated maturity thereof shall be the date of the last payment of rent or any other amount due under such lease prior to the first date upon which such lease may be terminated by the lessee without payment of a penalty.

Capital Stock shall mean any and all shares, interests, participations or other equivalents (however designated) of capital stock of a corporation, any and all equivalent ownership interests in a Person (other than a corporation) and any and all warrants or options to purchase any of the foregoing.

Cash Collateralize shall mean, with respect to Letters of Credit Outstanding, that the Borrowers shall deposit with the Administrative Agent, as cash collateral for its Obligations under the Loan Documents, an amount equal to the Letters of Credit Outstanding.

Cash Equivalents shall mean, at any time, (i) any evidence of Indebtedness with a maturity date of ninety (90) days or less issued or directly and fully guaranteed or insured by the United States of America or any agency or instrumentality thereof; provided, that the full faith and credit of the United States of America is pledged in support thereof; (ii) certificates of deposit or bankers' acceptances with a maturity of (a) ninety (90) days or less of any financial institution that is a member of the Federal Reserve System having combined capital and surplus and undivided profits of not less than \$500,000,000.00 and (b) twenty-four months or less of any financial institution that meets the requirements of clause (ii)(a) and is a Bank hereunder; (iii) commercial paper (including variable rate demand notes) with a maturity of ninety (90) days or less issued by a corporation (except any Borrower, any Guarantor or any Affiliate of any of

them) organized under the laws of any State of the United States of America or the District of Columbia and rated at least A-1 by Standard & Poor's Ratings Service, a division of The McGraw-Hill Companies, Inc. ("S&P") or at least P-1 by Moody's Investors Service, Inc. ("Moody's"); (iv) repurchase obligations with a term of not more than thirty (30) days for underlying securities of the types described in clause (i) above entered into with any financial institution having combined capital and surplus and undivided profits of not less than \$500,000,000.00; (v) repurchase agreements and reverse repurchase agreements relating to marketable direct obligations issued or unconditionally guaranteed by the United States of America or issued by any governmental agency thereof and backed by the full faith and credit of the United States of America, in each case maturing within ninety (90) days or less from the date of acquisition; provided, that, the terms of such agreements comply with the guidelines set forth in the Federal Financial Agreements of Depository Institutions with Securities Dealers and Others, as adopted by the Comptroller of the Currency on October 31, 1985; and (vi) investments in money market funds and mutual funds which invest substantially all of their assets in securities of the types described in clauses (i) through (v) above.

Cash Management Agreements shall have the meaning assigned to such term in Section 2.9.9.

CEA shall mean the Commodity Exchange Act (7 U.S.C. §1 et seq.), as amended from time to time, and any successor statute.

Certificate of Beneficial Ownership shall mean a certification regarding beneficial ownership or control as required by the Beneficial Ownership Regulation.

CFTC shall mean the Commodity Futures Trading Commission.

Closing Date shall mean the date on which the initial Loans are made hereunder.

Collateral shall mean the Pledged Collateral, the UCC Collateral and the Intellectual Property Collateral.

Collateral Agent shall have the meaning assigned to such term in Section 9.2.5.2.

Collateral Documents shall mean the Guarantee and Collateral Agreement and any other documents delivered under this Agreement granting Liens in favor of the Administrative Agent, for the benefit of the Administrative Agent and the other holders of Obligations, as collateral security for the Obligations.

Commitment shall mean as to any Bank its Revolving Credit Commitment, and as to PNC, also its Swing Loan Commitment. Commitments shall mean the aggregate of the Revolving Credit Commitments of all of the Banks and Swing Loan Commitment of PNC. The amount of the Commitment available for Revolving Credit Loans shall be reduced by the amount of the outstanding Swing Loan provided in Section 2.9.1.

Commitment Fee shall have the meaning assigned to that term in Section 2.3.

Computation Date shall have the meaning assigned to that term in Section 2.10.1.

Connection Income Taxes shall mean Other Connection Taxes that are imposed on or measured by net income (however denominated) or that are franchise Taxes or branch profit Taxes.

Consolidated Adjusted EBITDA shall mean, for any period of determination, Consolidated EBITDA of TGI and its Subsidiaries subject to the following adjustments:

For any period in which TGI or one of its Subsidiaries has completed a Specified Asset Sale, the calculation of Consolidated Adjusted EBITDA for such period shall omit the financial performance of the entity or assets sold or disposed of, as though the sale or disposition had been completed at the beginning of the period of determination and, with respect to any sale or disposition of all or a portion of the TAS Business (including, without limitation, all or a portion of any Specified TAS Business Unit), either: (i) the carve-out financial statements of the entity or assets sold or disposed of for the fiscal year immediately preceding the date of such sale or disposition have been audited or (ii) the carve-out financial statements of the entity or assets sold or disposed of for the most recent four-quarter period ending prior to the date of such sale or disposition have been supported by a third party quality of earnings or due diligence report, provided that such audit, quality of earnings or due diligence report was performed by a nationally recognized firm (or another firm acceptable to the Administrative Agent) and is in form and substance reasonably satisfactory to the Administrative Agent.

Consolidated EBITDA shall mean with respect to any Person for any period

(i) the sum of, without duplication, the amounts for such period, taken as a single accounting period (in each case (other than clause (a) below), to the extent the same was deducted in computing Consolidated Net Income):

(a) Consolidated Net Income;

(b) Consolidated Non-cash Charges;

(c) Consolidated Interest Expense;

(d) Consolidated Income Tax Expense;

(e) any non-recurring expenses or charges related to any equity offering, investments permitted under Section 8.2.4(v) (but only if such investment is made in a Joint Venture), (vi) and (viii), recapitalization or Indebtedness permitted to be made under this Agreement (whether or not successful);

(f) non-cash charges of up to \$150,000,000.00 in the aggregate incurred after March 31, 2016 in connection with capitalized pre-production costs and other forward loss reserve charges, which non-cash charges do not fall under the definition of Consolidated Non-cash Charges (the "Forward Reserves");

(g) non-recurring expenses or charges of up to \$25,000,000.00 in the aggregate for all periods in respect of termination of certain post-employment benefit plans;

(h) cash restructuring and severance costs of up to an amount not to exceed 10% of Consolidated EBITDA for such period (excluding such adjustment); and

(i) reasonable and customary, non-recurring cash transaction costs and expenses incurred in connection with any sale or other disposition of property or assets that is expressly permitted hereunder, whether or not consummated; less

(i) the sum of:

(a) amount of extraordinary, non-recurring or unusual gains, including gains from asset sales outside the ordinary course of business and gains from settlements, curtailments and termination benefits recognized under ASC 715-30 [Settlements, Curtailments or Termination Benefits], to the extent the same were included in calculating Consolidated Net Income;

(b) the portion of (x) the reserve in respect of Boeing Co.'s 747-8 program (the "747 Forward Reserve"), and (y) the Forward Reserves referred to in clause (i)(f) of this definition, in each case that is released from the balance sheet during such fiscal period as reported in the Borrowers' compliance certificate for such fiscal period delivered pursuant to Section 8.3.3 hereof; and

(c) the amount, if any, included in Consolidated Net Income for such fiscal period determined by TGI to be the amount by which (x) the 747 Forward Reserve exceeded or will exceed, as the case may be, the actual loss suffered by the Borrowers against the Boeing Co.'s 747-8 program, and (y) the Forward Reserves set forth in clause (i)(f) of this definition exceeded or will exceed, as the case may be, the actual loss suffered by the Borrowers with respect to the programs to which such Forward Reserves relate.

Consolidated Income Tax Expense shall mean, with respect to any Person for any period, the provision for federal, state, local and foreign income taxes of such Person and its Subsidiaries for such period as determined on a consolidated basis in accordance with GAAP paid or accrued during such period, including any penalties and interest related to such taxes or arising from any tax examinations, to the extent the same were deducted in computing Consolidated Net Income.

Consolidated Interest Expense shall mean, with respect to any Person for any period, without duplication, the sum of:

(i) the total interest expense of such Person and its Subsidiaries for such period as determined on a consolidated basis in accordance with GAAP, including, without limitation:

(a) any amortization of Indebtedness discount;

(b) the net cost under any Interest Rate Hedge (including any amortization of discounts);

(c) the interest portion of any deferred payment obligation;



(d) all commissions, discounts and other fees and charges owed with respect to letters of credit, bankers' acceptances, financing activities or similar activities; and

(e) all accrued interest;

(ii) the interest component of Capital Lease Obligations paid, accrued and/or scheduled to be paid or accrued by such Person and its Subsidiaries during such period determined on a consolidated basis in accordance with GAAP; and

(iii) all capitalized interest of such Person and its Subsidiaries for such period;

provided, however, that Consolidated Interest Expense will exclude (I) the amortization or write-off of debt issuance costs and deferred financing fees, commissions, fees and expenses, and (II) any expensing of interim loan commitment and other financing fees.

Consolidated Net Income shall mean for any fiscal period the net income of TGI and its Subsidiaries for such period determined and consolidated in accordance with GAAP; provided that:

(i) the net income (but not loss) of any Person that is accounted for by the equity method of accounting shall be included only to the extent of the amount of dividends or distributions paid in cash to the specified Person or a Subsidiary thereof;

(ii) the net income of any Joint Venture shall be included only to the extent of the amount of dividends or distributions paid in cash by such Joint Venture to TGI or a Subsidiary thereof (other than another Joint Venture);

(iii) the net income of any Subsidiary shall be excluded to the extent that the declaration or payment of dividends or similar distributions by that Subsidiary of that net income is not at the date of determination permitted without any prior governmental approval (that has not been obtained) or, directly or indirectly, by operation of the terms of its charter or any agreement, instrument, judgment, decree, order, statute, rule or governmental regulation applicable to that Subsidiary or its equity holders;

(iv) the net income of any Person acquired during the specified period for any period prior to the date of such acquisition shall be excluded;

(v) gains or losses on asset sales (other than sales of inventory and other assets in the ordinary course of business) shall be excluded;

(vi) the cumulative effect of a change in accounting principles shall be excluded;

(vii) notwithstanding clause (i) above, the net income (or loss) attributable to any discontinued operations shall be excluded; and

(viii) settlement, curtailment and termination benefits recognized under ASC 715-30 [Settlements, Curtailments or Termination Benefits] shall be excluded.

Consolidated Non-cash Charges shall mean, with respect to any Person for any period, the aggregate depreciation, amortization (including amortization of goodwill, other intangibles, deferred financing fees, debt issuance costs, commissions, fees and expenses) and non-cash charges and non-cash expenses of such Person and its Subsidiaries, including, without limitation, non-cash charges and non-cash expenses related to stock-based compensation, goodwill impairments or fixed asset writedowns and non-cash pension expense, reducing Consolidated Net Income of such Person and its Subsidiaries for such period, determined on a consolidated basis in accordance with GAAP (excluding such charges constituting an extraordinary item of loss, any write-down of working capital, or any charge which requires an accrual of or a reserve for cash charges for any future period).

Consolidated Senior Net Indebtedness shall mean Consolidated Total Net Indebtedness less Subordinated Indebtedness.

Consolidated Total Indebtedness shall mean as of any date of determination the aggregate of all Indebtedness of TGI and its Subsidiaries as of such date determined and consolidated in accordance with GAAP.

Consolidated Total Net Indebtedness shall mean Consolidated Total Indebtedness minus unrestricted cash and Cash Equivalents in excess of \$25,000,000.00 which are held by TGI or another Domestic Loan Party and maintained or managed at a Bank or an Affiliate of a Bank and subject to a Control Agreement; provided that the amount of unrestricted cash and Cash Equivalents which may be subtracted when calculating Consolidated Total Net Indebtedness shall not exceed \$25,000,000.00.

Control Agreement shall have the meaning assigned to that term in the Guarantee and Collateral Agreement.

Covenant Restriction Period shall mean the period commencing on the Twelfth Amendment Effective Date and continuing until the date on which the Borrowers have delivered financial statements in accordance with Sections 8.3.1 or 8.3.2 and the related Compliance Certificate with respect to such period pursuant to Section 8.3.3 for a fiscal quarter ending on or after March 31, 2022 demonstrating compliance with the financial covenants set forth in Sections 8.2.15, 8.2.16 and 8.2.17.

Covered Entity shall mean (i) each Borrower, each Subsidiary of each Borrower, all Guarantors and all pledgors of Collateral, and (ii) each Person that, directly or indirectly, is in control of a Person described in clause (i) above. For purposes of this definition, control of a Person shall mean the direct or indirect (a) ownership of, or power to vote, 25% or more of the issued and outstanding equity interests having ordinary voting power for the election of directors of such Person or other Persons performing similar functions for such Person, or (b) power to direct or cause the direction of the management and policies of such Person whether by ownership of equity interests, contract or otherwise; provided that no JV Owner shall be deemed to have control of such Person unless such JV Owner is considered to have control of such Person pursuant to clause (b) above.

Daily Euro-Rate shall mean, for any day, the rate per annum determined by the Administrative Agent by dividing (i) the Published Rate by (ii) a number equal to 1.00 minus the Euro-Rate Reserve Percentage on such day. Notwithstanding the foregoing, if the Daily Euro-Rate as determined by the previous sentence would be less than 1%, such rate shall be deemed to be 1% for purposes of this Agreement.

Defaulting Bank shall mean any Bank that has (a) failed to fund (i) any portion of the Revolving Credit Loans required to be funded by it hereunder within one Business Day of the date required to be funded by it hereunder unless such Bank notifies the Administrative Agent and TGI in writing that such failure is the result of such Bank's good faith determination that one or more conditions precedent to funding (each of which conditions precedent, together with any applicable default, shall be specifically identified in such writing) has not been satisfied, or (ii) participations with respect to Letters of Credit (as provided in Section 2.8.3), or participations in Swing Loans (as provided in Section 2.9.5) required to be funded by it hereunder within one Business Day of the date required to be funded by it hereunder, in each case, unless such failure has been cured and all interest accruing as a result of such failure has been fully paid in accordance with the terms hereof, (b) otherwise failed to pay over to the Administrative Agent or any other Bank any other amount required to be paid by it hereunder within one Business Day of the date when due, unless the subject of a good faith dispute or unless such failure has been cured and all interest accruing as a result of such failure has been fully paid in accordance with the terms hereof, (c) notified the Borrowers, the Administrative Agent, or any Issuing Bank in writing or has made any public statement to the effect that it does not intend to comply with any of its funding obligations under this Agreement or under any other agreements in which it commits to extend credit, (d) failed, within one Business Day after request by the Administrative Agent, to confirm that it will comply with the terms of this Agreement relating to its obligations to fund prospective Loans and participations in then outstanding Letters of Credit or Swing Loans or (e) has or has a parent company that has (i) been deemed insolvent or become the subject of an Insolvency Proceeding or (ii) become the subject of a Bail-In Action.

Disqualified Equity Interests shall mean any equity interest which, by its terms (or by the terms of any security or other equity interest into which it is convertible or for which it is exchangeable), or upon the happening of any event or condition (i) matures or is mandatorily redeemable (other than solely for equity interests which do not constitute Disqualified Equity Interests), pursuant to a sinking fund obligation or otherwise, (ii) is redeemable at the option of the holder thereof (other than solely for equity interests which do not constitute Disqualified Equity Interests), in whole or in part, (iii) provides for the scheduled payments of dividends in cash, or (iv) is or becomes convertible into or exchangeable for Indebtedness or any other Disqualified Equity Interests, in each case, prior to the date that is 91 days after the Expiration Date.

Disqualified Institution shall mean, on any date, (i) any Person that is a direct competitor of the Borrowers and their Subsidiaries in the same or a similar line of business as the Borrowers (a "Competitor"), which Person has been designated by the Borrowers as a "Disqualified Institution" by written notice to the Administrative Agent and the Banks not less than three Business Days prior to such date, and (ii) any Affiliate of any such Competitor, which Person either has been designated by the Borrowers as a "Disqualified Institution" by written notice to

the Administrative Agent and the Banks not less than three Business Days prior to such date or is readily identifiable as such on the basis of its name (other than any bona fide debt fund that is engaged in making or purchasing commercial loans in the ordinary course of business); provided that “Disqualified Institutions” shall exclude any Person that the Borrowers have designated as no longer being a “Disqualified Institution” by written notice delivered to the Administrative Agent and the Banks from time to time; provided, further, that the designation of any Person as a “Disqualified Institution” after the date such Person becomes a Bank hereunder shall not retroactively disqualify such Person from serving as a Bank hereunder.

Documentation Agent shall mean individually Fifth Third Bank, Barclays Bank PLC, Bank of America, N.A. and Santander Bank, N.A. and their successors and assigns, as Documentation Agent and Documentation Agents shall mean collectively Fifth Third Bank, Barclays Bank PLC, Bank of America, N.A. and Santander Bank, N.A. and their successors and assigns, as Documentation Agents.

Dollar, Dollars, U.S. Dollars and the symbol  $\$$  shall mean lawful money of the United States of America.

Dollar Equivalent shall mean, with respect to any amount of any currency, the Equivalent Amount of such currency expressed in Dollars.

Dollar Equivalent Non-Loan Revolving Facility Usage shall mean at any time the Dollar Equivalent amount of the Non-Loan Revolving Facility Usage.

Dollar Equivalent Revolving Facility Usage shall mean at any time the Dollar Equivalent amount of the Revolving Facility Usage.

Dollar Loans shall mean any Loans denominated in U.S. Dollars.

Dollar Swing Loan Commitment shall mean PNC Bank’s commitment to make Swing Loans to the Borrowers in an aggregate Dollar Equivalent principal amount of up to (i) prior to the Original Expiration Date, \$100,000,000.00 and (ii) from and after the Original Expiration Date, \$75,000,000.00.

Dollar Swing Loan Note shall have the meaning assigned to such term in Section 2.9.3.

Dollar Swing Loans shall have the meaning assigned to such term in Section 2.9.1.

Domestic shall mean with respect to a Loan Party or a Subsidiary, one which is organized under the laws of the United States of America, any state thereof or the District of Columbia, other than a Loan Party or Subsidiary described in clause (ii) of the definition of “Foreign”.

Drawing Date shall have the meaning assigned to such term in Section 2.8.3.2.

Early Opt-in Event shall mean a determination by the Administrative Agent that (i) with respect to Dollar Loans under the Euro-Rate Option, U.S. dollar-denominated credit facilities being executed at such time, or that include language similar to that contained in Section 1.6, are being executed or amended, as applicable, to incorporate or adopt a new benchmark interest rate

to replace the Euro-Rate for loans in Dollars or (ii) with respect to Optional Currency Loans, U.S. credit facilities providing for loans in such Optional Currency being executed at such time, or that include language similar to that contained in Section 1.6, are being executed or amended, as applicable, to incorporate or adopt a new benchmark interest rate to replace the Euro-Rate for loans in such Optional Currency.

EEA Financial Institution shall mean (i) any credit institution or investment firm established in any EEA Member Country which is subject to the supervision of an EEA Resolution Authority, (ii) any entity established in an EEA Member Country which is a parent of an institution described in clause (i) of this definition, or (iii) any financial institution established in an EEA Member Country which is a subsidiary of an institution described in clauses (i) or (ii) of this definition and is subject to consolidated supervision with its parent.

EEA Member Country shall mean any of the member states of the European Union, Iceland, Liechtenstein, and Norway.

EEA Resolution Authority shall mean any public administrative authority or any Person entrusted with public administrative authority of any EEA Member Country (including any delegee) having responsibility for the resolution of any EEA Financial Institution.

Eighth Amendment Effective Date shall mean May 1, 2017.

Eleventh Amendment Effective Date shall mean September 23, 2019.

Eligibility Date shall mean, with respect to each Loan Party and each Swap, the date on which this Agreement or any other Loan Document becomes effective with respect to such Swap (the Eligibility Date shall be the effective date of such Swap if this Agreement or any other Loan Document is then in effect with respect to such Loan Party, and otherwise it shall be the Eligibility Date of this Agreement and/or such other Loan Document(s) to which such Loan Party is a party).

Eligible Contract Participant shall mean an “eligible contract participant” as defined in the CEA and regulations thereunder.

Environmental Complaint shall mean any written complaint setting forth a cause of action for personal or property damage or natural resource damage or equitable relief, order, notice of violation, citation, request for information issued pursuant to any Environmental Laws by an Official Body, subpoena or other written notice asserting or threatening a claim relating to, arising out of, or issued pursuant to any of the Environmental Laws or any Environmental Conditions, as the case may be.

Environmental Conditions shall mean any conditions of the environment, including the workplace, the ocean, natural resources (including flora or fauna), soil, surface water, groundwater, any actual or potential drinking water supply sources, substrata or the ambient air, relating to or arising out of, or caused by the use, handling, storage, treatment, recycling, generation, transportation, release, spilling, leaking, pumping, emptying, discharging, injecting, escaping, leaching, disposal, dumping, threatened release or other management or

mismanagement of Regulated Substances resulting from the use of, or operations on, the Property.

Environmental Laws shall mean all federal, state, local and foreign Laws and regulations, including permits, licenses, authorizations, bonds, orders, judgments, consent decrees issued, or entered into, pursuant thereto, relating to pollution or protection of human health or the environment or employee safety in the workplace.

Equivalent Amount shall mean, at any time, as determined by the Administrative Agent (which determination shall be conclusive absent manifest error), with respect to an amount of any currency (the "Reference Currency") which is to be computed as an equivalent amount of another currency (the "Equivalent Currency"): (i) if the Reference Currency and the Equivalent Currency are the same, the amount of such Reference Currency, or (ii) if the Reference Currency and the Equivalent Currency are not the same, the amount of such Equivalent Currency converted from such Reference Currency at the Administrative Agent's spot selling rate (based on the market rates then prevailing and available to the Administrative Agent) for the sale of such Equivalent Currency for such Reference Currency at a time determined by the Administrative Agent on the second Business Day immediately preceding the event for which such calculation is made.

Equivalent Currency shall have the meaning assigned to such term in the definition of Equivalent Amount.

ERISA shall mean the Employee Retirement Income Security Act of 1974, as the same may be amended or supplemented from time to time, and any successor statute of similar import, and the rules and regulations thereunder, as from time to time in effect.

ERISA Group shall mean, at any time, each Borrower and all members of a controlled group of corporations and all trades or businesses (whether or not incorporated) under common control and all other entities which, together with such Borrower, are treated as a single employer under Section 414 of the Internal Revenue Code.

EU Bail-In Legislation Schedule shall mean the EU Bail-In Legislation Schedule published by the Loan Market Association (or any successor Person), as in effect from time to time.

Euro-Rate shall mean the following:

(A) with respect to Dollar Loans comprising any Borrowing Tranche to which the Euro-Rate Option applies for any Interest Period, the interest rate per annum determined by the Administrative Agent by dividing (the resulting quotient rounded upwards, if necessary, to the nearest 1/100th of 1% per annum) (i) the rate of interest which appears on the Bloomberg Page BBAM1 (or on such other substitute Bloomberg page that displays rates at which US dollar deposits are offered by leading banks in the London interbank deposit market) or the rate which is quoted by another source selected by the Administrative Agent as an authorized information vendor for the purpose of displaying rates at which US dollar deposits are offered by leading banks in the London interbank deposit market (an "Alternate Source"), at approximately 11:00 a.m., London time, two (2) Business Days prior to the first day of such Interest Period as the

London interbank offered rate for U.S. Dollars for an amount comparable to such Borrowing Tranche and having a borrowing date and a maturity comparable to such Interest Period (or if there shall at any time, for any reason, no longer exist a Bloomberg Page BBAM1 (or any substitute page) or any Alternate Source, a comparable replacement rate determined by the Administrative Agent at such time (which determination shall be conclusive absent manifest error)), by (ii) a number equal to 1.00 minus the Euro-Rate Reserve Percentage.

The Euro-Rate shall be adjusted with respect to any Loan to which the Euro-Rate Option applies that is outstanding on the effective date of any change in the Euro-Rate Reserve Percentage as of such effective date. The Administrative Agent shall give prompt notice to TGI, as agent for all of the Borrowers, of the Euro-Rate as determined or adjusted in accordance herewith, which determination shall be conclusive absent manifest error.

(B) with respect to Optional Currency Swing Loans in currency other than Euro comprising any Borrowing Tranche to which the Euro-Rate Option applies for any Interest Period, the interest rate per annum determined by the Administrative Agent by dividing (i) the rate of interest per annum for deposits in the relevant Optional Currency which appears on the relevant Bloomberg Page (or, if no such quotation is available on such Bloomberg Page, on the appropriate such other substitute Bloomberg page that displays rates at which the relevant Optional Currency deposits are offered by leading banks in the Relevant Interbank Market) or the rate which is quoted by another source selected by the Administrative Agent as an authorized information vendor for the purpose of displaying such rates at which such Optional Currency deposits are offered by leading banks in the London interbank deposit market (an “Optional Currency Alternate Source”), at approximately 9:00 a.m., Pittsburgh time, two (2) Business Days prior to the commencement of such Interest Period as the Relevant Interbank Market offered rate for deposits in the relevant Optional Currency for an amount comparable to the principal amount of such Borrowing Tranche and having a borrowing date and a maturity comparable to such Interest Period (or if there shall at any time, for any reason, no longer exist an applicable Bloomberg Page (or any substitute page) or any Optional Currency Alternate Source, a comparable replacement rate determined by the Administrative Agent at such time (which determination shall be conclusive absent manifest error)), by (ii) a number equal to 1.00 minus the Euro-Rate Reserve Percentage.

The Euro-Rate shall be adjusted with respect to any Loan to which the Euro-Rate Option applies that is outstanding on the effective date of any change in the Euro-Rate Reserve Percentage as of such effective date. The Administrative Agent shall give prompt notice to TGI, as agent for all of the Borrowers, of the Euro-Rate as determined or adjusted in accordance herewith, which determination shall be conclusive absent manifest error. The Euro-Rate for any Loans shall be based upon the Euro-Rate for the currency in which such Loans are requested.

(C) with respect to Optional Currency Swing Loans denominated in Euro comprising any Borrowing Tranche to which the Euro-Rate Option applies for any Interest Period, the interest rate per annum determined by Administrative Agent by dividing (i) the rate which appears on the Bloomberg Page BBAM1 (or on such other substitute Bloomberg page that displays rates at which deposits in Euro are offered by leading banks in the Relevant Interbank Market) or the rate which is quoted by an Alternate Source, at approximately 11:00 a.m., Brussels time, two (2) TARGET Days prior to the commencement of such Interest Period as the

Relevant Interbank Market offered rate for deposits in Euro for an amount comparable to the principal amount of such Borrowing Tranche and having a borrowing date and a maturity comparable to such Interest Period (or if there shall at any time, for any reason, no longer exist a Bloomberg Page BBAM1 (or any substitute page) or any Alternate Source, a comparable replacement rate determined by the Administrative Agent at such time (which determination shall be conclusive absent manifest error)), by (ii) a number equal to 1.00 minus the Euro-Rate Reserve Percentage.

The Euro-Rate shall be adjusted with respect to any Loan to which the Euro-Rate Option applies that is outstanding on the effective date of any change in the Euro-Rate Reserve Percentage as of such effective date. The Administrative Agent shall give prompt notice to TGI, as agent for all of the Borrowers, of the Euro-Rate as determined or adjusted in accordance herewith, which determination shall be conclusive absent manifest error. The Euro-Rate for any Loans shall be based upon the Euro-Rate for the currency in which such Loans are requested.

(D) Notwithstanding the foregoing, if the Euro-Rate as determined under any method above would be less than 1%, such rate shall be deemed to be 1% for purposes of this Agreement.

Euro-Rate Option shall mean the option of the Borrowers, exercisable by TGI as their agent, to have Loans bear interest at a rate per annum (computed on the basis of a year of 360 days and actual days elapsed, provided that, for Loans made in an Optional Currency for which a 365-day basis is the only market practice available to the Administrative Agent, such rate shall be calculated on the basis of a year of 365 days and for the actual days elapsed) equal to the Euro-Rate plus the applicable number of basis points calculated under the Pricing Grid.

Euro-Rate Reserve Percentage shall mean the maximum percentage (expressed as a decimal rounded upward to the nearest 1/100 of 1%) as determined by the Administrative Agent which is in effect during any relevant period, (i) as prescribed by the Board of Governors of the Federal Reserve System (or any successor) for determining the reserve requirements (including supplemental, marginal and emergency reserve requirements) with respect to eurocurrency funding (currently referred to as “Eurocurrency Liabilities”) of a member bank in such System; and (ii) to be maintained by a Bank as required for reserve liquidity, special deposit, or a similar purpose by any governmental or monetary authority of any country or political subdivision thereof (including any central bank), against (A) any category of liabilities that includes deposits by reference to which a Euro-Rate is to be determined, or (B) any category of extension of credit or other assets that includes Loans or Borrowing Tranches to which a Euro-Rate applies.

Event of Default shall mean any of the Events of Default described in Section 9.1.

Excluded Hedge Liability or Liabilities shall mean, with respect to each Loan Party, each of its Swap Obligations if, and only to the extent that, all or any portion of this Agreement or any other Loan Document that relates to such Swap Obligation is or becomes illegal under the CEA, or any rule, regulation or order of the CFTC, solely by virtue of such Loan Party’s failure to qualify as an Eligible Contract Participant on the Eligibility Date for such Swap.



Notwithstanding anything to the contrary contained in the foregoing or in any other provision of this Agreement or any other Loan Document, the foregoing is subject to the following provisos: (a) if a Swap Obligation arises under a master agreement governing more than one Swap, this definition shall apply only to the portion of such Swap Obligation that is attributable to Swaps for which such guaranty or security interest is or becomes illegal under the CEA, or any rule, regulations or order of the CFTC, solely as a result of the failure by such Loan Party for any reason to qualify as an Eligible Contract Participant on the Eligibility Date for such Swap, (b) if a guarantee of a Swap Obligation would cause such obligation to be an Excluded Hedge Liability but the grant of a security interest would not cause such obligation to be an Excluded Hedge Liability, such Swap Obligation shall constitute an Excluded Hedge Liability for purposes of the guaranty but not for purposes of the grant of the security interest, and (c) if there is more than one Loan Party executing this Agreement or the other Loan Documents and a Swap Obligation would be an Excluded Hedge Liability with respect to one or more of such Persons, but not all of them, the definition of Excluded Hedge Liability or Liabilities with respect to each such Person shall only be deemed applicable to (i) the particular Swap Obligations that constitute Excluded Hedge Liabilities with respect to such Person, and (ii) the particular Person with respect to which such Swap Obligations constitute Excluded Hedge Liabilities.

Excluded Taxes shall mean any of the following Taxes imposed on or with respect to the Administrative Agent, the Issuing Bank or any Bank or required to be withheld or deducted from a payment to the Administrative Agent, or the Issuing Bank or such Bank, (i) Taxes imposed on or measured by net income (however denominated), franchise Taxes, and branch profits Taxes, in each case, (a) imposed as a result of the Administrative Agent, the Issuing Bank or such Bank being organized under the laws of, or having its principal office or, in the case of any Bank, its applicable lending office located in, the jurisdiction imposing such Tax (or any political subdivision thereof) or (b) that are Other Connection Taxes, (ii) in the case of a Bank, U.S. federal withholding Taxes imposed on amounts payable to or for the account of such Bank with respect to an applicable interest in a Loan or Revolving Credit Commitment pursuant to a law in effect on the date on which (a) such Bank acquires such interest in such Loan or Revolving Credit Commitment (other than pursuant to an assignment request by the Borrowers under Section 5.4.2 [Replacement of a Bank]) or (b) such Bank changes its lending office, except in each case to the extent that, pursuant to Section 5.8 [Taxes], amounts with respect to such Taxes were payable either to such Bank's assignor immediately before such Bank became a party hereto or to such Bank immediately before it changed its lending office, (iii) Taxes attributable to the Administrative Agent, the Issuing Bank or such Bank's failure to comply with Section 5.8.6 [Status of Banks], and (iv) any U.S. federal withholding Taxes imposed under FATCA (except to the extent imposed due to the failure of the Borrowers to provide documentation or information to the Internal Revenue Service).

Executive Order No. 13224 shall mean the Executive Order No. 13224 on Terrorist Financing, effective September 24, 2001, as the same has been, or shall hereafter be, renewed, extended, amended or replaced.

Expiration Date shall mean, with respect to the Revolving Credit Commitments, other than the Revolving Credit Commitments set forth on Schedule 2.15, the date that is the earlier of (i) three (3) years following the Original Expiration Date and (ii) six (6) months prior to the stated maturity date of the Second Lien Notes, and with respect to the Revolving Credit

Commitments set forth on Schedule 2.15, the Original Expiration Date. Notwithstanding the foregoing, if any of the 2014 Bonds remain outstanding (and have not been extended (including by amendment and extension) to a date that is later than three and one-half years after the Original Expiration Date or otherwise refinanced or replaced with Permitted Refinancing Debt) on the date that is 91 days prior to the stated maturity date of such 2014 Bonds (such date, the “New Expiration Date”), the Expiration Date shall be no later than the New Expiration Date. As used in this Agreement, any reference to the “Expiration Date” shall mean the latest applicable Expiration Date, unless otherwise expressly set forth herein.

FATCA shall mean Sections 1471 through 1474 of the Internal Revenue Code, any regulation or official interpretation thereof, as in effect on the date hereof (or any amended or successor version that is substantially comparable and not materially more onerous to comply with) and any current or future regulations or official interpretations thereof and any agreement entered into pursuant to Section 1471(b)(1) of the Internal Revenue Code.

Federal Funds Effective Rate for any day shall mean the rate per annum (based on a year of 360 days and actual days elapsed and rounded upward to the nearest 1/100 of 1%) announced by the Federal Reserve Bank of New York (or any successor) on such day as being the weighted average of the rates on overnight federal funds transactions arranged by federal funds brokers on the previous trading day, as computed and announced by such Federal Reserve Bank (or any successor) in substantially the same manner as such Federal Reserve Bank computes and announces the weighted average it refers to as the “Federal Funds Effective Rate” as of the date of this Agreement; provided, if such Federal Reserve Bank (or its successor) does not announce such rate on any day, the “Federal Funds Effective Rate” for such day shall be the Federal Funds Effective Rate for the last day on which such rate was announced. Notwithstanding the foregoing, if the Federal Funds Effective Rate as determined above would be less than 1%, such rate shall be deemed to be 1% for purposes of this Agreement.

Financial Advisor shall have the meaning assigned to such term in Section 8.1.15.

First Lien Secured Leverage Ratio shall mean, with respect to any Test Period, the ratio of Consolidated Senior Net Indebtedness (other than any such Indebtedness not secured by a first priority Lien on any assets of TGI or any of its Subsidiaries), as of the last day of such Test Period, to Consolidated Adjusted EBITDA for such Test Period.

Foreign shall mean, with respect to (i) a Loan Party or a Subsidiary, one which is organized under the laws of a jurisdiction other than the United States of America, any state thereof or the District of Columbia or (ii) any Subsidiary of such Loan Party or Subsidiary described in clause (i) of this definition, that is organized under the laws of the United States of America, any state thereof, or the District of Columbia and is not treated as a corporation for United States federal tax purposes.

Foreign Bank shall mean any Bank (including the Administrative Agent and any Issuing Bank) that is organized under the laws of a jurisdiction that no Borrower is a resident for tax purposes. For purposes of this definition, the United States of America, each state thereof and the District of Columbia shall be deemed to constitute a single jurisdiction.

Foreign Currency Hedge shall mean any foreign exchange transaction, including spot and forward foreign currency purchases and sales, listed or over-the-counter options on foreign currencies, non-deliverable forwards and options, foreign currency swap agreements, currency exchange rate price hedging arrangements, and any other similar transaction providing for the purchase of one currency in exchange for the sale of another currency.

Foreign Currency Hedge Liabilities shall have the meaning assigned in the definition of Bank-Provided Foreign Currency Hedge.

Fund shall mean any Person (other than a natural Person) that is (or will be) engaged in making, purchasing, holding, or otherwise investing in commercial loans, bonds or similar extensions of credit in the ordinary course of its activities.

GAAP shall mean United States generally accepted accounting principles as are in effect in the United States from time to time, subject to the provisions of Section 1.3, and applied on a consistent basis both as to classification of items and amounts.

Governmental Acts shall have the meaning assigned to that term in Section 2.8.8.

Guarantee and Collateral Agreement shall mean the Third Amended and Restated Guarantee and Collateral Agreement dated as of the Eleventh Amendment Effective Date, from certain of the Loan Parties to the Administrative Agent, for the benefit of the Administrative Agent and the other holders of Obligations, as may be amended, restated or supplemented from time.

Guarantor shall mean a guarantor under the Guarantee and Collateral Agreement and the other Loan Documents, provided that no Foreign Loan Party nor Foreign Subsidiary shall be required to guarantee any Obligation of a Domestic Loan Party.

Guarantor Joinder shall have the meaning assigned to such term in Section 11.20.

Guaranty of any Person shall mean any obligation of such Person guaranteeing any liability or obligation of any other Person in any manner, whether directly or indirectly, including any performance bond or other suretyship arrangement and any other form of assurance against loss.

Hedge Liabilities shall have the meaning assigned in the definition of “Bank-Provided Hedge”.

Historical Statements shall have the meaning assigned to that term in Section 6.1.9(i).

IDB's shall have the meaning assigned to such term in clause (xi) of the definition of “Permitted Liens”.

Immaterial Subsidiary shall mean (i) Triumph Group Charitable Foundation, (ii) while the Receivables Facility remains in place and so long as the SP Sub owns no assets other than trade accounts receivable, related rights, related lock-box bank accounts and proceeds thereof and sufficient other assets that, when added to the foregoing, enables it to satisfy the minimum

tangible net worth test set forth in the Receivables Purchase Agreement and any such immaterial other assets that are necessary or appropriate for the SP Sub to maintain an arm's-length relationship with the Borrowers and Guarantors, the SP Sub, and (iii) any Subsidiary (a) in which the aggregate Investment (without duplication) by the Loan Parties is less than \$10,000,000.00 and (b) which represented less than 5% of Consolidated Adjusted EBITDA for the most recently ended four (4) fiscal quarters; provided, however, that all Immaterial Subsidiaries described in clause (iii) of this definition shall not represent, in the aggregate, (x) more than 5% of Consolidated Adjusted EBITDA or (y) more than 5% of consolidated total assets of TGI and its Subsidiaries.

Indebtedness shall mean, as to any Person at any time, any and all indebtedness, obligations or liabilities (whether matured or unmatured, liquidated or unliquidated, direct or indirect, absolute or contingent, or joint or several) of such Person for or in respect of all of the following, without duplication: (i) borrowed money (whether or not convertible into Capital Stock), (ii) amounts raised under or liabilities in respect of any note purchase or acceptance credit facility, (iii) reimbursement obligations under any letter of credit, currency swap agreement, interest rate swap, cap, collar or floor agreement or other interest rate management device, (iv) any other transaction (including forward sale or purchase agreements, capitalized leases and conditional sales agreements) having the commercial effect of a borrowing of money entered into by such Person to finance its operations or capital requirements (but not including trade payables and accrued expenses incurred in ordinary course of business which are not more than (90) days overdue and not including any Payment Discount Arrangements or any Specified Payment Discount Arrangement), (v) Disqualified Equity Interests, valued, as of the date of determination, at the greater of (a) the maximum aggregate amount that would be payable upon maturity, redemption, repayment or repurchase thereof (or of Disqualified Equity Interests or Indebtedness into which such Disqualified Equity Interests are convertible or exchangeable) and (b) the maximum liquidation preference of such Disqualified Equity Interests, and (vi) any Guaranty of Indebtedness. Without limiting the generality of the foregoing, Indebtedness of TGI and its Subsidiaries, determined on a consolidated basis, shall include, without duplication and without limitation, the obligations of TGI and/or its Subsidiaries (including without limitation, the SP Sub) under the Transaction Documents (as defined in the Receivables Purchase Agreement).

Indemnified Taxes shall mean (i) Taxes, other than Excluded Taxes, imposed on or with respect to any payment made by or on account of any Obligation of any Loan Party under any Loan Document and (ii) to the extent not otherwise described in clause (i), Other Taxes.

Information shall mean all information received from the Loan Parties or any of their Subsidiaries relating to the Loan Parties or any of such Subsidiaries or any of their respective businesses, other than any such information that is available to the Administrative Agent or any Bank on a non-confidential basis prior to disclosure by the Loan Parties or any of their Subsidiaries, provided that, in the case of information received from the Loan Parties or any of their Subsidiaries after the date of this Agreement, such information is clearly identified at the time of delivery as confidential.

Insolvency Proceeding shall mean, with respect to any Person, (a) a case, action or proceeding with respect to such Person (i) before any court or any other Official Body under any

bankruptcy, insolvency, reorganization or other similar Law now or hereafter in effect, or (ii) for the appointment of a receiver, liquidator, assignee, custodian, trustee, sequestrator, conservator (or similar official) of such Person or otherwise relating to the liquidation, dissolution, winding-up or relief of such Person, of (b) any general assignment for the benefit of creditors, composition, marshaling of assets for creditors, or other, similar arrangement in respect of such Person's creditors or any substantial portion of its creditors undertaken under any Law.

Intellectual Property Collateral shall mean all of the Intellectual Property, as defined in the Guarantee and Collateral Agreement.

Intercompany Subordination Agreement shall mean the Intercompany Subordination Agreement dated as of June 16, 2010 among the Loan Parties as may be amended, supplemented or restated from time to time, as reaffirmed by the Loan Parties hereunder.

Interest Coverage Ratio shall mean, with respect to any Test Period, the ratio of (i) Consolidated EBITDA for such Test Period to (ii) Consolidated Interest Expense for such period.

Interest Period shall have the meaning assigned to such term in Section 4.3.

Interest Rate Hedge shall mean an interest rate exchange, collar, cap, swap, floor, adjustable strike cap, adjustable strike corridor, cross-currency swap or similar agreements entered into by any Borrower or any Guarantor or their Subsidiaries in order to provide protection to, or minimize the impact upon, the Borrowers, the Guarantors and/or their Subsidiaries of increasing floating rates of interest applicable to Indebtedness.

Interest Rate Option shall mean any Euro-Rate Option or Base Rate Option.

Internal Revenue Code shall mean the Internal Revenue Code of 1986, as the same may be amended or supplemented from time to time, and any successor statute of similar import, and the rules and regulations thereunder, as from time to time in effect.

Investment shall mean, with respect to any Subsidiary of TGI or Joint Venture in which the Loan Parties or their Subsidiaries hold an interest, (i) all consideration (whether cash, property, assumption of liabilities or otherwise) paid or given by the Loan Parties or their Subsidiaries for the ownership interests or assets of such Subsidiary or Joint Venture, (ii) any cash or other property contributed by the Loan Parties or their Subsidiaries to the capital of such Subsidiary or Joint Venture, (iii) any loans made by the Loan Parties or their Subsidiaries to such Subsidiary or Joint Venture, (iv) any Guaranty made by or on behalf of such Loan Party or their Subsidiaries for the benefit of such Subsidiaries or Joint Venture, or (v) any other consideration paid to or provided for the benefit of such Subsidiary or Joint Venture by the Loan Parties or their Subsidiaries in the nature of an equity contribution or loan.

Issuing Bank shall mean PNC Bank, in its individual capacity as issuer of Letters of Credit hereunder and any other Bank that TGI, Administrative Agent and such other Bank may agree from time to time issue Letters of Credit hereunder.

Joint Venture shall mean any entity in which the Loan Parties or their Subsidiaries, directly or indirectly, hold an ownership interest and the total of the ownership interests held by the Loan Parties and their wholly-owned Subsidiaries is less than 100%.

JV Owner shall mean each Person (other than a Loan Party or a Subsidiary thereof) that, directly or indirectly, owns or has the power to vote equity interests having ordinary voting power for the election of directors, or other Persons performing similar functions, of a Joint Venture.

Labor Contracts shall mean all material employment agreements, material employment contracts, collective bargaining agreements and other material agreements among TGI or any Subsidiary of TGI and its employees.

Law shall mean any law(s) (including common law), constitution, statute, treaty, regulation, rule, ordinance, opinion, issued guidance, release, ruling, order, executive order, injunction, writ, decree, bond, judgment, authorization or approval, lien or award of or any settlement arrangement, by agreement, consent or otherwise, with any Official Body, foreign or domestic.

Letter of Credit shall have the meaning assigned to that term in Section 2.8.1.

Letter of Credit Borrowing shall have the meaning assigned to such term in Section 2.8.3.4.

Letter of Credit Fee shall have the meaning assigned to that term in Section 2.8.2.

Letter of Credit Sublimit shall mean an aggregate Dollar Equivalent principal amount of up to (i) prior to the Original Expiration Date, \$100,000,000.00 and (ii) from and after the Original Expiration Date, \$75,000,000.00.

Letters of Credit Outstanding shall mean at any time the sum of (i) the aggregate undrawn face amount of outstanding Letters of Credit and (ii) the aggregate amount of all unpaid and outstanding Reimbursement Obligations and Letter of Credit Borrowings (without duplication).

Lien shall mean any mortgage, deed of trust, pledge, lien, security interest, charge or other encumbrance or security arrangement of any nature whatsoever, whether voluntarily or involuntarily given, including any conditional sale or title retention arrangement, and any assignment, deposit arrangement or lease intended as, or having the effect of, security and any filed financing statement or other notice of any of the foregoing (whether or not a lien or other encumbrance is created or exists at the time of the filing).

LLC Interests shall have the meaning assigned to such term in Section 6.1.3.

Loan Documents shall mean this Agreement, the Notes, the Guarantee and Collateral Agreement, the Second Lien Intercreditor Agreement, any intercreditor agreement related to a Specified Receivables Purchase Agreement, and the Intercompany Subordination Agreement, each executed by the Borrowers or the Guarantors or both, as applicable, and the other parties

thereto, and any other agreements, instruments, certificates or documents delivered or contemplated to be delivered hereunder or thereunder or in connection herewith or therewith, as the same may be supplemented or amended from time to time in accordance herewith or therewith, and Loan Document shall mean any of the Loan Documents.

Loan Party shall mean either any Borrower or any Guarantor and Loan Parties shall mean collectively the Borrowers and the Guarantors.

Loan Request shall mean a request for Revolving Credit Loans made in accordance with Section 2.4 or a request to select, convert to or renew a Euro-Rate Option in accordance with Section 4.3.

Loans shall mean collectively and Loan shall mean separately all Revolving Credit Loans and Swing Loans or any Revolving Credit Loan or Swing Loan.

Material Adverse Change shall mean any set of circumstances or events which (a) has or is reasonably expected to have any material adverse effect whatsoever upon the validity or enforceability of this Agreement or any other Loan Document, (b) has or is reasonably expected to have a material and adverse effect on the business, properties, assets, financial condition or results of operations of TGI and its Subsidiaries taken as a whole, (c) impairs materially or is reasonably expected to impair materially the ability of TGI and its Subsidiaries taken as a whole to duly and punctually pay or perform its Material Indebtedness, or (d) impairs materially or is reasonably expected to impair materially the ability of the Administrative Agent or any of the Banks, to the extent permitted, to enforce their legal remedies pursuant to this Agreement or any other Loan Document.

Material Indebtedness shall mean borrowed money or the extension of credit or any other Indebtedness, or commitment for any of the foregoing, under which any Borrower or Subsidiary of any Borrower may be obligated as a borrower or guarantor in excess of \$25,000,000.00 in the aggregate.

Material Subsidiary shall mean any Subsidiary of TGI other than an Immaterial Subsidiary.

Month, with respect to an Interest Period under the Euro-Rate Option, shall mean the interval between the days in consecutive calendar months numerically corresponding to the first day of such Interest Period. If any Euro-Rate Interest Period begins on a day of a calendar month for which there is no numerically corresponding day in the month in which such Interest Period is to end, the final month of such Interest Period shall be deemed to end on the last Business Day of such final month.

Multiemployer Plan shall mean any employee benefit plan which is a “multiemployer plan” within the meaning of Section 4001(a)(3) of ERISA and to which any Borrower or any member of the ERISA Group is then making or accruing an obligation to make contributions or, within the preceding five plan years, has made or had an obligation to make such contributions.

Multiple Employer Plan shall mean a Plan which has two or more contributing sponsors (including TGI or any member of the ERISA Group) at least two of whom are not under common control, as such a plan is described in Sections 4063 and 4064 of ERISA.

Net Asset Sale Proceeds shall mean, with respect to any sale, transfer or lease of assets, an amount equal to: (a) cash payments and Cash Equivalents (including any cash or Cash Equivalents received by way of deferred payment pursuant to, or by monetization of, a note receivable or otherwise, but only as and when so received) received by Borrowers or any of their Subsidiaries from such sale, transfer or lease of assets, minus (b) any bona fide direct documented and reasonable costs incurred in connection with such sale, transfer or lease of assets, including (i) income or gains taxes payable by the seller as a result of any gain recognized in connection with such sale, transfer or lease of assets (after taking into account any applicable tax credits or deductions), (ii) payment of the outstanding principal amount of, premium or penalty, if any, and interest on any Indebtedness permitted pursuant to Section 8.2.1(i)(g) that is secured by a Lien permitted pursuant to clause (ix) of the definition of "Permitted Liens" on the assets in question and that is required to be repaid under the terms thereof as a result of such sale, transfer or lease of assets, (iii) a reasonable reserve for any indemnification payments (fixed or contingent) attributable to seller's indemnities and representations and warranties to purchaser in respect of such sale, transfer or lease of assets undertaken by Borrowers or any of their Subsidiaries in connection with such sale, transfer or lease of assets, provided that upon release of any such reserve, the amount released shall be considered Net Asset Sale Proceeds, and (iv) reasonable attorney's fees, accountant's fees, investment banking fees, transfer taxes, other customary expenses and brokerage, consultant and other customary fees actually incurred in connection therewith and paid to a Person that is not an Affiliate of Borrowers or their Subsidiaries (or if paid to an Affiliate, only to the extent such fees are reasonable and customary).

Ninth Amendment Effective Date shall mean July 31, 2017.

Non-Loan Revolving Facility Usage shall mean at any time the sum of (i) the Swing Loans outstanding, *plus* (ii) the Letters of Credit Outstanding, *plus* (iii) the Availability Reserve.

Non-Qualifying Party shall mean any Loan Party that fails for any reason to qualify as an Eligible Contract Participant on the Eligibility Date of the applicable Swap.

Notes mean collectively, and Note shall mean separately, the Revolving Credit Notes and the Swing Loan Notes.

Notices shall have the meaning assigned to that term in Section 11.6.

Obligation shall mean any obligation or liability of any of the Borrowers or the Guarantors to the Administrative Agent or any of the Banks, howsoever created, arising or evidenced, whether direct or indirect, absolute or contingent, now or hereafter existing, or due or to become due, under or in connection with this Agreement, the Notes, the Letters of Credit, the Administrative Agent's Letter or any other Loan Document. Obligations shall include the Hedge Liabilities under a Bank-Provided Hedge and Foreign Currency Hedge Liabilities under a Bank-Provided Foreign Currency Hedge, and any Other Bank-Provided Financial Service Product but



shall not include the liabilities to other Persons under any other Interest Rate Hedge or Foreign Currency Hedge. Notwithstanding anything to the contrary contained in the foregoing, the Obligations shall not include any Excluded Hedge Liabilities.

Official Body shall mean any national, federal, state, local or other government or political subdivision or any agency, authority, bureau, central bank, commission, department or instrumentality of either, or any court or tribunal in each case whether foreign or domestic, with jurisdiction to act with the force of law with respect to pertinent matters.

Optional Currency shall mean any of the following currencies: British Pounds Sterling, Euros, Canadian Dollars, Mexican Pesos and any other currency approved by the Administrative Agent and PNC Bank pursuant to Section 2.10.4.

Optional Currency Swing Loan Commitment shall mean PNC Bank's commitment to make Optional Currency Swing Loans to the Borrowers in an aggregate Dollar Equivalent principal amount of up to (i) prior to the Original Expiration Date, \$75,000,000.00 and (ii) from and after the Original Expiration Date, \$50,000,000.00.

Optional Currency Swing Loan Note shall have the meaning assigned to such term in Section 2.9.3.

Optional Currency Swing Loans shall have the meaning assigned to such term in Section 2.9.1.

Original Credit Agreement shall mean the Credit Agreement dated as of June 16, 2010, as amended and restated by the Amended and Restated Credit Agreement dated as of April 5, 2011, as amended and restated by the Second Amended and Restated Credit Agreement dated as of May 23, 2012, by and among the Loan Parties, the banks party thereto, and PNC Bank, National Association, as administrative agent thereunder.

Original Currency shall have the meaning assigned to such term in Section 5.9.1.

Original Expiration Date shall mean May 3, 2021.

Other Bank-Provided Financial Service Product shall mean an Other Financial Service Product under which any Bank or Affiliate of a Bank provides the applicable service to any of the Loan Parties.

Other Connection Taxes shall mean, with respect to the Administrative Agent, the Issuing Bank or any Bank, Taxes imposed as a result of a present or former connection between the Administrative Agent, the Issuing Bank or such Bank and the jurisdiction imposing such Tax (other than connections arising from the Administrative Agent, the Issuing Bank or any such Bank having executed, delivered, become a party to, performed its obligations under, received payments under, received or perfected a security interest under, engaged in any other transaction pursuant to or enforced any Loan Documents, or sold or assigned an interest in any Loan or Loan Document).

Other Currency shall have the meaning assigned to such term in Section 5.9.1.

Other Financial Service Product shall mean agreements or other arrangements under which any Person provides any of the following products or services to any of the Loan Parties: (a) credit cards, (b) credit card processing services, (c) debit cards, (d) purchase cards, (e) ACH transactions, (f) cash management, including controlled disbursement, accounts or services, or (g) foreign currency exchange.

Other Taxes shall mean all present or future stamp, court or documentary, intangible, recording, filing or similar Taxes or any other excise or property taxes, charges or similar levies arising from any payment made under, from the execution, delivery, performance, enforcement or registration of, from the receipt or perfection of a security interest under, or otherwise with respect to this Agreement or any other Loan Document, except any such Taxes that are (i) Other Connection Taxes imposed with respect to an assignment (other than an assignment made pursuant to Section 5.4.2 [Replacement of a Bank]) or (ii) Excluded Taxes.

Overnight Bank Funding Rate shall mean, for any day, the rate comprised of both overnight federal funds and overnight eurocurrency borrowings by U.S.-managed banking offices of depository institutions, as such composite rate shall be determined by the Federal Reserve Bank of New York (or any successor), as set forth on its public website from time to time, and as published on the next succeeding Business Day as the overnight bank funding rate by the Federal Reserve Bank of New York (or any successor) (or by such other recognized electronic source (such as Bloomberg) selected by the Administrative Agent for the purpose of displaying such rate); provided, that if such day is not a Business Day, the Overnight Bank Funding Rate for such day shall be such rate on the immediately preceding Business Day; provided further, that if such rate shall at any time, for any reason, no longer exist, a comparable replacement rate determined by the Administrative Agent at such time (which determination shall be conclusive absent manifest error). The rate of interest charged shall be adjusted as of each Business Day based on changes in the Overnight Bank Funding Rate without notice to the Borrowers. Notwithstanding the foregoing, if the Overnight Bank Funding Rate as determined above would be less than 1%, such rate shall be deemed to be 1% for purposes of this Agreement.

Overnight Rate shall mean for any day with respect to Loans in an Optional Currency, the rate of interest per annum as determined by the Administrative Agent at which overnight deposits in such currency, in an amount approximately equal to the amount with respect to which such rate is being determined, would be offered for such day in the Relevant Interbank Market.

Participant shall have the meaning given to such term in Section 11.11.4.

Participation Advance shall mean, with respect to any Bank, such Bank's payment in respect of its participation in a Letter of Credit Borrowing according to its Ratable Share pursuant to Section 2.8.3.4.

Partnership Interests shall have the meaning given to such term in Section 6.1.3.

Payment Discount Arrangements shall mean the arrangements described on Schedule 8.2.7 [Receivables Sales] including, without limitation those among the Subsidiaries of TGI and Citibank, N.A. and TGI and General Electric Capital Corporation - Trade Payables Services

Division or similar arrangements, provided that in each case the receivables sold under such arrangements shall be sold without recourse (other than recourse in an aggregate amount at any time outstanding not in excess of \$10,000,000) to TGI or any of its Subsidiaries.

Payment In Full and Paid In Full shall mean the indefeasible payment in full in cash of the Loans and other Obligations (other than contingent indemnification Obligations and Obligations under Hedge Liabilities, Foreign Currency Hedge Liabilities and Other Bank-

Provided Financial Service Products) hereunder, termination of the Commitments and expiration or termination (or Cash Collateralization) of all Letters of Credit.

PBGC shall mean the Pension Benefit Guaranty Corporation established pursuant to Subtitle A of Title IV of ERISA or any successor.

Permitted Investments shall mean:

- (i) direct obligations of the United States of America or any agency or instrumentality thereof or obligations backed by the full faith and credit of the United States of America maturing in twelve (12) months or less from the date of acquisition;
- (ii) commercial paper maturing in 180 days or less rated not lower than A-1 by S&P or P-1 by Moody's on the date of acquisition;
- (iii) demand deposits, time deposits, money market account deposits or certificates of deposit maturing within one year in commercial banks whose obligations are rated A-1, A or the equivalent or better by S&P on the date of acquisition;
- (iv) investments in Cash Equivalents;
- (v) shares of money market mutual funds that (a) invest substantially all of their assets in the investments described in clauses (i) through (iv) above and/or (b) are otherwise rated at least AAA by S&P or at least Aaa by Moody's;
- (vi) investments made under the Cash Management Agreements;
- (vii) Interest Rate Hedges, Foreign Currency Hedges, or any Bank-Provided Hedge or any Bank-Provided Foreign Currency Hedge, in each case, otherwise permitted hereunder;
- (viii) investments (including debt obligations) received in connection with the bankruptcy or reorganization of suppliers and customers and in settlement of delinquent obligations of, and other disputes with, customers and suppliers arising in the ordinary course of business; and
- (ix) debt obligations received as consideration in connection with a sale, transfer or lease of assets which is permitted hereunder.

Permitted Liens shall mean:

- (i) Liens for taxes, assessments, custom duties or similar charges, incurred in the ordinary course of business and which are not yet due and payable;
- (ii) Pledges or deposits made in the ordinary course of business to secure payment of worker's compensation, or to participate in any fund in connection with worker's compensation, unemployment insurance, old-age pensions or other social security programs;
- (iii) Liens of mechanics, materialmen, warehousemen, carriers, or other like Liens, securing obligations incurred in the ordinary course of business that are not yet due and payable and Liens of landlords securing obligations to pay lease payments that are not yet due and payable or in default;
- (iv) Good-faith pledges or deposits made in the ordinary course of business to secure performance of bids, tenders, contracts (other than for the repayment of borrowed money) or leases, not in excess of the aggregate amount due thereunder, or to secure statutory obligations, or surety, appeal, indemnity, performance or other similar bonds required in the ordinary course of business;
- (v) Encumbrances consisting of zoning restrictions, easements or other restrictions on or with respect to the use of real property, none of which materially impairs the use of such property for the purposes intended by TGI and its Subsidiaries, and none of which is violated in any material respect by existing or proposed structures or land use;
- (vi) Liens, security interests and mortgages in favor of the Administrative Agent for the benefit of the Banks securing the Obligations, including Hedge Liabilities, Foreign Currency Hedge Liabilities and any Other Bank-Provided Financial Service Product;
- (vii) Liens on property leased by any Borrower or Subsidiary of any Borrower under operating leases securing obligations of such Borrower or Subsidiary to the lessor under such leases;
- (viii) Any Lien existing on the date of this Agreement and described on Schedule 1.1(P); provided that the principal amount secured thereby is not hereafter increased, and no additional assets (other than proceeds and products of such assets and after acquired assets pursuant to customary after acquired property provisions) become subject to such Lien;
- (ix) Purchase Money Security Interests and Liens on property leased by any Borrower or Subsidiary of any Borrower under capital leases securing obligations of such Borrower or Subsidiary to the lessor under such leases, provided that the aggregate amount of loans and Capital Lease Obligations secured by such Purchase Money Security Interests and Liens on such leased property shall not exceed the amount permitted under Section 8.2.1(i)(g) (excluding for the purpose of this computation any loans or deferred payments secured by Liens described on Schedule 1.1(P)); provided further that (a) such Liens attach concurrently with or within 180 days after the acquisition, construction, repair, replacement or improvement (as applicable) of the property subject to such Liens, (b) such Liens do not at any time encumber any property other than the property financed by such Indebtedness, replacements thereof and additions and accessions to such property and the proceeds and the products thereof and customary security deposits and (c) the Indebtedness secured thereby does not exceed the cost of

the property being acquired on the date of acquisition plus the amount of any related interest, premiums, fees and/or expenses and/or other customary amounts, it being understood and agreed that individual financings by any lender may be cross-collateralized to other financings provided by such lender or its affiliates;

(x) The following, (a) if the validity or amount thereof is being contested in good-faith by appropriate and lawful proceedings diligently conducted so long as levy and execution thereon have been stayed and continue to be stayed or (b) if a final judgment is entered and such judgment is discharged within sixty (60) days of entry, and in either case they do not materially impair the Collateral or, in the aggregate, materially impair the ability of the Loan Parties to perform their Obligations hereunder or under the other Loan Documents:

(1) Claims or Liens for taxes, assessments or charges due and payable and subject to interest or penalty, provided that the appropriate Loan Party maintains such reserves or other appropriate provisions as shall be required by GAAP and pays all such taxes, assessments or charges forthwith upon the commencement of proceedings to foreclose any such Lien;

(2) Claims, Liens or encumbrances upon, and defects of title to, real or personal property other than the Collateral, including any attachment of personal or real property or other legal process prior to adjudication of a dispute on the merits; or

(3) Claims or Liens of mechanics, materialmen, warehousemen, carriers, or other statutory nonconsensual Liens.

(4) Liens resulting from final judgments or orders for the payment of money that do not constitute an Event of Default pursuant to Section 9.1.6 [Final Judgments or Orders];

(xi) subject to Section 8.2.1, Liens on fixed assets securing tax-exempt, fixed-rate industrial development bonds (“IDB’s”) or notes or similar financing;

(xii) Liens on accounts receivable sold pursuant to Payment Discount Arrangements;

(xiii) Liens on the Pool Assets granted by the SP Sub and the Liens granted by the Originators on the Receivables and the Related Rights, as defined in and in accordance with the Receivables Purchase and Sale Agreement, in each case in connection with the Receivables Facility;

(xiv) Liens on accounts receivable and Related Assets sold pursuant to a Specified Payment Discount Arrangement;

(xv) Subject to the terms of the Second Lien Intercreditor Agreement, Liens securing the Second Lien Notes;

(xvi) Permitted Refinancing Liens;

(xvii) Liens on assets to the extent that (a) the Banks do not have a Lien on such assets pursuant to the Loan Documents (and the Loan Documents do not purport to grant a Lien on such assets and such assets are not required to be subject to a Lien in favor of the Administrative Agent pursuant to the terms of the Second Lien Intercreditor Agreement) or in the case of Liens on Collateral, such Liens are involuntary Liens arising by operation of law that are bonded or discharged within 45 days after entry thereof and (b) the aggregate amount of Indebtedness secured by such Liens does not exceed \$25,000,000; and

(xviii) Liens securing obligations described under clause (m) of Section 8.2.1(i); provided that such Liens securing obligations described in such clause (m) shall be solely on assets owned by non-Loan Parties.

Permitted Refinancing Debt shall mean Indebtedness that refunds, refinances, renews, replaces or extends Indebtedness (such refunded, refinanced, renewed, replaced or extended Indebtedness referred to in this definition as "Refinanced Debt") permitted to be incurred pursuant to the terms of Section 8.2.1 [Indebtedness] (other than the Obligations) whether involving the same or any other lender or creditor or group of lenders or creditors, but only to the extent that (i) such Indebtedness is scheduled to mature (a) with respect to Permitted Refinancing Debt that is used to refinance or replace the 2014 Bonds, no earlier than the date that is three and one-half years after the Original Expiration Date or (b) with respect to all other Permitted Refinancing Debt, either (1) no earlier than the Refinanced Debt or (2) at least 91 days after the Expiration Date, and, in each case, such Indebtedness has a weighted average life to maturity equal to or greater than the weighted average life to maturity of the Refinanced Debt; (ii) such Indebtedness is in an aggregate principal amount that is less than or equal to the amount of the then currently outstanding Refinanced Debt (plus any unpaid, accrued interest, fees or premium in connection with such Refinanced Debt and any reasonable costs associated with such refinancing); (iii) such Indebtedness is not secured by Liens on any assets other than such assets that secured the Refinanced Debt and provided that such Liens are permitted by this Agreement; (iv) if the Refinanced Debt is subordinated to the Obligations, such Indebtedness shall be subordinated to the Obligations on terms not less favorable to the Banks; and (v) no obligor shall be liable with respect to such Indebtedness other than an obligor that was liable in respect of such Refinanced Debt; and (vi) no Event of Default exists at the time of such refinancing or results after giving effect to such refinancing.

Permitted Refinancing Liens shall mean Liens on assets of TGI or any Subsidiary of TGI securing Permitted Refinancing Debt; provided that such Liens were otherwise permitted by this Agreement with respect to the Indebtedness which was refunded, refinanced or extended and that no other assets (other than proceeds and products thereof and after acquired assets pursuant to customary after acquired property provisions) are subject to such Liens.

Person shall mean any individual, natural person, corporation, partnership, limited liability company, association, joint-stock company, trust, unincorporated organization, joint venture, government or political subdivision or agency thereof, or any other entity.

Plan shall mean at any time an employee pension benefit plan (including a Multiple Employer Plan, but not a Multiemployer Plan) which is covered by Title IV of ERISA or is subject to the minimum funding standards under Section 412 of the Internal Revenue Code and

either (i) is maintained by any member of the ERISA Group for employees of any member of the ERISA Group or (ii) has at any time within the preceding five years been maintained by any entity which was at such time a member of the ERISA Group for employees of any entity which was at such time a member of the ERISA Group.

Pledged Collateral shall mean all Pledged Notes and Pledged Stock, in each case as such terms are defined in the Guarantee and Collateral Agreement.

PNC Bank shall mean PNC Bank, National Association, its successors and assigns.

Pool Assets has the meaning given to such term in the Receivables Purchase Agreement.

Potential Default shall mean any event or condition which with notice, the passage of time or both, would constitute an Event of Default.

Pricing Grid shall mean the chart attached hereto as Exhibit 1.1(P) which sets forth the rates at which Commitment Fees, Letter of Credit Fees and interest rate margins are calculated on the basis of the Total Leverage Ratio.

Pricing Restriction Period shall mean the period commencing on the Sixth Amendment Effective Date and continuing until the first fiscal quarter ending on or after June 30, 2021 for which TGI and its Subsidiaries are rated at least B3/B- or equivalent by both S&P and Moody's.

Principal Office shall mean the main banking office of the Administrative Agent in Pittsburgh, Pennsylvania.

Prior Security Interest shall mean a valid and enforceable perfected first-priority security interest in the Collateral; provided that Liens which both (i) are Permitted Liens and (ii) either (a) have priority over the Liens granted to the Administrative Agent pursuant to the Loan Documents by operation of Law or (b) are Purchase Money Security Interests whether or not having priority over the Liens granted to the Administrative Agent pursuant to the Loan Documents by operation of Law, shall be permitted to be prior to the Administrative Agents' lien on the Collateral.

Prohibited Transaction shall mean any prohibited transaction as defined in Section 4975 of the Internal Revenue Code or Section 406 of ERISA which is not covered by a statutory exemption and for which neither an individual nor a class exemption has been issued by the United States Department of Labor.

Property shall mean all real property, both owned and leased, of any Loan Party.

PTE shall mean a prohibited transaction class exemption issued by the U.S. Department of Labor, as any such exemption may be amended from time to time.

Published Rate shall mean the rate of interest published each Business Day in *The Wall Street Journal* "Money Rates" listing under the caption "London Interbank Offered Rates" for a one month period (or, if no such rate is published therein for any reason, then the Published Rate

shall be the eurodollar rate for a one month period as published in another publication selected by the Administrative Agent).

Purchase Money Security Interest shall mean Liens upon tangible personal property securing loans to TGI or any Subsidiary or deferred payments by TGI or such Subsidiary for the purchase of such tangible personal property.

Purchasing Bank shall mean a Bank which becomes a party to this Agreement by executing an Assignment and Assumption Agreement.

Qualified ECP Loan Party shall mean each Loan Party that on the Eligibility Date is (a) a corporation, partnership, proprietorship, organization, trust, or other entity other than a “commodity pool” as defined in Section 1a(10) of the CEA and CFTC regulations thereunder that has total assets exceeding \$10,000,000.00, or (b) an Eligible Contract Participant that can cause another Person to qualify as an Eligible Contract Participant on the Eligibility Date under Section 1a(18)(A)(v)(II) of the CEA by entering into or otherwise providing a “letter of credit or keepwell, support, or other agreement” for purposes of Section 1a(18)(A)(v)(II) of the CEA.

Ratable Share shall mean

(i) with respect to a Bank’s obligation to make Revolving Credit Loans, participate in Letters of Credit and other Letter of Credit Obligations, and receive payments, interest, and fees related thereto, the proportion that such Bank’s Revolving Credit Commitment bears to the Revolving Credit Commitments of all of the Banks, provided however that if the Revolving Credit Commitments have terminated or expired, the Ratable Shares for purposes of this clause shall be determined based upon the Revolving Credit Commitments most recently in effect, giving effect to any assignments.

(ii) with respect to all other matters as to a particular Bank, the percentage obtained by dividing (i) such Bank’s Revolving Credit Commitment, by (ii) the sum of the aggregate amount of the Revolving Credit Commitments of all Banks; provided however that if the Revolving Credit Commitments have terminated or expired, the computation in this clause shall be determined based upon the Revolving Credit Commitments most recently in effect, giving effect to any assignments, and not on the current amount of the Revolving Credit Commitments and provided further in the case of Section 2.14 [Defaulting Banks] when a Defaulting Bank shall exist, “Ratable Share” shall mean the percentage of the aggregate Revolving Credit Commitments (disregarding any Defaulting Bank’s Revolving Credit Commitment) represented by such Bank’s Revolving Credit Commitment.

Receivables Facility shall mean (a) the receivables financing facility structured by PNC Capital Markets LLC and administered by PNC Bank dated on or about August 7, 2008 (as the same may be amended, supplemented, restated or otherwise modified from time to time), evidenced by the Receivables Purchase Agreement and the other Transaction Documents (as defined in the Receivables Purchase Agreement) whereby TGI and certain of its Subsidiaries (collectively, with TGI, the “Originators”) from time to time shall sell, transfer, convey, assign or contribute the Receivables (as defined in the Receivables Purchase and Sale Agreement) and the Related Rights (as defined in the Receivable Purchase and Sale Agreement) to the SP Sub,



which, in turn, shall sell undivided variable percentage interests in the Purchased Interests (as defined in the Receivables Purchase Agreement) to the Purchasers (as defined in the Receivables Purchase Agreement); provided that the receivables of Vought and its Subsidiaries other than Triumph Structures - Everett, Inc. (f/k/a Contour Aerospace Corporation) shall be excluded from such receivables financing facility unless the Required Banks agree in writing to include such receivables in such receivables financing facility and (b) to the extent the existing Receivables Facility is terminated, any other similar replacement facility entered into on market terms (as determined in the reasonable good faith judgment of the Administrative Agent), subject to the proviso in clause (a) above, and so long as such terms are not materially adverse to the Banks compared with the terms of the facility described in clause (a) above (as determined in the reasonable good faith judgment of the Administrative Agent).

Receivables Performance Guaranty shall mean (a) the Performance Guaranty executed by TGI on or about August 7, 2008, as a performance guarantor, in favor of PNC Bank, as the “Administrator” under the Receivables Facility, as the same may be amended, supplemented, restated or otherwise modified from time to time and (b) to the extent the existing Receivables Facility is terminated, any other similar guaranty relationship entered into on market terms (as determined in the reasonable good faith judgment of the Administrative Agent), so long as such terms are not materially adverse to the Banks compared with the terms of the agreement described in clause (a) above (as determined in the reasonable good faith judgment of the Administrative Agent).

Receivables Purchase Agreement shall mean (a) that certain Receivables Purchase Agreement, dated on or about August 7, 2008, among the SP Sub, the Borrower, as the “Servicer” thereunder, PNC Bank, as the “Administrator” thereunder, and the “Purchasers”, as the same may be amended, supplemented, restated or otherwise modified from time to time and (b) to the extent the existing Receivables Facility is terminated, any other similar agreement entered into on market terms (as determined in the reasonable good faith judgment of the Administrative Agent), so long as such terms are not materially adverse to the Banks compared with the terms of the agreement described in clause (a) above (as determined in the reasonable good faith judgment of the Administrative Agent).

Receivables Purchase and Sale Agreement shall mean (a) that certain Purchase and Sale Agreement, dated on or about August 7, 2008, among the SP Sub, the Originators and the Borrower, as the initial “Servicer” thereunder, as the same may be amended, supplemented, restated or otherwise modified from time to time and (b) to the extent the existing Receivables Facility is terminated, any other similar agreement entered into on market terms (as determined in the reasonable good faith judgment of the Administrative Agent), so long as such terms are not materially adverse to the Banks compared with the terms of the agreement described in clause (a) above.

Reference Currency shall have the meaning assigned to such term in the definition of Equivalent Amount.

Refinanced Debt shall have the meaning assigned to such term in the definition of Permitted Refinancing Debt.

Regulated Substances shall mean any substance, including any solid, liquid, semisolid, gaseous, thermal, thoriated or radioactive material, refuse, garbage, wastes, chemicals, petroleum products, by-products, coproducts, impurities, dust, scrap, heavy metals, any substance defined as a “hazardous substance”, “pollutant”, “pollution”, “contaminant”, “hazardous or toxic substance”, “extremely hazardous substance”, “toxic chemical”, “toxic waste”, “hazardous waste”, “industrial waste”, “residual waste”, “solid waste”, “municipal waste”, “mixed waste”, “infectious waste”, “chemotherapeutic waste”, “medical waste”, “regulated substance” or any related materials, substances or wastes as now or hereafter defined pursuant to any Environmental Laws, ordinances, rules, regulations or other directives of any Official Body, the generation, manufacture, extraction, processing, distribution, treatment, storage, disposal, transport, recycling, reclamation, use, reuse, spilling, leaking, dumping, injection, pumping, leaching, emptying, discharge, escape, release or other management or mismanagement of which is regulated by the Environmental Laws.

Regulation U shall mean Regulation U, T or X as promulgated by the Board of Governors of the Federal Reserve System, as amended from time to time.

Reimbursement Obligation shall have the meaning assigned to such term in Section 2.8.3.2.

Related Assets shall mean, with respect to any accounts receivable sold pursuant to a Specified Payment Discount Arrangement, all collateral securing such accounts receivable, all contracts and contract rights, guarantees or other obligations in respect of such accounts receivable, and all records with respect to such accounts receivable, in each case, to the extent customarily transferred together with accounts receivable in connection with an accounts receivable payment discount transaction as determined by the Administrative Agent in its sole discretion and which are sold, conveyed, assigned or otherwise transferred by TGI or any Subsidiary party to such Specified Payment Discount Arrangement to the factor thereunder.

Related Parties shall mean, with respect to any Person, such Person’s Affiliates and the partners, directors, officers, employees, agents, trustees, administrators, managers, advisors and representatives of such Person and such Affiliates.

Relevant Governmental Body shall mean (i) the Board of Governors of the Federal Reserve System and/or the Federal Reserve Bank of New York, or a committee officially endorsed or convened by Board of Governors of the Federal Reserve System and/or the Federal Reserve Bank of New York or any successor thereto and (ii) with respect to Optional Currency Loans, in addition to the Persons named in clause (i) of this definition, the comparable Official Body or other applicable Person for loans in such Optional Currency as determined by the Administrative Agent in its sole discretion.

Relevant Interbank Market shall mean in relation to Euro, the European Interbank Market and, in relation to any other currency, the London Interbank Market or other applicable offshore interbank market.

Reportable Compliance Event shall mean that any Covered Entity becomes a Sanctioned Person, or is charged by indictment, criminal complaint or similar charging instrument,

arraigned, or custodially detained in connection with any Anti-Terrorism Law or any predicate crime to any Anti-Terrorism Law, or has knowledge of facts or circumstances to the effect that it is reasonably likely that any aspect of its operations is in actual or probable violation of any Anti-Terrorism Law.

Reportable Event shall mean a reportable event described in Section 4043 of ERISA and regulations thereunder with respect to a Plan or Multiemployer Plan.

Required Banks shall mean (i) if there are no Revolving Credit Loans, Reimbursement Obligations or Letter of Credit Borrowings outstanding, Banks other than Defaulting Banks whose Revolving Credit Commitments then outstanding aggregate at least 51% of the Revolving Credit Commitments of all of the Banks (other than Defaulting Banks), or (ii) if there are Revolving Credit Loans, Reimbursement Obligations, or Letter of Credit Borrowings outstanding, any Bank or group of Banks other than Defaulting Banks if the sum of the Revolving Credit Loans, Reimbursement Obligations and Letter of Credit Borrowings of such Banks then outstanding aggregates at least 51% of the total amount of the Revolving Credit Loans, Reimbursement Obligations and Letter of Credit Borrowings then outstanding (other than those held by Defaulting Banks). Reimbursement Obligations and Letter of Credit Borrowings shall be deemed, for purposes of this definition, to be in favor of the Issuing Bank and not a participating Bank if such Bank has not made its Participation Advance in respect thereof and shall be deemed to be in favor of such Bank to the extent of its Participation Advance if it has made its Participation Advance in respect thereof.

Revolving Credit Commitment shall mean, as to any Bank at any time, the amount initially set forth opposite its name on Schedule 1.1(B) in the column labeled “Amount of Commitment for Revolving Credit Loans”, and thereafter on Schedule I to the most recent applicable Assignment and Assumption Agreement, and Revolving Credit Commitments shall mean the aggregate Revolving Credit Commitments of all of the Banks. The aggregate amount of the Revolving Credit Commitments is subject to the provisions of Section 2.1.2 and Section 5.6.

Revolving Credit Loans shall mean collectively, and Revolving Credit Loan shall mean separately, all Revolving Credit Loans or any Revolving Credit Loan made by the Banks or one of the Banks to the Borrowers pursuant to Section 2.1 or 2.8.3.2 or 2.9.4 hereof.

Revolving Credit Notes shall mean collectively, and Revolving Credit Note shall mean separately, all the Revolving Credit Notes of the Borrowers in the form of Exhibit 1.1(R) evidencing the Revolving Credit Loans together with all amendments, restatements, extensions, renewals, replacements, refinancings or refundings thereof in whole or in part.

Revolving Facility Usage shall mean at any time the sum of (i) the Revolving Credit Loans and Swing Loans outstanding, *plus* (ii) the Letters of Credit Outstanding, *plus* (iii) the Availability Reserve; provided that, solely for purposes of calculating the Commitment Fee, Revolving Facility Usage shall not include the Availability Reserve.

Sanctioned Country shall mean a country, region or territory subject to or a target of any Sanctions.

Sanctioned Person shall mean, at any time, any Person (i) listed in any Sanctions-related list of designated Persons maintained by the Office of Foreign Assets Control of the U.S. Department of the Treasury, the U.S. Department of State or by the United Nations Security Council, the European Union or any European Union member state, (ii) operating, organized or resident in a Sanctioned Country, or (iii) owned or controlled by a Person described in either clauses (i) or (ii).

Sanctions shall mean any economic or financial sanctions or trade embargoes imposed, administered or enforced from time to time by (i) the U.S. government, including those administered by the Office of Foreign Assets Control of the U.S. Department of the Treasury or the U.S. Department of State, or (ii) the United Nations Security Council, the European Union, any European Union member state, or Her Majesty's Treasury of the United Kingdom.

Second Lien Agent shall mean U.S. Bank National Association, in its capacity as collateral agent under the Second Lien Note Documents, and any successors and assigns in such capacity.

Second Lien Indenture shall mean that certain Indenture, dated as of the Eleventh Amendment Effective Date, among TGI, the guarantors party thereto, the Second Lien Trustee and the Second Lien Agent, as amended, restated, supplemented or otherwise modified from time to time not in violation of the Second Lien Intercreditor Agreement or this Agreement.

Second Lien Intercreditor Agreement shall mean the Intercreditor Agreement, dated as of the Eleventh Amendment Effective Date, among the Administrative Agent, the Second Lien Agent and the Loan Parties, in form and substance reasonably satisfactory to the Administrative Agent, as amended, restated, supplemented or otherwise modified from time to time in accordance with its terms.

Second Lien Note Documents shall mean the Second Lien Indenture, the Second Lien Notes, the Note Guarantees (as defined in the Second Lien Indenture), the Second Lien Security Agreement and the other related security documents, each as contemplated under the Second Lien Indenture, as amended, restated, supplemented or otherwise modified from time to time not in violation of the Second Lien Intercreditor Agreement or this Agreement.

Second Lien Notes shall mean the 6.250% Senior Secured Notes Due 2024 issued by TGI pursuant to the Second Lien Indenture in the principal amount of \$525,000,000.

Second Lien Security Agreement shall mean that certain Security Agreement, dated as of the Eleventh Amendment Effective Date, among the Second Lien Agent and the Loan Parties, as amended, restated, supplemented or otherwise modified from time to time not in violation of the Second Lien Intercreditor Agreement or this Agreement.

Second Lien Trustee shall mean U.S. Bank National Association, in its capacity as trustee under the Second Lien Note Documents, and any successors and assigns in such capacity.

Senior Secured Leverage Ratio shall mean, with respect to any Test Period, the ratio of Consolidated Senior Net Indebtedness (other than any such Indebtedness not secured by a Lien

on any assets of TGI or any of its Subsidiaries), as of the last day of such Test Period, to Consolidated Adjusted EBITDA for such Test Period.

Shares shall have the meaning assigned to that term in Section 6.1.2.

Sixth Amendment Effective Date shall mean May 3, 2016.

SP Sub shall mean Triumph Receivables, LLC, a wholly owned, bankruptcy remote Subsidiary of the Borrower.

Specified Asset Sale shall mean sales, transfers or leases of assets pursuant to clause (v), (vii), and (ix) of Section 8.2.7; provided however that the following shall not constitute Specified Asset Sales: (i) sales, transfers or leases of assets pursuant to clause (i), (ii), (iii), (iv), (vi), (viii), (x), or (xi) of Section 8.2.7 and (ii) issuances of Capital Stock by TGI.

Specified Asset Sale Prepayment shall have the meaning assigned to that term in Section 5.6.2.

Specified Payment Discount Arrangement shall mean the factoring arrangements made pursuant to any Specified Receivables Purchase Agreement.

Specified Receivables Purchase Agreement shall mean a receivables purchase agreement in form and substance satisfactory to the Administrative Agent, as amended, restated, modified or supplemented with the consent of the Administrative Agent.

Specified TAS Business Unit shall mean all or any portion of the programs and/or business units included in the TAS Business and specifically identified in materials presented to the Banks by the Administrative Agent prior to the Twelfth Amendment Effective Date.

Standard Payment Discount Undertakings shall mean representations, warranties, covenants and indemnities entered into by TGI or any Subsidiary which are reasonable and customary in an accounts receivable payment discount transaction as determined in good faith by TGI, including Guaranties by TGI or any Subsidiary of any of the foregoing obligations of TGI or such Subsidiary.

Standard Securitization Undertakings shall mean representations, warranties, covenants and indemnities entered into by TGI or any Subsidiary which are reasonable and customary in an accounts receivable securitization transaction as determined in good faith by TGI, including Guaranties by TGI or any Subsidiary of any of the foregoing obligations of TGI or a Subsidiary.

Subordinated Indebtedness shall mean any subordinated Indebtedness.

Subsidiary of any Person at any time shall mean (i) any corporation or trust of which 50% or more (by number of shares or number of votes) of the outstanding Capital Stock or shares of beneficial interest normally entitled to vote for the election of one or more directors or trustees (regardless of any contingency which does or may suspend or dilute the voting rights) is at such time owned directly or indirectly by such Person or one or more of such Person's Subsidiaries, or (ii) any partnership of which such Person is a general partner or of which 50% or more of the

partnership interests is at the time directly or indirectly owned by such Person or one or more of such Person's Subsidiaries, (iii) any limited liability company of which such Person is a managing member or of which 50% or more of the limited liability company interests is at the time directly or indirectly owned by such Person or one or more of such Person's Subsidiaries, or (iv) any corporation, trust, partnership, limited liability company or other entity which is controlled or capable of being controlled by such Person or one or more of such Person's Subsidiaries.

Subsidiary Shares shall have the meaning assigned to that term in Section 6.1.3.

Swap shall mean any "swap" as defined in Section 1a(47) of the CEA and regulations thereunder, other than (i) a swap entered into, or subject to the rules of, a board of trade designated as a contract market under Section 5 of the CEA, or (ii) a commodity option entered into pursuant to CFTC Regulation 32.3(a).

Swap Obligation shall mean any obligation to pay or perform under any agreement, contract or transaction that constitutes a Swap which is also a Bank-Provided Hedge, or a Bank-Provided Foreign Currency Hedge.

Swing Loan Commitment shall mean PNC Bank's Dollar Swing Loan Commitment or its Optional Currency Swing Loan Commitment, as applicable.

Swing Loan Conversion Date shall have the meaning assigned to such term in Section 2.9.4.

Swing Loan Notes and Swing Loan Note shall have the meaning assigned to such term in Section 2.9.3.

Swing Loan Repayment Date shall have the meaning assigned to such term in Section 2.9.2.

Swing Loan Request shall mean a request for Swing Loans made in accordance with Section 2.9.2.

Swing Loans shall have the meaning assigned to such term in Section 2.9.1.

Syndication Agent shall mean individually JPMorgan Chase Bank, N.A., Citizens Bank, N.A. and MUFG Bank, Ltd. (f/k/a The Bank of Tokyo-Mitsubishi UFJ, LTD.), and their successors and assigns, as a Syndication Agent, and Syndication Agents shall mean collectively JPMorgan Chase Bank, N.A., Citizens Bank, N.A. and MUFG Bank, Ltd. (f/k/a The Bank of Tokyo-Mitsubishi UFJ, LTD.), and their successors and assigns, as Syndication Agents.

TARGET 2 shall mean the Trans-European Automated Real-time Gross Settlement Express Transfer payment system which utilizes a single shared platform and which was launched on 19 November 2007.

TARGET Day shall mean any day on which TARGET 2 is open for the settlement of payment in Euro.

TAS Business shall mean all or any portion of the Triumph Aerospace Structures business unit, which business unit supplies commercial, business, regional and military manufacturers with large metallic and composite structures and produces close-tolerance parts primarily to customer designs and model-based definition, including a wide range of aluminum, hard metal and composite structure capabilities. The TAS Business includes, without limitation, the Specified TAS Business Units.

Taxes shall mean all present or future taxes, levies, imposts, duties, deductions, withholdings (including backup withholding), assessments, fees or other charges imposed by an Official Body, including any interest, additions to tax or penalties applicable thereto.

Test Period in effect at any time shall mean the most recent period of four consecutive fiscal quarters of TGI ended on or prior to such time (taken as one accounting period) in respect of which financial statements for each quarter or fiscal year in such period have been or are required to be delivered pursuant to Section 8.3.1 or 8.3.2. A Test Period may be designated by reference to the last day thereof (i.e., the “September 30, 2019 Test Period” refers to the period of four consecutive fiscal quarters of TGI ended September 30, 2019), and a Test Period shall be deemed to end on the last day thereof.

TGI shall have the meaning assigned to such term in the introductory paragraph of this Agreement.

Total Leverage Ratio shall mean, with respect to any Test Period, the ratio of Consolidated Total Net Indebtedness, as of the last day of such Test Period, to Consolidated Adjusted EBITDA for such Test Period.

Transferor Bank shall mean the selling Bank pursuant to an Assignment and Assumption Agreement.

Twelfth Amendment Effective Date shall mean May 22, 2020.

UCC Collateral shall mean the property of the Loan Parties in which security interests are to be granted under the Guarantee and Collateral Agreement.

USA Patriot Act shall mean the Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act of 2001, Public Law 107-56, as the same has been, or shall hereafter be, renewed, extended, amended or replaced.

U.S.-Owned DRE shall mean any entity that (A) is organized under the laws of the United States, any State thereof or the District of Columbia; (B) is disregarded as an entity separate from its owner for U.S. federal tax purposes; (C) is directly owned by a Domestic Loan Party; and (D) owns no material assets other than stock or interests in a Foreign Subsidiary.

U.S. Tax Compliance Certificate shall have the meaning given to such term in Section 5.8.6.

Vought shall mean Vought Aircraft Industries, Inc., a Delaware corporation.

Withdrawal Liability shall have the meaning assigned to such term under Part I of Subtitle E of Title IV of ERISA.

Withholding Agent shall mean any Loan Party and the Administrative Agent.

Write-Down and Conversion Powers shall mean, with respect to any EEA Resolution Authority, the write-down and conversion powers of such EEA Resolution Authority from time to time under the Bail-In Legislation for the applicable EEA Member Country, which write-down and conversion powers are described in the EU Bail-In Legislation Schedule.

2014 Bonds shall mean TGI's 5.25% Senior Notes due 2022 in the original principal amount of \$300,000,000.00.

2017 Bonds shall mean TGI's 7.75% Senior Notes due 2025 in the original principal amount of \$500,000,000.00.

## 1.2 Construction.

Unless the context of this Agreement otherwise clearly requires, the following rules of construction shall apply to this Agreement and each of the other Loan Documents:

### 1.2.1 Number; Inclusion.

references to the plural include the singular, the plural, the part and the whole; "or" has the inclusive meaning represented by the phrase "and/or", and "including" has the meaning represented by the phrase "including without limitation";

### 1.2.2 Determination.

references to "determination" of or by the Administrative Agent or the Banks shall be deemed to include good-faith estimates by the Administrative Agent or the Banks (in the case of quantitative determinations) and good-faith beliefs by the Administrative Agent or the Banks (in the case of qualitative determinations) and such determination shall be conclusive absent manifest error;

### 1.2.3 Administrative Agent's Discretion and Consent.

whenever the Administrative Agent or the Banks are granted the right herein to act in its or their sole discretion or to grant or withhold consent such right shall be exercised in good-faith;

### 1.2.4 Documents Taken as a Whole.

the words "hereof", "herein", "hereunder", "hereto" and similar terms in this Agreement or any other Loan Document refer to this Agreement or such other Loan Document as a whole and not to any particular provision of this Agreement or such other Loan Document;



1.2.5 Headings.

the section and other headings contained in this Agreement or such other Loan Document and the Table of Contents (if any), preceding this Agreement or such other Loan Document are for reference purposes only and shall not control or affect the construction of this Agreement or such other Loan Document or the interpretation thereof in any respect;

1.2.6 Implied References to this Agreement.

article, section, subsection, clause, schedule and exhibit references are to this Agreement or other Loan Document, as the case may be, unless otherwise specified;

1.2.7 Persons.

reference to any Person includes such Person's successors and assigns but, if applicable, only if such successors and assigns are permitted by this Agreement or other Loan Document, as the case may be, and reference to a Person in a particular capacity excludes such Person in any other capacity;

1.2.8 Modifications to Documents.

reference to any agreement (including this Agreement and any other Loan Document together with the schedules and exhibits hereto or thereto), document or instrument means such agreement, document or instrument as amended, modified, replaced, substituted for, superseded or restated;

1.2.9 From, To and Through.

relative to the determination of any period of time, "from" means "from and including", "to" means "to but excluding", and "through" means "through and including"; and

1.2.10 Shall; Will.

references to "shall" and "will" are intended to have the same meaning.

1.3 Accounting Principles.

Where the character or amount of any asset or liability or item of income or expense is required to be determined or any consolidation or other accounting computation is required to be made for the purposes of this Agreement, this shall be done in accordance with GAAP as in effect on the Eleventh Amendment Effective Date, in each case to the extent applicable, except as otherwise expressly provided in this Agreement. For purposes of calculating any financial ratio hereunder (including, without limitation, computation of the Total Leverage Ratio, Senior Secured Leverage Ratio, First Lien Secured Leverage Ratio or Interest Coverage Ratio, including for purposes of determining compliance with Sections 8.2.15, 8.2.16 and 8.2.17), such calculations shall be made in accordance with GAAP as in effect on the Eleventh Amendment Effective Date. If there are any changes in GAAP after the Eleventh Amendment Effective Date that would affect the computation of the Total Leverage Ratio, Senior Secured Leverage Ratio,

First Lien Secured Leverage Ratio or Interest Coverage Ratio, such changes shall only be followed, with respect to such financial covenants, from and after the date this Agreement shall have been amended to take into account any such changes. Notwithstanding the foregoing or anything else in this Agreement to the contrary, in no event will any lease that would have been categorized as an operating lease as determined in accordance with GAAP as in effect on December 31, 2018 be considered a capital lease (or the obligations with respect thereto be

considered “Capital Lease Obligations”) for any purpose of this Agreement.

#### 1.4 Currency Calculations.

All financial statements and compliance certificates shall be set forth in Dollars. For purposes of preparing the financial statements, calculating financial covenants and determining compliance with covenants expressed in Dollars, all Optional Currencies shall be converted to Dollars in accordance with GAAP.

#### 1.5 Pro Forma Calculations.

For purposes of this Agreement and any other Loan Document, when determining pro forma compliance with any financial ratio hereunder (including, without limitation, the Total Leverage Ratio, Senior Secured Leverage Ratio, First Lien Secured Leverage Ratio or Interest Coverage Ratio, including for purposes of determining pro forma compliance with Sections 8.2.15, 8.2.16 and 8.2.17), such determination (x) shall be based on the most recently ended fiscal quarter for which financial statements have been delivered (or were due to be delivered) by the Borrowers in accordance with Sections 8.3.1 or 8.3.2 and (y) shall give pro forma effect to all issuances, incurrences or assumptions of Indebtedness (with any such Indebtedness being deemed to be amortized over the applicable testing period in accordance with its terms) and all dispositions of any equity interests in a Subsidiary or all or substantially all the assets of a Subsidiary or division or line of business of a Subsidiary outside the ordinary course of business (and any related prepayments or repayments of Indebtedness); provided that, such pro forma calculations shall be subject to the requirements set forth in the definition of Consolidated Adjusted EBITDA for purposes of making adjustments to Consolidated EBITDA to omit the financial performance of the entity or assets sold or disposed of in a Specified Asset Sale.

#### 1.6 Successor Euro-Rate Index.

1.6.1 Benchmark Replacement. Notwithstanding anything to the contrary herein or in any other Loan Document, if the Administrative Agent determines that a Benchmark Transition Event or an Early Opt-in Event has occurred with respect to the Euro-Rate for any Available Currency, the Administrative Agent and the Borrowers may amend this Agreement to replace the Euro-Rate for such Available Currency with a Benchmark Replacement for such Available Currency; and any such amendment will become effective at 5:00 p.m. Pittsburgh time on the fifth (5th) Business Day after the Administrative Agent has provided such proposed amendment to all Banks, so long as the Administrative Agent has not received, by such time, written notice of objection to such amendment from Banks comprising the Required Banks. Until the Benchmark Replacement with respect to the Euro-Rate for any Available Currency is effective, each advance, conversion and renewal of a Loan in such Available Currency under the

Euro-Rate Option will continue to bear interest with reference to the Euro-Rate for such Available Currency; provided however, during a Benchmark Unavailability Period with respect to any Available Currency (i) any pending selection of, conversion to or renewal of a Loan in such Available Currency bearing interest under the Euro-Rate Option that has not yet gone into effect shall be deemed to be a selection of, conversion to or renewal of the Base Rate Option with respect to such Loan in the Dollar Equivalent amount of such Loan, (ii) all outstanding Loans in such Available Currency bearing interest under the Euro-Rate Option shall automatically be (A) if in Dollars, converted to the Base Rate Option at the expiration of the existing Interest Period (or sooner, if the Administrative Agent cannot continue to lawfully maintain such affected Loan under the Euro-Rate Option) (B) if in an Optional Currency, converted to a Loan in Dollars under the Base Rate Option in the Dollar Equivalent amount of such Loan at the expiration of the existing Interest Period (or sooner, if the Administrative Agent cannot continue to lawfully maintain such affected Loan under the Euro-Rate Option in such Optional Currency) and (iii) the component of the Base Rate based upon the Euro-Rate will not be used in any determination of the Base Rate.

1.6.2 Benchmark Replacement Conforming Changes. In connection with the implementation of a Benchmark Replacement, the Administrative Agent will have the right to make Benchmark Replacement Conforming Changes from time to time and, notwithstanding anything to the contrary herein or in any other Loan Document, any amendments implementing such Benchmark Replacement Conforming Changes will become effective without any further action or consent of any other party to this Agreement.

1.6.3 Notices; Standards for Decisions and Determinations. The Administrative Agent will promptly notify the Borrowers and the Banks of (i) the implementation of any Benchmark Replacement, (ii) the effectiveness of any Benchmark Replacement Conforming Changes and (iii) the commencement of any Benchmark Unavailability Period. Any determination, decision or election that may be made by the Administrative Agent or the Banks pursuant to this Section 1.6 including any determination with respect to a tenor, rate or adjustment or of the occurrence or non-occurrence of an event, circumstance or date and any decision to take or refrain from taking any action, will be conclusive and binding absent manifest error and may be made in its or their sole discretion and without consent from any other party hereto, except, in each case, as expressly required pursuant to this Section 1.6.

1.6.4 Euro-Rate Notification. This Section 1.6 provides a mechanism for determining an alternative rate of interest in the event that one or more Relevant Interbank Market offered rates is no longer available or in certain other circumstances. The Administrative Agent does not warrant or accept any responsibility for and shall not have any liability with respect to, the administration, submission or any other matter related to any Relevant Interbank Market offered rate or other rates in the definition of “Euro-Rate” or with respect to any alternative or successor rate thereto, or replacement rate therefor.

1.7 Divisions. For all purposes under the Loan Documents, in connection with any division or plan of division under Delaware law (or any comparable event under a different jurisdiction’s laws): (a) if any asset, right, obligation or liability of any Person becomes the asset, right, obligation or liability of a different Person, then it shall be deemed to have been transferred

from the original Person to the subsequent Person, and (b) if any new Person comes into existence, such new Person shall be deemed to have been organized on the first date of its existence by the holders of its Capital Stock at such time.

## 2. REVOLVING CREDIT FACILITY

### 2.1 Revolving Credit Commitments.

#### 2.1.1 General.

Subject to the terms and conditions hereof and relying upon the representations and warranties herein set forth, each Bank severally agrees to make Revolving Credit Loans in Dollars to the Borrowers at any time or from time to time on or after the date hereof to the Expiration Date; provided that after giving effect to each such Loan the aggregate amount of Revolving Credit Loans from such Bank shall not exceed such Bank's Revolving Credit Commitment minus such Bank's Ratable Share of the Dollar Equivalent Non-Loan Revolving Facility Usage. Within such limits of time and amount and subject to the other provisions of this Agreement, the Borrowers may borrow, repay and reborrow pursuant to this Section 2.1.

#### 2.1.2 Right to Increase Commitments.

At any time prior to the Twelfth Amendment Effective Date, so long as there is not continuing any Event of Default or Potential Default, then if the Borrowers wish to increase the Revolving Credit Commitments, TGI, as agent for the Borrowers, shall notify the Administrative Agent thereof and each Bank (other than any Non-Extending Bank) may, but shall not be obligated to, provide such requested increase; provided that any such increase shall be a one-time increase and shall be in a minimum of \$10,000,000 and a maximum of \$200,000,000. Any portion of such requested increase shall be available to any additional bank (for purposes of this section, an "Additional Bank") proposed by TGI, which is approved by the Administrative Agent (which approval shall not be unreasonably withheld) and which becomes a party to this Agreement pursuant to Section 11.11. In the event of any such increase in the aggregate Revolving Credit Commitments effected pursuant to the terms of this subsection 2.1.2, new Notes shall, to the extent necessary, be executed and delivered by the Borrowers in exchange for the surrender of the existing Notes. If Revolving Credit Loans would be outstanding immediately after giving effect to any such increase, then simultaneously with such increase (i) each Bank increasing its Revolving Credit Commitments (for purposes of this section, an "Increasing Bank"), each Additional Bank and each other Bank shall be deemed to have entered into a master Assignment and Assumption Agreement, in form and substance substantially similar to Exhibit 1.1(A), pursuant to which each such other Bank shall have assigned to each such Increasing Bank and each such Additional Bank, a portion of its Revolving Credit Loans necessary to reflect proportionately the Revolving Credit Commitments as adjusted in accordance with this Section 2.1.2, and (ii) in connection with such assignment, each such Increasing Bank and each such Additional Bank shall pay to the Administrative Agent, for the account of each such other Bank, such amount as shall be necessary to reflect the assignment to it of Revolving Credit Loans, and in connection with such master assignment each such other Bank may treat the assignment of Revolving Credit Loans subject to a Euro-Rate Option as a prepayment thereof for purposes of Section 5.5.2.

## 2.2 Nature of Banks' Obligations with Respect to Revolving Credit Loans.

Each Bank shall be obligated to participate in each request for Revolving Credit Loans pursuant to Section 2.4 in accordance with its Ratable Share. The aggregate amount of each Bank's Revolving Credit Loans outstanding hereunder to the Borrowers at any time shall never exceed its Revolving Credit Commitment minus its Ratable Share of the Dollar Equivalent Non-Loan Revolving Facility Usage, subject to Section 5.6.1. The obligations of each Bank hereunder are several. The failure of any Bank to perform its obligations hereunder shall not affect the Obligations of the Borrowers to any other party nor the several obligations of the other Banks to the Borrowers; nor shall any other party be liable for the failure of such Bank to perform its obligations hereunder. The Banks shall have no obligation to make Revolving Credit Loans hereunder on or after the Expiration Date.

## 2.3 Commitment Fees.

Accruing from the Closing Date until the Expiration Date, the Borrowers agree to pay to the Administrative Agent in Dollars for the account of each Bank according to its Ratable Share, as consideration for such Bank's Revolving Credit Commitment hereunder, a nonrefundable commitment fee (the "Commitment Fee"), calculated on a per annum (365 or 366 days, as appropriate, and actual days elapsed) basis under the Pricing Grid, on the average daily difference between the amount of (i) the Revolving Credit Commitments as the same may be constituted from time to time and (ii) the Dollar Equivalent Revolving Facility Usage (less the Availability Reserve); provided, however, that the portion of the Commitment Fee accrued with respect to the Revolving Credit Commitment of a Defaulting Bank during the period prior to the time such Bank became a Defaulting Bank and unpaid at such time shall not be payable by the Borrowers so long as such Bank is a Defaulting Bank except to the extent that such Commitment Fee shall otherwise have been due and payable by the Borrowers prior to such time; and provided further that no Commitment Fee shall accrue on the Revolving Credit Commitment of a Defaulting Bank so long as such Bank is a Defaulting Bank. All Commitment Fees shall be payable quarterly in arrears on the first Business Day of each October, January, April and July for the immediately preceding quarter and on the Expiration Date or upon acceleration of the Obligations. For purposes of this computation, PNC Bank's outstanding Swing Loans shall be deemed to be borrowed amounts under its Revolving Credit Commitment (and no other Bank's).

## 2.4 Revolving Credit Loan Requests.

Except as otherwise provided herein, TGI, on behalf of the Borrowers may from time to time prior to the Expiration Date request the Banks to make Revolving Credit Loans, or renew or convert the Interest Rate Option applicable to existing Revolving Credit Loans pursuant to Section 4.3, by delivering to the Administrative Agent, not later than (i) 2:00 p.m., Pittsburgh time, three (3) Business Days prior to the proposed Borrowing Date with respect to the making of Revolving Credit Loans to which the Euro-Rate Option applies or the date of conversion to or the renewal of the Euro-Rate Option for any such Loans; and (ii) 10:30 a.m., Pittsburgh time on either the proposed Borrowing Date with respect to the making of a Revolving Credit Loan to which the Base Rate Option applies or the last day of the preceding Interest Period with respect to the conversion to the Base Rate Option for any Loan to which the Euro-Rate Option applies, of a duly completed request therefor substantially in the form of Exhibit 2.4 or a request by

telephone immediately confirmed in writing by letter, or facsimile in such form (each, a “Loan Request”), it being understood that the Administrative Agent may rely on the authority of any individual making such a telephonic request without the necessity of receipt of such written confirmation. Each Loan Request shall be irrevocable and shall specify (i) the proposed Borrowing Date; (ii) the aggregate amount of the proposed Loans comprising each Borrowing Tranche, the amount of which shall be in integral multiples of \$500,000 and not less than \$2,000,000 for each Borrowing Tranche to which the Euro-Rate Option applies and not less than the lesser of \$200,000 or the maximum amount available for Borrowing Tranches to which the Base Rate Option applies; (iii) whether the Euro-Rate Option or Base Rate Option shall apply to the proposed Loans comprising the Borrowing Tranche; and (iv) in the case of a Borrowing Tranche to which the Euro-Rate Option applies, an appropriate Interest Period for the proposed Loans comprising such Borrowing Tranche. If TGI (i) fails to specify an Interest Rate Option to be applicable to a Borrowing Tranche of Loans, the Borrowers shall be deemed to have requested the Base Rate Option with respect to such Borrowing Tranche, or (ii) elects the Euro-Rate option but fails to specify an Interest Period to apply to the applicable Loans, such Interest Period shall be one (1) Month.

## 2.5 Making Revolving Credit Loans.

The Administrative Agent shall, promptly after receipt by it of a Loan Request pursuant to Section 2.4, notify the Banks of its receipt of such Loan Request specifying: (i) the proposed Borrowing Date and the time and method of disbursement of such Revolving Credit Loans; (ii) the amount(s) and type(s) of each Revolving Credit Loan and the applicable Interest Period(s) (if any); and (iii) the apportionment among the Banks of the Revolving Credit Loans as determined by the Administrative Agent in accordance with Section 2.2. Each Bank shall remit the principal amount of each Revolving Credit Loan to the Administrative Agent such that the Administrative Agent shall, to the extent the Banks have made funds available to it for such purposes, fund such Revolving Credit Loans to the Borrowers in Dollars and in immediately available funds at the Principal Office prior to 2:00 p.m., Pittsburgh time, on the Borrowing Date, provided that if any Bank fails to remit such funds to the Administrative Agent in a timely manner, the Administrative Agent may elect in its sole discretion to fund with its own funds the Revolving Credit Loans of such Bank on the Borrowing Date and such Bank shall be subject to the repayment obligation in Section 10.16.

## 2.6 Revolving Credit Notes.

The Obligation of the Borrowers to repay the aggregate unpaid principal amount of the Revolving Credit Loans made by each Bank, together with interest thereon, may, at the option of such Bank, be evidenced by a Revolving Credit Note payable such Bank or its registered assigns in a face amount equal to the Revolving Credit Commitment of such Bank.

## 2.7 Use of Proceeds.

The proceeds of the Loans shall be used for general corporate purposes, including future acquisitions permitted hereunder.

TGI, as agent for the Borrowers, may request the issuance of a letter of credit (each a “Letter of Credit”) which may be denominated in either Dollars or an Optional Currency for itself or on behalf of another Loan Party or a non-Loan Party Subsidiary by delivering or having such other Loan Party deliver to the Issuing Bank (with a copy to the Administrative Agent) a completed application and agreement for letters of credit in such form as the Issuing Bank may specify from time to time by no later than 10:00 a.m., Pittsburgh time, at least five (5) Business Days, or such shorter period as may be agreed to by the Issuing Bank, in advance of the proposed date of issuance. Promptly after receipt of any letter of credit application, the Issuing Bank shall confirm with the Administrative Agent (by telephone or in writing) that the Administrative Agent has received a copy of such Letter of Credit application and if not, such Issuing Bank will provide Administrative Agent with a copy thereof. All letters of credit which are identified on Schedule 2.8.1 hereto shall be deemed to have been issued under this Agreement. Subject to the terms and conditions hereof and in reliance on the agreements of the other Banks set forth in this Section 2.8, the Issuing Bank will issue a Letter of Credit provided that each Letter of Credit shall (A) have a maximum maturity of twenty-four (24) months from the date of issuance, and (B) expire no later than one Business Day prior to the Expiration Date unless it is fully Cash Collateralized on or before the Expiration Date, in which event, such Letter of Credit shall expire no later than three hundred sixty-five (365) days after the Expiration Date, and provided that in no event shall (i) the Dollar Equivalent amount of Letters of Credit Outstanding exceed, at any one time, the Letter of Credit Sublimit or (ii) the Dollar Equivalent Revolving Facility Usage exceed, at any one time, the Revolving Credit Commitments.

Notwithstanding the foregoing, any Letter of Credit may contain customary automatic renewal provisions agreed upon by TGI and the Issuing Bank pursuant to which the expiration date of such Letter of Credit shall automatically be extended for a period of up to 12 months (but not to a date later than the date set forth in clause (B) above), subject to a right on the part of the Issuing Bank to prevent any such renewal from occurring by giving notice to the beneficiary in advance of any such renewal; provided that (I) the initial expiration date (or any subsequent expiration date) of each such Letter of Credit is not later than one (1) Business Day prior to the Expiration Date, and (II) renewal of such Letter(s) of Credit, at the Issuing Bank’s discretion, shall be available upon written request from TGI, as agent for the Borrowers, to the Issuing Bank at least thirty (30) days (or such other time period as agreed by TGI and the Issuing Bank) before the date upon which notice of nonrenewal is otherwise required.

Notwithstanding any other provision hereof, the Issuing Bank shall not be required to issue, amend, extend or increase any Letter of Credit, if any Bank is at such time a Defaulting Bank hereunder, unless the Issuing Bank has entered into satisfactory arrangements with the Borrowers or such Bank to eliminate the Issuing Bank’s risk with respect to such Bank (it being understood that the Issuing Bank would consider the Borrowers providing cash collateral to the Administrative Agent, for the benefit of the Issuing Bank, to secure the Defaulting Bank’s Ratable Share of the Letter of Credit a satisfactory arrangement).

## 2.8.2

### Letter of Credit Fees.

The Borrowers shall pay in Dollars (i) to the Administrative Agent for the ratable account of the Banks a fee (the “Letter of Credit Fee”) at the rate per annum set forth in the Pricing Grid (based on a year of 360 days, and actual days elapsed), and (ii) to the Issuing Bank for its own account a fronting fee equal to 1/8% per annum, which fees shall be computed on the daily average Dollar Equivalent amount of Letters of Credit Outstanding for the immediately preceding fiscal quarter (or shorter period commencing with the Closing Date and or ending on the Expiration Date) and shall be payable quarterly in arrears commencing with the first Business Day of October, January, April and July following issuance of each Letter of Credit and on the Expiration Date. The Borrowers shall also pay to the Issuing Bank in Dollars for the Issuing Bank’s sole account the Issuing Bank’s then in effect customary fees and administrative expenses payable with respect to the Letters of Credit as the Issuing Bank may generally charge or incur from time to time in connection with the issuance, maintenance, modification (if any), assignment or transfer (if any), negotiation, and administration of Letters of Credit.

## 2.8.3

### Disbursements, Reimbursement.

2.8.3.1 Immediately upon the issuance of each Letter of Credit, each Bank shall be deemed to, and hereby irrevocably and unconditionally agrees to, purchase from the Issuing Bank a participation in such Letter of Credit and each drawing thereunder in an amount equal to such Bank’s Ratable Share of the maximum amount available to be drawn under such Letter of Credit and the amount of such drawing, respectively.

2.8.3.2 In the event of any request for a drawing under a Letter of Credit by the beneficiary or transferee thereof, the Issuing Bank will promptly notify TGI, as agent for the Borrowers, and the Administrative Agent. The Borrowers shall reimburse (such obligation to reimburse the Issuing Bank shall sometimes be referred to as a “Reimbursement Obligation”) the Issuing Bank in Dollars prior to 12:00 noon, Pittsburgh time on each date that an amount is paid by the Issuing Bank under any Letter of Credit (each such date, a “Drawing Date”) in an amount equal to the Dollar Equivalent amount so paid by the Issuing Bank. In the event the Borrowers fail to reimburse the Issuing Bank (through the Administrative Agent) for the full Dollar Equivalent amount of any drawing under any Letter of Credit by 12:00 noon, Pittsburgh time, on the Drawing Date, the Administrative Agent will promptly notify each Bank thereof, and the Borrowers shall be deemed to have requested that Revolving Credit Loans be made by the Banks in Dollars under the Base Rate Option to be disbursed on the Drawing Date under such Letter of Credit, subject to the amount of the unutilized portion of the Revolving Credit Commitment and subject to the conditions set forth in Section 7.2 [Each Additional Loan] other than any notice requirements. Any notice given by the Administrative Agent or the Issuing Bank pursuant to this Section 2.8.3.2 may be oral if immediately confirmed in writing; provided that the lack of such an immediate confirmation shall not affect the conclusiveness or binding effect of such notice.

2.8.3.3 Each Bank shall upon any notice pursuant to Section 2.8.3.2 make available to the Administrative Agent for the benefit of the Issuing Bank an amount in Dollars in immediately available funds equal to its Ratable Share (as determined in accordance with Section 2.14, if applicable) of the Dollar Equivalent amount of the drawing,



whereupon the participating Banks shall (subject to Section 2.8.3.4) each be deemed to have made a Revolving Credit Loan in Dollars to the Borrowers under the Base Rate Option in that amount. If any Bank so notified fails to make available in Dollars to the Administrative Agent for the account of the Issuing Bank the amount of such Bank's Ratable Share of such Dollar Equivalent amount by no later than 2:00 p.m., Pittsburgh time on the Drawing Date, then interest shall accrue on such Bank's obligation to make such payment, from the first Business Day after the Drawing Date to the date on which such Bank makes such payment (i) at a rate per annum equal to the Federal Funds Effective Rate during the first three days following the Drawing Date and (ii) at a rate per annum equal to the rate applicable to Loans under the Base Rate Option on and after the fourth day following the Drawing Date. The Administrative Agent and the Issuing Bank will promptly give notice of the occurrence of the Drawing Date, but failure of the Administrative Agent or the Issuing Bank to give any such notice on the Drawing Date or in sufficient time to enable any Bank to effect such payment on such date shall not relieve such Bank from its obligation under this Section 2.8.3.3.

2.8.3.4 With respect to any unreimbursed drawing that is not converted into Revolving Credit Loans to the Borrowers under the Base Rate Option in whole or in part as contemplated by Section 2.8.3.2, because of the Borrowers' failure to satisfy the conditions set forth in Section 7.2 [Each Additional Loan] other than any notice requirements or for any other reason, the Borrowers shall be deemed to have incurred from the Issuing Bank a borrowing (each a "Letter of Credit Borrowing") in Dollars equal to the Dollar Equivalent amount of such drawing. Such Letter of Credit Borrowing shall be due and payable on demand (together with interest) and shall bear interest at the rate per annum applicable to the Revolving Credit Loans under the Base Rate Option. Each Bank's payment to the Administrative Agent for the account of the Issuing Bank pursuant to Section 2.8.3.3 shall be deemed to be a payment in respect of its participation in such Letter of Credit Borrowing and shall constitute a "Participation Advance" from such Bank in satisfaction of its participation obligation under this Section 2.8.3.

#### 2.8.4 Repayment of Participation Advances.

2.8.4.1 Upon (and only upon) receipt by the Administrative Agent for the account of the Issuing Bank of immediately available funds from the Borrowers (i) in reimbursement of any payment made by the Issuing Bank under the Letter of Credit with respect to which any Bank has made a Participation Advance to the Issuing Bank, or (ii) in payment of interest on such a payment made by the Issuing Bank under such a Letter of Credit, the Administrative Agent on behalf of the Issuing Bank will pay to each Bank, in the same funds as those received by the Administrative Agent, the amount of such Bank's Ratable Share of such funds, except the Administrative Agent shall retain for the account of the Issuing Bank the amount of the Ratable Share of such funds of any Bank that did not make a Participation Advance in respect of such payment by the Issuing Bank.

2.8.4.2 If the Administrative Agent is required at any time to return to any Loan Party, or to a trustee, receiver, liquidator, custodian, or any official in any Insolvency Proceeding, any portion of the payments made by any Loan Party to the Administrative Agent for the account of the Issuing Bank pursuant to Section 2.8.4.1 in reimbursement of a payment made under the Letter of Credit or interest or fee thereon, each

Bank shall, on demand of the Administrative Agent, forthwith return to the Administrative Agent for the account of the Issuing Bank the amount of its Ratable Share of any amounts so returned by the Administrative Agent plus interest thereon from the date such demand is made to the date such amounts are returned by such Bank to the Administrative Agent, at a rate per annum equal to the Federal Funds Effective Rate in effect from time to time.

2.8.5 Documentation.

Each Loan Party agrees to be bound by the terms of the Issuing Bank's application and agreement for letters of credit and the Issuing Bank's written regulations and customary practices relating to letters of credit, though such interpretation may be different from such Loan Party's own. In the event of a conflict between such application or agreement and this Agreement, this Agreement shall govern. It is understood and agreed that, except in the case of gross negligence or willful misconduct, the Issuing Bank shall not be liable for any error, negligence and/or mistakes, whether of omission or commission, in following any Loan Party's instructions or those contained in the Letters of Credit or any modifications, amendments or supplements thereto.

2.8.6 Determinations to Honor Drawing Requests.

In determining whether to honor any request for drawing under any Letter of Credit by the beneficiary thereof, the Issuing Bank shall be responsible only to determine that the documents and certificates required to be delivered under such Letter of Credit have been delivered and that they comply on their face with the requirements of such Letter of Credit.

2.8.7 Nature of Participation and Reimbursement Obligations.

Each Bank's obligation in accordance with this Agreement to make the Revolving Credit Loans or Participation Advances, as contemplated by Section 2.8.3, as a result of a drawing under a Letter of Credit, and the Obligations of the Borrowers to reimburse the Issuing Bank upon a draw under a Letter of Credit, shall be absolute, unconditional and irrevocable, and shall be performed strictly in accordance with the terms of this Section 2.8 under all circumstances, including the following circumstances:

(i) any set-off, counterclaim, recoupment, defense or other right which such Bank may have against the Issuing Bank or any of its Affiliates, any Borrower or any other Person for any reason whatsoever;

(ii) the failure of any Loan Party or any other Person to comply, in connection with a Letter of Credit Borrowing, with the conditions set forth in Section 2.1 [Revolving Credit Commitments], 2.4 [Revolving Credit Loan Requests], 2.5 [Making Revolving Credit Loans] or 7.2 [Each Additional Loan] or as otherwise set forth in this Agreement for the making of a Revolving Credit Loan, it being acknowledged that such conditions are not required for the making of a Letter of Credit Borrowing and the obligation of the Banks to make Participation Advances under Section 2.8.3;

(iii) any lack of validity or enforceability of any Letter of Credit;

(iv) any claim of breach of warranty that might be made by any Loan Party or any Bank against any beneficiary of a Letter of Credit, or the existence of any claim, set-off, recoupment, counterclaim, cross-claim, defense or other right which any Loan Party or any Bank may have at any time against a beneficiary, successor beneficiary any transferee or assignee of any Letter of Credit or the proceeds thereof (or any Persons for whom any such transferee may be acting), the Issuing Bank or its Affiliates or any Bank or any other Person or, whether in connection with this Agreement, the transactions contemplated herein or any unrelated transaction (including any underlying transaction between any Loan Party or Subsidiaries of a Loan Party and the beneficiary for which any Letter of Credit was procured);

(v) the lack of power or authority of any signer of (or any defect in or forgery of any signature or endorsement on) or the form of or lack of validity, sufficiency, accuracy, enforceability or genuineness of any draft, demand, instrument, certificate or other document presented under or in connection with any Letter of Credit, or any fraud or alleged fraud in connection with any Letter of Credit, or the transport of any property or provisions of services relating to a Letter of Credit, in each case even if the Issuing Bank or any of the Issuing Bank's Affiliates has been notified thereof;

(vi) payment by the Issuing Bank or any of its Affiliates under any Letter of Credit against presentation of a demand, draft or certificate or other document which does not comply with the terms of such Letter of Credit;

(vii) the solvency of, or any acts of omissions by, any beneficiary of any Letter of Credit, or any other Person having a role in any transaction or obligation relating to a Letter of Credit, or the existence, nature, quality, quantity, condition, value or other characteristic of any property or services relating to a Letter of Credit;

(viii) any failure by the Issuing Bank or any of its Affiliates to issue any Letter of Credit in the form requested by any Loan Party, unless the Issuing Bank has received written notice from such Loan Party of such failure within three Business Days after the Issuing Bank shall have furnished such Loan Party a copy of such Letter of Credit and such error is material and no drawing has been made thereon prior to receipt of such notice;

(ix) any adverse change in the business, operations, properties, assets, condition (financial or otherwise) or prospects of any Loan Party or Subsidiaries of a Loan Party;

(x) any breach of this Agreement or any other Loan Document by any party thereto;

(xi) the occurrence or continuance of an Insolvency Proceeding with respect to any Loan Party;

(xii) the fact that an Event of Default or a Potential Default shall have occurred and be continuing;

(xiii) the fact that the Expiration Date shall have passed or this Agreement or the Commitments hereunder shall have been terminated; and

(xiv)  
whether or not similar to any of the foregoing.

any other circumstance or happening whatsoever,

2.8.8 Indemnity.

In addition to amounts payable as provided in Section 10.5 [Reimbursement of Administrative Agent by Borrowers, Etc.], the Borrowers hereby agree to protect, indemnify, pay and save harmless the Issuing Bank and any of its Affiliates that has issued a Letter of Credit from and against any and all claims, demands, liabilities, damages, taxes, penalties, interest, judgments, losses, costs, charges and expenses (including reasonable fees, expenses and disbursements of counsel and allocated costs of internal counsel) which the Issuing Bank or any of its Affiliates may incur or be subject to as a consequence, direct or indirect, of the issuance of any Letter of Credit, other than as a result of (A) the gross negligence or willful misconduct of the Issuing Bank as determined by a final judgment of a court of competent jurisdiction or (B) the wrongful dishonor by the Issuing Bank or any of its Affiliates of a proper demand for payment made under any Letter of Credit, except if such dishonor resulted from any act or omission, whether rightful or wrongful, of any present or future de jure or de facto government or governmental authority (all such acts or omissions herein called "Governmental Acts").

2.8.9 Liability for Acts and Omissions.

As between any Loan Party and the Issuing Bank, or the Issuing Bank's Affiliates, such Loan Party assumes all risks of the acts and omissions of, or misuse of the Letters of Credit by, the respective beneficiaries of such Letters of Credit. In furtherance and not in limitation of the foregoing, the Issuing Bank shall not be responsible for any of the following including any losses or damages to any Loan Party or other Person or property relating therefrom: (i) the form, validity, sufficiency, accuracy, genuineness or legal effect of any document submitted by any party in connection with the application for an issuance of any such Letter of Credit, even if it should in fact prove to be in any or all respects invalid, insufficient, inaccurate, fraudulent or forged (even if the Issuing Bank or its Affiliates shall have been notified thereof); (ii) the validity or sufficiency of any instrument transferring or assigning or purporting to transfer or assign any such Letter of Credit or the rights or benefits thereunder or proceeds thereof, in whole or in part, which may prove to be invalid or ineffective for any reason; (iii) the failure of the beneficiary of any such Letter of Credit, or any other party to which such Letter of Credit may be transferred, to comply fully with any conditions required in order to draw upon such Letter of Credit or any other claim of any Loan Party against any beneficiary of such Letter of Credit, or any such transferee, or any dispute between or among any Loan Party and any beneficiary of any Letter of Credit or any such transferee; (iv) errors, omissions, interruptions or delays in transmission or delivery of any messages, by mail, cable, telegraph, telex or otherwise, whether or not they be in cipher; (v) errors in interpretation of technical terms; (vi) any loss or delay in the transmission or otherwise of any document required in order to make a drawing under any such Letter of Credit or of the proceeds thereof; (vii) the misapplication by the beneficiary of any such Letter of Credit of the proceeds of any drawing under such Letter of Credit; or (viii) any consequences arising from causes beyond the control of the Issuing Bank or its Affiliates, as applicable, including any Governmental Acts, and none of the above shall affect or impair, or prevent the vesting of, any of the Issuing Bank's or its Affiliates rights or powers hereunder. Nothing in the preceding sentence shall relieve the Issuing

Bank from liability for the Issuing Bank's gross negligence or willful misconduct in connection with actions or omissions described in such clauses (i) through (viii) of such sentence. In no event shall the Issuing Bank or its Affiliates be liable to any Loan Party for any indirect, consequential, incidental, punitive, exemplary or special damages or expenses (including without limitation attorneys' fees), or for any damages resulting from any change in the value of any property relating to a Letter of Credit.

Without limiting the generality of the foregoing, the Issuing Bank and each of its Affiliates (i) may rely on any oral or other communication believed in good faith by the Issuing Bank or such Affiliate to have been authorized or given by or on behalf of the applicant for a Letter of Credit, (ii) may honor any presentation if the documents presented appear on their face substantially to comply with the terms and conditions of the relevant Letter of Credit; (iii) may honor a previously dishonored presentation under a Letter of Credit, whether such dishonor was pursuant to a court order, to settle or compromise any claim of wrongful dishonor, or otherwise, and shall be entitled to reimbursement to the same extent as if such presentation had initially been honored, together with any interest paid by the Issuing Bank or its Affiliate; (iv) may honor any drawing that is payable upon presentation of a statement advising negotiation or payment, upon receipt of such statement (even if such statement indicates that a draft or other document is being delivered separately), and shall not be liable for any failure of any such draft or other document to arrive, or to conform in any way with the relevant Letter of Credit; (v) may pay any paying or negotiating bank claiming that it rightfully honored under the laws or practices of the place where such bank is located; and (vi) may settle or adjust any claim or demand made on the Issuing Bank or its Affiliate in any way related to any order issued at the applicant's request to an air carrier, a letter of guarantee or of indemnity issued to a carrier or any similar document (each an "Order") and honor any drawing in connection with any Letter of Credit that is the subject to such Order, notwithstanding that any drafts or other documents presented in connection with such Letter of Credit fail to conform in any way with such Letter of Credit.

In furtherance and extension and not in limitation of the specific provisions set forth above, any action taken or omitted by the Issuing Bank or its Affiliates under or in connection with the Letters of Credit issued by it or any documents and certificates delivered thereunder, if taken or omitted in good faith, shall not put the Issuing Bank or its Affiliates under any resulting liability to the Borrowers or any Bank.

## 2.9 Swing Loans.

### 2.9.1 Making Swing Loans.

Subject to the terms and conditions hereof, PNC Bank may in its discretion make swing line loans in Dollars (the "Dollar Swing Loans") or an Optional Currency (the "Optional Currency Swing Loans") and together with the Dollar Swing Loans, each a "Swing Loan" and collectively, the "Swing Loans") to the Borrowers from time to time prior to the Expiration Date in an aggregate outstanding principal amount up to the amount of the Dollar Swing Loan Commitment in the case of Dollar Swing Loans and the Optional Currency Swing Loan Commitment in the case of Optional Currency Swing Loans for periods requested by TGI, as agent for the Borrowers, and agreed to by PNC Bank; provided, that, no Swing Loan shall be made if, after giving effect to the making of such Swing Loan and the simultaneous application

of the proceeds thereof, (x) the aggregate Dollar Equivalent Revolving Facility Usage of all of the Banks would exceed the aggregate amount of the Revolving Credit Commitments of all of the Banks or (y) the aggregate amount of all outstanding Revolving Credit Loans of a Bank plus such Bank's Ratable Share of the Dollar Equivalent Non-Loan Revolving Facility Usage would exceed its Revolving Credit Commitment. Within the foregoing limits, the Borrowers may, prior to the Expiration Date borrow, repay and reborrow under each of the Dollar Swing Loan Commitment and the Optional Currency Swing Loan Commitment, as applicable, subject to and in accordance with the terms and limitations hereof. The interest rate for a Dollar Swing Loan shall be the rate that is mutually agreed by TGI, on behalf of the Borrowers, and PNC Bank at the time such Swing Loan is made or, absent such an agreement, at the Base Rate. The interest rate for an Optional Currency Swing Loan shall be the Euro-Rate. Interest on the principal amount of each Optional Currency Swing Loan made in an Optional Currency shall be paid by the Borrowers in such Optional Currency, provided that, interest earned after an Optional Currency Swing Loan is converted to its Dollar Equivalent pursuant to Section 2.9.5 shall be payable in Dollars.

#### 2.9.2 Swing Loan Request.

TGI, as agent for the Borrowers, may request a Swing Loan to be made on any Business Day. Each request for a Swing Loan shall be in the form of a Swing Loan Request (or a request by telephone immediately confirmed in writing, it being understood that PNC Bank may rely on the authority of any individual making such telephonic request without the necessity of receipt of such written confirmation) and received by the Administrative Agent not later than 1:00 p.m. (Pittsburgh time) on the Business Day a Dollar Swing Loan is to be made and four (4) Business Days prior to the proposed Borrowing Date with respect to making Optional Currency Swing Loans specifying (i) the amount to be borrowed, (ii) the requested Borrowing Date, (iii) the date such Swing Loan is to be repaid, if applicable, which date shall be, with respect to Optional Currency Swing Loans, one Month from the Borrowing Date (the "Swing Loan Repayment Date") and (iv) the currency in which such Optional Currency Swing Loans shall be funded. The request for such Swing Loan shall be irrevocable. Provided that all applicable conditions precedent contained herein have been satisfied, PNC Bank shall, not later than 4:00 p.m., Pittsburgh time, on the date specified in TGI's request for such Swing Loan, make such Swing Loan by crediting any Borrower's deposit account with PNC Bank.

#### 2.9.3 Swing Loan Notes.

The obligation of the Borrowers to repay the Dollar Swing Loans and the Optional Currency Swing Loans may, at the option of PNC Bank, be evidenced by separate promissory notes of the Borrowers, payable to PNC Bank or its registered assigns in the principal amount of the Dollar Swing Loan Commitment and the Optional Currency Swing Loan Commitment, as applicable and substantially in the form of Exhibit 1.1(S)(1) Dollar Swing Loan Note (the "Dollar Swing Loan Note") or Exhibit 1.1(S)(2) Optional Currency Swing Loan Note (the "Optional Currency Swing Loan Note"), as applicable (in each case, as amended, supplemented or otherwise modified from time to time, each a "Swing Loan Note" and collectively, the "Swing Loan Notes").

2.9.4

Repayment.

Swing Loans shall be repaid on the earlier of (i) the Expiration Date or (ii) the Swing Loan Repayment Date for such Swing Loan, provided that with respect to an Optional Currency Swing Loan, the Borrowers may renew the Interest Period thereon by delivering a Swing Loan Request therefor in accordance with the terms of Section 2.9.2. Notwithstanding anything to the contrary herein, any Swing Loan at any time shall be repaid upon demand by the Administrative Agent (any such date being the “Swing Loan Conversion Date”) and each Borrower shall indemnify PNC Bank and each other Bank pursuant to Section 5.5.2 on account of such repayment. Unless TGI, on behalf of the Borrowers, shall have notified the Administrative Agent prior to 11:00 a.m., Pittsburgh time, on such Swing Loan Conversion Date that the Borrowers intend to repay such Swing Loan with funds other than the proceeds of a Revolving Credit Loan, or, in the case of an Optional Currency Swing Loan, renew the Interest Period with respect thereto, the Borrowers shall be deemed to have given notice to the Administrative Agent requesting the Banks to make Revolving Credit Loans in U.S. Dollars in an amount determined by PNC Bank in its sole discretion equal to the Dollar Equivalent at the prevailing market rate of such Swing Loans, which Revolving Credit Loans shall earn interest at the Base Rate in effect on the Swing Loan Conversion Date in an aggregate amount equal to the amount of such Swing Loan plus interest thereon, and the Banks shall, on the Swing Loan Conversion Date, make Revolving Credit Loans (without the requirement that they comply with the conditions for Revolving Credit Loans in Section 2.4 [Revolving Credit Loan Requests]), which shall earn interest at the Base Rate, in an aggregate amount equal to the amount of such Swing Loan plus interest thereon, the proceeds of which shall be applied directly by the Administrative Agent to repay PNC Bank for such Swing Loan then due plus accrued interest thereon; and provided, further, that if for any reason the proceeds of such Revolving Credit Loans are not received by PNC Bank on the Swing Loan Conversion Date in an aggregate amount equal to the amount of such Swing Loan then due plus accrued interest, the Borrowers shall reimburse PNC Bank on the day immediately following the Swing Loan Conversion Date, in same day funds, in an amount equal to the excess of the amount of such Swing Loan then due over the aggregate amount of such Revolving Credit Loans, if any, received plus accrued interest thereon.

2.9.5

Participations.

In the event that the Borrowers shall fail to repay PNC Bank as provided in Section 2.9.4, PNC Bank shall convert such Swing Loan, if an Optional Currency Swing Loan, to a Swing Loan in Dollars at the Dollar Equivalent and the Administrative Agent shall promptly notify each Bank of the unpaid Dollar Equivalent amount of such Swing Loan and of such Bank’s respective participation therein in a Dollar Equivalent amount equal to such Bank’s Ratable Share of such Swing Loan, as calculated at the date PNC Bank converts the Optional Currency in which Optional Currency Swing Loans are denominated to Dollars, if applicable. Each Bank shall make available to the Administrative Agent for payment to PNC Bank a Dollar Equivalent amount equal to its respective participation therein (including without limitation its Ratable Share of accrued but unpaid interest thereon, provided that the interest rate payable by the participating Banks shall not include the default rate component), in Dollars and in same day funds at the office of the Administrative Agent specified in such notice. If such notice is delivered by the Administrative Agent by 11:00 a.m., Pittsburgh time, each Bank shall make

funds available to the Administrative Agent on that Business Day. If such notice is delivered after 11:00 a.m., Pittsburgh time, each Bank shall make funds available to the Administrative Agent on the next Business Day. In the event that any Bank fails to make available to the Administrative Agent the Dollar Equivalent amount of such Bank's participation in such unpaid amount as provided herein, PNC Bank shall be entitled to recover such amount on demand from such Bank together with interest thereon at a rate per annum equal to the Federal Funds Effective Rate for each day during the period between the date such participation amount is required to be paid and the date on which such Bank makes available its participation in such unpaid amount. The failure of any Bank to make available to the Administrative Agent its Ratable Share of any such unpaid amount shall not relieve any other Bank of its obligations hereunder to make available to the Administrative Agent its Ratable Share of such unpaid amount when due as set forth above. The Administrative Agent shall distribute to each Bank which has paid all amounts payable by it under this Section 2.9.5 with respect to the unpaid amount of any Swing Loan, such Bank's Ratable Share (based on its participation in such Swing Loan and interest thereon) of all payments received by the Administrative Agent from any of the Borrowers in repayment of such Swing Loan when such payments are received. Notwithstanding anything to the contrary herein, each Bank which has paid all amounts payable by it under this Section 2.9.5 shall have a direct right to repayment of such amounts from the Borrowers subject to the procedures for repaying Banks set forth in this Section 2.9.5 and the provisions of Section 5.

2.9.6 Termination.

In the event the Revolving Credit Commitments are terminated in accordance with the terms hereof, each of the Dollar Swing Loan Commitment and the Optional Currency Swing Loan Commitment shall also be terminated automatically. In the event the Borrowers reduce the Revolving Credit Commitments to less than either the Dollar Swing Loan Commitment or the Optional Currency Swing Loan Commitment, such Swing Loan Commitment shall immediately be reduced to an amount equal to the Revolving Credit Commitments. In the event the Borrowers reduce the Revolving Credit Commitments to less than the outstanding principal amount of the Dollar Swing Loans or the Optional Currency Swing Loans, the Borrowers shall immediately repay the amount by which such outstanding Swing Loans exceeds the Dollar Swing Loan Commitment or the Optional Currency Swing Loan Commitment, as applicable, as so reduced plus accrued interest thereon.

2.9.7 Minimum Amounts.

At no time shall there be more than (i) one (1) outstanding Dollar Swing Loan, except as to Swing Loans made pursuant to Section 2.9.9 and (ii) three (3) outstanding Optional Currency Swing Loans. Each Dollar Swing Loan shall be in a minimum original principal amount of \$100,000 and integral multiples thereof, except as to Swing Loans made pursuant to Section 2.9.9, as to which there shall be no minimum. Each Optional Currency Swing Loan shall be in a minimum original principal amount of \$1,000,000 and integral multiples thereof.

2.9.8 Prepayment.

The Borrowers shall have the right at any time and from time to time to prepay the Swing Loans, in whole or in part, without premium or penalty (but in any event subject to



Section 5.5.2), upon prior written, facsimile or telephonic notice to PNC Bank given by TGI on the Borrowers' behalf no later than 11:00 a.m., Pittsburgh time, on the date of any proposed prepayment. Each notice of prepayment shall specify the Swing Loan to be prepaid and the amount to be prepaid, shall be irrevocable and shall commit the Borrowers to prepay such amount on such date, with accrued interest thereon and any other amounts owed hereunder.

#### 2.9.9 Swing Loans Under Cash Management Agreements.

In addition to making Dollar Swing Loans pursuant to the foregoing provisions of this Section 2.9, without the requirement for a specific request from the Borrowers pursuant to Section 2.9.2, PNC Bank may make Dollar Swing Loans to the Borrowers in accordance with the provisions of the agreements between TGI and PNC Bank relating to TGI's deposit, sweep and other accounts at PNC Bank and related arrangements and agreements regarding the management and investment of TGI's cash assets as in effect from time to time (the "Cash Management Agreements") to the extent of the daily aggregate net negative balance in TGI's accounts which are subject to the provisions of the Cash Management Agreements. Dollar Swing Loans made pursuant to this Section 2.9.9 in accordance with the provisions of the Cash Management Agreements shall (i) be subject to the limitations as to aggregate amount set forth in Section 2.9.1, (ii) not be subject to the limitations as to number or individual amount set forth in Sections 2.9.7 or the repayment provisions of Section 2.9.4, (iii) be payable by the Borrowers, both as to principal and interest, at the times set forth in the Cash Management Agreements (but in no event later than the Expiration Date), (iv) not be made at any time after PNC Bank has received written notice of the occurrence of a Potential Default or Event of Default, (v) if not repaid by the Borrowers in accordance with the provisions of the Cash Management Agreements, be subject to each Bank's obligation to purchase participating interests therein pursuant to Section 2.9.5, and (vi) except as provided in the foregoing subsections (i) through (v), be subject to all of the terms and conditions of this Section 2.9. The Borrowers acknowledge and agree that each Borrower materially benefits from the arrangements made pursuant to this Section 2.9.9 and the Cash Management Agreements, and each Borrower shall be jointly and severally liable, subject to Section 11.20, for all Obligations, including without limitation, those arising from the operation of this Section 2.9.9.

#### 2.9.10 Nature of Obligations.

Each Bank's obligation to purchase participating interests pursuant to Section 2.9.5 in the event that the Borrowers shall fail to repay PNC Bank as provided in Section 2.9.4 in the amount required under such Section shall be absolute and unconditional and shall not be affected by any circumstance including, without limitation, (i) any set-off, counterclaim, recoupment, defense or other right which such Bank may have against any other Bank or any Borrower, or any Borrower may have against any Bank or any other Person, as the case may be, for any reason whatsoever; (ii) the occurrence or continuance of a Potential Default or Event of Default; (iii) any adverse change in the condition (financial or otherwise) of any of the Borrowers; (iv) any breach of this Agreement by any party hereto; (v) the failure to satisfy any condition to the making of any Loan hereunder; or (vi) any other circumstance, happening or event whatsoever, whether or not similar to any of the foregoing.

2.9.11

Indemnity.

Each Bank shall ratably in accordance with its Ratable Share, indemnify PNC Bank (in its capacity as lender of Swing Loans), its affiliates and their respective directors, officers, agents and employees (to the extent not reimbursed by the Borrowers) against any cost, expense (including reasonable counsel fees and expenses), claim, demand, action, loss or liability (except any of the foregoing that results from the indemnitees' gross negligence or willful misconduct) that such indemnities may suffer or incur in connection with this Section 2.9 or any action taken or omitted by such indemnities hereunder.

2.10

Utilization of Optional Currency Swing Loans and Letters of Credit.

2.10.1 Periodic Computations of Dollar Equivalent Amounts of Loans and Letters of Credit Outstanding.

The Administrative Agent will determine the Dollar Equivalent amount of (i) proposed Swing Loans or Letters of Credit to be denominated in an Optional Currency, (ii) Letters of Credit Outstanding denominated in an Optional Currency, and (iii) outstanding Swing Loans denominated in an Optional Currency on any Business Day selected by the Administrative Agent and as frequently as the Administrative Agent desires (each such date, a "Computation Date").

2.10.2 Notices From Banks That Optional Currencies Are Unavailable to Fund New Loans.

PNC Bank shall be under no obligation to make the Optional Currency Swing Loans and no Issuing Bank shall be under any obligation to issue Letters of Credit requested by the Borrowers which are denominated in an Optional Currency if, PNC Bank or such Issuing Bank, as the case may be, notifies the Administrative Agent by 5:00 p.m. (Pittsburgh time) four (4) Business Days prior to the Borrowing Date for such Optional Currency Swing Loans or date of issuance that (i) the making, maintenance or funding of such Optional Currency Swing Loan, the issuance of such Letter of Credit, or the funding of any draw thereunder has been made or, in the case of a draw, would be made, impracticable or unlawful by compliance by PNC Bank or such Issuing Bank in good-faith with any Law or any interpretation or application thereof by any Official Body or with any request or directive of any such Official Body (whether or not having the force of Law) or (ii) after making all reasonable efforts, deposits of the relevant amount in the relevant Optional Currency for the relevant Interest Period are not available to PNC Bank with respect to such Optional Currency Swing Loan in the London interbank market. In the event the Administrative Agent receives a timely notice from PNC Bank or an Issuing Bank pursuant to the preceding sentence, the Administrative Agent will notify TGI, as agent for the Borrowers, (1) no later than 12:00 noon (Pittsburgh time) three (3) Business Days prior to the Borrowing Date for such Optional Currency Swing Loans that the Optional Currency is not then available for such Optional Currency Swing Loans, or (2) prior to the issuance of an Optional Currency Letter of Credit, that Letters of Credit are not then available in such Optional Currency. If TGI receives a notice described in the preceding sentence, the Borrowers may, by notice from TGI to the Administrative Agent not later than 5:00 p.m. (Pittsburgh time) three (3) Business Days prior to the Borrowing Date for such Optional Currency Swing Loans, or issuance of such

Letter of Credit, as the case may be, either (a) withdraw the Swing Loan Request or request for such Letter of Credit for such Optional Currency Swing Loans or Letter of Credit, as the case may be, in which event the Administrative Agent will promptly notify PNC Bank and Issuing Bank of the same and PNC Bank shall not make such Optional Currency Swing Loans, and Issuing Bank shall not issue such Letter of Credit or (b) request that the Swing Loans referred to in its Swing Loan Request or Letter of Credit, as the case may be, be made in Dollars or in a different Optional Currency in an amount equal to the Dollar Equivalent or other Optional Currency Equivalent Amount of such Swing Loans or Letter of Credit and shall (A) in the case of Swing Loans denominated in Dollars, bear interest at the rate determined pursuant to Section 2.9.1, or (B) in the case of Swing Loans denominated in an Optional Currency, bear interest at the Euro-Rate, in which event the Administrative Agent shall promptly deliver a notice to PNC Bank and/or the Issuing Bank, as the case may be, stating: in the case of (X) Swing Loans, (I) that such Swing Loans shall be made in the applicable currency and the interest rate applicable thereto, and (II) the aggregate amount of such Swing Loans and, (Y) Letters of Credit (I) such Letters of Credit shall be issued in the applicable currency and (II) the stated face amount of such Letters of Credit. If the Borrowers do not withdraw such Swing Loan Request or request for Letter of Credit before such time as provided in clause (a) or request before such time that the requested Swing Loans referred to in its Swing Loan Request or Letter of Credit be made in Dollars or a different Optional Currency as provided in clause (b), then (i) the Borrowers shall be deemed to have withdrawn such Swing Loan Request or request for Letter of Credit, as the case may be, and (ii) the Administrative Agent shall promptly deliver a notice to PNC Bank and/or the Issuing Bank thereof and PNC Bank shall not be obligated to make such Swing Loans and Issuing Bank shall not be obligated to issue such Letter of Credit.

2.10.3 Intentionally Omitted.

2.10.4 Requests for Additional Optional Currencies.

TGI, on behalf of the Borrowers, may deliver to the Administrative Agent a written request that Optional Currency Swing Loans hereunder and/or Letters of Credit issued hereunder also be permitted to be made or issued in any other lawful currency (other than Dollars), in addition to the currencies specified in the definition of "Optional Currency" herein, provided that such currency must be freely traded in the offshore interbank foreign exchange markets, freely transferable, freely convertible into Dollars and available to PNC Bank and the Issuing Banks in the applicable interbank market. The Administrative Agent will promptly notify TGI of the acceptance or rejection by the Administrative Agent, of the Borrowers' request. The requested currency shall be approved as an Optional Currency hereunder only if the Administrative Agent, PNC Bank and all of the Issuing Banks approve of the Borrowers' request.

2.11 Currency Repayments.

Notwithstanding anything contained herein to the contrary, the entire amount of principal of and interest on any Optional Currency Swing Loan shall be repaid in the same Optional Currency in which such Loan was made, provided, however, that if it is impossible or illegal for the Borrowers to effect payment of a Loan in the Optional Currency in which such Loan was made, or if the Borrowers default in their obligations to do so, PNC Bank may, at its option

permit such payment to be made (i) at and to a different location, subsidiary, affiliate or correspondent of the Administrative Agent, or (ii) in the Dollar Equivalent, or (iii) in an Equivalent Amount of such other currency (freely convertible into Dollars) as PNC Bank may solely at its option designate. Upon any events described in (i) through (iii) of the preceding sentence, the Borrowers shall make such payment. In all events, whether described in such clauses (i) through (iii), whether the Borrowers make such required payments, or otherwise, (a) the Borrowers, jointly and severally, agree to hold PNC Bank, each Issuing Bank and each Bank harmless from and against any loss incurred by any of them arising from the cost to such indemnified party of any premium, any costs of exchange, the cost of hedging and covering the Optional Currency in which such Optional Currency Swing Loan or Letter of Credit, as the case may be, was originally made, and from any change in the value of Dollars, or such other currency, in relation to the Optional Currency that was due and owing, and (b) each Bank agrees to hold PNC Bank and each Issuing Bank harmless from and against any loss incurred by PNC Bank or such Issuing Bank arising from the cost to PNC Bank or such Issuing Bank of any premium, any costs of exchange, the cost of hedging and covering the Optional Currency in which such Optional Currency Swing Loan or Letter of Credit, as the case may be, was originally made, and from any change in the value of Dollars or such other currency in relation to the Optional Currency that was due and owing. Such loss shall be calculated for the period commencing with the first day of the Interest Period for such Loan or issuance of such Letter of Credit, as the case may be, and continuing through the date of payment thereof. Without prejudice to the survival of any other agreement of the Borrowers or Banks hereunder, the Borrowers' and Banks' respective obligations under this Section 2.11 shall survive termination of this Agreement.

2.12                    Optional Currency Amounts.

Notwithstanding anything contained herein to the contrary, PNC Bank may, with respect to notices by TGI on behalf of the Borrowers for Optional Currency Swing Loans or voluntary prepayments of less than the full amount of an Optional Currency Swing Loan, engage in reasonable rounding of the Optional Currency amounts requested to be loaned or repaid; and, in such event, PNC Bank shall promptly notify TGI, the Administrative Agent and the Banks of such rounded amounts and Borrowers' request or notice shall thereby be deemed to reflect such rounded amounts.

2.13                    Intentionally Omitted.

2.14                    Defaulting Banks.

Notwithstanding anything contained in Sections 2.8, 2.9 or any other provision of this Agreement to the contrary, if any Bank becomes a Defaulting Bank then: all Letters of Credit Outstanding and Swing Loans outstanding at such time, and all Letters of Credit issued or Swing Loans made while there exists a Defaulting Bank shall be reallocated among the non-Defaulting Banks in accordance with their respective Ratable Shares (such Ratable Shares shall be determined without reference to each Defaulting Bank's Ratable Share) so long as no Potential Default or Event of Default exists on the date of reallocation and thereafter continues uncured, but only to the extent (a) the sum of all non-Defaulting Banks' Revolving Credit Loans then outstanding plus the sum of such non-Defaulting Banks' Ratable Share of the Dollar Equivalent

Non-Loan Revolving Facility Usage at such time does not exceed the total of all non-Defaulting Banks' Revolving Credit Commitments and (b) the aggregate obligation of each non-Defaulting Bank to acquire, refinance or fund any participations in the Defaulting Bank's portion of Letters of Credit Outstanding and Swing Loans pursuant to reallocation contemplated above shall not exceed the positive difference between (i) the Revolving Credit Commitment of such Bank minus (ii) such Bank's Revolving Credit Loans then outstanding plus such Bank's Ratable Share of the Dollar Equivalent Non-Loan Revolving Facility Usage. If the reallocation described in the preceding sentence cannot, or can only partially, be effected, the Borrowers shall within one Business Day following notice by the Administrative Agent, (1) first, prepay outstanding Swing Loans and (2) second, Cash Collateralize such Defaulting Bank's portion of Letters of Credit Outstanding (in each case, after giving effect to any partial reallocation pursuant to the immediately preceding sentence). To the extent such Letters of Credit Outstanding and Swing Loans are reallocated pursuant to this Section 2.14, then the fees payable to the Banks pursuant to Section 2.8.2 (but not Section 2.3) shall be adjusted in accordance with such non-Defaulting Banks' Ratable Shares. To the extent a portion of the Defaulting Bank's Letters of Credit outstanding are Cash Collateralized pursuant to clause (2) above, the Borrowers shall not be obligated to pay any fees to or for the account of such Defaulting Bank pursuant to Section 2.8.2 with respect to such Defaulting Bank's Letters of Credit Outstanding during the period such Defaulting Bank's Letters of Credit Outstanding are Cash Collateralized. To the extent such Letters of Credit Outstanding are not reallocated pursuant to this Section 2.14, or the Defaulting Bank's Ratable Share of Letters of Credit Outstanding have not been Cash Collateralized, then, without prejudice to any rights or remedies of the Issuing Bank or any Bank hereunder, all Commitment Fees that otherwise would have been payable to such Defaulting Bank (solely with respect to the portion of such Defaulting Bank's Commitment that was utilized by such Letters of Credit Outstanding) and Letter of Credit Fees with respect to such Defaulting Bank's Ratable Share of the Letters of Credit Outstanding shall be payable to the Issuing Bank. Subject to Section 11.23, nothing contained in this Section or elsewhere in this Agreement and no reallocation of any Defaulting Bank's Ratable Share of any obligation hereunder shall relieve such Defaulting Bank of its obligation to fund any portion of any amount owed by such Defaulting Bank hereunder.

In the event that the Administrative Agent, the Borrower, and the Issuing Banks each agree that a Defaulting Bank has adequately remedied all matters that caused such Bank to be a Defaulting Bank, then the Letters of Credit Outstanding and the Swing Loans outstanding shall be readjusted to reflect the inclusion of such Bank's Revolving Credit Commitment and on such date, such Bank shall purchase at par such of the Loans of the other Banks as the Administrative Agent shall determine may be necessary in order for such Bank to hold such Loans in accordance with its Ratable Share.

#### 2.15 Extension of Expiration Date.

Notwithstanding anything contained in any other provision of this Agreement to the contrary, the Revolving Credit Commitments (or portions of the Revolving Credit Commitments) held by the Banks set forth on Schedule 2.15 (such Banks, the "Non-Extending Banks" and such Revolving Credit Commitments, as may be reduced from time to time pursuant to the provisions of this Agreement, the "Expiring Commitments") shall automatically terminate on the Original Expiration Date to the extent such Expiring Commitments are held by such Non-Extending Banks on the Original Expiration Date, and upon such termination, if applicable, the

Borrowers shall, (a) pay, with accrued interest and with any additional compensation required under Section 2.3 and Section 5.5.2, the amount of any Revolving Credit Loans related to such Expiring Commitments, (b) prepay any additional Revolving Credit Loans of the Banks to the extent that the Dollar Equivalent Revolving Facility Usage exceeds the Revolving Credit Commitments (in each case after giving effect to the Expiring Commitments) and (c) make any other payments required hereunder, including without limitation, payments required under Section 2.8, Section 2.9 and Section 5.6. After giving effect to the Expiring Commitments, if any, any then-existing Availability Reserve shall be reallocated among the Banks holding Revolving Credit Commitments after the Original Expiration Date in accordance with their respective Ratable Shares (as determined after giving effect to the Expiring Commitments and without reference to any Bank's Expiring Commitment). After giving effect to the Expiring Commitments, if any, all Letters of Credit Outstanding and Swing Loans outstanding at such time, and all Letters of Credit issued or Swing Loans made after the Original Expiration Date shall be reallocated among the Banks holding Revolving Credit Commitments after the Original Expiration Date in accordance with their respective Ratable Shares (as determined after giving effect to the Expiring Commitments and without reference to any Bank's Expiring Commitment), but only to the extent, in each case, after giving effect to the Expiring Commitments, (x) the sum of all Banks' Revolving Credit Loans then outstanding plus the sum of such Banks' Ratable Share of the Dollar Equivalent Non-Loan Revolving Facility Usage at such time does not exceed the total of all such Banks' Revolving Credit Commitments and (y) the aggregate obligation of each Bank to acquire, refinance or fund any participations in the portion of Letters of Credit Outstanding and Swing Loans pursuant to the reallocation contemplated above shall not exceed, in each case, after giving effect to the Expiring Commitments, the positive difference between (i) the Revolving Credit Commitment of such Bank minus (ii) such Bank's Revolving Credit Loans then outstanding plus such Bank's Ratable Share of the Dollar Equivalent Non-Loan Revolving Facility Usage. Notwithstanding the foregoing, if the reallocation described in the preceding sentence cannot, or can only partially, be effected, or if a Potential Default or Event of Default exists on the Original Expiration Date, the Borrowers shall within one Business Day following notice by the Administrative Agent, (1) first, prepay the pro rata portion of outstanding Swing Loans related to the Expiring Commitments and (2) second, Cash Collateralize a pro rata portion of Letters of Credit Outstanding related to the Expiring Commitments (in each case, after giving effect to any partial reallocation pursuant the immediately preceding sentence). Notwithstanding any provision contained in this Agreement or the other Loan Documents to the contrary, each Bank party to the Eleventh Amendment hereby agrees to this Section 2.15 and the non-pro rata treatment of certain payments as set forth in this Section.

3. **RESERVED**

4. **INTEREST RATES**

4.1 **Interest Rate Options.**

The Borrowers shall pay interest in respect of the outstanding unpaid principal amount of the Loans as selected by them from the Base Rate Option or Euro-Rate Option set forth below applicable to the Loans, it being understood that, subject to the provisions of this Agreement, the Borrowers may select different Interest Rate Options and different Interest Periods to apply

simultaneously to the Loans comprising different Borrowing Tranches and may convert to or renew one or more Interest Rate Options with respect to all or any portion of the Loans comprising any Borrowing Tranche, provided that there shall not be at any one time outstanding more than ten (10) Borrowing Tranches in the aggregate among all of the Loans. If at any time the designated rate applicable to any Loan made by any Bank exceeds such Bank's highest lawful rate, the rate of interest on such Bank's Loan shall be limited to such Bank's highest lawful rate. The interest rate applicable to the Swing Loans shall be governed by Section 2.9.

4.1.1 Revolving Credit Interest Rate Options.

The Borrowers shall have the right to select from the following Interest Rate Options applicable to the Revolving Credit Loans:

- (i) the Base Rate Option; or
- (ii) the Euro-Rate Option.

4.2 Rate Quotations.

TGI, on behalf of the Borrowers, may call the Administrative Agent on or before the date on which a Loan Request is to be delivered to receive an indication of the interest rates and the applicable currency exchange rates then in effect, but it is acknowledged that such projection shall not be binding on the Administrative Agent or the Banks nor affect the rate of interest or the calculation of Equivalent Amounts which thereafter are actually in effect when the election is made.

4.3 Interest Periods.

At any time when the Borrowers shall select, convert to or renew a Euro-Rate Option, TGI, on behalf of the Borrowers, shall notify the Administrative Agent thereof by delivering a Loan Request at least four (4) Business Days prior to the effective date of such Euro-Rate Option, with respect to an Optional Currency Swing Loan, and three (3) Business Days prior to the effective date of such Euro-Rate Option, with respect to a Dollar Loan. The notice shall specify an interest period (the "Interest Period") during which such Euro-Rate Option shall apply, such Interest Period to be one, two, three or six Months, provided that, the sole Interest Period applicable to Optional Currency Swing Loans shall be one Month, and provided further, that:

4.3.1 Ending Date and Business Day.

any Interest Period which would otherwise end on a date which is not a Business Day shall be extended to the next succeeding Business Day unless such Business Day falls in the next calendar month, in which case such Interest Period shall end on the preceding Business Day;

4.3.2 Amount of Borrowing Tranche.

the amount of each Borrowing Tranche of Euro-Rate Loans (other than Optional Currency Swing Loans, which are addressed in Section 2.9.7) shall be in integral multiples of \$500,000 and not less than \$2,000,000;

4.3.3 Termination Before Expiration Date.

the Borrowers shall not select, convert to or renew an Interest Period for any portion of the Revolving Credit Loans that would end after the Expiration Date; and

4.3.4 Renewals.

in the case of the renewal of a Euro-Rate Option at the end of an Interest Period, the first day of the new Interest Period shall be the last day of the preceding Interest Period, without duplication in payment of interest for such day.

4.4 Interest After Default.

To the extent permitted by Law, upon the occurrence of an Event of Default and until such time such Event of Default shall have been cured or waived and to the extent the Administrative Agent at the request of the Required Banks (or PNC Bank alone with respect to Swing Loans which are not converted to Revolving Credit Loans) elect (which election may be made without prior notice to the Borrowers):

4.4.1 Letter of Credit Fees, Interest Rate.

the Letter of Credit Fees and the rate of interest borne by each Loan shall equal the sum of (i) the interest rate per annum applicable under the Base Rate Option plus (ii) 2.0% per annum; and

4.4.2 Other Obligations.

each other Obligation hereunder if not paid when due shall bear interest at a rate per annum equal to the sum of the rate of interest applicable under the Base Rate Option plus an additional 2.0% per annum from the time such Obligation becomes due and payable and until it is paid in full.

4.4.3 Acknowledgment.

Each Borrower acknowledges that such increased rates reflect, among other things, the fact that such Loans or other amounts have become a substantially greater risk given their default status and that the Banks are entitled to additional compensation for such risk; and, all such interest shall be payable by the Borrowers upon demand by the Administrative Agent.



4.5 Euro-Rate Unascertainable.

4.5.1 Unascertainable.

If on any date on which a Euro-Rate would otherwise be determined, the Administrative Agent shall have determined that:

- (i) adequate and reasonable means do not exist for ascertaining such Euro-Rate, or
- (ii) a contingency has occurred which materially and adversely affects the London interbank eurodollar market relating to the Euro-Rate, then the Administrative Agent shall have the rights specified in Section 4.5.3.

4.5.2 Illegality; Increased Costs; Deposits Not Available.

If at any time any Bank shall have determined that:

- (i) the making, maintenance or funding of any Loan to which a Euro-Rate Option applies has been made impracticable or unlawful by compliance by such Bank in good-faith with any Law or any interpretation or application thereof by any Official Body or with any request or directive of any such Official Body (whether or not having the force of Law), or
- (ii) such Euro-Rate Option will not adequately and fairly reflect the cost to such Bank of the establishment or maintenance of any such Loan, or
- (iii) after making all reasonable efforts, deposits of the relevant amount in Dollars or in the Optional Currency (as applicable) for the relevant Interest Period for a Loan to which a Euro-Rate Option applies are not available to such Bank with respect to such Loan in the London interbank market, then the Administrative Agent shall have the rights specified in Section 4.5.3.

4.5.3 Administrative Agent's and Banks' Rights.

In the case of any event specified in subsection 4.5.1 above, the Administrative Agent shall promptly so notify the Banks and TGI, on behalf of the Borrowers, thereof, and in the case of an event specified in subsection 4.5.2 above, such Bank shall promptly so notify the Administrative Agent and endorse a certificate to such notice as to the specific circumstances of such notice, and the Administrative Agent shall promptly send copies of such notice and certificate to the other Banks and TGI on behalf of the Borrowers. Upon such date as shall be specified in such notice (which shall not be earlier than the date such notice is given), the obligation of (A) the Banks, in the case of such notice given by the Administrative Agent, or (B) such Bank, in the case of such notice given by such Bank, to allow the Borrowers to select, convert to or renew a Euro-Rate Option or select an Optional Currency (as applicable) shall be suspended until the Administrative Agent shall have later notified TGI, on behalf of the Borrowers, or such Bank shall have later notified the Administrative Agent, of the Administrative Agent's or such Bank's, as the case may be, determination that the circumstances

giving rise to such previous determination no longer exist. If at any time the Administrative Agent makes a determination under subsection 4.5.1 of this Section 4.5 and TGI, on behalf of the Borrowers, has previously notified the Administrative Agent of their selection of, conversion to or renewal of a Euro-Rate Option and such Interest Rate Option has not yet gone into effect, such notification shall be deemed to provide for selection of, conversion to or renewal of the Base Rate Option otherwise available with respect to such Loans. If any Bank notifies the Administrative Agent of a determination under subsection 4.5.2 of this Section 4.5, the Borrowers shall, subject to the Borrowers' indemnification Obligations under Section 5.5.2, as to any Loan of the Bank to which a Euro-Rate Option applies, on the date specified in such notice either (i) as applicable, convert such Loan to the Base Rate Option otherwise available with respect to such Loan or select a different Optional Currency or Dollars, or (ii) prepay such Loan in accordance with Section 5.4. Absent due notice from TGI, on behalf of the Borrowers, of conversion or prepayment, such Loan shall automatically be converted to the Base Rate Option otherwise available with respect to such Loan upon such specified date.

#### 4.6 Selection of Interest Rate Options.

If the Borrowers fail to select a new Interest Period or Optional Currency to apply to any Borrowing Tranche of Euro-Rate Loans at the expiration of an existing Interest Period applicable to such Borrowing Tranche in accordance with the provisions of Section 4.1 [Interest Periods], the Borrowers shall be deemed to have (a) with respect to Dollar Loans, converted such Borrowing Tranche to the Base Rate Option, commencing upon the last day of the existing Interest Period and (b) with respect to any such Optional Currency Swing Loan Borrowing Tranche, continued the same Optional Currency therefor, but selected a one Month Interest Period therefor, commencing upon the last day of the existing Interest Period.

### 5. PAYMENTS

#### 5.1 Payments.

All payments and prepayments to be made in respect of principal, interest, Commitment Fees, Letter of Credit Fees, Administrative Agent's Fee or other fees or amounts due from the Borrowers hereunder shall be payable prior to 1:00 p.m., Pittsburgh time, on the date when due without presentment, demand, protest or notice of any kind, all of which are hereby expressly waived by the Borrowers, and without set-off, counterclaim or other deduction of any nature, and an action therefor shall immediately accrue. Such payments shall be made to the Administrative Agent at the Principal Office for the ratable accounts of the Banks with respect to the Revolving Credit Loans in U.S. Dollars except that payments of principal or interest shall be made in the currency in which such Loan was made, and in immediately available funds, and the Administrative Agent shall promptly distribute such amounts to the Banks in immediately available funds, provided that in the event payments are received by 1:00 p.m., Pittsburgh time, by the Administrative Agent with respect to the Loans and such payments are not distributed to the Banks on the same day received by the Administrative Agent, the Administrative Agent shall pay the Banks the Federal Funds Effective Rate in the case of Loans or other amounts due in Dollars or the Overnight Rate in the case of Loans or other amounts due in an Optional Currency, with respect to the amount of such payments for each day held by the Administrative Agent and not distributed to the Banks. The Administrative Agent's and each Bank's statement

of account, ledger or other relevant record shall, in the absence of manifest error, be conclusive as the statement of the amount of principal of and interest on the Loans and other amounts owing under this Agreement (including the Equivalent Amounts of the applicable currencies where such computations are required) and shall be deemed an “account stated.” Except where payment is required earlier, as provided herein, the Borrowers agree to repay, on the Expiration Date, all principal, interest, fees and other Obligations with respect to the Revolving Credit Loans then outstanding. In the event that at any time the Dollar Equivalent Revolving Facility Usage exceeds the aggregate Revolving Credit Commitments, the Borrowers shall promptly repay such excess in immediately available funds.

## 5.2 Pro Rata Treatment of Banks.

Subject to Section 2.14, each borrowing shall be allocated to each Bank according to its Ratable Share, and each selection of, conversion to or renewal of any Interest Rate Option and each payment or prepayment by the Borrowers with respect to principal, interest, Commitment Fees, Letter of Credit Fees, or other fees (except for the Administrative Agent’s Fee and the Issuing Banks’ fronting fee) or amounts due from the Borrowers hereunder to the Banks with respect to the Loans, shall (except as provided in Section 4.5.2 [Illegality; Increased Costs; Deposits not Available] in the case of an event specified in Section 4.5 [Euro-Rate Unascertainable], 5.4.2 [Replacement of a Bank] or 5.5 [Additional Compensation in Certain Circumstances]) be made in proportion to the applicable Loans outstanding from each Bank and, if no such Loans are then outstanding, in proportion to the Ratable Share of each Bank. Subject to Section 2.14, notwithstanding any of the foregoing, each borrowing or payment, repayment or prepayment by the Borrowers of principal, interest, fees or other amounts from the Borrowers with respect to Swing Loans shall be made by or to PNC Bank according to Section 2.9.

## 5.3 Interest Payment Dates.

Interest on Loans to which the Base Rate Option applies shall be due and payable in arrears on the first Business Day of each October, January, April and July for the prior fiscal quarter, and on the date such Loans are paid in full. Interest on Loans to which the Euro-Rate Option applies shall be due and payable in the currency in which such Loan was made on the last day of each Interest Period for those Loans and, if such Interest Period is longer than three (3) Months, also on each day that interest would have been payable had successive Interest Periods of three Months’ duration been applicable to such Loans. Interest on mandatory prepayments of principal under Section 5.6 shall be made in the currency in which such Loan was made and shall be due on the date such mandatory prepayment is due. Interest on the principal amount of each Loan or other monetary Obligation shall be due and payable in the currency in which such Loan was made on demand after such principal amount or such other monetary Obligation becomes due and payable (whether on the stated maturity date, upon acceleration or otherwise).

The Borrowers shall have the right at their option from time to time to prepay the Loans in whole or part without premium or penalty (except as provided in subsection 5.4.2 below or in Section 5.5) in the currency in which such Loan was made:

- Base Rate Option applies,
- (i) at any time with respect to any Loan to which the
  - (ii) on the last day of the applicable Interest Period with respect to Loans to which a Euro-Rate Option applies, provided however the Borrowers may otherwise prepay such Loans upon payment of all amounts owing under Section 5.5.2 resulting from such prepayment, or
  - (iii) on the date specified in a notice by any Bank pursuant to Section 4.5.3 [Administrative Agent's and Banks' Rights] with respect to any Loan to which a Euro-Rate Option applies.

Whenever the Borrowers desire to prepay any part of the Loans, TGI shall provide a prepayment notice to the Administrative Agent on behalf of the Borrowers on or before (and in the case of Optional Currency Swing Loans, four (4) days before) the date of prepayment of Loans setting forth the following information:

- (a) the date, which shall be a Business Day, on which the proposed prepayment is to be made;
- (b) a statement indicating the application of the prepayment; and
- (c) the total principal amount and currency of such prepayment, the Dollar Equivalent amount of which shall not be less than \$200,000 for the Revolving Credit Loans.

Notwithstanding the foregoing to the contrary, whenever the Borrowers desire to prepay any part of the Swing Loans TGI shall provide notice thereof on behalf of the Borrowers no later than 12:00 noon, Pittsburgh time, on the date of prepayment of Swing Loans setting forth the following information:

- (x) the date, which shall be a Business Day, on which the proposed prepayment is to be made; and
- (y) a statement indicating the application of the prepayment between the Swing Loans.

The amount of the payment shall not be less than \$25,000 for any Swing Loan except for Swing Loans made pursuant to Section 2.9.9, as to which there shall be no minimum.

All prepayment notices shall be irrevocable. The principal amount of the Loans for which a prepayment notice is given, together with interest on such principal amount, shall be due and payable on the date specified in such prepayment notice as the date on which the proposed prepayment is to be made in the currency in which such Loan was made. Except as provided in Section 4.5.3, if the Borrowers prepay a Loan but fail to specify the applicable Borrowing Tranche which the Borrowers are prepaying, the prepayment shall be applied first to the Loans to which the Base Rate Option applies, then to Dollar Loans to which the Euro-Rate Option applies, and then to Optional Currency Swing Loans. Any prepayment hereunder shall be subject to the Borrowers' obligation to indemnify the Banks under Section 5.5.2.

#### 5.4.2

#### Replacement of a Bank.

In the event any Bank (i) gives notice under Section 4.5.2, Section 5.5.1, or Section 11.20(vii), (ii) becomes a Defaulting Bank or otherwise does not fund Revolving Credit Loans in breach of its obligations under Section 2.5 or because the making of such Loans would contravene any Law applicable to such Bank, (iii) does not approve the extension of the Expiration Date as contemplated by the Eleventh Amendment and the consent of the Required Banks is obtained hereunder (such Bank, a "Declining Bank"), (iv) does not approve any other action as to which its consent is required (other than the consent of the Administrative Agent under Section 11.1.1) and the consent of the Required Banks is obtained hereunder, or (v) becomes subject to the control of an Official Body (other than normal and customary supervision), then the Borrowers shall have the right at their option, with the consent of the Administrative Agent, which shall not be unreasonably withheld, to prepay the Loans of such Bank in whole, together with all interest accrued thereon, and terminate such Bank's Commitment within ninety (90) days after (w) receipt of such Bank's notice under Section 4.5.2, 5.5.1, or 11.20(vii), (x) the date such Bank has become a Defaulting Bank or otherwise has failed to fund Revolving Credit Loans in breach of its obligations under Section 2.5 or because the making of such Loans would contravene Law applicable to such Bank, (y) the date of obtaining the consent which such Bank has not approved, or (z) the date such Bank became subject to the control of an Official Body; provided that the Borrowers shall also pay to such Bank at the time of such prepayment any amounts required under Section 5.5 and any accrued interest due on such amount and any related fees; provided, further, that the Commitment of such Bank shall be provided by one or more of the remaining Banks or a replacement bank reasonably acceptable to the Administrative Agent; provided, further, the remaining Banks shall have no obligation hereunder to increase their Commitments; provided further, in the case of an assignment by a Declining Bank under this Section 5.4.2, the remaining Bank(s) or the replacement bank(s) that is or are the assignees of the Declining Bank shall agree at the time of such assignment to the extension of the Expiration Date (as contemplated by the Eleventh Amendment), which agreement shall be set forth in a written instrument delivered and satisfactory to the Borrowers and the Administrative Agent; provided further, in the event none of the Banks or any replacement bank acquire the Commitments of the Defaulting Bank the Borrowers may terminate such Defaulting Bank's Commitment and reduce the aggregate Commitments of all of the Banks by the amount of such Defaulting Bank's terminated Commitment subject to the provisions (other than the pro rata provisions) set forth in Section 5.4.3 below; provided that the Borrowers shall prepay the Loans of the Defaulting Bank and any amount required by Section 5.5 and any accrued interest due on such amount and any related fees. Notwithstanding the foregoing, the Administrative Agent may only be replaced subject to the requirements of

Section 10.14 and an Issuing Bank may only be replaced if all applicable Letters of Credit which it has issued have expired, been terminated or replaced or Cash Collateralized.

5.4.3 Right to Reduce Commitments.

The Borrowers shall have the right at their option from time to time to reduce permanently the Revolving Credit Commitments upon at least one Business Day's advance notice to the Administrative Agent. Each such permanent reduction shall be in the minimum amount of \$5,000,000 and shall reduce the Revolving Credit Commitment of each Bank in proportion to its Ratable Share. Upon the effective date of each permanent reduction in the Revolving Credit Commitments, the Borrowers shall also prepay, with interest and with any additional compensation required under Section 5.5.2, the amount (if any) by which the Dollar Equivalent Revolving Facility Usage at the time of the reduction exceeds the amount of the Revolving Credit Commitments as reduced.

5.4.4 Change of Lending Office.

Each Bank agrees that upon the occurrence of any event giving rise to increased costs or other special payments under Section 4.5.2 [Illegality; Increased Costs; Deposits Not Available] with respect to such Bank, it will, if requested by TGI on behalf of the Borrowers, use reasonable efforts (subject to overall policy considerations of such Bank) to designate another lending office for any Loans or Letters of Credit affected by such event, provided that such designation is made on such terms that such Bank and its lending office suffer no economic, legal or regulatory disadvantage, with the object of avoiding the consequence of the event giving rise to the operation of such Section. Nothing in this Section 5.4.4 shall affect or postpone any of the Obligations of the Borrowers or any other Loan Party or the rights of the Administrative Agent or any Bank provided in this Agreement.

5.5 Additional Compensation in Certain Circumstances.

5.5.1 Increased Costs or Reduced Return Resulting From Reserves, Capital Adequacy Requirements, Expenses, Etc.

If any change in any Law, guideline or interpretation or application thereof by any Official Body charged with the interpretation or administration thereof or compliance with any request or directive (whether or not having the force of Law) of any central bank or other Official Body, including, without limitation, all requests, rules, guidelines or directives issued under or in connection with the Dodd-Frank Wall Street Reform and Consumer Protection Act and all requests, rules, guidelines or directives promulgated by the Bank for International Settlements, the Basel Committee on Banking Regulations and Supervisory Practices (or any successor or similar authority) or the United States or foreign regulatory authorities, regardless of the date adopted, issued, promulgated, or implemented:

(i) imposes, modifies or deems applicable any reserve, special deposit, compulsory loan, insurance charge or similar requirement against credits or commitments to extend credit extended by, or assets (funded or contingent) of, deposits with or for the account of, or other acquisitions of funds by, any Bank or any lending office of any Bank or the Issuing Bank;

(ii) subjects any of the Administrative Agent, PNC Bank as provider of the Swing Loans, the Issuing Bank or any Bank to any Taxes (other than (A) Indemnified Taxes, (B) Taxes described in clauses (ii) through (iv) of the definition of Excluded Taxes, or (C) Connection Income Taxes) on its loans, loan principal, letters of credit, commitments, or other obligations, or its deposits, reserves, other liabilities or capital attributable thereto;

(iii) imposes on any Bank or the Issuing Bank or the London interbank market any other conditions, cost or expenses (other than Taxes) affecting this Agreement or Loans made by such Bank or any Letter of Credit or participation therein; or

(iv) imposes, modifies or deems applicable any capital adequacy, liquidity or similar requirement (A) against assets (funded or contingent) of, or letters of credit, other credits or commitments to extend credit extended by, any Bank or Issuing Bank, or (B) otherwise applicable to the obligations of any Bank or any lending office of any Bank or any Issuing Bank under this Agreement,

and the result of any of the foregoing is to increase the cost to the Administrative Agent, PNC Bank as provider of the Swing Loan, the Issuing Bank or any Bank of making, converting to, or continuing or maintaining any Loan or of maintaining its obligation to make any such Loan, or to increase the cost to any of them of participating in, issuing or maintaining any Letter of Credit (or maintaining its obligation to participate in or to issue any Letter of Credit), or to reduce the amount of sum received or receivable by, such Bank, Administrative Agent, PNC Bank or Issuing Bank, whether of principal, interest or any other amount (or, in the case of any capital adequacy, liquidity or similar requirement, to have the effect of reducing the rate of return on any Bank's or Issuing Bank's capital, taking into consideration such Bank's or Issuing Bank's customary policies with respect to capital adequacy or liquidity) by an amount which such Bank or Issuing Bank in its sole discretion deems to be material, such Bank or Issuing Bank shall from time to time notify TGI, as agent for the Borrowers, and the Administrative Agent of the amount determined in good-faith (which determination may include such reasonable assumptions, allocations of costs and expenses and averaging or attribution methods as such Bank or Issuing Bank shall determine) by such Bank or Issuing Bank to be necessary to compensate such Bank or Issuing Bank for such increase in cost, reduction of income or additional expense (to the extent not reflected in the determination of Base Rate). Such notice shall set forth in reasonable detail the basis for such determination. Such amount shall be due and payable by the Borrowers to such Bank or Issuing Bank ten (10) Business Days after such notice is given. Failure or delay on the part of the Administrative Agent, PNC Bank as the provider of Swing Loans, any Bank or Issuing Bank to demand compensation pursuant to this Section 5.5 shall not constitute a waiver of the Administrative Agent's, PNC Bank's, such Bank's or Issuing Bank's right to demand such compensation; provided that the Borrowers shall not be required to compensate the Administrative Agent, PNC Bank, a Bank or the Issuing Bank pursuant to this Section 5.5 for any increased costs incurred or reductions suffered more than nine months prior to the date that the Administrative Agent, PNC Bank, such Bank or Issuing Bank, as the case may be, notifies the Borrowers of change in Law or other circumstances described above giving rise to such increased costs or reductions, and of the Administrative Agent, PNC Bank's, such Bank's or Issuing Bank's intention to claim compensation therefor (except that, if the change in Law or other circumstances described above giving rise to such increase costs or reductions is

retroactive, then the nine month period referred to above shall be extended to include the period of retroactive effect).

#### 5.5.2 Indemnity.

In addition to the compensation required by subsection 5.5.1 of this Section 5.5, each Borrower shall indemnify each Bank and each Issuing Bank against all liabilities, losses or expenses (including loss of margin, any loss or expense incurred in liquidating or employing deposits from third parties and any loss or expense incurred in connection with funds acquired by a Bank or Issuing Bank to fund or maintain Loans subject to the Euro-Rate Option) which such Bank or Issuing Bank actually sustains or incurs as a consequence of any:

(i) payment, prepayment, conversion or renewal of any Loan to which the Euro-Rate Option applies on a day other than the last day of the corresponding Interest Period (whether or not such payment or prepayment is mandatory, voluntary or automatic and whether or not such payment or prepayment is then due),

(ii) attempt by any Borrower to revoke (expressly, by later inconsistent notices or otherwise) in whole or part any notice relating to Loan Requests under Section 2.4 or Section 4.3 or prepayments under Section 5.4,

(iii) default by any Borrower in the performance or observance of any covenant or condition contained in this Agreement or any other Loan Document, including any failure of the Borrowers to pay when due (by acceleration or otherwise) any principal, interest, Commitment Fee or any other amount due hereunder, or

(iv) the assignment of any Loans under the Euro-Rate Option other than on the last day of the Interest Period or maturity date applicable thereto as a result of a request by the Borrowers pursuant to Section 5.4.2.

If any Bank or Issuing Bank actually sustains or incurs any such loss or expense, it shall from time to time notify TGI, as agent for the Borrowers, of the amount determined in good-faith (which determination may include such reasonable assumptions, allocations of costs and expenses and averaging or attribution methods as such Bank or Issuing Bank shall determine) by such Bank or Issuing Bank to be necessary to indemnify such Bank or Issuing Bank for such loss or expense. Such notice shall set forth in reasonable detail the basis for such determination. Such amount shall be due and payable by the Borrowers to such Bank or Issuing Bank, as the case may be, ten (10) Business Days after such notice is given.

#### 5.6 Mandatory Prepayments and Commitment Reductions.

##### 5.6.1 Currency Fluctuations; Application Among Interest Rate Options.

If on any Computation Date (i) the Dollar Equivalent Revolving Facility Usage is greater than the Revolving Credit Commitments, (ii) the Dollar Equivalent of Optional Currency Swing Loans shall exceed the Optional Currency Swing Loan Commitment, or (iii) the Dollar Equivalent of Letters of Credit Outstanding shall exceed the Letter of Credit Sublimit, as a result of a change in exchange rates between one (1) or more Optional Currencies and Dollars, then the



Administrative Agent shall notify TGI, as agent for the Borrowers of the same. The Borrowers shall pay or prepay the Revolving Credit Loans and/or Swing Loans (subject to Borrowers' indemnity obligations under Sections 5.4 [Voluntary Prepayments] and 5.5 [Additional Compensation in Certain Circumstances]) within one (1) Business Day after TGI receives such notice such that after giving effect to such payments or prepayments, (a) the Dollar Equivalent Revolving Facility Usage shall not exceed the Revolving Credit Commitments, and (b) the Dollar Equivalent of Optional Currency Swing Loans shall not exceed the Optional Currency Swing Loan Commitment. With respect to the circumstance identified in clause (iii) of the first sentence of this paragraph, the Borrowers shall Cash Collateralize the Letters of Credit Outstanding to the extent of the amount by which the Dollar Equivalent of Letters of Credit Outstanding exceeds the Letter of Credit Sublimit. All prepayments required pursuant to this Section 5.6.1 [Currency Fluctuations; Application Among Interest Rate Options] shall first be applied among the Interest Rate Options to the principal amount of the Revolving Credit Loans subject to the Base Rate Option, then to Revolving Credit Loans subject to a Euro-Rate Option and then to Optional Currency Swing Loans subject to the Euro-Rate Option. In accordance with Section 5.5.2 [Indemnity], each Borrower shall indemnify the Banks for any loss or expense, including loss of margin, incurred with respect to any such prepayments applied against Loans subject to a Euro-Rate Option on any day other than the last day of the applicable Interest Period.

5.6.2 Specified Asset Sales.

The Borrowers shall prepay the Revolving Credit Loans in an amount equal to 100% of the Net Asset Sale Proceeds received from any Specified Asset Sale (each, a "Specified Asset Sale Prepayment"). Such Specified Asset Sale Prepayment shall be made no later than five (5) Business Days following the receipt of any such Net Asset Sale Proceeds. All Specified Asset Sale Prepayments shall be applied to prepay, with interest and with any additional compensation required under Section 5.5.2, the Revolving Credit Loans outstanding hereunder. All prepayments of Revolving Credit Loans pursuant to this Section 5.6.2 shall be applied to the outstanding Revolving Credit Loans of each Bank in proportion to its Ratable Share.

5.6.3 Anti-Cash Hoarding.

If any Revolving Credit Loans are outstanding, and the aggregate amount of Balance Sheet Cash exceeds \$50,000,000.00 for a period of five (5) consecutive Business Days, then not later than the first (1<sup>st</sup>) Business Day following the end of such five (5) Business Day period, the Borrowers shall prepay the Revolving Credit Loans in an amount equal to the lesser of (i) the outstanding amount of the Revolving Credit Loans at such time and (ii) the aggregate amount of Balance Sheet Cash in excess of \$50,000,000.00 on such fifth (5<sup>th</sup>) Business Day. All such prepayments shall be applied to prepay, with interest and with any additional compensation required under Section 5.5.2, the Revolving Credit Loans outstanding hereunder. All prepayments of Revolving Credit Loans pursuant to this Section 5.6.3 shall be applied to the outstanding Revolving Credit Loans of each Bank in proportion to its Ratable Share.

5.6.4 Availability Reserve.

No later than five (5) Business Days following the receipt of any Net Asset Sale Proceeds from a Specified Asset Sale, the Availability Reserve shall be re-calculated to include

such Net Asset Sale Proceeds. Borrowers shall prepay, with interest and with any additional compensation required under Section 5.5.2, the amount (if any) by which the Dollar Equivalent Revolving Facility Usage at the time of any such re-calculation and after giving effect thereto exceeds the amount of the Revolving Credit Commitments. Each increase in the Availability Reserve pursuant to this Section 5.6.4 shall be allocated to each Bank in proportion to its Ratable Share.

5.7 Interbank Market Presumption.

For all purposes of this Agreement and each other Loan Document with respect to any aspects of the Euro-Rate, any Loan under the Euro-Rate Option or any Optional Currency, each Bank and the Administrative Agent shall be presumed to have obtained rates, funding, currencies, deposits, and the like in the applicable interbank market regardless whether it did so or not; and, each Bank's and the Administrative Agent's determination of amounts payable under, and actions required or authorized by, Sections 4.5 [Euro-Rate Unascertainable] and 5.5 [Additional Compensation in Certain Circumstances] shall be calculated, at each Bank's and the Administrative Agent's option, as though each Bank and the Administrative Agent funded its Borrowing Tranche of Loans under the Euro-Rate Option through the purchase of deposits of the types and maturities corresponding to the deposits used as a reference in accordance with the terms hereof in determining the Euro-Rate applicable to such Loans, whether in fact that is the case.

5.8 Taxes.

For purposes of this Section, the term "Bank" includes any Issuing Bank and PNC Bank as provider of the Swing Loans.

5.8.1 Payments Free of Taxes.

Any and all payments by or on account of any obligation of the Loan Parties hereunder or under any other Loan Documents shall be made free and clear of and without reduction or withholding for any Taxes except as required by applicable Law. If any applicable Law (as determined in the good faith discretion of an applicable Withholding Agent) requires the deduction or withholding of any Tax from any such payment by a Withholding Agent, then the applicable Withholding Agent shall be entitled to make such deduction or withholding and shall timely pay the full amount deducted or withheld to the relevant Official Body in accordance with applicable Law and, if such Tax is an Indemnified Tax, then the sum payable by the applicable Loan Party shall be increased as necessary so that after such deduction or withholding has been made (including such deductions and withholdings applicable to additional sums payable under this Section 5.8 [Taxes]) the applicable Bank, the Issuing Bank or the Administrative Agent receives an amount equal to the sum it would have received had no such deduction or withholding been made.

5.8.2 Payment of Other Taxes by the Loan Parties.

The Loan Parties shall timely pay to the relevant Official Body in accordance with applicable Law, or at the option of the Administrative Agent timely reimburse it for the payment of, any Other Taxes.

## 5.8.3

Indemnification by the Loan Parties.

The Loan Parties shall indemnify the Administrative Agent, the Issuing Bank and each Bank, within ten (10) days after demand therefor, for the full amount of any Indemnified Taxes (including Indemnified Taxes imposed or asserted on or attributable to amounts payable under this Section 5.8 [Taxes]) payable or paid by the Administrative Agent, the Issuing Bank or such Bank, as the case may be, or required to be withheld or deducted from a payment to such Bank, the Issuing Bank or the Administrative Agent, and any penalties, interest and reasonable expenses arising therefrom or with respect thereto, whether or not such Indemnified Taxes were correctly or legally imposed or asserted by the relevant Official Body. A certificate as to the amount of such payment or liability delivered to the Borrowers by a Bank (with copy to the Administrative Agent), or by the Administrative Agent on its own behalf or on behalf of a Bank, shall be conclusive absent manifest error.

## 5.8.4

Indemnification by the Banks.

Each Bank shall severally indemnify the Administrative Agent, within ten (10) days after demand therefor, for (i) any Indemnified Taxes attributable to such Bank (but only to the extent that any Loan Party has not already indemnified the Administrative Agent for such Indemnified Taxes and without limiting the obligation of any of the Loan Parties to do so), (ii) any Taxes attributable to such Bank's failure to comply with the provisions of Section 11.11.4 [Participations] relating to the maintenance of a Participant Register, and (iii) any Excluded Taxes attributable to such Bank, in each case, that are payable or paid by the Administrative Agent in connection with any Loan Document, and any reasonable expenses arising therefrom or with respect thereto, whether or not such Taxes were correctly or legally imposed or asserted by the relevant Official Body. A certificate as to the amount of such payment or liability delivered to any Bank by the Administrative Agent shall be conclusive absent manifest error. Each Bank hereby authorizes the Administrative Agent to set off and apply any and all amounts at any time owing to such Bank under any Loan Document or otherwise payable by the Administrative Agent to the Bank from any other source against any amount due to the Administrative Agent under this Section 5.8.4 [Indemnification by the Banks].

## 5.8.5

Evidence of Payments.

As soon as practicable after any payment of Taxes by the Loan Parties to an Official Body, the Loan Parties (or any one of them) shall deliver to the Administrative Agent the original or a certified copy of a receipt issued by such Official Body evidencing such payment, a copy of the return reporting such payment or other evidence of such payment reasonably satisfactory to the Administrative Agent.

## 5.8.6

Status of Banks.

(i) Any Bank that is entitled to an exemption from or reduction of withholding Tax with respect to payments made hereunder or under any other Loan Document shall deliver to the Borrowers (with a copy to the Administrative Agent), at the time or times reasonably requested by the Borrowers or the Administrative Agent, such properly completed and executed documentation reasonably requested by the Borrowers or the Administrative Agent

as will permit such payments to be made without withholding or at a reduced rate of withholding. In addition, any Bank, if requested by the Borrowers or the Administrative Agent, shall deliver such other documentation prescribed by applicable Law or reasonably requested by the Borrowers or the Administrative Agent as will enable the Borrowers or the Administrative Agent to determine whether or not such Bank is subject to backup withholding or information reporting requirements. Notwithstanding anything to the contrary in the preceding two sentences, the completion, execution and submission of such documentation (other than such documentation set forth in Section 5.8.6(ii)(a), (ii)(b) and (ii)(d) below) shall not be required if in the Bank's reasonable judgment such completion, execution or submission would subject such Bank to any material unreimbursed cost or expense or would materially prejudice the legal or commercial position of such Bank.

(ii) Without limiting the generality of the foregoing, in the event that any Borrower is resident for tax purposes in the United States of America:

(a) any Bank that is a U.S. Person shall deliver to the Borrowers and the Administrative Agent on or prior to the date on which such Bank becomes a Bank hereunder (and from time to time thereafter upon the reasonable request of the Borrowers or the Administrative Agent), properly executed copies of IRS Form W-9 certifying that such Bank is exempt from U.S. federal backup withholding tax;

(b) any Foreign Bank, to the extent it is legally entitled to do so, shall deliver to the Borrowers and the Administrative Agent (in such number of copies as shall be requested by the recipient) on or prior to the date on which such Foreign Bank becomes a Bank under this Agreement (and from time to time thereafter upon the request of the Borrowers or the Administrative Agent), whichever of the following is applicable:

(1) in the case of a Foreign Bank claiming the benefits of an income tax treaty to which the United States of America is a party, (A) with respect to payments of interest under any Loan Document, executed copies of IRS Form W-8BEN or W-8BEN-E, as applicable, establishing an exemption from, or reduction of, U.S. federal withholding Tax pursuant to the "interest" article of such tax treaty and (B) with respect to any other applicable payment under any Loan Document, IRS Form W-8BEN or W-8BEN-E, as applicable, establishing an exemption from, a reduction of, U.S. federal withholding Tax pursuant to the "business profits" or "other income" article of such tax treaty;

(2) duly completed and executed copies of IRS Form W-8ECI;

(3) in the case of a Foreign Bank claiming the benefits of the exemption for portfolio interest under section 881(c) of the Internal Revenue Code, (A) a certificate substantially in the form of Exhibit 5.8.6(A) to the effect that such Foreign Bank is not (i) a "bank" within the meaning of section 881(c)(3)(A) of the Internal Revenue Code, (ii) a "10 percent shareholder" of the Borrower within the meaning of section 881(c)(3)(B) of the Internal Revenue Code, or (iii) a "controlled foreign corporation" described in section 881(c)(3)(C) of the Internal Revenue Code (a "U.S. Tax Compliance

Certificate”) and (B) duly completed and executed copies of IRS Form W-8BEN or W-8BEN-E, as applicable, or

(4) to the extent a Foreign Bank is not the beneficial owner, properly executed copies of IRS Form W-8IMY, accompanied by IRS Form W-8ECI, IRS Form W-8BEN or W-8BEN-E, as applicable, a U.S. Tax Compliance Certificate substantially in the form of Exhibit 5.8.6(B) or Exhibit 5.8.6(C), IRS Form W-9, and/or other certification documents from each beneficial owner, as applicable; provided that if the Foreign Bank is a partnership and one or more direct or indirect partners of such Foreign Bank are claiming the portfolio interest exemption, such Foreign Bank may provide a U.S. Tax Compliance Certificate substantially in the form of Exhibit 5.8.6(D) on behalf of each such direct and indirect partner;

(c) any Foreign Bank shall, to the extent it is legally entitled to do so, deliver to the Borrowers and the Administrative Agent (in such number of copies as shall be requested by the recipient) on or prior to the date on which such Foreign Bank becomes a Bank under this Agreement (and from time to time thereafter upon the reasonable request of the Borrowers or the Administrative Agent), executed copies of any other form prescribed by applicable Law as a basis for claiming exemption from or a reduction in U.S. federal withholding Tax, duly completed, together with such supplementary documentation as may be prescribed by applicable Law to permit the Borrowers or the Administrative Agent to determine the withholding or deduction required to be made; and

(d) if a payment made to a Bank under any Loan Document would be subject to U.S. federal withholding Tax imposed by FATCA if such Bank were to fail to comply with the applicable reporting requirements of FATCA (including those contained in Section 1471(b) or 1472(b) of the Internal Revenue Code, as applicable), such Bank shall deliver to the Borrowers and the Administrative Agent at the time or times prescribed by law and at such time or times reasonably requested by the Borrowers or the Administrative Agent such documentation prescribed by applicable Law (including as prescribed by Section 1471(b)(3)(c)(i) of the Internal Revenue Code) and such additional documentation reasonably requested by the Borrowers or the Administrative Agent as may be necessary for the Borrowers and the Administrative Agent to comply with their obligations under FATCA and to determine that such Bank has complied with such Bank’s obligations under FATCA or to determine the amount to deduct and withhold from such payment. Solely for purposes of this clause (d), “FATCA” shall include any amendments made to FATCA after the date of this Agreement.

Each Bank agrees that if any form or certification it previously delivered expires or becomes obsolete or inaccurate in any respect, it shall update such form or certification or promptly notify the Borrowers and the Administrative Agent in writing of its legal inability to do so.

#### 5.8.7 Refund.

If any party determines, in its reasonable discretion, that it has received a refund in respect of any Taxes as to which it has been indemnified pursuant to this Section 5.8 [Taxes], (including by payment of additional amounts pursuant to this Section 5.8 [Taxes]), it shall pay to

the indemnifying party an amount equal to such refund (but only to the extent of indemnity payments made under this Section 5.8 [Taxes] with respect to the Taxes (including without limitation Other Taxes) giving rise to such refund), net of all out-of-pocket expenses (including Taxes) of the indemnified party and without interest (other than any interest paid by the relevant Official Body with respect to such refund or credit). Such indemnifying party, upon the request of such indemnified party, shall repay to such indemnified party the amount paid over pursuant to this Section 5.8.8 (plus any penalties, interest or other charges imposed by the relevant Official Body) in the event that such indemnified party is required to repay such refund or credit to such Official Body. Notwithstanding anything to the contrary in this Section 5.8.7, in no event will the indemnified party be required to pay any amount to an indemnifying party pursuant to this Section 5.8.7, the payment of which would place the indemnified party in a less favorable net after-Tax position than the indemnified party would have been in if the indemnification payments or additional amounts giving rise to such refund or credit had never been paid. This paragraph shall not be construed to require any indemnified party to make available its tax returns (or any other information relating to its taxes which it deems confidential) to the indemnifying party or any other Person.

5.8.8 Survival.

Each party's obligations under this Section 5.8 [Taxes] shall survive the resignation of the Administrative Agent or any assignment of rights by, or the replacement of, a Bank, the termination of the Revolving Credit Commitments and the repayment, satisfaction or discharge of all Obligations.

5.8.9 United Kingdom Tax Information

Without limiting the generality of the foregoing in the case of a Borrower that is a resident for tax purposes of the United Kingdom, any Bank entitled to benefits under the United States/United Kingdom double tax treaty shall deliver to (i) the Internal Revenue Service (with copies delivered to TGI, the relevant Borrower and the Administrative Agent, in such number of copies as shall be requested by the recipient) on or prior to the date on which such Bank becomes a Bank under this Agreement (and from time to time thereafter upon the request of TGI or such Borrower or the Administrative Agent, but only if such Bank is legally entitled to do so) duly completed copies (in triplicate) of the United Kingdom HM Revenue & Customs Form US/Company 2002 (or such other form as may from time to time be prescribed by applicable law or regulation) claiming exemption from withholding on account of United Kingdom income tax pursuant to the United States/United Kingdom double tax treaty or (ii) (but only if such Bank is a holder of a Double Taxation Treaty Passport) TGI and the Administrative Agent of such Bank's HMRC DTTP number, and upon receipt thereof, the Loan Parties each agree to promptly complete and file such forms, certificates and documents and otherwise cooperate with such Bank, as such Bank may request from time to time, in order for such Bank to establish that such Bank is not subject to, or is entitled to a reduction in the amount of or exemption from, any deduction, withholding or other Taxes with respect to any payment to such Bank, including HMRC Form DTTP 2. The relevant Borrower and such Bank shall each provide all reasonable information and assistance to the Internal Revenue Service and Inland Revenue on a timely basis in order efficiently to process the relevant treaty claim, and shall keep each other (through the Administrative Agent) informed of any matters relating to such claim, including such Borrower

providing a copy of any direction (or other authority) issued by the HM Revenue & Customs authorizing such Borrower to pay free and clear of any withholding on account of United Kingdom income tax and of any cancellation thereof.

5.9 Judgment Currency.

5.9.1 Currency Conversion Procedures for Judgments.

If for the purposes of obtaining judgment in any court it is necessary to convert a sum due hereunder or under any other Loan Document in any currency (the "Original Currency") into another currency (the "Other Currency"), the parties hereby agree, to the fullest extent permitted by Law, that the rate of exchange used shall be that at which in accordance with normal banking procedures each Bank could purchase the Original Currency with the Other Currency after any premium and costs of exchange on the Business Day preceding that on which final judgment is given.

5.9.2 Indemnity in Certain Events.

The obligation of the Borrowers in respect of any sum due from the Borrowers to any Bank hereunder shall, notwithstanding any judgment in an Other Currency, whether pursuant to a judgment or otherwise, be discharged only to the extent that, on the Business Day following receipt by any Bank of any sum adjudged to be so due in such Other Currency, such Bank may in accordance with normal banking procedures purchase the Original Currency with such Other Currency. If the amount of the Original Currency so purchased is less than the sum originally due to such Bank in the Original Currency, each Borrower agrees, as a separate obligation and notwithstanding any such judgment or payment, to indemnify such Bank against such loss.

6. REPRESENTATIONS AND WARRANTIES

6.1 Representations and Warranties.

Each Borrower represents and warrants to the Administrative Agent and each of the Banks as follows:

6.1.1 Organization and Qualification.

TGI and each Subsidiary of TGI: (i) is a corporation, partnership or limited liability company duly organized, validly existing and in good standing under the laws of its jurisdiction of organization, (ii) has the lawful power to own or lease its properties and to engage in the business it presently conducts or proposes to conduct, and (iii) is duly licensed or qualified and in good standing in each jurisdiction where the property owned or leased by it or the nature of the business transacted by it or both makes such licensing or qualification necessary, except with respect to each of (i) and (iii) above, for exceptions which would not reasonably be expected to result in a Material Adverse Change.

## 6.1.2

Capitalization and Ownership.

Schedule 6.1.2, as amended and restated on the Eleventh Amendment Effective Date, states the authorized Capital Stock of TGI as of the Eleventh Amendment Effective Date, the issued and outstanding shares (referred to herein as the “Shares”) of such stock as of the Eleventh Amendment Effective Date, and the names of any parties beneficially owning, individually or through affiliates, more than 5% thereof as of the Eleventh Amendment Effective Date. All of the Shares have been validly issued and are fully paid and nonassessable. As of the Eleventh Amendment Effective Date, there are no options, warrants or other rights outstanding to purchase any such Shares except as disclosed in Schedule 6.1.2.

## 6.1.3

Subsidiaries. Schedule 6.1.3, as amended and restated on the Eleventh Amendment Effective Date, states, as of the Eleventh Amendment Effective Date, the name of each of TGI’s Subsidiaries, its jurisdiction of incorporation or organization, its authorized Capital Stock, the issued and outstanding shares (referred to herein as the “Subsidiary Shares”) and the owners thereof if it is a corporation, its outstanding partnership interests (the “Partnership Interests”) if it is a partnership and its outstanding limited liability company interests, interests assigned to managers thereof and the voting rights associated therewith (the “LLC Interests”) if it is a limited liability company. TGI and each Subsidiary of TGI has good and marketable title to all of the Subsidiary Shares, Partnership Interests and LLC Interests it purports to own, free and clear in each case of any Lien other than non-consensual Liens arising by operation of Law which are identified under the definition of Permitted Liens herein, Liens in favor of the Administrative Agent for the benefit of the Banks hereunder and Liens in favor of the Second Lien Agent subject to the terms of the Second Lien Intercreditor Agreement. All Subsidiary Shares, Partnership Interests and LLC Interests have been validly issued, and all Subsidiary Shares are fully paid and nonassessable. All capital contributions and other consideration required to be made or paid in connection with the issuance of the Partnership Interests and LLC Interests have been made or paid, as the case may be. There are no options, warrants or other rights outstanding to purchase any such Subsidiary Shares, Partnership Interests or LLC Interests outstanding as of the Eleventh Amendment Effective Date except as indicated on Schedule 6.1.3.

## 6.1.4

Power and Authority.

TGI and each other Loan Party has full power to enter into, execute, deliver and carry out this Agreement and the other Loan Documents to which it is a party, to incur the Indebtedness contemplated by the Loan Documents and to perform its Obligations under the Loan Documents to which it is a party, and all such actions have been duly authorized by all necessary proceedings on its part.

## 6.1.5

Validity and Binding Effect.

This Agreement has been duly and validly executed and delivered by each Borrower, and each other Loan Document which TGI or any other Loan Party is required to execute and deliver on or after the date hereof will have been duly executed and delivered by TGI and each other Loan Party on the required date of delivery of such Loan Document. This Agreement and each other Loan Document to which any Borrower or any other Loan Party is a



party constitutes, or will constitute, legal, valid and binding obligations of each such party, enforceable against each such party, in accordance with its terms, except to the extent that enforceability of any of such Loan Document may be limited by bankruptcy, insolvency, reorganization, moratorium or other similar laws affecting the enforceability of creditors' rights generally or limiting the right of specific performance.

6.1.6 No Conflict.

Neither the execution and delivery of this Agreement or the other Loan Documents by the Borrowers and any other Loan Party nor the consummation of the transactions herein or therein contemplated or compliance with the terms and provisions hereof or thereof by them will conflict with, constitute a default under or result in any breach of (i) the terms and conditions of the certificate of incorporation, bylaws or other organizational documents of any Borrower or any Subsidiary or (ii) any Law or of any material agreement, instrument, order, writ, judgment, injunction or decree to which any Borrower or any Subsidiary is a party or by which it is bound or to which it is subject, or result in the creation or enforcement of any Lien, charge or encumbrance whatsoever upon any property (now or hereafter acquired) of any Borrower or any Subsidiary other than the Liens granted to the Administrative Agent, for the benefit of the Banks, pursuant to the Loan Documents.

6.1.7 Litigation.

Except as set forth on Schedule 6.1.7, there are no actions, suits, proceedings or investigations pending or, to the knowledge of any Borrower, threatened against any Borrower or any Subsidiary of any Borrower at law or equity before any Official Body which would, individually or in the aggregate, be reasonably likely to result in any Material Adverse Change. Neither the Borrowers nor any Subsidiaries of any Borrower is in violation of any order, writ, injunction or any decree of any Official Body which would reasonably be expected to result in any Material Adverse Change.

6.1.8 Title to Properties.

The real property located in the United States and owned or leased (other than residential leases for use by employees) by any Borrower and each Subsidiary of any Borrower as of the Eleventh Amendment Effective Date is described on Schedule 6.1.8, as amended and restated on the Eleventh Amendment Effective Date. Each Borrower and each Subsidiary of each Borrower has good and marketable title to or valid leasehold interests in all properties, assets and other rights which it purports to own or lease or which are reflected as owned or leased on its books and records, free and clear of all Liens and encumbrances except Permitted Liens, and subject to the terms and conditions of the applicable leases. All leases of property are in full force and effect without the necessity for any consent which has not previously been obtained in respect of the transactions contemplated hereby.

6.1.9 Financial Statements.

(i) Historical Statements. TGI has delivered to the Administrative Agent copies of (a) its audited consolidated and unaudited consolidating year-end financial statements for and as of the end of the fiscal year ended March 31, 2013; and (b) its

unaudited consolidated financial statements for each fiscal quarter thereafter through and including the quarter ended September 30, 2013 (collectively, the “Historical Statements”). The Historical Statements were compiled from the books and records maintained by TGI’s management, as the case may be, are correct and complete and present fairly in all material respects the financial condition of TGI and its Subsidiaries, as the case may be, as of their dates and the results of operations for the fiscal periods then ended and have been prepared in accordance with GAAP consistently applied.

(ii) Accuracy of Financial Statements. As of the date of the most recent Historical Statements, TGI has not incurred any liabilities, contingent or otherwise, that could reasonably be expected to result in a Material Adverse Change and which were not disclosed in the Historical Statements or in the notes thereto. Since March 31, 2017, no Material Adverse Change has occurred. The most recent financial statements delivered by the Borrowers in accordance with Sections 8.3.1 or 8.3.2 were compiled from the books and records maintained by TGI’s management, as the case may be, are correct and complete and present fairly in all material respects the financial condition of TGI and its Subsidiaries, as the case may be, as of their dates and the results of operations for the fiscal periods then ended and have been prepared in accordance with GAAP consistently applied. Since the date of the most recent financial statements delivered by the Borrowers in accordance with Sections 8.3.1 or 8.3.2, TGI has not incurred any liabilities, contingent or otherwise, that could reasonably be expected to result in a Material Adverse Change and which were not disclosed in such financial statements or in the notes thereto.

6.1.10 Margin Stock.

Neither TGI nor any of its Subsidiaries engages or intends to engage principally, or as one of its important activities, in the business of extending credit for the purpose, immediately, incidentally or ultimately, of purchasing or carrying margin stock (within the meaning of Regulation U). No part of the proceeds of any Loan has been or will be used, immediately, incidentally or ultimately, to purchase or carry any margin stock or to extend credit to others for the purpose of purchasing or carrying any margin stock or to refund Indebtedness originally incurred for such purpose, or for any purpose which entails a violation of or which is inconsistent with the provisions of Regulation U of the Board of Governors of the Federal Reserve System. Neither TGI nor any of its Subsidiaries holds or intends to hold margin stock in such amounts that more than 25% of the reasonable value of the assets of TGI or any of its Subsidiaries are or will be represented by margin stock. If requested by the Administrative Agent, TGI will furnish to the Administrative Agent a statement to the foregoing effect in conformity with the requirements of FR Form G-3 or FR Form U-1, as applicable, referred to in Regulation U.

6.1.11 Full Disclosure.

Neither the confidential information memorandum provided to the Banks in connection with this Agreement nor any other Loan Document, nor any certificate, statement, agreement or other documents furnished to the Administrative Agent or any Bank in connection herewith or therewith, contains any untrue statement of a material fact or, considered in the aggregate, omits to state a material fact necessary in order to make the statements contained

herein and therein, in light of the circumstances under which they were made, not misleading. On the Closing Date, there is no fact known to any Borrower which materially adversely affects the business, property, assets, financial condition or results of operations of such Borrower or any Subsidiary of such Borrower which has not been set forth in such confidential information memorandum, this Agreement or in the certificates, statements, agreements or other documents furnished in writing to the Administrative Agent and the Banks prior to or at the date hereof in connection with the transactions contemplated hereby or previously been publicly disclosed in TGI's most recently filed Form 10-K and any Form 10-Q or Form 8-K filed subsequently with the Securities and Exchange Commission prior to the Closing Date.

6.1.12 Taxes.

All federal, state, material local, material foreign and material other tax returns required to have been filed with respect to TGI and each Subsidiary of TGI have been filed (subject to the timely filing of any extensions therefor), and payment or adequate provision has been made for the payment of all taxes, fees, assessments and other governmental charges which have or may become due pursuant to said returns or to assessments received, except to the extent that such taxes, fees, assessments and other charges are being contested in good faith by appropriate proceedings diligently conducted and for which such reserves or other appropriate provisions, if any, as shall be required by GAAP shall have been made. Other than extensions of tax return filing deadlines for which the Borrowers have applied in the ordinary course of business, there are no agreements or waivers extending the statutory period of limitations applicable to any federal income tax return of TGI or any of its Subsidiaries for any period in which the underlying potential liability could reasonably be expected to result in a Material Adverse Change.

6.1.13 Consents and Approvals.

No consent, approval, exemption, order or authorization of, or a registration or filing with, any Official Body or any other Person is required by any Law or any agreement in connection with the execution, delivery and carrying out of this Agreement and the other Loan Documents by any Borrower, except as shall have been obtained or made on or prior to the Closing Date.

6.1.14 No Event of Default; Compliance with Instruments.

No event has occurred and is continuing and no condition exists or will exist after giving effect to the borrowings to be made on the Closing Date under the Loan Documents which constitutes an Event of Default or Potential Default. Neither any Borrower nor any of their Subsidiaries is in violation of (i) any term of its certificate of incorporation, bylaws, or other organizational documents or (ii) any material agreement or instrument to which it is a party or by which it or any of its properties may be subject or bound where such violation would constitute a Material Adverse Change.

6.1.15 Patents, Trademarks, Copyrights, Licenses, Etc.

TGI and each Subsidiary of TGI owns or possesses all the material patents, trademarks, service marks, trade names, copyrights, licenses, registrations, franchises, permits,

intellectual property and rights necessary to own and operate its properties and to carry on its business as presently conducted and planned to be conducted by TGI and its Subsidiaries, without known conflict with the rights of others that could reasonably be expected to result in a Material Adverse Change.

6.1.16 Insurance.

All insurance policies to which TGI and each of its Subsidiaries is a party are valid and in full force and effect to the extent necessary to comply with Section 8.1.3 [Maintenance of Insurance]. No notice has been given or claim made and no grounds exist to cancel or avoid any of such policies or to reduce the coverage provided thereby, except as would not impair the accuracy of the following sentence or could reasonably be expected to result in a breach of Section 8.1.3 [Maintenance of Insurance]. Such policies provide adequate coverage from reputable and financially sound insurers in amounts sufficient to insure the assets and risks of TGI and each Subsidiary of TGI in accordance with prudent business practice in the industries of TGI and its Subsidiaries.

6.1.17 Compliance with Laws.

TGI and its Subsidiaries are in compliance in all material respects with all applicable Laws (other than Environmental Laws which are specifically addressed in subsection 6.1.22) in all jurisdictions in which TGI and its Subsidiaries do business except where the failure to so comply would not constitute a Material Adverse Change.

6.1.18 Material Contracts.

Except as otherwise publicly disclosed in TGI's most recent Form 10-K and any Form 10-Q or Form 8-K subsequently filed with the Securities and Exchange Commission, all material contracts publicly filed or required to be publicly filed by TGI pursuant to applicable securities law, are valid, binding and enforceable in all material respects upon TGI, or each Subsidiary and each of the other parties thereto in accordance with their respective terms, and there is no default thereunder by TGI, or any such Subsidiary or, to the Borrowers' knowledge, with respect to parties other than TGI, or any such Subsidiary, which would result in a Material Adverse Change.

6.1.19 Investment Companies.

Neither TGI nor any of its Subsidiaries is an "investment company" registered or required to be registered under the Investment Company Act of 1940 or under the "control" of an "investment company" as such terms are defined in the Investment Company Act of 1940 and shall not become such an "investment company" or under such "control".

6.1.20 Plans and Benefit Arrangements.

Except as set forth on Schedule 6.1.20:

(i) Each Borrower and each member of each of their ERISA Groups are in compliance with any applicable provisions of ERISA with respect to all Benefit

Arrangements and Plans, except where the failure to do so could not reasonably be expected to result in a Material Adverse Change. There has been no Prohibited Transaction with respect to any Benefit Arrangement or any Plan, which could result in a Material Adverse Change. Each Borrower and, to the knowledge of any Borrower, all members of each of their ERISA Groups have made when due any and all material payments required to be made under any agreement relating to a Multiemployer Plan or a Multiple Employer Plan or any Law pertaining thereto. Except where the failure to do so could not result in a Material Adverse Change, with respect to each Plan and Multiemployer Plan, each Borrower and each member of each of its ERISA Group (a) have fulfilled their obligations under the minimum funding standards of ERISA, (b) have not incurred any liability to the PBGC other than required premiums under Sections 4006 and 4007 of ERISA, and (c) have not had asserted against them any penalty for failure to fulfill the minimum funding requirements of ERISA.

(ii) To each Borrower's knowledge, each Plan is able to pay benefits thereunder when due (without regard to a termination basis).

(iii) Neither the Borrowers nor any other member of any of its ERISA Group has instituted proceedings or taken formal action to terminate any Plan.

(iv) No Plan has an actual or deemed Adjusted Funding Target Attainment Percentage that would subject the Plan to the benefit limitations imposed under Section 436(b), (d)(1) or (e) of the Internal Revenue Code.

(v) Neither any Borrower nor any other member of any of its ERISA Group has incurred or reasonably expects to incur any material Withdrawal Liability under ERISA to any Multiemployer Plan or Multiple Employer Plan. Neither any Borrower nor any other member of its ERISA Group has been notified by any Multiemployer Plan or Multiple Employer Plan that such Multiemployer Plan or Multiple Employer Plan has been terminated within the meaning of Title IV of ERISA and, to the knowledge of each Borrower, no Multiemployer Plan or Multiple Employer Plan is reasonably expected to be reorganized or terminated, within the meaning of Title IV of ERISA in a manner that can reasonably be expected to result in a Material Adverse Change.

(vi) (a) To the extent that any Benefit Arrangement is insured, all Borrowers and all members of each of their ERISA Groups have paid when due all material premiums required to be paid for all periods through the Closing Date and (b) to the extent that any Benefit Arrangement is funded other than with insurance, all Borrowers and all members of each of their ERISA Groups have made when due all material contributions required to be paid for all periods through the Closing Date.

(vii) All Plans, Benefit Arrangements have been administered in accordance with their terms and the applicable provisions of ERISA except where the failure to do so could not reasonably be expected to result in a Material Adverse Change.

#### 6.1.21 Employment Matters.

Except as set forth on Schedule 6.1.21, TGI and each of its Subsidiaries are in compliance with the Labor Contracts and all applicable federal, state and local labor and

employment Laws including those related to equal employment opportunity and affirmative action, labor relations, minimum wage, overtime, child labor, medical insurance continuation, worker adjustment and relocation notices, immigration controls and worker and unemployment compensation where the failure to comply would, individually or in the aggregate, likely constitute a Material Adverse Change. To the best of each Borrower's knowledge, there are no outstanding grievances, arbitration awards or appeals therefrom arising out of the Labor Contracts or current or threatened strikes, picketing, handbilling or other work stoppages or slowdowns at facilities of any Borrower or any of its Subsidiaries which in any case would constitute a Material Adverse Change.

6.1.22

Environmental Matters.

Except as disclosed on Schedule 6.1.22:

(i) Neither TGI nor any Subsidiary of TGI has received any material Environmental Complaint from any Official Body alleging that TGI or such Subsidiary or, with respect to the Property, any prior or subsequent owner of the Property is a potentially responsible party under the Comprehensive Environmental Response, Compensation and Liability Act, 42 U.S.C. § 9601, et seq., and the Borrowers have no reason to believe that such an Environmental Complaint is likely to be received. Except as would not reasonably be expected to result in a Material Adverse Change, neither TGI nor any Subsidiary of TGI has received any Environmental Complaint described in the immediately preceding sentence, from a private Person (as opposed to receipt thereof from an Official Body). There are no pending or, to any Borrower's knowledge, threatened Environmental Complaints relating to TGI or any Subsidiary of TGI or, to any Borrower's knowledge with respect to the Property, any prior or subsequent owner of the Property pertaining to, or arising out of, any Environmental Conditions, in any case that would reasonably be expected to result in a Material Adverse Change.

(ii) There are no circumstances at, on or under the Property that constitute a material breach of or non-compliance with any of the Environmental Laws. There are no Environmental Conditions at, on or under the Property or, to the knowledge of any Borrower, at, on or under adjacent property, that prevent compliance with the Environmental Laws at the Property in a manner that would reasonably be expected to result in a Material Adverse Change.

(iii) Neither the Property nor any structures, improvements, equipment, fixtures, activities or facilities thereon or thereunder contain or use Regulated Substances except in material compliance with Environmental Laws. There are no processes, facilities, operations, equipment or any other activities at, on or under the Property, or, to the knowledge of any Borrower, at, on or under adjacent property, that currently result in the release or threatened release of Regulated Substances onto the Property, except to the extent that such releases or threatened releases are not a breach of or otherwise not a violation of the Environmental Laws or would not result in a Material Adverse Change.

(iv) TGI and each Subsidiary of TGI has all material permits, licenses, authorizations, plans and approvals required under the Environmental Laws for the conduct of the business of TGI and its Subsidiaries as presently conducted. TGI and each

Subsidiary of TGI has submitted all material notices, reports and other filings required by the Environmental Laws to be submitted to an Official Body which pertain to past and current operations on the Property.

(v) All past and present on-site generation, storage, processing, treatment, recycling, reclamation, disposal or other use or management of Regulated Substances at, on, or under the Property and all off-site transportation, storage, processing, treatment, recycling, reclamation, disposal or other use or management of Regulated Substances has been performed by TGI and its Subsidiaries in material accordance with the Environmental Laws.

6.1.23 Senior Debt Status.

The Obligations of each Loan Party under this Agreement, the Notes, the Guarantee and Collateral Agreement and each of the other Loan Documents to which it is a party do rank and will rank at least pari passu in priority of payment with all other senior Indebtedness of the Loan Parties. Without limiting the foregoing, each Loan Party shall take all steps necessary to provide that (i) its Obligations under this Agreement, the Notes, the Guarantee and Collateral Agreement and the other Loan Documents shall be senior to, or pari passu with, any outstanding senior Indebtedness, (ii) the Liens securing the Second Lien Notes and all other obligations under the Second Lien Note Documents are subordinated to the Liens securing the Obligations under this Agreement, the Notes, the Guarantee and Collateral Agreement and the other Loan Documents on the terms and conditions set forth in the Second Lien Intercreditor Agreement and (iii) any other Indebtedness of any Loan Party, now existing or hereafter incurred that is in any manner subordinated in right of payment or security to any other Indebtedness is subordinated to the Obligations on the same terms and conditions.

6.1.24 Anti-Terrorism Laws, Anti-Corruption Laws and Sanctions. (i) No Covered Entity is a Sanctioned Person, and (ii) no Covered Entity, either in its own right or through any third party, (a) has any of its assets in a Sanctioned Country or in the possession, custody or control of a Sanctioned Person in violation of any Anti-Terrorism Law, (b) does business in or with, or derives any of its income from investments in or transactions with, any Sanctioned Country or Sanctioned Person in violation of any Anti-Terrorism Law. The Borrowers have implemented and maintain in effect policies and procedures designed to ensure compliance by the Borrowers, their Subsidiaries and their respective directors, officers, employees and agents with Anti-Corruption Laws and applicable Sanctions, and the Borrowers, their Subsidiaries and their respective officers and employees and, to the knowledge of the Borrowers, their respective directors and agents, are in compliance with Anti-Corruption Laws and applicable Sanctions in all material respects. None of (A) the Borrowers, any Subsidiary or any of their respective directors, officers or employees, or (B) to the knowledge of the Borrowers, any agent of any Borrowers or any Subsidiary that will act in any capacity in connection with or benefit from the credit facility established hereby, is a Sanctioned Person. No Loan or Letter of Credit, use of proceeds or other transaction contemplated by this Agreement or the other Loan Documents will violate Anti-Corruption Laws or applicable Sanctions.

6.1.25 Security Interests. The Guarantee and Collateral Agreement is and will continue to be effective to create in favor of the Administrative Agent, for the benefit of the Banks, a legal, valid and enforceable security interest in the Collateral described therein and

proceeds thereof. In the case of the Pledged Notes described in the Guarantee and Collateral Agreement, when the original of such instruments are delivered to the Administrative Agent, and in the case of the Pledged Stock described in the Guarantee and Collateral Agreement, when stock certificates representing such Pledged Collateral are delivered to the Administrative Agent (together, in each case, with a properly completed and signed stock power or endorsement), and in the case of the other Collateral described in the Guarantee and Collateral Agreement, the Guarantee and Collateral Agreement constitutes a fully perfected Lien on, and Prior Security Interest in, all right, title and interest of the Loan Parties in such Collateral and the proceeds thereof, as security for the Obligations.

6.1.26 Status of the Pledged Collateral.

All the Capital Stock, Partnership Interests or LLC Interests included in the Pledged Collateral to be pledged pursuant to the Guarantee and Collateral Agreement are or will be upon issuance validly issued and nonassessable and owned beneficially and of record by the applicable pledgor free and clear of any Lien or restriction on transfer, except (i) as otherwise permitted by the Guarantee and Collateral Agreement or this Agreement, (ii) as the right of the Banks to dispose of the Subsidiary Shares, Partnership Interests or LLC Interests may be limited by the Securities Act of 1933, as amended, and the regulations promulgated by the Securities and Exchange Commission thereunder and by applicable state securities laws and (iii) restrictions on asset sales and like contractual provisions that would not impair the ability of the Collateral Agent to realize on its Lien in accordance with the Guarantee and Collateral Agreement. There are no shareholder, partnership, limited liability company or other agreements or understandings with respect to the Capital Stock, Partnership Interests or LLC Interests included in the Pledged Collateral except for the partnership agreements and limited liability company agreements described on Schedule 6.1.26, as amended and restated on the Eleventh Amendment Effective Date. The Loan Parties have delivered true and correct copies of such partnership agreements and limited liability company agreements to the Administrative Agent not later than the Eleventh Amendment Effective Date.

6.1.27 Certificate of Beneficial Ownership. The Certificate of Beneficial Ownership executed and delivered to the Administrative Agent and the Banks on or prior to the Eleventh Amendment Effective Date, if any, as updated from time to time in accordance with this Agreement, is accurate, complete and correct as of the Eleventh Amendment Effective Date and as of the date any such update is delivered, as applicable. The Borrowers acknowledge and agree that the Certificate of Beneficial Ownership is one of the Loan Documents.

6.1.28 QFC Covered Entities; EEA Financial Institutions. No Loan Party is a QFC Covered Entity or an EEA Financial Institution.

6.2 Updates to Schedules.

Should any of the information or disclosures provided on any of the Schedules attached hereto or to the Guarantee and Collateral Agreement become outdated or incorrect in any material respect, the Borrowers shall promptly provide the Administrative Agent in writing with such revisions or update to such Schedules as may be necessary or appropriate to update or correct same; provided, however, that, except as provided in the second sentence of this Section



6.2, no Schedule shall be deemed to have been amended, modified or superseded by any such correction or update, nor shall any breach of warranty or representation resulting from the inaccuracy or incompleteness of any such Schedule be deemed to have been cured thereby, unless and until the Required Banks, in their sole discretion, shall have accepted in writing such revisions or updates to such Schedule. Notwithstanding the proviso in the immediately preceding sentence, the written acceptance of the Required Banks shall not be required for updates to Schedules 6.1.3, 6.1.8 or 6.1.26 of this Agreement or Schedules 1, 2, 3, 4, 5, 6 or 7 of the Guarantee and Collateral Agreement to the extent such updates are delivered in connection with the joinder of Borrower(s) or Guarantor(s) (including pursuant to Section 11.20(i) hereof) and such updates relate solely to the information required by the foregoing schedules with respect to the joinder of such Borrower(s) or Guarantor(s); and this Agreement or the Guarantee and Collateral Agreement, as appropriate (and the applicable representations and warranties set forth herein or therein), shall be deemed amended by such Schedules upon their delivery to the Administrative Agent.

## 7. CONDITIONS OF LENDING

The obligation of each Bank to make Loans and of the Issuing Banks to issue Letters of Credit hereunder is subject to the performance by the Borrowers of their Obligations to be performed hereunder at or prior to the making of any such Loans or issuance of such Letters of Credit and to the satisfaction of the following further conditions:

### 7.1 First Loans

On the Closing Date:

#### 7.1.1 Closing Representations.

The representations and warranties of each Borrower contained in Article 6 shall be true and accurate on and as of the Closing Date with the same effect as though such representations and warranties had been made on and as of such date (except representations and warranties which relate solely to an earlier date or time, which representations and warranties shall be true and correct on and as of the specific dates or times referred to therein), no Event of Default or Potential Default under this Agreement shall have occurred and be continuing or shall exist.

#### 7.1.2 Secretary's Certificate.

There shall be delivered to the Administrative Agent for the benefit of each Bank a certificate dated the Closing Date and signed by the Secretary or an Assistant Secretary of each Loan Party, certifying as appropriate as to:

(i) all requisite corporate, limited liability company or partnership, as the case may be, action taken by such Loan Party in connection with this Agreement and the other Loan Documents;

(ii) the names of the officer or officers authorized to sign this Agreement and the other Loan Documents and the true signatures of such officer or officers and

specifying the Authorized Officers permitted to act on behalf of such Borrower and the other Loan Parties for purposes of this Agreement and the true signatures of such officers, on which the Administrative Agent and each Bank may conclusively rely; and

(iii) with respect to each Loan Party, (a) (1) copies of the organizational documents, including certificates of incorporation and bylaws (or comparable documents, if applicable) as in effect on the Closing Date, of such Loan Party certified by the appropriate state official where such documents are filed in a state office (to the extent such state office provides certified copies of such documents), if such organizational documents have been modified from those delivered to the Administrative Agent pursuant to, or referenced in, the Secretary's Certificate dated April 5, 2011 or the Secretary's Certificate dated May 23, 2012, as applicable or (2) if such organizational documents have not been modified from those delivered to the Administrative Agent pursuant to, or referenced in, the Secretary's Certificate dated April 5, 2011 or the Secretary's Certificate dated May 23, 2012, as applicable, a certification from the Secretary or an Assistant Secretary of such Loan Party to such effect, and (b) together with certificates, as of a reasonably recent date, from the appropriate state officials as to the continued existence and good standing of such Loan Party in each state where organized (to the extent state officials in such state provide such certificates).

7.1.3 Delivery of Loan Documents.

This Agreement, the Notes, and the Guarantee and Collateral Agreement each shall have been duly executed by the parties thereto and such documents shall have been delivered to the Administrative Agent for the benefit of the Banks.

7.1.4 [Reserved].

7.1.5 Opinion of Counsel.

There shall be delivered to the Administrative Agent for the benefit of each Bank customary written opinions of counsel to each Loan Party, in each case, addressing such matters as reasonably requested by the Administrative Agent, all in form and substance satisfactory to the Administrative Agent.

7.1.6 Legal Details.

All material legal details and proceedings in connection with the transactions contemplated by the Agreement and the other Loan Documents shall be in form and substance satisfactory to the Administrative Agent, and the Administrative Agent shall have received all such other counterpart originals or certified or other copies of such documents and proceedings in connection with such transactions, in form and substance satisfactory to the Administrative Agent, as the Administrative Agent or said counsel may reasonably request. The Loan Parties shall have delivered all Schedules to this Agreement and the other Loan Documents on the time frames to have been delivered hereunder and shall deliver on the Closing Date all such remaining schedules which have not been not delivered at signing of this Agreement or otherwise prior to the Closing Date.

7.1.7 Payment of Fees.

The Borrowers shall pay or cause to be paid to the Administrative Agent for itself and for the account of the Banks all fees identified herein or set forth in the Administrative Agent's Letter or any other commitment letters with any of the Banks required to be paid prior to or upon the Closing Date and all costs and expenses for which the Administrative Agent and the Banks are entitled to be reimbursed, and such other fees and expenses as are due and payable on or before the Closing Date.

7.1.8 Consents.

All material consents and approvals (including those of an Official Body) required to effectuate the transactions contemplated hereby shall have been obtained on terms reasonably satisfactory to the Administrative Agent.

7.1.9 Officer's Certificate Regarding MACs.

Since March 31, 2013, no Material Adverse Change shall have occurred; prior to the Closing Date, there shall be delivered to the Administrative Agent for the benefit of each Bank a certificate dated the Closing Date and signed by the Chief Executive Officer, President or Chief Financial Officer of TGI to such effect.

7.1.10 No Violation of Laws.

The making of the Loans shall not contravene any Law applicable to the Borrowers or any of the Banks.

7.1.11 No Actions or Proceedings.

No action, proceeding, investigation, regulation or legislation shall be pending before any court, governmental agency or legislative body to enjoin, restrain or prohibit, or to obtain damages in respect of this Agreement or the consummation of the transactions contemplated hereby.

7.1.12 Lien Search; Filing Receipts; Pledged Shares.

The Administrative Agent shall have received (1) Lien searches with respect to each Domestic Loan Party, that do not show Liens other than Permitted Liens and Liens with respect to liabilities that have been demonstrated to the reasonable satisfaction of the Administrative Agent to have been discharged, (2) such UCC financing statements as are necessary or appropriate, in the Administrative Agent's reasonable discretion, to perfect the security interests in the UCC Collateral to the extent any such security interest can be perfected by filing a UCC financing statement, (3) original instruments evidencing the Pledged Notes required to be delivered under the Guarantee and Collateral Agreement and accompanying endorsements thereof and (4) stock certificates or limited liability company certificates evidencing the Pledged Collateral (to the extent certificated) and accompanying stock powers.

7.1.13 Intentionally Omitted.

7.1.14 Certain Amended and Restated Exhibits and other Loan Documents.

Upon the effectiveness of this Agreement, the exhibits to the existing Original Credit Agreement shall be amended and restated in their entirety in the form of the amended and restated exhibits attached hereto bearing the revised numerical exhibits reference as set forth herein. The Administrative Agent's Letter shall be amended and restated in its entirety in the form agreed to among TGI and the Administrative Agent. In addition to any confirmation made in any Loan Documents being amended in connection herewith, each Loan Party hereby makes, confirms, affirms and ratifies its obligations under each of the Loan Documents (as defined in the Original Credit Agreement) which are not being amended and restated hereby and which were executed and delivered in connection with the Original Credit Agreement and agrees that such obligations and agreements are hereby made and granted to secure the obligations under this Agreement as if the same were made, or granted on the date hereof and continue as obligations of the Loan Parties in connection with this Agreement.

7.1.15 Repayment and Reborrowing of Loans.

On the Closing Date, the Borrowers shall repay all outstanding Loans to which either the Base Rate Option or the Euro-Rate Option applies under the Original Credit Agreement and simultaneously reborrow a like amount of Revolving Credit Loans under each such Interest Rate Option from the Banks (including each new Bank and Increasing Bank) according to their Ratable Shares set forth on attached Schedule 1.1(B) and shall be subject to breakage fees and other indemnities provided in Section 5.5.2 [Indemnity].

7.1.16 Intentionally Omitted.

7.1.17 Insurance Policies, Certificates of Insurance; Endorsements.

The Loan Parties shall have delivered evidence acceptable to the Administrative Agent that adequate insurance in compliance with Section 8.1.3 [Maintenance of Insurance] is in full force and effect and that all premiums then due thereon have been paid.

7.2 Each Additional Loan.

At the time of making any new Loans or issuing any new Letters of Credit hereunder and after giving effect to the proposed borrowings: (a) the representations and warranties of the Borrowers contained in Article 6 shall be true on and as of the date of such additional Loan or Letter of Credit with the same effect as though such representations and warranties had been made on and as of such date (except representations and warranties which expressly relate solely to an earlier date or time, which representations and warranties shall be true and correct on and as of the specific dates or times referred to therein); (b) no Event of Default or Potential Default shall have occurred and be continuing or shall exist or shall result from such Loan or Letter of Credit; (c) the making of the Loans or issuance of such Letter of Credit shall not contravene any Law applicable to the Borrowers or any Subsidiary of any Borrower or any of the Banks; (d) TGI, on behalf of the Borrowers, shall have delivered to the Administrative Agent or the Issuing Bank, as the case may be, a duly executed and completed Loan Request or application for a

Letter of Credit, as the case may be; (e) the aggregate amount of Balance Sheet Cash shall not exceed \$50,000,000.00; and (f) the Borrowers shall be in compliance, on a pro forma basis (based on the most recently ended fiscal quarter for which financial statements have been delivered (or were due to be delivered) by the Borrowers in accordance with Sections 8.3.1 or 8.3.2) after giving effect to the proposed borrowings, with the financial covenants set forth in Sections 8.2.15, 8.2.16 and 8.2.17.

## 8. COVENANTS

### 8.1 Affirmative Covenants.

Each Borrower covenants and agrees that until Payment In Full, the Borrowers shall comply, and shall cause each of their Subsidiaries to comply, with the following affirmative covenants:

#### 8.1.1 Preservation of Existence, Etc.

Each Borrower shall, and shall cause each of its Subsidiaries to, maintain its corporate existence (except that with 30 calendar days prior written notice to the Administrative Agent and taking all steps requested by the Administrative Agent to continue the Prior Security Interest in the Collateral, a Borrower or its Subsidiaries may change its form of organization as provided in Section 8.2.14) and its license or qualification and good standing in each jurisdiction in which its ownership or lease of property or the nature of its business makes such license or qualification necessary except (a) as expressly permitted by Section 8.2.6 and (b) for exceptions (other than exceptions with respect to corporate existence) which are not materially adverse to the business of the Loan Parties and their Subsidiaries in the aggregate.

#### 8.1.2 Payment of Liabilities, Including Taxes, Etc.

Each Borrower shall, and shall cause each of its Subsidiaries to, duly pay and discharge all liabilities to which it is subject or which are asserted against it, promptly as and when the same shall become due and payable, including all taxes (subject to the timely filing of an extension therefor), assessments and governmental charges upon it or any of its properties, assets, income or profits, prior to the date on which penalties attach thereto, except to the extent that such liabilities, including taxes, assessments or charges, are being contested in good-faith and by appropriate and lawful proceedings diligently conducted and for which such reserve or other appropriate provisions, if any, as shall be required by GAAP shall have been made. TGI and its Subsidiaries will pay all such liabilities forthwith upon the commencement of proceedings to foreclose any Lien which may have attached as security therefor, except to the extent that TGI or its relevant Subsidiary is contesting such liabilities in good faith and has posted an appropriate bond therefor or taken such other actions as are necessary to suspend such foreclosure proceedings.

#### 8.1.3 Maintenance of Insurance.

Each Loan Party shall, and shall cause each of its Subsidiaries to, insure its properties and assets against loss or damage by fire and such other insurable hazards as such assets are commonly insured (including fire, extended coverage, property damage, workers'

compensation, public liability and business interruption insurance) and against other risks in such amounts as similar properties and assets are insured by prudent companies in similar circumstances carrying on similar businesses, and with reputable and financially sound insurers, including self-insurance to the extent customary, all as reasonably determined by the Administrative Agent. TGI shall deliver (x) on the Closing Date and annually thereafter original certificates of insurance describing and certifying as to the existence of the insurance required to be maintained by this Agreement and the other Loan Documents, together with a copy of the endorsement described in the next sentence attached to such certificate and (y) at the request of the Administrative Agent, from time to time a summary schedule indicating all insurance then in force with respect to TGI and its Subsidiaries. From and after the Closing Date, such policies of insurance shall contain special endorsements, in form and substance acceptable to the Administrative Agent, which shall (i) specify the Administrative Agent as an additional insured and lender loss payee as its interests may appear, with the understanding that any obligation imposed upon the insured (including the liability to pay premiums) shall be the sole obligation of TGI or relevant Subsidiary and not that of the Administrative Agent, (ii) include effective waivers by the insurer of all claims for insurance premiums against the Administrative Agent, (iii) provide that no cancellation of such policies for any reason (including non-payment of premium) shall be effective until at least thirty (30) days after receipt by the Administrative Agent of written notice of such cancellation (except that the prior notice period to the Administrative Agent may be ten (10) days prior to cancellation resulting from non-payment of premium), (iv) be primary without right of contribution of any other insurance carried by or on behalf of any additional insureds, (v) provide that inasmuch as the policy covers more than one insured, all terms, conditions, insuring agreements and endorsements (except limits of liability) shall operate as if there were a separate policy covering each insured, (vi) provide that the interest of the Banks shall be insured regardless of any breach or violation by the applicable Loan Parties of any warranties, declarations or conditions contained in such policies or any action or inaction of the applicable Loan Parties or others insured under such policies and (vii) provide a waiver of any right to set off or counterclaim or any other deduction and provide that any rights of subrogation which the insurers may have or acquire shall be adjusted in accordance with "lender loss payee" clauses of each such policy, which in each case shall be reasonably satisfactory to the Administrative Agent. TGI shall notify the Administrative Agent promptly of any occurrence causing a material loss or decline in value of insured assets and the estimated (or actual, if available) amount of such loss or decline.

#### 8.1.4

#### Maintenance of Properties and Leases.

Each Borrower shall, and shall cause each other Loan Party and their Subsidiaries to, maintain in good repair, working order and condition (ordinary wear and tear and force majeure excepted) in accordance with the general practice of other businesses of similar character and size, all of those properties useful or necessary to its business, and from time to time, the Borrowers will make or cause to be made all appropriate repairs, renewals or replacements thereof except, in each case, where the failure to do so, individually or in the aggregate, would not constitute a Material Adverse Change.

8.1.5 Maintenance of Patents, Trademarks, Etc.

Each Borrower shall, and shall cause each of its Subsidiaries to, maintain in full force and effect all patents, trademarks, trade names, copyrights, licenses, franchises, permits, intellectual property and other authorizations necessary for the ownership and operation of its properties and business if the failure so to maintain the same would constitute a Material Adverse Change.

8.1.6 Visitation Rights.

Each Borrower shall, and shall cause each of its Subsidiaries to, permit any of the officers or authorized employees or representatives of the Administrative Agent or any of the Banks to visit and inspect any of its properties and to examine and make excerpts from its books and records and discuss its business affairs, finances, properties, operations and accounts with its officers, all in such detail and at such times during normal business hours and as often as any of the Banks may reasonably request, provided that, except during the existence of an Event of Default, each Bank shall provide TGI, as agent for the Borrowers, and the Administrative Agent with reasonable notice prior to any visit or inspection and such visitation and inspection shall not unreasonably interfere with the conduct of the business of any Borrower or such Subsidiary. In the event any Bank desires to conduct an audit of any Borrower, such Bank shall make a reasonable effort to conduct such audit contemporaneously with any audit to be performed by the Administrative Agent. The Borrowers shall not be obligated to reimburse the Administrative Agent and the Banks for more than one audit per year in the absence of a continuing Event of Default.

8.1.7 Keeping of Records and Books of Account.

Each Borrower shall, and shall cause each of its Subsidiaries to, maintain and keep proper books of record and account which enable such Borrower and its Subsidiaries to issue financial statements in accordance with GAAP and as otherwise required by applicable Laws of any Official Body having jurisdiction over any Borrower or any Subsidiary of any Borrower, and in which full, true and correct entries shall be made in all material respects of all its dealings and business and financial affairs.

8.1.8 Plans and Benefit Arrangements.

Each Borrower shall, and shall cause each member of its ERISA Group to, comply with the provisions of ERISA and the Internal Revenue Code applicable to each Plan and Benefit Arrangement except where such failure, alone or in conjunction with any other failure, would not result in a Material Adverse Change.

8.1.9 Compliance with Laws.

Each Borrower shall, and shall cause each of its Subsidiaries to, comply with (i) its organizational documents (including certificates of incorporation, bylaws and comparable documents) and (ii) all applicable Laws, including all Environmental Laws, in all respects, provided that it shall not be deemed to be a violation of this Section 8.1.9 if any failure to comply with any Law would not result in fines, penalties, remediation costs, other similar

liabilities or injunctive relief which in the aggregate would constitute a Material Adverse Change. Each Borrower will maintain in effect and enforce policies and procedures designed to ensure compliance by such Borrower, its Subsidiaries and their respective directors, officers, employees and agents with Anti-Corruption Laws and applicable Sanctions.

8.1.10 Use of Proceeds.

The Borrowers will use the proceeds of the Loans only for lawful purposes in accordance with Section 2.7 as applicable and such uses shall not contravene any applicable Law or any other provision hereof. No Loan or Letter of Credit, use of proceeds or other transaction contemplated by this Agreement will be used directly or indirectly (i) in furtherance of an offer, payment, promise to pay, or authorization of the payment or giving of money, or anything else of value, to any Person in violation of any Anti-Corruption Laws, (ii) for the purpose of funding, financing or facilitating any activities, business or transaction of or with any Sanctioned Person, or in any Sanctioned Country, or (iii) in any manner that would result in the violation of any Sanctions applicable to any party hereto.

8.1.11 Subsidiary Dividends.

To the extent permitted by applicable Law, the Borrowers shall cause one or more of their Subsidiaries to pay cash dividends to the Borrowers (directly or through one or more Subsidiaries) from time to time, in aggregate amounts as necessary to permit the Borrowers to pay and satisfy the Obligations when due and payable (by acceleration or otherwise).

8.1.12 Subordination of Intercompany Loans.

From and after the Closing Date, each Borrower and each Guarantor shall cause any inter-company Indebtedness, loans or advances owed by any of them to one another or to any other of their Subsidiaries to be subordinated pursuant to the terms of the Intercompany Subordination Agreement.

8.1.13 Anti-Terrorism Laws.

(a) No Covered Entity will become a Sanctioned Person, (b) no Covered Entity, either in its own right or through any third party, will (A) have any of its assets in a Sanctioned Country or in the possession, custody or control of a Sanctioned Person in violation of any Anti-Terrorism Law; (B) do business in or with, or derive any of its income from investments in or transactions with, any Sanctioned Country or Sanctioned Person in violation of any Anti-Terrorism Law; (C) engage in any dealings or transactions prohibited by any Anti-Terrorism Law or (D) use the Loans to fund any operations in, finance any investments or activities in, or, make any payments to, a Sanctioned Country or Sanctioned Person in violation of any Anti-Terrorism Law, (c) the funds used to repay the Obligations will not be derived from any unlawful activity, (d) each Covered Entity shall comply with all Anti-Terrorism Laws, and (e) the Borrower shall promptly notify the Administrative Agent in writing upon the occurrence of a Reportable Compliance Event.



8.1.14

Further Assurances.

Each Loan Party shall, from time to time, at its expense, faithfully preserve and protect the Administrative Agent’s Lien on and Prior Security Interest in the Collateral as a continuing Lien and Prior Security Interest, and shall do such other acts and things as the Administrative Agent in its reasonable discretion may deem necessary or advisable from time to time in order to preserve, perfect and protect the Liens granted under the Loan Documents and to exercise and enforce its rights and remedies thereunder with respect to the Collateral.

8.1.15

Cooperation With Financial Advisor.

From and after the date on which the Administrative Agent notifies TGI, as agent for the Borrowers, that it has (directly or through its counsel) engaged a financial advisor or other consultant (a “Financial Advisor”) and through the Covenant Restriction Period, the Borrowers shall, and shall cause their Subsidiaries to, (a) provide immediate and complete access to the Financial Advisor of such of the properties, books and financial records of the Borrowers or any Subsidiary requested by the Financial Advisor, and discuss the affairs, finances and accounts of the Borrowers or any Subsidiary as the Financial Advisor or the Administrative Agent may request from time to time, (b) cooperate with the inquiries and diligence efforts of the Financial Advisor, and (c) provide any other information reasonably requested by the Financial Advisor.

8.1.16

Collateral and Additional Collateral; Execution and Delivery of Additional Security Documents.

In the case of each of clauses (a), (b), (c) and (d) below, each Borrower shall, and shall cause each of its Subsidiaries, to:

(a) With respect to any property intended to be Collateral acquired after the Closing Date by any Loan Party (other than any property described in paragraph (b), (c) or (d) below ), promptly (i) execute and deliver to the Administrative Agent such amendments to the Guarantee and Collateral Agreement or such other documents as the Administrative Agent deems necessary or advisable to grant to the Administrative Agent, for the benefit of the Banks, a security interest in such property intended to be Collateral and (ii) take all actions necessary or advisable to grant to the Administrative Agent, for the benefit of the Banks, a Prior Security Interest in such property intended to be Collateral, including the filing of Uniform Commercial Code financing statements in such jurisdictions as may be required by the Guarantee and Collateral Agreement or by law or as may be reasonably requested by the Administrative Agent.

(b) Intentionally Omitted.

(c) With respect to any new Subsidiary that is a Domestic Subsidiary created or acquired after the Closing Date by any Loan Party (which, for the purposes of this paragraph (c), shall include any existing Subsidiary that ceases to be a Foreign Subsidiary or an Immaterial Subsidiary), promptly (i) execute and deliver to the Administrative Agent such amendments to the Guarantee and Collateral Agreement as the Administrative Agent deems necessary or advisable to grant to the Administrative Agent, for the

benefit of the Banks, a Prior Security Interest in the Capital Stock of such new Subsidiary that is owned by any Loan Party, (ii) deliver to the Administrative Agent the certificates representing such Capital Stock, together with undated stock powers, in blank, executed and delivered by a duly authorized officer of the relevant Loan Party, (iii) to the extent required by Section 11.20 [Joinder of Borrowers and Guarantors] cause such new Subsidiary (A) to become a party to the Guarantee and Collateral Agreement, (B) to take such actions necessary or advisable to grant to the Administrative Agent for the benefit of the Banks a Prior Security Interest in the Collateral described in the Guarantee and Collateral Agreement with respect to such new Subsidiary, including the filing of Uniform Commercial Code financing statements in such jurisdictions as may be required by the Guarantee and Collateral Agreement or by law or as may be reasonably requested by the Administrative Agent and (C) to deliver to the Administrative Agent a certificate of such Subsidiary, in a form reasonably acceptable to the Administrative Agent, certifying as to organizational documents and resolutions of such Loan Party and containing an incumbency certificate of such Loan Party, with appropriate insertions and attachments, and (iv) if requested by the Administrative Agent, deliver to the Administrative Agent legal opinions relating to the matters described above, which opinions shall be in form and substance, and from counsel, reasonably satisfactory to the Administrative Agent.

(d) With respect to any new Foreign Subsidiary created or acquired after the Closing Date and owned directly by any Domestic Loan Party, promptly (i) execute and deliver to the Administrative Agent such amendments to the Guarantee and Collateral Agreement as the Administrative Agent deems necessary or advisable to grant to the Administrative Agent, for the benefit of the Banks, a Prior Security Interest in the Capital Stock of such new Subsidiary that is directly owned by any such Domestic Loan Party (provided that any pledge of stock or other equity interest in a Foreign Subsidiary shall be limited to 65% of the voting stock or equity interest in such Foreign Subsidiary and that any pledge of more than 65% of the equity interest in any U.S.-Owned DRE shall be treated for this purpose as a pledge of such U.S.-Owned DRE's voting stock or equity interest in each Foreign Subsidiary in which it has an ownership interest), (ii) deliver to the Administrative Agent the certificates representing such Capital Stock, together with undated stock powers, in blank, executed and delivered by a duly authorized officer of the relevant Domestic Loan Party, and take such other action as may be necessary or, in the reasonable opinion of the Administrative Agent, desirable to perfect the Administrative Agent's security interest therein, and (iii) if requested by the Administrative Agent, deliver to the Administrative Agent legal opinions relating to the matters described above, which opinions shall be in form and substance, and from counsel, reasonably satisfactory to the Administrative Agent.

8.1.17

Intercreditor Issues.

In the event of a breach or default (i) under the Second Lien Intercreditor Agreement by any party thereto (other than the Administrative Agent) or (ii) by any holder of Subordinated Indebtedness, of such subordination provisions, in each case, which circumstance is capable of being cured or mitigated by action or inaction by any of the Loan Parties, the Loan Parties shall take any practicable action or refrain from taking action available to it to cure or mitigate such breach or default.

Keepwell.

Each Qualified ECP Loan Party jointly and severally (together with each other Qualified ECP Loan Party) hereby absolutely unconditionally and irrevocably (a) guarantees the prompt payment and performance of all Swap Obligations owing by each Non-Qualifying Party (it being understood and agreed that this guarantee is a guaranty of payment and not of collection), and (b) undertakes to provide such funds or other support as may be needed from time to time by any Non-Qualifying Party to honor all of such Non-Qualifying Party's obligations under this Agreement or any other Loan Document in respect of Swap Obligations (provided, however, that each Qualified ECP Loan Party shall only be liable under this Section 8.1.18 for the maximum amount of such liability that can be hereby incurred without rendering its obligations under this Section 8.1.18, or otherwise under this Agreement or any other Loan Document, voidable under applicable law, including applicable law relating to fraudulent conveyance or fraudulent transfer, and not for any greater amount). The obligations of each Qualified ECP Loan Party under this Section 8.1.18 shall remain in full force and effect until Payment In Full. Each Qualified ECP Loan Party intends that this Section 8.1.18 constitute, and this Section 8.1.18 shall be deemed to constitute, a guarantee of the obligations of, and a "keepwell, support, or other agreement" for the benefit of each other Loan Party for all purposes of Section 1a(18(A)(v)(II) of the CEA.

8.1.19 Certificate of Beneficial Ownership. The Borrowers shall, and shall cause each of their Subsidiaries to, provide to the Administrative Agent and the Banks notice of any change in the information provided in any Certificate of Beneficial Ownership that would result in a change to the list of beneficial owners identified in such certification (and, in such case, shall provide a new Certificate of Beneficial Ownership reflecting such change).

8.2 Negative Covenants.

Each Borrower covenants and agrees that until Payment In Full, the Borrowers shall comply, and shall cause each of their Subsidiaries to comply, with the following negative covenants:

8.2.1 Indebtedness.

Other than (a) the Indebtedness under the Loan Documents and (b) Indebtedness of the SP Sub (but only the SP Sub) incurred in connection with the Receivables Facility up to a maximum principal amount of \$75,000,000.00 (or such greater amount that may be approved in writing by the Required Banks), the Borrowers shall not, and shall not permit any of their Subsidiaries to, at any time create, incur, assume or suffer to exist:

(i) any secured Indebtedness, except:

(a) Indebtedness in respect of the Second Lien Notes in an aggregate principal amount not to exceed \$525,000,000 to the extent secured only by Liens permitted under clause (xv) of the definition of "Permitted Liens"; provided that, notwithstanding anything to the contrary contained in this Agreement, Indebtedness incurred in the form of the Second Lien Notes or any other senior secured second lien notes (and any refinancing thereof) may only be incurred pursuant to this Section 8.2.1(i)(a);

(b) intentionally omitted;

- (c) intentionally omitted;
- (d) intentionally omitted;
- (e) intentionally omitted;
- (f) Capital Lease Obligations and other Indebtedness set forth on Schedule 7.2.1 as of the date hereof; provided that the amount thereof is not hereafter increased and no additional assets become subject to any Liens thereon;
- (g) Indebtedness secured by Purchase Money Security Interests and Capital Lease Obligations incurred after the date hereof in an aggregate amount outstanding at any time (including IDBs) not to exceed \$100,000,000;
- (h) any Bank-Provided Hedge or any Bank-Provided Foreign Currency Hedge;
- (i) Indebtedness under any Other Bank-Provided Financial Service Product;
- (j) Permitted Refinancing Debt refinancing any Refinanced Debt (and any Guaranties thereof by Persons who were guarantors of the Refinanced Debt related thereto) permitted pursuant to this Section 8.2.1(i) to the extent secured only by Permitted Refinancing Liens;
- (k) Indebtedness in an aggregate principal amount outstanding at any time, when combined with the Indebtedness outstanding under clause (ii)(e) below, not exceeding \$25,000,000; provided that such Indebtedness is secured solely by Liens permitted pursuant to clause (xvii) of the definition of Permitted Liens;
- (l) Guaranties by any Loan Party of secured Indebtedness of any other Loan Party otherwise permitted to be incurred under this Section 8.2.1(i) other than clauses (f), (j) and (m) of this Section 8.2.1(i); provided that, in each case, such Guaranties must meet all restrictions to which the Indebtedness that is being Guaranteed is subject, including, without limitation, with respect to whom the obligors are on such Indebtedness or on any applicable subordination provisions or conditions to incurrence; and
- (m) Indebtedness of a non-Loan Party (and any Guarantee by a non-Loan Party of such Indebtedness) that, together with amounts incurred by non-Loan Parties pursuant to clause (ii)(c) below, does not exceed \$50,000,000; provided that such Indebtedness is secured solely by Liens permitted pursuant to clause (xviii) of the definition of Permitted Liens; or
- (ii) any unsecured Indebtedness, except:
  - (a) Indebtedness of TGI in respect of (x) the 2014 Bonds in an aggregate principal amount not to exceed \$300,000,000.00 and (y) the 2017 Bonds in an aggregate principal amount not to exceed \$500,000,000;

- (b) intentionally omitted;
- (c) Indebtedness of a non-Loan Party (and any Guarantee by a non-Loan Party of such Indebtedness) that, together with amounts incurred by non-Loan Parties pursuant to clause (i)(m) above, does not exceed \$50,000,000;
- (d) Indebtedness of a Loan Party to another Loan Party which is subordinated pursuant to the Intercompany Subordination Agreement;
- (e) Indebtedness in an aggregate principal amount outstanding at any time, when combined with the Indebtedness outstanding under clause (i)(k) above, not exceeding \$25,000,000;
- (f) (1) Guaranties by any Loan Party of unsecured Indebtedness of any other Loan Party otherwise permitted to be incurred under this Section 8.2.1(ii), and (2) Guaranties of any Subsidiary of TGI that is not a Loan Party of Indebtedness of any other Subsidiary that is not a Loan Party otherwise permitted to be incurred pursuant to this Section 8.2.1(ii); provided that, in each case, such Guaranties must meet all restrictions to which the Indebtedness that is being Guaranteed is subject, including, without limitation, with respect to whom the obligors are on such Indebtedness or on any applicable subordination provisions or conditions to incurrence;
- (g) Permitted Refinancing Debt refinancing any Refinanced Debt (and any Guaranties thereof by Persons who were guarantors of the Refinanced Debt related thereto) permitted pursuant to this Section 8.2.1(ii);
- (h) Indebtedness of a non-Loan Party Subsidiary to TGI or any Subsidiary of TGI to the extent permitted pursuant to Sections 8.2.4(v) and (xiii); and
- (i) Indebtedness set forth on Schedule 8.2.1 as of the date hereof; provided that the amount thereof is not hereafter increased.

#### 8.2.2

#### Liens.

The Borrowers shall not, and shall not permit any of their Subsidiaries to, at any time create, incur, assume or suffer to exist any Lien on any of its property or assets, tangible or intangible, now owned or hereafter acquired, or agree or become liable to do so, except Permitted Liens.

#### 8.2.3

#### Guaranties.

The Borrowers shall not, and shall not permit any of their Subsidiaries to, at any time, directly or indirectly, become or be liable in respect of any Guaranty, except:

- (i) Guaranties expressly permitted under Section 8.2.1 [Indebtedness];

(ii) endorsements of negotiable or other instruments for deposit or collection in the ordinary course of business;

(iii) any Guaranty of an obligation of any Borrower or any of their Subsidiaries to indemnify or hold harmless any seller or buyer, as applicable, incurred in connection with an acquisition or divestiture of Capital Stock or assets permitted under this Agreement;

(iv) any Guaranty by a Loan Party or its Subsidiaries (including through the issuance of a Letter of Credit on behalf of such Person) of the obligations of any of TGI or its Subsidiaries not constituting Indebtedness and which is incurred in the ordinary course of business such as trade credit and obligations under real estate leases (it being understood that any such Guaranty by a Loan Party of obligations of a non-Loan Party shall not be subject to the limitations in Section 8.2.4 unless and until payments are made under any such Guaranty);

(v) any Guaranty by a Loan Party or any Subsidiary thereof of (a) performance of any customer contract or (b) obligations under real estate leases, in each case solely to the extent that (w) such contract or lease, as applicable, has been sold or otherwise disposed of pursuant to a transaction that is expressly permitted hereunder, (x) such Loan Party or Subsidiary obtains an enforceable indemnity with respect to such Guaranty which is likely to be collectable in the reasonable judgment of the Borrowers, (y) immediately prior to giving effect to such sale or other disposition, such Guaranty would have been permitted under Section 8.2.3(iv) above, and (z) such Guaranty was not entered into in connection with or in contemplation of such sale or other disposition;

(vi) (a) the Receivables Performance Guaranty and other Standard Securitization Undertakings in connection with the Receivables Facility, and (b) Standard Payment Discount Undertakings in connection with a Specified Payment Discount Arrangement; and

(vii) Guaranties permitted under Section 8.2.4 (other than Section 8.2.4(xii));

provided, with respect to each of clauses (i) through (vii) above, no Guaranties will be made for the benefit of any Loan Party or Subsidiary thereof which is intended to be dissolved, liquidated or wound up.

#### 8.2.4 Loans and Investments.

The Borrowers shall not, and shall not permit any of their Subsidiaries to, at any time make or suffer to remain outstanding any loan or advance to, or purchase, acquire or own any stock, bonds, notes or securities of, or any partnership interest (whether general or limited) in, or any other investment or interest in, or make any capital contribution to, any other Person, or agree, become or remain liable to do any of the foregoing, except:

(i) (a) trade credit extended on usual and customary terms in the ordinary course of business and (b) extensions of credit extended beyond usual and customary terms and investments received in satisfaction or partial satisfaction of accounts

receivable owing by financially troubled account debtors to the extent reasonably necessary in order to prevent or limit a loss; provided that the aggregate amount thereof outstanding under this clause (b) at any time does not exceed \$10,000,000;

(ii) advances to employees to meet expenses incurred by such employees in the ordinary course of business;

(iii) Permitted Investments;

(iv) subject to Section 8.2.1, loans, advances, investments and capital contributions in and to other Loan Parties (except for Loan Parties that are intended to be dissolved, liquidated or wound up);

(v) in addition to investments permitted by clause (xiii) below, (a) Investments in the SP Sub, (b) Investments in Joint Ventures and Subsidiaries which are not Loan Parties (other than SP Sub), (c) Investments in Triumph Group Charitable Foundation, and (d) other investments not identified above, provided that the aggregate amount of investments made at any time after the Twelfth Amendment Effective Date and then outstanding pursuant to clauses (b), (c) and (d) shall not exceed \$10,000,000; provided further that the outstanding amount of such investments are calculated without duplication and are determined net of cash payments of principal, dividends or redemptions to the extent such cash is received by a Loan Party (but without netting out any write-downs or write-offs);

(vi) intentionally omitted;

(vii) investments existing on the Eighth Amendment Effective Date; provided that the principal amount thereof is not thereafter increased;

(viii) contributions, conveyances or transfers of the Capital Stock of a Foreign Subsidiary (including any Foreign Subsidiary that is a Loan Party) or an Immaterial Domestic Subsidiary to a Foreign Subsidiary, provided that the Foreign Subsidiary or Immaterial Domestic Subsidiary the Capital Stock of which has been so contributed, conveyed or transferred remains a Subsidiary of TGI;

(ix) intentionally omitted;

(x) intentionally omitted;

(xi) intentionally omitted;

(xii) investments constituting Guaranties permitted under Section 8.2.3 (other than Section 8.2.3(vii)); and

(xiii) investments of non-Loan Party Subsidiaries in other non-Loan Party Subsidiaries.

The Borrowers shall not, and shall not permit any of their Subsidiaries to, make or pay, or agree to become or remain liable to make or pay, any dividend or other distribution of any nature (whether in cash, property, securities or otherwise) on account of or in respect of its shares of Capital Stock or partnership or limited liability company interest or on account of the purchase, redemption, retirement or acquisition of its shares of Capital Stock (or warrants, options or rights therefor) or partnership or limited liability company interests, except:

- (i) dividends or other distributions payable (a) to the Borrowers or any other Loan Party by its Subsidiaries, or (b) to a non-Loan Party Subsidiary by another non-Loan Party Subsidiary;
- (ii) repurchases by TGI of its common stock and dividends payable by TGI to the holders of its common stock; provided that at the time of any such repurchase or payment and after giving effect thereto (a) there are no outstanding Revolving Credit Loans, (b) the Senior Secured Leverage Ratio, on a pro forma basis (based on the most recently ended fiscal quarter for which financial statements have been delivered (or were due to be delivered) by the Borrowers in accordance with Sections 8.3.1 or 8.3.2) after giving effect to such repurchase or payment, would not be more than 2.50 to 1.00 and (c) there exists no Event of Default or Potential Default; provided further that no such repurchase or payment shall be permitted during the Covenant Restriction Period;
- (iii) regularly scheduled quarterly dividends on the common stock of TGI, consistent with past practice, not to exceed \$0.20 per share per quarter, subject to adjustments for stock splits, reverse stock splits, stock dividends and similar transactions; provided that no such dividend shall be permitted during the Covenant Restriction Period;
- (iv) redemptions of any employee's Capital Stock in TGI upon termination of employment; provided that no Event of Default then exists or will result from such redemption;
- (v) repurchases or redemptions of Capital Stock deemed to occur upon the cashless exercise of stock options or warrants or upon the vesting of restricted stock units if such Capital Stock represents the exercise price of such options or warrants or represents withholding taxes due upon such exercise or vesting;
- (vi) dividends or other distributions payable in stock (other than Disqualified Equity Interests), including stock splits; and
- (vii) distributions from, or payments by, a Subsidiary to the extent necessary to pay any liability for taxes imposed on any shareholder or equity holder of such Subsidiary or any consolidated, combined, or similar group of which such Subsidiary is a member as a result of income earned by such Subsidiary being taxable to such shareholder or equity holder or such group notwithstanding the absence of any distribution or payment by the Subsidiary.



The Borrowers shall not, and shall not permit any of their Subsidiaries to, dissolve, liquidate or wind-up its affairs, or become a party to any merger or consolidation, or acquire by purchase, lease or otherwise all or substantially all of the assets or Capital Stock of any other Person, except:

- (i) any Subsidiary may consolidate or merge or liquidate into TGI or another Subsidiary; provided that no Domestic Subsidiary shall merge, consolidate or liquidate into a Foreign Subsidiary unless the surviving entity is the Domestic Subsidiary and no Subsidiary that is a Loan Party shall merge, consolidate or liquidate into any Subsidiary that is not a Loan Party unless the Loan Party is the surviving entity;
- (ii) intentionally omitted; and
- (iii) the Borrowers shall be permitted to dissolve, liquidate or wind up any Subsidiary to the extent not a Material Subsidiary; provided that, if such Subsidiary is a Loan Party, all assets and other property, if any, of such Subsidiary shall be distributed solely to another Loan Party in connection with such dissolution, liquidation or winding up.

The Borrowers shall not, and shall not permit any of their Subsidiaries to, sell, convey, assign, lease, abandon or otherwise transfer or dispose of, voluntarily or involuntarily, any of its properties or assets, tangible or intangible (including sale, assignment, discount or other disposition of accounts, contract rights, chattel paper, equipment or general intangibles with or without recourse or of Capital Stock, shares of beneficial interest or partnership interests of a Subsidiary of any Borrower), except:

- (i) transactions involving the sale of inventory in the ordinary course of business;
- (ii) any sale, transfer or lease of assets in the ordinary course of business which are no longer necessary or required in the conduct of any Borrower's or such Subsidiary's business;
- (iii) any sale, transfer or lease of assets by (a) any Subsidiary of a Borrower to such Borrower or another Loan Party or (b) any non-Loan Party Subsidiary to another non-Loan Party Subsidiary;
- (iv) any sale, transfer or lease of assets in the ordinary course of business which are replaced by substitute assets acquired or leased; provided such substitute assets are subject to the Banks' Prior Security Interest to the extent such substitute assets are required to become Collateral hereunder or under any of the Loan Documents;
- (v) any sale, transfer or lease of assets constituting all or a portion of the TAS Business (including, without limitation, any Specified TAS Business Unit); provided that (x) such sale, transfer or lease is made for fair market value, (y) at least 75% of the

consideration received therefor is in the form of cash or Cash Equivalents and (z) no Event of Default or Potential Default exists at the time of any such sale, transfer or lease or will result therefrom; provided further that, other than with respect to any sale, transfer or lease of assets constituting all or a portion of any Specified TAS Business Unit, the Required Banks shall have approved amendments to the covenants set forth in Sections 8.2.15, 8.2.16 and 8.2.17 after giving effect to such sale, transfer or lease;

(vi) (a) the Payment Discount Arrangements and (b) sales of accounts receivable and Related Assets pursuant to a Specified Payment Discount Arrangement; provided, that in the case of this clause (b), (x) the aggregate outstanding purchase price of all such accounts receivable and Related Assets sold pursuant to all Specified Payment Discount Arrangements shall not exceed \$90,000,000 at any time, (y) such Specified Payment Discount Arrangement shall be subject to such other terms and conditions as may be required by Administrative Agent and (z) no Specified Receivables Purchase Agreement may be amended or modified without the prior written consent of the Administrative Agent;

(vii) any sale, transfer or lease of assets, other than those specifically excepted pursuant to clauses (i) through (vi) above, which is approved by the Required Banks;

(viii) to the extent done as part of the Receivables Facility, the sale, contribution, transfer, conveyance or assignment of Receivables and Related Rights by TGI and its Subsidiaries to the SP Sub and the sale by the SP Sub of individual variable percentage interests in the Purchased Interests to the Purchaser (each as defined in the Receivables Purchase Agreement or the Receivables Purchase and Sale Agreement, as applicable);

(ix) the sale or transfer of equipment in connection with a sale – leaseback transaction in which a Loan Party incurs Capital Lease Obligations provided the Loan Parties remain in compliance with Section 8.2.1(i)(g);

(x) to the extent pursuant to a dissolution, liquidation or winding-up permitted by 8.2.6(iii) above; and

(xi) any conveyance, transfer or contribution of Capital Stock of a Subsidiary permitted by Section 8.2.4(viii) above.

#### 8.2.8

#### Affiliate Transactions.

Except for TGI and its Subsidiaries entering into, and performing their obligations under, the Receivables Purchase Agreement and the other Transaction Documents (as defined in the Receivables Purchase Agreement), the Borrowers shall not, and shall not permit any of their Subsidiaries to, enter into or carry out any transaction with any Affiliate (including purchasing property or services from or selling property or services to any Affiliate of TGI or other Person, but excluding transactions exclusively among Loan Parties) unless such transaction is not otherwise prohibited by the Agreement, is upon fair and reasonable arm's-length terms and conditions and is in accordance with all applicable Law; provided, neither (a) the payment of customary directors' fees, nor (b) ordinary course transactions with non-Loan Party Subsidiaries,

including the provision of cash management and other general and administrative services, shall be considered a prohibited Affiliate transaction.

8.2.9 Subsidiaries, Partnerships and Joint Ventures.

The Borrowers shall not, and shall not permit any of their Subsidiaries to, own or create directly or indirectly any Subsidiaries unless it shall comply with the requirements of Section 8.1.16 [Collateral and Additional Collateral, etc.] and Section 11.20 [Joinder of Borrowers or Guarantors], to the extent applicable.

8.2.10 Continuation of Present Business.

The Borrowers shall not, and shall not permit any of their Subsidiaries to, engage in any business other than those businesses engaged in as of the Closing Date by a Loan Party or a Subsidiary of a Loan Party (provided that only the SP Sub shall be permitted to engage in the business in which the SP Sub is engaged in as of the Closing Date), and any business reasonably related, ancillary or complementary thereto and any reasonable extension thereof.

8.2.11 Plans and Benefit Arrangements.

Except as would not result in a Material Adverse Change, the Borrowers shall not, and shall not permit any of their Subsidiaries to:

- (i) fail to satisfy the minimum funding requirements of ERISA and the Internal Revenue Code with respect to any Plan;
- (ii) request a minimum funding waiver from the Internal Revenue Service with respect to any Plan;
- (iii) engage in a Prohibited Transaction with any Plan, Benefit Arrangement or Multiemployer Plan which, alone or in conjunction with any other circumstances or set of circumstances resulting in liability under ERISA;
- (iv) permit the Adjusted Funding Target Attainment Percentage of any Plan to be less than sixty percent (60%), unless the Adjusted Funding Target Attainment Percentage is deemed to be less than sixty percent (60%) under Section 436(h)(2) of the Internal Revenue Code at no fault of any Borrower, Subsidiary or any other member of one of their ERISA Groups;
- (v) fail to make when due any contribution to any Multiemployer Plan that any Borrower or any member of its ERISA Group may be required to make under any agreement relating to such Multiemployer Plan, or any Law pertaining thereto where such failure is likely to result in a liability of any Borrower or any member of the ERISA Group;
- (vi) withdraw (completely or partially) from any Multiemployer Plan or withdraw (or be deemed under Section 4062(e) of ERISA to withdraw) from any

Multiple Employer Plan, where any such withdrawal is likely to result in a Withdrawal Liability or other liability of the Borrowers or any member of the ERISA Group;

(vii) terminate, or institute proceedings to terminate, any Plan, where such termination is likely to result in a liability to the Borrowers or any member of the ERISA Group; or

(viii) fail to give any and all notices and make all disclosures and governmental filings required under ERISA or the Internal Revenue Code.

8.2.12 Fiscal Year.

TGI shall not, and shall not permit any Subsidiary of TGI to, change its fiscal year from the twelve-month period beginning April 1 and ending March 31, other than upon thirty (30) days' prior written notice to the Administrative Agent and provided that such new fiscal year shall end on the last day of a calendar quarter.

8.2.13 Issuance of Stock.

No Borrower, other than TGI, shall, and no Borrower (including TGI) shall permit any of its Subsidiaries to, issue any additional shares of its Capital Stock or any options, warrants or other rights in respect thereof, other than the issuance of Capital Stock by (i) any Loan Party or other Subsidiary to a Loan Party; provided the same is subject to the Administrative Agent's Prior Security Interest and the receiving Loan Party takes such actions to perfect the Administrative Agent's Lien thereon as is reasonably satisfactory to the Administrative Agent, all to the extent such Capital Stock is required to be pledged to the Administrative Agent for the benefit of the Banks under the Loan Documents and (ii) any non-Loan Party Subsidiary to another non-Loan Party Subsidiary.

8.2.14 Changes in Organizational Documents.

The Borrowers shall not, and shall not permit any Loan Party to, amend any provisions of its certificate of incorporation relating to Capital Stock, form of organization, jurisdiction of organization or name without, in each case, providing at least ten (10) Business Days' prior written notice to the Administrative Agent and the Banks, taking all steps required by the Administrative Agent to continue its Prior Security Interest in the Collateral and, in the event such change would be adverse to the Banks as determined by the Administrative Agent in its reasonable discretion, obtaining the prior written consent of the Required Banks.

8.2.15 Minimum Interest Coverage Ratio.

The Borrowers shall not at any time permit the Interest Coverage Ratio, calculated as of the end of each fiscal quarter for the four fiscal quarters then ended, to be less than the ratio set forth below for such fiscal quarter:

<u>Fiscal Quarter Ending</u>	<u>Minimum Interest Coverage Ratio</u>
------------------------------	--

March 31, 2020	2.75:1.00
June 30, 2020	1.85:1.00
September 30, 2020	1.35:1.00
December 31, 2020	1.00:1.00
March 31, 2021	1.15:1.00
June 30, 2021	1.75:1.00
September 30, 2021	2.00:1.00
December 31, 2021	2.25:1.00
March 31, 2022	2.25:1.00
June 30, 2022 and each fiscal quarter thereafter	2.75:1.00

8.2.16 First Lien Secured Leverage Ratio.

The Borrowers shall not at any time permit the First Lien Secured Leverage Ratio, calculated as of the end of each fiscal quarter for the four fiscal quarters then ended, to exceed the ratio set forth below for such fiscal quarter:

<u>Fiscal Quarter Ending</u>	<u>Maximum First Lien Secured Leverage Ratio</u>
March 31, 2020	2.50:1.00
June 30, 2020	2.50:1.00
September 30, 2020	2.50:1.00
December 31, 2020	2.50:1.00
March 31, 2021 and each fiscal quarter thereafter	2.00:1.00

8.2.17 Senior Secured Leverage Ratio.

The Borrowers shall not permit the Senior Secured Leverage Ratio, calculated as of the end of the fiscal quarter ending March 31, 2020 for the four fiscal quarters then ended, to exceed 3.50:1.00. Thereafter, commencing with the fiscal quarter ending June 30, 2021, the Borrowers shall not at any time permit the Senior Secured Leverage Ratio, calculated as of the end of each fiscal quarter for the four fiscal quarters then ended, to exceed the ratio set forth below for such fiscal quarter:

<u>Fiscal Quarter Ending</u>	<u>Maximum Senior Secured Leverage Ratio</u>
------------------------------	--

June 30, 2021	4.50:1.00
September 30, 2021	3.75:1.00
December 31, 2021	3.50:1.00
March 31, 2022	3.50:1.00
June 30, 2022 and each fiscal quarter thereafter	3.25:1.00

8.2.18 Negative Pledges; Restrictions on Dividend Payments.

The Borrowers shall not and shall not permit any of their Subsidiaries to, agree with any Person (i) to limit its ability to provide collateral security to the Banks to secure the Obligations or (ii) to limit the ability of any Borrower's Subsidiaries to pay dividends or make other distributions to such Borrower, except (a) in the case of clause (ii) above, any such limitations set forth in this Agreement, the other Loan Documents, the documents governing the 2014 Bonds and the 2017 Bonds, and the Second Lien Note Documents or any Permitted Refinancing Debt in respect of any of the foregoing so long as the limitations in such Permitted Refinancing Debt are no more restrictive, taken as a whole, than those contained in the applicable Refinanced Debt, and (b) in the case of clause (i) above, (1) any such limitations set forth in agreements relating to secured Indebtedness (other than the Second Lien Notes) permitted by this Agreement if such prohibition or limitation applies only to the property and assets securing such Indebtedness and such property or assets do not constitute Collateral, (2) any restrictions with respect to a Subsidiary imposed pursuant to an agreement that has been entered into in connection with the disposition of assets of such Subsidiary otherwise permitted hereby so long as such restrictions apply only to such assets and do not conflict with any obligation to provide Collateral pursuant to the Loan Documents, (3) customary restrictions or conditions on any non-Loan Party imposed by any agreement or document governing or evidencing Indebtedness of any such non-Loan Party that is otherwise permitted hereunder or (4) customary anti-assignment provisions with respect to contractual obligations, permits or licenses.

8.2.19 Anti-Cash Hoarding.

The Borrowers shall not, and shall not permit any of their Subsidiaries which are Domestic Loan Parties to, maintain Balance Sheet Cash in excess of \$50,000,000.00 in the aggregate for more than five (5) consecutive Business Days at any time Revolving Credit Loans are outstanding. If any Revolving Credit Loans are outstanding and the aggregate amount of Balance Sheet Cash exceeds \$50,000,000.00 for a period of five (5) consecutive Business Days, the Borrowers shall prepay the Revolving Credit Loans in accordance with Section 5.6.3. The Borrowers shall not permit any of their Subsidiaries which are not Domestic Loan Parties to maintain unrestricted cash and Cash Equivalents in excess of \$30,000,000.00 in the aggregate at any time.

## 8.2.20

### Repayment of Certain Indebtedness.

The Borrowers shall not, and shall not permit any of their Subsidiaries to, repay or prepay the 2014 Bonds, the 2017 Bonds, any Subordinated Indebtedness, the Second Lien Notes, or any Permitted Refinancing Debt with respect to any of the foregoing, without the written consent of the Required Banks except, in each case, (x) with Permitted Refinancing Debt thereof, or (y) upon scheduled maturity or as otherwise required by the terms thereof.

## 8.2.21

### Modification of Other Debt Documents

The Borrowers shall not, and shall not permit any of their Subsidiaries to, without the prior written consent of the Required Banks, agree to, or make, or permit to be made any amendment, modification, or supplement to (i) the 2014 Bonds or the 2017 Bonds, as the case may be, each as in effect on the Eleventh Amendment Effective Date, the effect of which is to materially adversely affect any Borrower's or the Banks' rights and interests or (ii) the Second Lien Note Documents which would (a) contravene the provisions of the Second Lien Intercreditor Agreement, (b) change to earlier dates any scheduled dates for payment of principal (including the final maturity date) under such Second Lien Note Documents or of interest under such Second Lien Note Documents, (c) modify (or have the effect of a modification of) the mandatory prepayment provisions of the Second Lien Note Documents in a manner that would result in the weighted average life to maturity being less than the weighted average life to maturity of the Second Lien Notes and the other obligations under the Second Lien Note Documents, prior to giving effect thereto, (d) reduce the capacity to incur Obligations to an amount less than the aggregate principal amount of the Commitments plus any Obligations in respect of Hedge Liabilities under a Bank-Provided Hedge, Foreign Currency Hedge Liabilities under a Bank-Provided Foreign Currency Hedge, and any Other Bank-Provided Financial Service Product, in each case as in effect on the day of any such amendment, modification or supplement or (e) otherwise materially adversely affect any Borrower's or the Banks' rights and interests.

## 8.3

### Reporting Requirements.

Each Borrower covenants and agrees that until Payment In Full, the Borrowers will furnish or cause to be furnished to the Administrative Agent and each of the Banks:

### 8.3.1

#### Quarterly Financial Statements.

As soon as available and in any event within forty-five (45) calendar days after the end of each of the first three fiscal quarters in each fiscal year, financial statements of TGI and its consolidated Subsidiaries consisting of consolidated balance sheets as of the end of such fiscal quarter and related consolidated statements of income, stockholders' equity and cash flows for the fiscal quarter then ended and the fiscal year through that date, all in reasonable detail and certified (subject to normal year-end audit adjustments and the absence of footnotes) by the Chief Executive Officer, President or Chief Financial Officer of the Borrowers as having been prepared in accordance with GAAP, consistently applied, and setting forth in comparative form the respective financial statements for the corresponding date and period in the previous fiscal year. The Borrowers will be deemed to have complied with the delivery requirements of this

Section 8.3.1 if within forty -five (45) days after the end of its fiscal quarter, TGI delivers to the Administrative Agent and files with the Securities and Exchange Commission a copy of its Form 10-Q as filed with the Securities and Exchange Commission (together with a notice stating that such document is being delivered pursuant to this Section 8.3.1) and the financial statements contained therein meet the requirements of this Section 8.3.1.

### 8.3.2

#### Annual Financial Statements.

As soon as available and in any event within ninety (90) days after the end of each fiscal year (or, with respect to the fiscal year ending March 31, 2020, on or prior to July 8, 2020), consolidated financial statements of TGI and its consolidated Subsidiaries consisting of consolidated balance sheets as of the end of such fiscal year, and related consolidated statements of income, stockholders' equity and cash flows for the fiscal year then ended, all in reasonable detail and setting forth in comparative form the financial statements as of the end of and for the preceding fiscal year. Such consolidated statements shall be certified by independent certified public accountants of nationally recognized standing reasonably satisfactory to the Administrative Agent. The certificate or report of accountants shall be free of qualifications (other than any consistency qualification that may result from a change in the method used to prepare the financial statements as to which such accountants concur) and shall not indicate the occurrence or existence of any event, condition or contingency which would materially impair the prospect of payment or performance of any covenant, agreement or duty of the Borrowers under any of the Loan Documents, together with a letter of such accountants (to the extent allowable under the policies of such accountants) substantially to the effect that, based upon their ordinary and customary examination of the affairs of TGI and its consolidated Subsidiaries, performed in connection with the preparation of such consolidated financial statements, and in accordance with generally accepted auditing standards, they are not aware of the existence of any condition or event which constitutes an Event of Default or Potential Default or, if they are aware of such condition or event, stating the nature thereof and confirming the Borrowers' calculations with respect to the certificate to be delivered pursuant to Section 8.3.3 with respect to such financial statements. The Borrowers will be deemed to have complied with the delivery requirements of this Section 8.3.2 if within ninety (90) days after the end of its fiscal year (or, with respect to the fiscal year ending March 31, 2020, on or prior to July 8, 2020), TGI delivers to the Administrative Agent and files with the Securities and Exchange Commission a copy of TGI's annual report and Form 10-K as filed with the Securities and Exchange Commission (together with a notice stating that such document is being delivered pursuant to this Section 8.3.2) and the financial statements and certification of public accountants contained therein meets the requirements described in this Section 8.3.2.

### 8.3.3

#### Compliance Certificate.

Concurrently with the financial statements furnished to the Administrative Agent and to the Banks pursuant to Sections 8.3.1 and 8.3.2, a certificate of the Borrowers signed by the Chief Executive Officer, President or Chief Financial Officer of TGI, as agent for the Borrowers, in the form of Exhibit 8.3.3, to the effect that, except as described pursuant to Section 8.3.4, (i) the representations and warranties of the Borrowers contained in Article 6 are true on and as of the date of such certificate with the same effect as though such representations and warranties had been made on and as of such date (except representations and warranties



which expressly relate solely to an earlier date or time) and the Borrowers have performed and complied with all covenants and conditions hereof, (ii) no Event of Default or Potential Default exists and is continuing on the date of such certificate (except as described therein), (iii) containing calculations in sufficient detail to determine compliance as of the date of the applicable financial statements with all financial covenants contained in Section 8.2, and (iv) certifying that (a) TGI and the Subsidiaries of TGI then comprising the Loan Parties and being fully liable for the Obligations hereunder, directly contributed in the aggregate not less than seventy-five percent (75%) of the Consolidated EBITDA of TGI and its Subsidiaries (and showing the actual percentage of Consolidated EBITDA such Loan Parties represent), and (b) TGI and the Domestic Subsidiaries then comprising the Loan Parties directly contributed in the aggregate not less than ninety five percent (95%) of the Consolidated EBITDA of TGI and its Domestic Subsidiaries (and showing the actual percentage of Consolidated EBITDA such Domestic Subsidiaries represent), in each case, for the most recent Test Period then ended. If a Specified Asset Sale occurred during the reporting period covered by the compliance certificate, the Borrowers shall comply with the requirements set forth in the definition of Consolidated Adjusted EBITDA for purposes of making adjustments to Consolidated EBITDA to omit the financial performance of the entity or assets sold or disposed of.

#### 8.3.4 Notice of Default.

Promptly after any officer of any Borrower has learned of the occurrence of an Event of Default or Potential Default, a certificate signed by the Chief Executive Officer, President or Chief Financial Officer of such Borrower setting forth the details of such Event of Default or Potential Default and, if applicable, the action which the Borrowers propose to take with respect thereto.

#### 8.3.5 Notice of Litigation.

Promptly after the commencement thereof, notice of all actions, suits, proceedings or investigations before or by any Official Body or any other Person against any Borrower or Subsidiary of any Borrower which relate to the Collateral or in the good faith estimation of counsel for the Borrowers could reasonably be expected to constitute a Material Adverse Change.

#### 8.3.6 Certain Events.

Written notice, together with a detailed description, of any of the following events:

(i) Transfer of Assets. At least ten (10) Business Days prior thereto, with respect to any Specified Asset Sale; provided that such notice shall be provided at least fifteen (15) Business Days prior to any individual sale or transfer of assets pursuant to such provision the after-tax proceeds of which exceed 2% of TGI's consolidated total assets at the start of the fiscal year in which such sale or transfer occurs;

(ii) Charter Amendments. Within the time limits set forth in Section 8.2.14, the amendment to the charter affecting the capital structure of TGI or any of its Subsidiaries;

(iii) Event of Default; Waiver or Amendment. (A) promptly after any officer of any Borrower has learned of the occurrence of an event of default under, or (B) at least five (5) Business Days prior to a waiver, amendment or consent under, in each case of clause (A) and (B), the 2014 Bonds, the 2017 Bonds or the Second Lien Note Documents, together with a copy of such proposed waiver, amendment or consent and a description of such event of default, as the case may be;

(iv) Schedules. Promptly after any change or addition, updates to the information contained or required to be contained on Schedules: 6.1.2 [Capitalization] and 6.1.3 [Subsidiaries], assuming in each case that each such Schedule is being delivered as of the date of notice of such change or addition thereto (rather than as of the Closing Date or prior thereto); and

(v) Change in Law. Promptly upon the enactment or adoption of any Law which may result in a Material Adverse Change.

### 8.3.7 Budgets, Forecasts, Other Reports and Information.

The following items:

(i) a rolling thirteen-week cash flow projection, in a form reasonably satisfactory to the Administrative Agent, which shall include estimates of cash receipts, cash expenses, accounts receivable, accounts payable and accrued expenses, no later than the second (2nd) Business Day of each week;

(ii) the annual budget of TGI and its Subsidiaries, to be certified by a responsible officer of TGI and supplied at the written request of the Administrative Agent prior to commencement of the applicable fiscal year;

(iii) any reports including management letters submitted to TGI by independent accountants in connection with any annual, interim or special audit promptly upon their becoming available to any Borrower;

(iv) any reports, notices or proxy statements generally distributed by TGI to its stockholders on a date no later than the date supplied to the stockholders;

(v) regular or periodic reports (other than the Forms 10-K and 10-Q which are addressed in Sections 8.3.1 and 8.3.2 above), including 8-K, registration statements and prospectuses, filed by TGI with the Securities and Exchange Commission within five (5) days after such filing;

(vi) a copy of any order, issued by any Official Body in any proceeding to which TGI or any of its Subsidiaries is a party, and in which the amount in controversy exceeds \$2,500,000 or where injunctive or similar relief is sought, promptly upon their becoming available to any Borrower; and

(vii) may from time to time reasonably request.

such other reports and information as the Banks

### 8.3.8

#### Notices Regarding Plans and Benefit Arrangements.

##### 8.3.8.1

##### Certain Events.

Promptly upon becoming aware of the occurrence thereof, notice (including the nature of the event and, when known, any action taken or threatened by the Internal Revenue Service or the PBGC with respect thereto) of:

(i) any Reportable Event with respect to any Borrower or any member of any of its ERISA Group for which reporting to the PBGC has not been waived involving an event which could subject any Borrower or any member of its ERISA Group to any material liability;

(ii) any Prohibited Transaction which could subject any Borrower or any member of any of its ERISA Group to any material tax or liability in connection with any Plan, Benefit Arrangement or any trust created thereunder;

(iii) any assertion of material Withdrawal Liability with respect to any Multiemployer Plan;

(iv) any partial or complete withdrawal from a Multiemployer Plan by any Borrower or any member of any of its ERISA Group, where such withdrawal is likely to result in material Withdrawal Liability;

(v) withdrawal by any Borrower or any member of any of its ERISA Group from a Multiple Employer Plan, which is likely to result in a material liability; or

(vi) any change in the actuarial assumptions or funding methods used for any Plan (other than interest rate changes required by Financial Standards Board Opinion No. 87 or ERISA or the Internal Revenue Code), where the effect of such change is to materially increase or materially reduce the unfunded benefit liability or obligation to make periodic contributions to such Plan.

##### 8.3.8.2

##### Notices of Involuntary Termination and Annual Reports.

Promptly after receipt thereof, copies of (a) all notices received by any Borrower or any member of its ERISA Group of the PBGC's intent to terminate any Plan administered or maintained by such Borrower or member of its ERISA Group, or to have a trustee appointed to administer any such Plan; and (b) at the request of the Administrative Agent or any Bank each annual report (IRS Form 5500 series) and all accompanying schedules, the most recent actuarial reports, the most recent financial information concerning the financial status of each Plan administered or maintained by any Borrower or any member of any of their ERISA Groups, and schedules showing the amounts contributed to each such Plan by or on behalf of such Borrower or any member of the ERISA Group in which any of their personnel participate or from which such personnel may derive a benefit, and each Schedule SB (Actuarial Information) to the annual

report filed by any Borrower or any member of its ERISA Group with the Internal Revenue Service with respect to each such Plan.

8.3.8.3

Notice of Voluntary Termination.

Promptly upon the filing thereof, copies of any Form 5310 or Form 500, or any successor or equivalent form to such forms, filed with the Internal Revenue Service or PBGC in connection with the termination of any Plan which causes any Borrower or any member of its ERISA Group to have a material liability.

9. **DEFAULT**

9.1 **Events of Default.**

An Event of Default shall mean the occurrence or existence of any one or more of the following events or conditions (whatever the reason therefor and whether voluntary, involuntary or effected by operation of Law):

9.1.1 **Payments Under Loan Documents.**

The Borrowers shall fail to pay when due any principal of any Loan (including scheduled installments, mandatory prepayments or the payment due at maturity) or shall fail to pay, for more than two Business Days after the due date thereof, any interest on any Loan or any fees or any other amount owing hereunder or under the other Loan Documents;

9.1.2 **Breach of Warranty.**

Any representation or warranty made at any time by any Borrower or any other Loan Party herein or in any other Loan Document, or in any certificate, other instrument or statement furnished pursuant to the provisions hereof or thereof, shall prove to have been false or misleading in any material respect as of the time it was made or furnished;

9.1.3 **Refusal to Permit Inspections; Breach of Negative Covenants.**

Any Borrower shall default in the observance or performance of any covenant contained in Section 8.1.1 (with respect to any Borrower), Section 8.1.6, Section 8.1.9 (with respect to Anti-Terrorism Laws and Anti-Corruption Laws), Section 8.1.10, Section 8.2 hereof or Sections 5.5 or 5.7(b) of the Guarantee and Collateral Agreement;

9.1.4 **Breach of Other Covenants.**

Any Borrower or any other Loan Party shall default in the observance or performance of any other covenant, condition or provision hereof or of any other Loan Document and such default shall continue unremedied for a period of ten (10) Business Days after any officer of any Borrower becomes aware of the occurrence thereof;

(i) A default or event of default shall occur at any time under the terms of any other agreement involving Material Indebtedness, and such default or event of default consists of the failure to pay (beyond any period of grace permitted with respect thereto, whether waived or not) any such Material Indebtedness when due (whether at stated maturity, by acceleration or otherwise) or such default or event of default permits or causes the acceleration of any such Material Indebtedness (and such right shall not have been waived) or the termination of any commitment to lend thereunder, or (ii) without limiting the foregoing, there occurs and is continuing any event of default giving rise to a right of acceleration or termination under (a) the Second Lien Note Documents, (b) [reserved], or (c) the 2014 Bonds or the 2017 Bonds, or (iii) without limiting the foregoing, the Receivables Facility is terminated prior to maturity as a result of a breach, default, event of default, or Termination Event (as defined in the Receivables Purchase Agreement);

Any final judgments or orders for the payment of money in excess of \$25,000,000.00 (to the extent not covered by insurance) in the aggregate shall be entered against any Borrower or any Subsidiary of any Borrower by a court having jurisdiction in the premises, which judgment is not discharged, vacated, bonded or stayed pending appeal within a period of forty-five (45) days from the date of entry;

Any of the Loan Documents shall cease to be legal, valid and binding agreements enforceable against the party executing the same or such party's successors and assigns (as permitted under the Loan Documents) in accordance with the respective terms thereof or shall in any way be terminated (except in accordance with its terms) or become or be declared ineffective or inoperative or shall in any way be challenged or contested by a Loan Party or cease to give or provide the respective Liens, security interests, rights, titles, interests, remedies, powers or privileges intended to be created thereby with the priority purported to be created thereby. In addition to and without limiting the generality of the foregoing, (i) any Collateral Document ceases to be valid or effective, other than in accordance with the terms hereof or of such Collateral Document, (ii) any Loan Party asserts that any Collateral Document is not a legal, valid and binding obligation of such Person enforceable in accordance with its terms, (iii) the security interest or Lien purporting to be created by any of the Collateral Documents ceases to be or is asserted by any Loan Party not to be a valid, perfected Lien subject to no Liens (other than Permitted Liens), other than in accordance with the terms hereof or of such Collateral Document, or is declared by a court or other Official Body of competent jurisdiction to be void, voidable or unenforceable against such Person; or (iv) any Collateral Document is amended, subordinated, terminated or discharged, or any Person is released from any of its covenants or obligations except to the extent expressly provided herein or therein;

9.1.8

Uninsured Losses; Proceedings Against Assets.

(i) There shall occur any material uninsured damage to or loss, theft or destruction of the assets of any Loan Party in excess of \$50,000,000.00 in fair market value, and the same is reasonably expected to result in a Material Adverse Change, or (ii) the assets of any Loan Party are attached, seized, levied upon or subjected to a writ or distress warrant and the fair market value of such assets exceeds \$50,000,000.00 and the same is not cured within sixty (60) days thereafter; or such assets come within the possession of any receiver, trustee, custodian or assignee for the benefit of creditors and the same is not cured within sixty (60) days thereafter;

9.1.9

Notice of Lien or Assessment.

A notice of Lien or assessment in excess of \$25,000,000.00 which is not a Permitted Lien is filed of record with respect to all or any part of the assets of any Borrower or any of their Subsidiaries by the United States, or any department, agency or instrumentality thereof, or by any state, county, municipal or other governmental agency, including the Pension Benefit Guaranty Corporation, or if any taxes or debts owing at any time or times hereafter to any one of these becomes payable and the same is not paid within thirty (30) days after the same becomes payable (unless such Borrower or such Subsidiary is contesting the obligation as provided in Section 8.1.2);

9.1.10

Insolvency.

Any Loan Party or any Material Subsidiary of any Borrower ceases to be solvent or admits in writing its inability to pay its debts as they mature;

9.1.11

Events Relating to Plans and Benefit Arrangements.

Any of the following occurs: (i) any Reportable Event, which the Administrative Agent determines in good-faith constitutes grounds for the termination of any Plan by the PBGC or the appointment of a trustee to administer or liquidate any Plan, shall have occurred and be continuing; (ii) proceedings shall have been instituted or other formal action taken to terminate any Plan, or a termination notice shall have been filed with respect to any Plan; (iii) a trustee shall be appointed to administer or liquidate any Plan; (iv) the PBGC shall give notice of its intent to institute proceedings to terminate any Plan or Plans or to appoint a trustee to administer or liquidate any Plan; (v) any Borrower or any member of the ERISA Group shall withdraw completely or partially from a Multiemployer Plan; (vi) any Borrower or any member of its ERISA Group shall withdraw (or shall be deemed under Section 4062(e) of ERISA to withdraw) from a Multiple Employer Plan; and, with respect to any of the events specified in (i) through (vi) above, such occurrence is reasonably likely to result in a Material Adverse Change;

9.1.12

Cessation of Business.

Except as otherwise permitted herein, any Borrower or any Subsidiary of any Borrower ceases to conduct its business as contemplated or any Borrower is enjoined, restrained or in any way prevented by court order from conducting all or any material part of its business and such injunction, restraint or other preventive order is not dismissed within thirty (30) days

after the entry thereof; provided that, failure to conduct business for any period during which operations are required by applicable law to be closed or are otherwise advised to be closed in connection with COVID-19 shall not constitute an Event of Default under this Section 9.1.12;

9.1.13 Change of Control.

There occurs an event or series of events by which (i) any “person” or “group” (as such terms are defined in Sections 13(d) and 14(d) of the Securities Exchange Act of 1934, as amended, and the rules and regulations promulgated thereunder), is or becomes the “beneficial owner” (as defined in Rules 13d-3 and 13d-5 under such Exchange Act, except that a Person shall be deemed to have “beneficial ownership” of all shares that any such Person has the right to acquire without condition, other than passage of time, whether such right is exercisable immediately or only after the passage of time), directly or indirectly, of more than 35% of the total voting power of the then outstanding voting stock of TGI, or (ii) (A) TGI consolidates with or merges into another corporation or conveys, transfers or leases all or substantially all of its properties and assets (determined on a consolidated basis for TGI and its Subsidiaries taken as a whole) to any Person, or (B) any corporation consolidates with or merges into any Borrower or a Subsidiary of any Borrower in a transaction in which the outstanding voting stock of TGI is changed into or exchanged for cash, securities or other property, other than a transaction solely between TGI and a Subsidiary of TGI;

9.1.14 Involuntary Proceedings.

A proceeding shall have been instituted in a court having jurisdiction in the premises seeking a decree or order for relief in respect of any Loan Party or any Material Subsidiary of any Loan Party in an involuntary case under any applicable bankruptcy, insolvency, reorganization or other similar law now or hereafter in effect, or for the appointment of a receiver, liquidator, assignee, custodian, trustee, sequestrator, conservator (or similar official) of any Borrower or any of its Subsidiaries for any substantial part of its property, or for the winding-up or liquidation of its affairs, and such proceeding shall remain undismissed or unstayed and in effect for a period of sixty (60) consecutive days or such court shall enter a decree or order granting any of the relief sought in such proceeding; or

9.1.15 Voluntary Proceedings.

Any Loan Party or any Material Subsidiary of any Loan Party shall commence a voluntary case under any applicable bankruptcy, insolvency, reorganization or other similar law now or hereafter in effect, shall consent to the entry of an order for relief in an involuntary case under any such law, or shall consent to the appointment or taking possession by a receiver, liquidator, assignee, custodian, trustee, sequestrator, conservator (or other similar official) of itself or for any substantial part of its property or shall make a general assignment for the benefit of creditors, or shall fail generally to pay its debts as they become due, or shall take any action in furtherance of any of the foregoing.

## 9.2.1

Events of Default Other Than Bankruptcy, Insolvency or ReorganizationProceedings.

If an Event of Default specified under subsections 9.1.1 through 9.1.13 of Section 9.1 shall occur and be continuing, the Banks and the Issuing Bank shall be under no further obligation to make Loans or issue Letters of Credit, as the case may be, and the Administrative Agent may, and, upon the request of the Required Banks, shall (i) by written notice to TGI, as agent for the Borrowers, declare the unpaid principal amount of the Obligations then outstanding and all interest accrued thereon, any unpaid fees and all other Indebtedness of the Borrowers to the Banks hereunder to be forthwith due and payable, and the same shall thereupon become and be immediately due and payable to the Administrative Agent for the benefit of each Bank without presentment, demand, protest or any other notice of any kind, all of which are hereby expressly waived, and (ii) require the Borrowers to, and the Borrowers shall thereupon, deposit in a non-interest bearing account with the Administrative Agent, as cash collateral for its Obligations under the Loan Documents, an amount equal to the maximum amount currently or at any time thereafter available to be drawn on all outstanding Letters of Credit, and the Borrowers, individually and collectively, hereby pledge to the Administrative Agent and the Banks, and grant to the Administrative Agent and the Banks a security interest in, all such cash as security for such Obligations. Upon the curing of all existing Events of Default to the satisfaction of the Required Banks, the Administrative Agent shall return such cash collateral to the Borrowers; and

## 9.2.2

Bankruptcy, Insolvency or Reorganization Proceedings.

If an Event of Default specified under subsections 9.1.14 or 9.1.15 of Section 9.1 shall occur and be continuing, the Banks shall be under no further obligations to make Loans hereunder and the Issuing Bank shall be under no obligation to issue Letters of Credit and the unpaid principal amount of the Obligations then outstanding and all interest accrued thereon, any unpaid fees and all other Indebtedness of the Borrowers to the Banks hereunder shall be immediately due and payable, without presentment, demand, protest or notice of any kind, all of which are hereby expressly waived; and

## 9.2.3

Set-off.

If an Event of Default shall occur and be continuing, any Bank or Issuing Bank to whom any Obligation is owed by any Borrower hereunder or under any other Loan Document or any Participant of such Bank which has agreed in writing to be bound by the provisions of Section 5.2 and 10.13 and any branch, Subsidiary or Affiliate of such Bank or Participant anywhere in the world shall have the right, in addition to all other rights and remedies available to it, without notice to the Borrowers, to set-off against and apply to the then unpaid balance of all the Loans and all other Obligations of any such Borrower hereunder or under any other Loan Document any debt owing to, and any other funds held in any manner for the account of, any such Borrower by such Bank, Issuing Bank or Participant or by such branch, Subsidiary or Affiliate, including all funds in all deposit accounts (whether time or demand, general or special, provisionally credited or finally credited, or otherwise) now or hereafter maintained by any



Borrower for its own account (but not including funds held in custodian or trust accounts) with such Bank, Issuing Bank or Participant or such branch, Subsidiary or Affiliate. Such right shall exist whether or not any Bank, Issuing Bank or the Administrative Agent shall have made any demand under this Agreement or any other Loan Document, whether or not such debt owing to or funds held for the account of such Borrower is or are matured or unmatured and regardless of the existence or adequacy of any Guaranty or any other security, right or remedy available to any Bank, Issuing Bank or the Administrative Agent; and

9.2.4 Suits, Actions, Proceedings.

If an Event of Default shall occur and be continuing, and whether or not the Administrative Agent shall have accelerated the maturity of Loans to the Borrowers pursuant to any of the foregoing provisions of this Section 9.2, the Administrative Agent may proceed to protect and enforce its rights by suit in equity, action at law and/or other appropriate proceeding, whether for the specific performance of any covenant or agreement contained in this Agreement or the other Loan Documents, including as permitted by applicable Law the obtaining of the ex parte appointment of a receiver, and, if such amount shall have become due, by declaration or otherwise, proceed to enforce the payment thereof or any other legal or equitable right of the Administrative Agent; and

9.2.5 Application of Proceeds; Collateral Sharing.

9.2.5.1 Application of Proceeds.

From and after the date on which the Administrative Agent has taken any action pursuant to this Section 9.2, and until all Obligations of the Borrowers have been Paid in Full, any and all proceeds received by the Administrative Agent from any sale or other disposition of the Collateral, or any part thereof, or on account of the exercise of other remedies by the Administrative Agent, shall be applied as described in Section 6.5 of the Guarantee and Collateral Agreement.

Notwithstanding anything to the contrary in this Section 9.2.5, no Swap Obligations of any Non-Qualifying Party shall be paid with amounts received from such Non-Qualifying Party under its Guaranty (including sums received as a result of the exercise of remedies with respect to such Guaranty) or from the proceeds of such Non-Qualifying Party's Collateral if such Swap Obligations would constitute Excluded Hedge Liabilities; provided, however, that to the extent possible appropriate adjustments shall be made with respect to payments and/or the proceeds of Collateral from other Loan Parties that are Eligible Contract Participants with respect to such Swap Obligations to preserve the allocation to Obligations otherwise set forth above in this Section.

9.2.5.2 Collateral Sharing.

All Liens granted under the Collateral Documents and any other Loan Document shall secure ratably and on a pari passu basis (i) the Obligations in favor of the Administrative Agent and the Banks hereunder and (ii) the Obligations incurred by any of the Loan Parties (a) under any Bank-Provided Hedge or any Bank-Provided Foreign Currency Hedge, in each case, in favor of (1) any Person which at the time it provided such Bank-Provided Hedge or such

Bank-Provided Foreign Currency Hedge, was a Bank (or an Affiliate thereof), or (b) in favor of a Bank (or any Affiliate of any Bank) which provides an Other Bank-Provided Financial Service Product (collectively such Persons described in clauses (a) and (b), the “IRH Providers”). The Administrative Agent under the Collateral Documents shall be deemed to serve as the collateral agent (the “Collateral Agent”) for the IRH Providers and the Banks hereunder; provided that the Collateral Agent shall comply with the instructions and directions of the Administrative Agent (or the Banks under this Agreement to the extent that this Agreement or any other Loan Document empowers the Banks to direct the Administrative Agent), as to all matters relating to the Collateral, including the maintenance and disposition thereof. No IRH Provider (except in its capacity as a Bank hereunder) shall be entitled or have the power to direct or instruct the Collateral Agent on any such matters or to control or direct in any manner the maintenance or disposition of the Collateral.

### 9.2.5.3

### Notice of Sale.

Any notice required to be given by the Administrative Agent of a sale, lease, or other disposition of the Collateral or any other intended action by the Administrative Agent, if given ten (10) days prior to such proposed action, shall constitute commercially reasonable and fair notice thereof to the applicable Loan Parties.

## 10. **THE ADMINISTRATIVE AGENT**

### 10.1 Appointment.

Each Bank and Issuing Bank hereby irrevocably designates, appoints and authorizes PNC Bank to act as Administrative Agent for such Bank under this Agreement to execute and deliver or accept on behalf of each of the Banks the other Loan Documents and each Bank hereby agrees to be bound by the terms thereof. Each Bank and Issuing Bank hereby irrevocably authorizes, and each holder of any Note by the acceptance of a Note shall be deemed irrevocably to authorize, the Administrative Agent to take such action on its behalf under the provisions of this Agreement and the other Loan Documents and any other instruments and agreements referred to herein, and to exercise such powers and to perform such duties hereunder as are specifically delegated to or required of the Administrative Agent by the terms hereof, together with such powers as are reasonably incidental thereto. PNC Bank agrees to act as the Administrative Agent on behalf of the Banks to the extent provided in this Agreement. Furthermore, JPMorgan Chase Bank, N.A., Citizens Bank, N.A. and MUFG Bank, Ltd. (f/k/a The Bank of Tokyo-Mitsubishi UFJ, LTD.), shall be named Syndication Agents, and Fifth Third Bank, Barclays Bank PLC, Bank of America, N.A. and Santander Bank, N.A. shall be named Documentation Agents, though none shall have any duties in connection with this Agreement or have by reason of this Agreement a fiduciary or trust relationship in respect of any Bank.

### 10.2 Delegation of Duties.

The Administrative Agent may perform any of its duties hereunder by or through agents or employees (provided such delegation does not constitute a relinquishment of its duties as Administrative Agent) and, subject to Sections 10.5 and 10.6, shall be entitled to engage and pay

for the advice or services of any attorneys, accountants or other experts concerning all matters pertaining to its duties hereunder and to rely upon any advice so obtained.

10.3 Nature of Duties; Independent Credit Investigation.

The Administrative Agent shall have no duties or responsibilities except those expressly set forth in this Agreement and no implied covenants, functions, responsibilities, duties, obligations, or liabilities shall be read into this Agreement or otherwise exist. The duties of the Administrative Agent shall be mechanical and administrative in nature; the Administrative Agent shall not have by reason of this Agreement a fiduciary or trust relationship in respect of any Bank; and nothing in this Agreement, expressed or implied, is intended to or shall be so construed as to impose upon the Administrative Agent any obligations in respect of this Agreement except as expressly set forth herein. Each Bank expressly acknowledges (i) that the Administrative Agent has not made any representations or warranties to it and that no act by the Administrative Agent hereafter taken, including any review of the affairs of any Borrower, shall be deemed to constitute any representation or warranty by the Administrative Agent to any Bank; (ii) that it has made and will continue to make, without reliance upon the Administrative Agent, its own independent investigation of the financial condition and affairs and its own appraisal of the creditworthiness of the Borrowers in connection with this Agreement and the making and continuance of the Loans hereunder; and (iii) except as expressly provided herein, that the Administrative Agent shall have no duty or responsibility, either initially or on a continuing basis, to provide any Bank with any credit or other information with respect thereto, whether coming into its possession before the making of any Loan or at any time or times thereafter.

10.4 Actions in Discretion of Administrative Agent; Instructions from the Banks.

The Administrative Agent agrees, upon the written request of the Required Banks, to take or refrain from taking any action of the type specified as being within the Administrative Agent's rights, powers or discretion herein (other than the Administrative Agent's right to approve an extension of the Expiration Date under Section 11.1.1), provided that the Administrative Agent shall not be required to take any action which exposes the Administrative Agent to personal liability or which is contrary to this Agreement or any other Loan Document or applicable Law. In the absence of a request by the Required Banks, the Administrative Agent shall have authority, in its sole discretion, to take or not to take any such action, unless this Agreement specifically requires the consent of the Required Banks or all of the Banks. Any action taken or failure to act pursuant to such instructions or discretion shall be binding on the Banks, subject to Section 10.6. Subject to the provisions of Section 10.6, no Bank shall have any right of action whatsoever against the Administrative Agent as a result of the Administrative Agent acting or refraining from acting hereunder in accordance with the instructions of the Required Banks, or in the absence of such instructions, in the absolute discretion of the Administrative Agent.

10.5 Reimbursement and Indemnification of Administrative Agent by the Borrowers.

The Borrowers, jointly and severally, unconditionally agree to pay or reimburse the Administrative Agent and save the Administrative Agent harmless against (a) liability for the payment of all reasonable and actual out-of-pocket costs, expenses and disbursements, including fees and expenses of counsel (including any professionals engaged by such counsel in

connection with such representation), appraisers and environmental consultants, incurred by the Administrative Agent (i) in connection with the development, negotiation, preparation, printing, execution, administration, syndication, interpretation and performance of this Agreement and the other Loan Documents, (ii) relating to any requested amendments, waivers or consents pursuant to the provisions hereof, (iii) in connection with the enforcement of this Agreement or any other Loan Document or collection of amounts due hereunder or thereunder or the proof and allowability of any claim arising under this Agreement or any other Loan Document, whether in bankruptcy or receivership proceedings or otherwise, and (iv) in any workout, restructuring or in connection with the protection, preservation, exercise or enforcement of any of the terms hereof or of any rights hereunder or under any other Loan Document or in connection with any foreclosure, collection or bankruptcy proceedings, and (b) all liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses or disbursements of any kind or nature whatsoever which may be imposed on, incurred by or asserted against the Administrative Agent, in its capacity as such, in any way relating to or arising out of this Agreement or any other Loan Documents or any action taken or omitted by the Administrative Agent hereunder or thereunder, provided that the Borrowers shall not be liable for any portion of such liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses or disbursements if the same results from the Administrative Agent's gross negligence or willful misconduct, or if TGI, as agent for the Borrowers, was not given notice of the subject claim and the opportunity to participate in the defense thereof, at its expense (except that the Borrowers shall remain liable to the extent such failure to give notice does not result in a loss to the Borrowers), or if the same results from a compromise or settlement agreement entered into without the consent of TGI, as agent for the Borrowers, which shall not be unreasonably withheld. In addition, the Borrowers, jointly and severally, agree to reimburse and pay all reasonable out-of-pocket expenses of the Administrative Agent's regular employees and agents engaged periodically to perform audits of any Borrower's books, records and business properties, provided that, so long as no Event of Default exists, the Borrowers shall not be obligated to pay for more than one such audit per year. The indemnifications set forth herein shall be in addition to the indemnifications elsewhere set forth in this Agreement. The provisions of this Section shall survive and continue after repayment of the Obligations and termination of this Agreement.

#### 10.6 Exculpatory Provisions.

Neither the Administrative Agent nor any of its directors, officers, employees, agents, attorneys or Affiliates shall (a) be liable to any Bank or Issuing Bank for any action taken or omitted to be taken by it or them hereunder, or in connection herewith including pursuant to any Loan Document, unless caused by its or their own gross negligence or willful misconduct, (b) be responsible in any manner to any of the Banks or Issuing Banks for the effectiveness, enforceability, genuineness, validity or the due execution of this Agreement or any other Loan Documents or for any recital, representation, warranty, document, certificate, report or statement herein or made or furnished under or in connection with this Agreement or any other Loan Documents, or (c) be under any obligation to any of the Banks or Issuing Banks to ascertain or to inquire as to the performance or observance of any of the terms, covenants or conditions hereof or thereof on the part of any Borrower, or the financial condition of any Borrower, or the existence or possible existence of any Event of Default or Potential Default. Neither the Administrative Agent nor any Bank, nor any Issuing Bank, nor any of their respective directors, officers, employees, agents, or Affiliates shall be liable to any Borrower for consequential

damages resulting from any breach of contract in connection with the negotiation, documentation, administration or collection of the Loans or any of the Loan Documents.

10.7 Reimbursement and Indemnification of Administrative Agent by Banks.

Each Bank agrees to reimburse and indemnify the Administrative Agent (to the extent not reimbursed by the Borrowers and without limiting the Obligation of the Borrowers to do so) in proportion to its Ratable Share from and against all liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses or disbursements of any kind or nature whatsoever which may be imposed on, incurred by or asserted against the Administrative Agent, in its capacity as such, in any way relating to or arising out of this Agreement or any other Loan Documents or any action taken or omitted by the Administrative Agent hereunder or thereunder, provided that no Bank shall be liable for any portion of such liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses or disbursements (a) if the same results from the Administrative Agent's gross negligence or willful misconduct, or (b) if such Bank was not given notice of the subject claim and the opportunity to participate in the defense thereof, at its expense (except that such Bank shall remain liable to the extent such failure to give notice does not result in a loss to the Bank), or (c) if the same results from a compromise and settlement agreement entered into without the consent of such Bank, which shall not be unreasonably withheld. In addition, each Bank agrees promptly upon demand to reimburse the Administrative Agent (to the extent not reimbursed by the Borrowers and without limiting the Obligation of the Borrowers to do so) in proportion to its Ratable Share for all amounts due and payable by the Borrowers to the Administrative Agent in connection with the Administrative Agent's periodic audit of any Borrower's books, records and business properties.

10.8 Reliance by Administrative Agent.

The Administrative Agent shall be entitled to rely upon any writing, telegram, telex or teletype message, resolution, notice, consent, certificate, letter, cablegram, statement, order or other document or conversation by telephone or otherwise believed by it to be genuine and correct and to have been signed, sent or made by the proper Person or Persons, and upon the advice and opinions of counsel and other professional advisers selected by the Administrative Agent. The Administrative Agent shall be fully justified in failing or refusing to take any action hereunder unless it shall first be indemnified to its satisfaction by the Banks against any and all liability and expense which may be incurred by it by reason of taking or continuing to take any such action.

10.9 Notice of Default.

The Administrative Agent shall not be deemed to have knowledge or notice of the occurrence of any Potential Default or Event of Default unless the Administrative Agent has received written notice from a Bank or TGI referring to this Agreement, describing such Potential Default or Event of Default and stating that such notice is a "notice of default."

10.10 Notices.

The Administrative Agent shall promptly send to each Bank a copy of all notices received from TGI, as agent for the Borrowers, pursuant to the provisions of this Agreement or

the other Loan Documents promptly upon receipt thereof. The Administrative Agent shall promptly notify TGI, as agent for the Borrowers, and the other Banks of each change in the Base Rate and the effective date thereof.

10.11 Banks in Their Individual Capacities.

With respect to its Revolving Credit Commitments and the Revolving Credit Loans made by it, the Administrative Agent shall have the same rights and powers hereunder as any other Bank and may exercise the same as though it were not the Administrative Agent, and the term “Banks” shall, unless the context otherwise indicates, include the Administrative Agent in its individual capacity. PNC Bank and its Affiliates and each of the Banks and their respective Affiliates may, without liability to account, except as prohibited herein, make loans to, accept deposits from, discount drafts for, act as trustee under indentures of, and generally engage in any kind of banking or trust business with, any Borrower and their Affiliates, in the case of the Administrative Agent, as though it were not acting as Administrative Agent hereunder and in the case of each Bank, as though such Bank were not a Bank hereunder.

10.12 Disqualified Institutions.

The Administrative Agent shall not be responsible or have any liability for, or have any duty to ascertain, inquire into, monitor or enforce, compliance with the provisions hereof relating to Disqualified Institutions. Without limiting the generality of the foregoing, the Administrative Agent shall not (x) be obligated to ascertain, monitor or inquire as to whether any Bank or Participant or prospective Bank or Participant is a Disqualified Institution or (y) have any liability with respect to or arising out of any assignment or participation of Loans, or disclosure of confidential information, to any Disqualified Institution. Upon request by any Bank to the Borrowers, the Borrowers shall provide such Bank with a copy of the notices setting forth the Disqualified Institutions.

10.13 Equalization of Banks.

The Banks and the Participants agree among themselves that, with respect to all amounts received by any Bank or any such Participant for application on any Obligation hereunder or under any other Loan Document or under any such participation, whether received by voluntary payment, by realization upon security, by the exercise of the right of set-off or banker’s lien, by counterclaim or by any other non-pro rata source, equitable adjustment will be made in the manner stated in the following sentence so that, in effect, all such excess amounts will be shared ratably among the Banks and such Participant in proportion to their interests in payments under the Loan Documents, except as otherwise provided in Sections 4.5.2, 5.4.2, or 5.5.1. The Banks or any such Participant receiving any such amount shall purchase for cash from each of the other Banks an interest in such Bank’s Loans in such amount as shall result in a ratable participation by the Banks and each such Participant in the aggregate unpaid amount under the Loan Documents, provided that if all or any portion of such excess amount is thereafter recovered from the Bank or the Participant making such purchase, such purchase shall be rescinded and the purchase price restored to the extent of such recovery, together with interest or other amounts, if any, required by law (including court order) to be paid by the Bank or the Participant making

such purchase. Notwithstanding the foregoing, no payments received from a Foreign Borrower shall be used to satisfy obligations of a Domestic Borrower.

10.14                    Successor Administrative Agent.

The Administrative Agent may resign as Administrative Agent by giving not less than thirty (30) days' prior written notice to TGI, as agent for the Borrowers. If the Administrative Agent shall resign under this Agreement, then either (a) the Required Banks shall appoint from among the Banks a successor agent for the Banks, subject (provided that there does not exist an Event of Default) to the consent of TGI, as agent for the Borrowers, such consent not to be unreasonably withheld, or (b) if a successor agent shall not be so appointed and approved within the thirty (30) day period following the Administrative Agent's notice to the Banks of its resignation, then the Administrative Agent shall appoint, with the consent (provided that there does not exist an Event of Default) of TGI, as agent for the Borrowers, such consent not to be unreasonably withheld, a successor agent who shall serve as Administrative Agent until such time as the Required Banks appoint and (provided that there does not exist an Event of Default) TGI, as agent for the Borrowers consents to the appointment of a successor agent; provided that, in either case, in no event shall any such successor Administrative Agent be a Defaulting Bank or Disqualified Institution. Upon its appointment pursuant to either clause (a) or (b) above, such successor agent shall succeed to the rights, powers and duties of the Administrative Agent, and the term "Administrative Agent" shall mean such successor agent, effective upon its appointment, and the former Administrative Agent's rights, powers and duties as Administrative Agent (and as the Issuing Bank and as lender of Swing Loans) shall be terminated without any other or further act or deed on the part of such former Administrative Agent or any of the parties to this Agreement. After the resignation of any Administrative Agent hereunder, the provisions of this Article 10 shall inure to the benefit of such former Administrative Agent and such former Administrative Agent shall not by reason of such resignation be deemed to be released from liability for any actions taken or not taken by it while it was an Administrative Agent under this Agreement.

10.15                    Administrative Agent's Fee.

The Borrowers shall pay to the Administrative Agent a nonrefundable fee (the "Administrative Agent's Fee") under the terms of a letter (the "Administrative Agent's Letter") between TGI, as agent for the Borrowers, and Administrative Agent, as amended from time to time.

10.16                    Availability of Funds.

Unless the Administrative Agent shall have been notified by a Bank prior to the date and time upon which a Loan is to be made that such Bank does not intend to make available to the Administrative Agent such Bank's portion of such Loan, the Administrative Agent may assume that such Bank has made or will make such proceeds available to the Administrative Agent on such date and the Administrative Agent may, in reliance upon such assumption (but shall not be required to), make available to the Borrowers a corresponding amount in the applicable currency. If such corresponding amount is not in fact made available to the Administrative Agent by such Bank in the applicable currency, the Administrative Agent shall be entitled to recover such

amount on demand from such Bank (or, if such Bank fails to pay such amount forthwith upon such demand, then from TGI, as agent for the Borrowers) together with interest thereon, in respect of each day during the period commencing on the date such amount was made available to the Borrowers and ending on the date the Administrative Agent recovers such amount, at a rate per annum equal to the applicable interest rate in respect of the Loan.

10.17                    Calculations.

In the absence of gross negligence or willful misconduct, the Administrative Agent shall not be liable for any error in computing the amount payable to any Bank or Issuing Bank whether in respect of the Loans, fees or any other amounts due to the Banks or Issuing Banks under this Agreement. In the event an error in computing any amount payable to any Bank is made, the Administrative Agent, the Borrowers and each affected Bank shall, forthwith upon discovery of such error, make such adjustments as shall be required to correct such error, and any compensation therefor will be calculated at the Federal Funds Effective Rate.

10.18                    No Reliance on Administrative Agent's Customer Identification Program.

Each Bank and Issuing Bank acknowledges and agrees that neither such Bank, Issuing Bank, nor any of its Affiliates, Participants or assignees, may rely on the Administrative Agent to carry out such Bank's, Issuing Bank's, Affiliate's, Participant's or assignee's customer identification program, or other obligations required or imposed under or pursuant to the USA Patriot Act or the regulations thereunder, including the regulations contained in 31 CFR 103.121 (as hereafter amended or replaced, the "CIP Regulations"), or any other Anti-Terrorism Law, including any programs involving any of the following items relating to or in connection with any of the Loan Parties, their Affiliates or their agents, the Loan Documents or the transactions hereunder or contemplated hereby: (1) any identity verification procedures, (2) any recordkeeping, (3) comparisons with government lists, (4) customer notices or (5) other procedures required under the CIP Regulations or such other Laws.

10.19                    Beneficiaries.

Except as expressly provided herein, the provisions of this Article 10 are solely for the benefit of the Administrative Agent and the Banks, and the Borrowers shall not have any rights to rely on or enforce any of the provisions hereof. In performing its functions and duties under this Agreement, the Administrative Agent shall act solely as agent of the Banks and does not assume and shall not be deemed to have assumed any obligation toward or relationship of agency or trust with or for any Borrower.

10.20                    Authorization to Release Collateral and Guarantors.

In the event that any Loan Party conveys, sells, leases, assigns, transfers or otherwise disposes of all or any portion of any of the Capital Stock or assets of any Subsidiary to a Person that is not (and is not required to become) a Domestic Loan Party in a transaction permitted under Section 8.2.4(viii), Section 8.2.7 [Disposition of Assets] or 8.2.6 [Liquidations, Mergers, Consolidations, Acquisitions], any Liens created by any Loan Document on such Capital Stock or assets so disposed of shall be automatically released and the Administrative Agent shall promptly (and the Banks hereby authorize the Administrative Agent to) take such action and



execute any such documents as may be reasonably requested by TGI (and at TGI's expense) to release (or release or subordinate on terms acceptable to the Administrative Agent in the case of the sale and leaseback of equipment, provided the Loan Parties are in compliance with Section 8.2.1(i)(g)) any Liens created by any Loan Document on such Capital Stock or assets so disposed of, and, in the case of a disposition of the Capital Stock of any Subsidiary Loan Party in a transaction permitted by Sections 8.2.7 [Disposition of Assets or Subsidiaries] and 8.2.6 [Liquidations, Mergers, Consolidations, Acquisitions] and as a result of which such Subsidiary Loan Party would cease to be a Subsidiary, such Subsidiary Loan Party's obligations under the Loan Documents shall be automatically terminated and the Administrative Agent shall promptly (and each Bank hereby authorizes the Administrative Agent to) take such action and execute such documents as may be reasonably requested by TGI (at TGI's expense) to terminate such Subsidiary Loan Party's obligations under the Loan Documents. In addition, the Administrative Agent agrees to take such actions as are reasonably requested by TGI and at TGI's expense to terminate the Liens and security interests created by the Loan Documents when all the Obligations are Paid In Full.

10.21

Certain ERISA Matters.

(a) Each Banks (x) represents and warrants, as of the date such Person became a Bank party hereto, to, and (y) covenants, from the date such Person became a Bank party hereto to the date such Person ceases being a Bank party hereto, for the benefit of, the Administrative Agent and not, for the avoidance of doubt, to or for the benefit of the Borrowers or any other Loan Party, that at least one of the following is and will be true:

(i) such Bank is not using "plan assets" (within the meaning of Section 3(42) of ERISA or otherwise) of one or more Benefit Plans with respect to such Bank's entrance into, participation in, administration of and performance of the Loans, the Letters of Credit, the Commitments or this Agreement,

(ii) the transaction exemption set forth in one or more PTEs, such as PTE 84-14 (a class exemption for certain transactions determined by independent qualified professional asset managers), PTE 95-60 (a class exemption for certain transactions involving insurance company general accounts), PTE 90-1 (a class exemption for certain transactions involving insurance company pooled separate accounts), PTE 91-38 (a class exemption for certain transactions involving bank collective investment funds) or PTE 96-23 (a class exemption for certain transactions determined by in-house asset managers), is applicable with respect to such Bank's entrance into, participation in, administration of and performance of the Loans, the Letters of Credit, the Commitments and this Agreement,

(iii) (A) such Bank is an investment fund managed by a "Qualified Professional Asset Manager" (within the meaning of Part VI of PTE 84-14), (B) such Qualified Professional Asset Manager made the investment decision on behalf of such Bank to enter into, participate in, administer and perform the Loans, the Letters of Credit, the Commitments and this Agreement, (C) the entrance into, participation in, administration of and performance of the Loans, the Letters of Credit, the Commitments and this Agreement satisfies the requirements of sub-sections (b) through (g) of Part I of PTE 84-14 and (D) to the best knowledge of such Bank, the requirements of subsection (a) of Part I of PTE 84-14 are satisfied with respect to such Bank's

entrance into, participation in, administration of and performance of the Loans, the Letters of Credit, the Commitments and this Agreement, or

(iv) such other representation, warranty and covenant as may be agreed in writing between the Administrative Agent, in its sole discretion, and such Bank.

(b) In addition, unless either (1) sub-clause (i) in the immediately preceding clause (a) is true with respect to a Bank or (2) a Bank has provided another representation, warranty and covenant in accordance with sub-clause (iv) in the immediately preceding clause (a), such Bank further (x) represents and warrants, as of the date such Person became a Bank party hereto, to, and (y) covenants, from the date such Person became a Bank party hereto to the date such Person ceases being a Bank party hereto, for the benefit of, the Administrative Agent and not, for the avoidance of doubt, to or for the benefit of the Borrowers or any other Loan Party, that the Administrative Agent is not a fiduciary with respect to the assets of such Bank involved in such Bank's entrance into, participation in, administration of and performance of the Loans, the Letters of Credit, the Commitments and this Agreement (including in connection with the reservation or exercise of any rights by the Administrative Agent under this Agreement, any other Loan Document or any documents related hereto or thereto).

## 11. MISCELLANEOUS

### 11.1 Modifications, Amendments or Waivers.

With the written consent of the Required Banks, the Administrative Agent, acting on behalf of all the Banks, and the Borrowers may from time to time enter into written agreements amending or changing any provision of this Agreement or any other Loan Document or the rights of the Banks or the Borrowers hereunder or thereunder, or may grant written waivers or consents to a departure from the due performance of the Obligations of the Borrowers hereunder or thereunder. Any such agreement, waiver or consent made with such written consent shall be effective to bind all the Banks and the Borrowers; provided that, no agreement, waiver or consent may be made which will:

#### 11.1.1 Increase of Commitment; Extension of Expiration Date.

Increase the aggregate amount of Revolving Credit Commitments of the Banks (except pursuant to Section 2.1.2 [Right to Increase Commitments]) without the consent of all Banks; increase the amount of the Revolving Credit Commitment of any Bank (including pursuant to Section 2.1.2 [Right to Increase Commitments]) without the consent of such Bank; or extend the Expiration Date without the consent of the Administrative Agent and each Bank directly affected thereby;

#### 11.1.2 Extension of Payment; Reduction of Principal Interest or Fees; Modification of Terms of Payment.

Whether or not any Loans are outstanding, extend the time for payment of principal or interest (other than to waive any default rate interest or default rate Letter of Credit Fees) of any Loan, the Commitment Fee or any other fee payable to any Bank, or reduce the principal amount of or the rate of interest borne by any Loan or reduce the Commitment Fee or

any other fee payable to any Bank, or otherwise affect the terms of payment of the principal of or interest (other than to waive any default rate interest or default rate Letter of Credit Fees) of any Loan, the Commitment Fee or any other fee payable to any Bank without the consent of each Bank directly affected thereby;

11.1.3 Miscellaneous.

Amend Sections 5.2 [Pro Rata Treatment of Banks], 10.6 [Exculpatory Provisions], 10.13 [Equalization of Banks], 11.20(viii) [Joinder of Borrowers and Guarantors] or this Section 11.1, alter any provision regarding the pro rata treatment of the Banks, change the definition of Required Banks, or change any requirement providing for the Banks or the Required Banks to authorize the taking of any action hereunder without the consent of all of the Banks; and

11.1.4 Release of Guarantor or Collateral.

Release all or substantially all of the Collateral (other than as provided herein or as appropriate in connection with one or more transactions permitted hereunder) or release all or substantially all of the value of the guarantees provided by the Guarantors (other than as provided herein or as appropriate with transactions permitted hereunder) without the consent of all the Banks. Notwithstanding the foregoing, the Banks hereby authorize the Administrative Agent to take all actions necessary related to the automatic release of the Liens on the Collateral or the automatic termination of a Subsidiary Loan Party's obligations under the Loan Documents to the extent expressly permitted by Section 10.20.

Notwithstanding any of the foregoing, no agreement, waiver or consent which would modify the interests, rights or obligations of the (i) Administrative Agent in its capacity as Administrative Agent or the provider of the Swing Loans shall be effective without the written consent of the Administrative Agent or (ii) Issuing Bank in its capacity as the issuer of Letters of Credit shall be effective without the written consent of such Issuing Bank.

Notwithstanding anything to the contrary herein, no Defaulting Bank shall have any right to approve or disapprove any amendment, waiver or consent hereunder other than with respect to any amendments, waivers or consents which require the approval of all of the Banks pursuant to Sections 11.1.1 through 11.1.4 above; provided however, no Defaulting Bank shall have any right to approve or disapprove any amendment, waiver or consent which increases the aggregate Commitment of the Banks (other than such Defaulting Bank's Commitment) or extends the Expiration Date (except in the case of the Commitment or Loans of such Defaulting Bank). Any waiver, amendment or modification requiring the consent of all Banks or each affected Bank which affects such Defaulting Bank differently than other affected Banks shall require the consent of such Defaulting Bank.

11.2 No Implied Waivers; Cumulative Remedies; Writing Required.

No course of dealing and no delay or failure of the Administrative Agent or any Bank in exercising any right, power, remedy or privilege under this Agreement or any other Loan Document shall affect any other or future exercise thereof or operate as a waiver thereof, nor shall any single or partial exercise thereof or any abandonment or discontinuance of steps to

enforce such a right, power, remedy or privilege preclude any further exercise thereof or of any other right, power, remedy or privilege. The rights and remedies of the Administrative Agent and the Banks under this Agreement and any other Loan Documents are cumulative and not exclusive of any rights or remedies which they would otherwise have. Any waiver, permit, consent or approval of any kind or character on the part of any Bank of any breach or default under this Agreement or any such waiver of any provision or condition of this Agreement must be in writing and shall be effective only to the extent specifically set forth in such writing.

### 11.3 Reimbursement and Indemnification of Banks by the Borrowers; Taxes.

The Borrowers agree, jointly and severally, unconditionally upon demand to pay or reimburse to each Bank (other than the Administrative Agent, as to which the Borrowers' Obligations are set forth in Section 10.5) and to save such Bank harmless against (i) liability for the payment of all reasonable and actual out-of-pocket costs, expenses and disbursements (including fees and expenses of outside counsel (including any professionals engaged by such outside counsel in connection with such representation) for each Bank except with respect to (a) and (b) below), incurred by such Bank (a) in connection with the administration and interpretation of this Agreement, and other instruments and documents to be delivered hereunder, (b) relating to any amendments, waivers or consents pursuant to the provisions hereof, (c) in connection with the enforcement of this Agreement or any other Loan Document, or collection of amounts due hereunder or thereunder or the proof and allowability of any claim arising under this Agreement or any other Loan Document, whether in bankruptcy or receivership proceedings or otherwise, and (d) in any workout, restructuring or in connection with the protection, preservation, exercise or enforcement of any of the terms hereof or of any rights hereunder or under any other Loan Document or in connection with any foreclosure, collection or bankruptcy proceedings, or (ii) all liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses or disbursements of any kind or nature whatsoever which may be imposed on, incurred by or asserted against such Bank, in its capacity as such, in any way relating to or arising out of this Agreement or any other Loan Documents or any action taken or omitted by such Bank hereunder or thereunder; provided that the Borrowers shall not be liable for any portion of such liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses or disbursements (A) if the same results from such Bank's gross negligence or willful misconduct, or (B) if TGI, as agent for the Borrowers, was not given notice of the subject claim and the opportunity to participate in the defense thereof, at its expense (except that the Borrowers shall remain liable to the extent such failure to give notice does not result in a loss to the Borrowers), or (C) if the same results from a compromise or settlement agreement entered into without the consent of TGI, as agent for the Borrowers, which shall not be unreasonably withheld. The Banks will attempt to minimize the fees and expenses of legal counsel for the Banks which are subject to reimbursement by the Borrowers hereunder by considering the usage of one law firm to represent the Banks and the Administrative Agent if appropriate under the circumstances. The Borrowers agree unconditionally to pay all stamp, document, transfer, recording or filing taxes or fees and similar impositions now or hereafter determined by the Administrative Agent or any Bank to be payable in connection with this Agreement or any other Loan Document, and the Borrowers agree unconditionally to save the Administrative Agent and the Banks harmless from and against any and all present or future claims, liabilities or losses with respect to or resulting from any omission to pay or delay in paying any such taxes, fees or impositions. To the fullest extent permitted by applicable law, no Loan party shall assert, and

each Loan party hereby waives, any claim against any Bank, on the theory of liability, for special, indirect, consequential or punitive damages (as opposed to direct or actual damages) arising out of, in connection with, or as a result of, this Agreement, any other Loan Documents or any agreement or instrument contemplated hereby, the transactions contemplated hereby or thereby, any Loan or the use of the proceeds thereof. The indemnifications set forth herein shall be in addition to the indemnifications elsewhere set forth in this Agreement. The provisions of this Section shall survive and continue after repayment of the Obligations and termination of this Agreement.

#### 11.4 Holidays.

Whenever payment of a Loan to be made or taken hereunder shall be due on a day which is not a Business Day such payment shall be due on the next Business Day and such extension of time shall be included in computing interest and fees, except that the Loans shall be due on the Business Day preceding the Expiration Date if the Expiration Date is not a Business Day. Whenever any payment or action to be made or taken hereunder (other than payment of the Loans) shall be stated to be due on a day which is not a business Day, such payment or action shall be made or taken on the next Business Day (except as provided in Section 4.3 with respect to Interest Periods under the Euro-Rate Option), and such extension of time shall not be included in computing interest or fees, if any, in connection with such payment or action.

#### 11.5 Funding by Branch, Subsidiary or Affiliate.

##### 11.5.1 Notional Funding.

Each Bank shall have the right from time to time, without notice to any Borrower, to deem any branch, Subsidiary or Affiliate (which for the purposes of this Section 11.5 shall mean any corporation or association which is directly or indirectly controlled by or is under direct or indirect common control with any corporation or association which directly or indirectly controls such Bank) of such Bank to have made, maintained or funded any Loan to which the Euro-Rate Option applies at any time, provided that immediately following (on the assumption that a payment were then due from the Borrowers to such other office), and as a result of such change, the Borrowers would not be under any greater financial obligation pursuant to Section 5.5 than they would have been in the absence of such change. Notional funding offices may be selected by each Bank without regard to the Bank's actual methods of making, maintaining or funding the Loans or any sources of funding actually used by or available to such Bank.

##### 11.5.2 Actual Funding.

Each Bank shall have the right from time to time to make or maintain any Loan by arranging for a branch, Subsidiary or Affiliate of such Bank to make or maintain such Loan subject to the last sentence of this Section 11.5.2. If any Bank causes a branch, Subsidiary or Affiliate to make or maintain any part of the Loans hereunder, all terms and conditions of this Agreement shall, except where the context clearly requires otherwise, be applicable to such part of the Loans to the same extent as if such Loans were made or maintained by such Bank, but in no event shall any Bank's use of such a branch, Subsidiary or Affiliate to make or maintain any

part of the Loans hereunder cause such Bank or such branch, Subsidiary or Affiliate to incur any cost or expenses payable by the Borrowers hereunder or require the Borrowers to pay any other compensation to any Bank which would otherwise not be incurred.

11.6                    Notices.

Any notice, request, demand, direction or other communication (for purposes of this Section 11.6 only, a “Notice”) to be given to or made upon any party hereto under any provision of this Agreement shall be given or made by telephone or in writing (which includes means of electronic transmission (i.e., “e-mail”) or facsimile transmission or by setting forth such Notice on a site on the World Wide Web (a “Website Posting”) if Notice of such Website Posting (including the information necessary to access such site) has previously been delivered to the applicable parties hereto by another means set forth in this Section 11.6) in accordance with this Section 11.6. Any such Notice must be delivered to the applicable parties hereto at the addresses and numbers set forth under their respective names on Schedule 1.1(B) hereof or in accordance with any subsequent unrevoked Notice from any such party that is given in accordance with this Section 11.6. Any Notice shall be effective:

- (A)            In the case of hand-delivery, when delivered;
- (B)            If given by mail, four days after such Notice is deposited with the United States Postal Service, with first-class postage prepaid, return receipt requested;
- (C)            In the case of a telephonic Notice, when a party is contacted by telephone, if delivery of such telephonic Notice is confirmed no later than the next Business Day by hand delivery, a facsimile or electronic transmission, a Website Posting or overnight courier delivery of a confirmatory notice (received at or before noon on such next Business Day);
- (D)            In the case of a facsimile transmission, when sent to the applicable party’s facsimile machine’s telephone number if the party sending such Notice receives confirmation of the delivery thereof from its own facsimile machine;
- (E)            In the case of electronic transmission, when actually received;
- (F)            In the case of a Website Posting, upon delivery of a Notice of such posting (including the information necessary to access such web site) by another means set forth in this Section 11.6; and
- (G)            If given by any other means (including by overnight courier), when actually received.

Any Bank giving a Notice to a Loan Party shall concurrently send a copy thereof to the Administrative Agent, and the Administrative Agent shall promptly notify the other Banks of its receipt of such Notice. Schedule 1.1(B) lists the lending office of each Bank. Each Bank may change its lending office by written notice to the other parties hereto.

11.7 Severability.

The provisions of this Agreement are intended to be severable. If any provision of this Agreement shall be held invalid or unenforceable in whole or in part in any jurisdiction, such provision shall, as to such jurisdiction, be ineffective to the extent of such invalidity or unenforceability without in any manner affecting the validity or enforceability thereof in any other jurisdiction or the remaining provisions hereof in any jurisdiction.

11.8 Governing Law.

Each Letter of Credit and Section 2.8 shall be subject either to the rules of the Uniform Customs and Practice for Documentary Credits, as most recently published by the International Chamber of Commerce (the “ICC”) at the time of issuance or the rules of the International Standby Practices (ICC Publication No. 590), as determined by the Issuing Bank, and to the extent not inconsistent therewith, the internal laws of the Commonwealth of Pennsylvania without regard to its conflict of laws principles and the balance of this Agreement shall be deemed to be a contract under the Laws of the Commonwealth of Pennsylvania and for all purposes shall be governed by and construed and enforced in accordance with the internal laws of the Commonwealth of Pennsylvania without regard to its conflict of laws principles.

11.9 Prior Understanding.

This Agreement and the other Loan Documents supersede all prior understandings and agreements, whether written or oral, between the parties hereto and thereto relating to the transactions provided for herein and therein, including any prior confidentiality agreements and commitments.

11.10 Duration; Survival.

All representations and warranties of the Borrowers contained herein or made in connection herewith shall survive the making of Loans and issuance of Letters of Credit and shall not be waived by the execution and delivery of this Agreement, any investigation by the Administrative Agent or the Banks, the making of Loans, issuance of Letters of Credit, or Payment In Full. All covenants and agreements of the Borrowers contained in Sections 8.1, 8.2 and 8.3 herein shall continue in full force and effect from and after the date hereof so long as any Borrower may borrow or request Letters of Credit hereunder and until Payment In Full. All covenants and agreements of the Borrowers contained herein relating to the payment of additional compensation or expenses and indemnification, including those set forth in the Notes, Article 4 and Sections 10.5, 10.7 and 11.3, shall survive Payment In Full.

11.11 Successors and Assigns.

11.11.1 Successors and Assigns Generally.

The provisions of this Agreement shall be binding upon, and inure to the benefit of, the parties hereto and their respective successors and assigns permitted hereby, except that neither the Borrowers nor any other Loan Party may assign or otherwise transfer any of its rights or obligations hereunder without the prior written consent of the Administrative Agent and each

Bank and no Bank may assign or otherwise transfer any of its rights or obligations hereunder except (i) to an assignee in accordance with the provisions of Section 11.11.2 [Assignments by Banks], (ii) by way of participation in accordance with the provisions of Section 11.11.4 [Participations], or (iii) by way of pledge or assignment of a security interest subject to the restrictions of Section 11.11.6 [Certain Pledges; Successors and Assigns Generally] (and any other attempted assignment or transfer by any party hereto shall be null and void). Nothing in this Agreement, expressed or implied, shall be construed to confer upon any Person (other than the parties hereto, their respective successors and assigns permitted hereby, Participants to the extent provided in Section 11.11.4 [Participations] and, to the extent expressly contemplated hereby, the Related Parties of each of the Administrative Agent and the Banks) any legal or equitable right, remedy or claim under or by reason of this Agreement.

11.11.2 Assignments by Banks.

Any Bank may at any time assign to one or more assignees all or a portion of its rights and obligations under this Agreement (including all or a portion of its Revolving Credit Commitment and the Loans at the time owing to it); provided that any such assignment shall be subject to the following conditions:

(i) Minimum Amounts.

(A) in the case of an assignment of the entire remaining amount of the assigning Bank's Commitment and the Loans at the time owing to it or in the case of an assignment to a Bank, an Affiliate of a Bank or an Approved Fund, no minimum amount need be assigned; and

(B) in any case not described in clause (i)(A) of this Section 11.11.2, the aggregate amount of the Revolving Credit Commitment (which for this purpose includes Loans outstanding thereunder) or, if the applicable Revolving Credit Commitment is not then in effect, the principal outstanding balance of the Loans of the assigning Bank subject to each such assignment (determined as of the date the Assignment and Assumption Agreement with respect to such assignment is delivered to the Administrative Agent or, if "Trade Date" is specified in the Assignment and Assumption Agreement, as of the Trade Date) shall not be less than \$5,000,000.00, unless each of the Administrative Agent and, so long as no Event of Default has occurred and is continuing, TGI, on behalf of the Borrowers otherwise consents (each such consent not to be unreasonably withheld or delayed).

(ii) Proportionate Amounts.

Each partial assignment shall be made as an assignment of a proportionate part of all the assigning Bank's rights and obligations under this Agreement with respect to the Loan or the Revolving Credit Commitment assigned.

(iii) Required Consents.

Subject to the following sentence, no consent shall be required for any assignment except for the consent of the Administrative Agent (which shall not be unreasonably withheld or delayed). The consent of TGI, on behalf of the Borrowers (such consent not to be unreasonably withheld or delayed) shall also be required for an assignment unless (a) an Event of Default has



occurred and is continuing at the time of such assignment or (b) such assignment is to a Bank, an Affiliate of a Bank or an Approved Fund. To the extent TGI's consent is required for any assignment by a Bank, such consent shall be deemed given unless TGI shall have objected thereto by written notice to the Administrative Agent within ten (10) days after having received notice thereof.

(iv) Assignment and Assumption Agreement.

The parties to each assignment shall execute and deliver to the Administrative Agent an Assignment and Assumption Agreement, together with a processing and recordation fee of \$3,500.00, and the assignee, if it is not a Bank, shall deliver to the Administrative Agent an administrative questionnaire provided by the Administrative Agent.

(v) No Assignment to Certain Persons.

No such assignment shall be made to (a) the Borrower or any of the Borrower's Affiliates or Subsidiaries, (b) to any Defaulting Bank or any of its Subsidiaries, or any Person who, upon becoming a Bank hereunder, would constitute a Defaulting Bank or a Subsidiary thereof or (c) to a Bank, an Affiliate of a Bank or an Approved Fund that, in each case at the time of such assignment, is a Sanctioned Person.

(vi) No Assignment to Natural Persons.

No such assignment shall be made to a natural Person (or a holding company, investment vehicle or trust for, or owned and operated for the primary benefit of, a natural Person).

(vii) No Assignment to a Disqualified Institution.

No such assignment shall be made to any Disqualified Institution.

Subject to acceptance and recording thereof by the Administrative Agent pursuant to Section 11.11.3 [Register], from and after the effective date specified in each Assignment and Assumption Agreement, the assignee thereunder shall be a party to this Agreement and, to the extent of the interest assigned by such Assignment and Assumption Agreement, have the rights and obligations of a Bank under this Agreement, and the assigning Bank thereunder shall, to the extent of the interest assigned by such Assignment and Assumption Agreement, be released from its obligations under this Agreement (and, in the case of an Assignment and Assumption Agreement covering all of the assigning Bank's rights and obligations under this Agreement, such Bank shall cease to be a party hereto) but shall continue to be entitled to the benefits of Section 4.5 [Euro-Rate Unascertainable; Illegality; Increased Costs; Deposits Not Available], Section 5.5 [Additional Compensation in Certain Circumstances], Section 5.8 [Taxes] and Section 11.3 [Reimbursement and Indemnification of Bank by the Borrower; Taxes] with respect to facts and circumstances occurring prior to the effective date of such assignment. Any assignment or transfer by a Bank of rights or obligations under this Agreement that does not comply with this Section 11.11.2 shall be treated for purposes of this Agreement as a sale by such Bank of a participation in such rights and obligations in accordance with Section 11.11.4 [Participations].

## 11.11.3

Register.

The Administrative Agent, acting solely for this purpose as an agent of the Borrowers, shall maintain a record of the names and addresses of the Banks, and the Revolving Credit Commitments of, and principal amounts of the Loans (and stated interest) owing to, each Bank pursuant to the terms hereof from time to time. Such register shall be conclusive, and the Borrowers, the Administrative Agent and the Banks may treat each Person whose name is in such register pursuant to the terms hereof as a Bank hereunder for all purposes of this Agreement, notwithstanding notice to the contrary. Such register shall be available for inspection by the Borrowers and any Bank, at any reasonable time and from time to time upon reasonable prior notice. Notwithstanding anything to the contrary contained in this Agreement, a Note or any other Loan Document, the Loans and any other Obligations are registered obligations and the right, title and interest of any Bank or Issuing Bank and its assignees in and to such Loans or Obligations shall be transferable only upon notation of such transfer in the register. This Section 11.11.3 shall be construed so that the Loans and other Obligations are at all times maintained in "registered form" within the meaning of Sections 163(f), 871(h)(2) and 881(c)(2) of the Internal Revenue Code and any related regulations (and any other relevant or successor provisions of the Internal Revenue Code or such regulations).

## 11.11.4

Participations.

Any Bank may at any time, without the consent of, or notice to, the Borrowers or the Administrative Agent, sell participations to any Person (other than (a) a natural Person, or a holding company, investment vehicle or trust for, or owned and operated for the primary benefit of, a natural Person, (b) the Borrowers or any of the Borrowers' Affiliates or Subsidiaries, (c) any Disqualified Institution, (d) any Defaulting Bank or any of its Subsidiaries or (e) a Bank, Affiliate of a Bank or an Approved Fund that, in each case at the time of such participation, is a Sanctioned Person) (each, a "Participant") in all or a portion of such Bank's rights and/or obligations under this Agreement (including all or a portion of its Revolving Credit Commitment and/or the Loans owing to it); provided that (i) such Bank's obligations under this Agreement shall remain unchanged, (ii) such Bank shall remain solely responsible to the other parties hereto for the performance of such obligations and (iii) the Borrower, the Administrative Agent and the Banks shall continue to deal solely and directly with such Bank in connection with such Bank's rights and obligations under this Agreement.

Any agreement or instrument pursuant to which a Bank sells such a participation shall provide that such Bank shall retain the sole right to enforce this Agreement and to approve any amendment, modification or waiver of any provision of this Agreement; provided that such agreement or instrument may provide that such Bank will not, without the consent of the Participant, agree (other than as is already provided for herein) to any amendment, modification or waiver with respect to Section 11.1.1 [Increase of Commitment; Extension of Expiration Date], Section 11.1.2 [Extension of Payment; Reduction of Principal Interest or Fees; Modification of Terms of Payment], or Section 11.1.4 [Release of Collateral or Guarantor] that affects such Participant. Subject to Section 11.11.5 [Limitations upon Participant Rights Successors and Assigns Generally], the Borrowers agree that each Participant shall be entitled to the benefits of Section 4.5 [Euro-Rate Unascertainable] Section 5.5 [Additional Compensation in Certain Circumstances] to the same extent as if it were a Bank and had acquired its interest by

assignment pursuant to Section 11.11.2 [Assignments by Banks], Section 5.8 [Taxes] and Section 11.3 [Reimbursement and Indemnification of Banks by the Borrower; Taxes], provided that such Participant (A) agrees to be subject to the provisions of Section 5.4.2 [Replacement of a Bank] as if it were an assignee under Section 11.11.2 [Assignments by Banks]; and (B) shall not be entitled to receive any greater payment under Sections 5.5 [Additional Compensation in Certain Circumstances] or 5.8 [Taxes], with respect to any participation, than its participating Bank would have been entitled to receive, except to the extent such entitlement to receive a greater payment results from a change in law that occurs after the Participant acquired the applicable participation. Each Bank that sells a participation agrees, at the Borrowers' request and expense, to use reasonable efforts to cooperate with the Borrowers to effectuate the provisions of Section 5.4.2 [Replacement of a Bank] with respect to any Participant. To the extent permitted by law, each Participant also shall be entitled to the benefits of Section 9.2.3 as though it were a Bank; provided that such Participant agrees to be subject to Section 5.2 [Pro-Rata Treatment of Banks] as though it were a Bank. Each Bank that sells a participation shall, acting solely for this purpose as a non-fiduciary agent of the Borrowers, maintain a register on which it enters the name and address of each Participant and the principal amounts (and stated interest) of each Participant's interest in the Loans or other Obligations under the Loan Documents (the "Participant Register"); provided that no Bank shall have any obligation to disclose all or any portion of the Participant Register (including the identity of any Participant Register (including the identity of any Participant or any information relating to a Participant's interest in any commitments, loans, letters of credit or its other Obligations under any Loan Document) to any Person except to the extent that such disclosure is necessary to establish that such commitment, loan, letter of credit or other obligation is in registered form under Section 5f.103-1(c) of the United States Treasury Regulations. The entries in the Participant Register shall be conclusive absent manifest error, and such Bank shall treat each Person whose name is recorded in the Participant Register as the owner of such participation for all purposes of this Agreement notwithstanding any notice to the contrary. Notwithstanding anything to the contrary contained in this Agreement, a Note or any other Loan Document, the right, title and interest of any Participant and its assignees in the Loans or other Obligations shall be transferable only upon notation of such transfer in the Participant Register. This Section 11.11.4 shall be construed so that the Loans and other Obligations (and the participations sold therein) are at all times maintained in "registered form" within the meaning of Sections 163(f), 871(h)(2) and 881(c)(2) of the Internal Revenue Code and any related regulations (and any other relevant or successor provisions of the Internal Revenue Code or such regulations). For the avoidance of doubt, the Administrative Agent (in its capacity as Administrative Agent) shall have no responsibility for maintaining a Participant Register.

#### 11.11.5

#### Limitations upon Participant Rights Successors and Assigns Generally.

A Participant shall not be entitled to receive any greater payment under Section 5.5 [Additional Compensation in Certain Circumstances], Section 5.8 [Taxes] or Section 11.3 [Reimbursement and Indemnification of Bank by the Borrower; Taxes] than the applicable Bank would have been entitled to receive with respect to the participation sold to such Participant, unless the sale of the participation to such Participant is made with the Borrower's prior written consent. A Participant that would be a Foreign Bank if it were a Bank shall not be entitled to the benefits of Section 5.8 [Taxes] unless the Borrowers are notified of the

participation sold to such Participant and such Participant agrees, for the benefit of the Borrowers, to comply with Section 5.8.6 [Status of Banks] as though it were a Bank.

11.11.6 Certain Pledges; Successors and Assigns Generally.

Any Bank may at any time pledge or assign a security interest in all or any portion of its rights under this Agreement to secure obligations of such Bank, including any pledge or assignment to secure obligations to a Federal Reserve Bank; provided that no such pledge or assignment shall release such Bank from any of its obligations hereunder or substitute any such pledgee or assignee for such Bank as a party hereto.

11.12 Confidentiality.

11.12.1 General.

Each of the Administrative Agent and the Banks agree to maintain the confidentiality of the Information, except that Information may be disclosed (i) to its Affiliates and to its Affiliates' respective partners, directors, officers, employees, agents, advisors and other representatives (it being understood that the Persons to whom such disclosure is made will be informed of the confidential nature of such Information and instructed to keep such Information confidential), (ii) to the extent requested by any regulatory authority purporting to have jurisdiction over it (including any self-regulatory authority, such as the National Association of Insurance Commissioners), (iii) to the extent required by applicable Laws or regulations or by any subpoena or similar legal process provided that the Administrative Agent and the Banks, as applicable, will limit such disclosure to only such Information that is required to be disclosed, (iv) to any other party hereto, (v) in connection with the exercise of any remedies hereunder or under any other Loan Document or any action or proceeding relating to this Agreement or any other Loan Document or the enforcement of rights hereunder or thereunder, (vi) subject to an agreement containing provisions substantially the same as those of this Section, to (A) any assignee of or Participant in, or any prospective assignee of or Participant in, any of its rights or obligations under this Agreement, provided that that no such disclosure shall be made by such Bank or the Administrative Agent or any of their respective Affiliates to any such Person that is a Disqualified Institution or (B) any actual or prospective counterparty (or its advisors) to any swap or derivative transaction relating to the Borrowers and its obligations, (vii) with the consent of the Borrowers, (viii) to the extent such Information (A) becomes publicly available other than as a result of a breach of this Section or (B) becomes available to the Administrative Agent, any Bank, or any of their respective Affiliates on a non-confidential basis from a source other than the Borrowers or the other Loan Parties, or (ix) on a confidential basis to (A) any rating agency in connection with rating any Loan Party or its Subsidiaries, or (B) the CUSIP Service Bureau or any similar agency in connection with the issuance and monitoring of CUSIP numbers. In addition, the Administrative Agent and the Banks may disclose the existence of this Agreement and information about this Agreement to market data collectors, similar service providers to the lending industry and service providers to the Administrative Agent and the Banks in connection with the administration of this Agreement, the other Loan Documents, and the Commitments. Any Person required to maintain the confidentiality of Information as provided in this Section shall be considered to have complied with its obligation

to do so if such Person has exercised the same degree of care to maintain the confidentiality of such Information as such Person would accord to its own confidential information.

11.12.2 Sharing Information With Affiliates of the Banks.

Each Loan Party acknowledges that from time to time financial advisory, investment banking and other services may be offered or provided to the Borrowers or one or more of its Affiliates (in connection with this Agreement or otherwise) by any Bank or by one or more Subsidiaries or Affiliates of such Bank and each of the Loan Parties hereby authorizes each Bank to share any information delivered to such Bank by such Loan Party and its Subsidiaries pursuant to this Agreement, or in connection with the decision of such Bank to enter into this Agreement, to any such Subsidiary or Affiliate of such Bank, it being understood that any such Subsidiary or Affiliate of any Bank receiving such information shall be bound by the provisions of Section 11.12.1 as if it were a Bank hereunder. Such authorization shall survive the repayment of the Loans and other Obligations and the termination of the Revolving Credit Commitments.

11.13 Counterparts.

This Agreement may be executed by different parties hereto on any number of separate counterparts, each of which, when so executed and delivered, shall be an original, and all such counterparts shall together constitute one and the same instrument.

11.14 Administrative Agent's or Bank's Consent.

Whenever the Administrative Agent's or any Bank's consent is required to be obtained under this Agreement or any of the other Loan Documents as a condition to any action, inaction, condition or event, the Administrative Agent and each Bank shall be authorized to give or withhold such consent in its sole and absolute discretion and to condition its consent upon the giving of additional collateral, the payment of money or any other matter.

11.15 Exceptions.

The representations, warranties and covenants contained herein shall be independent of each other, and no exception to any representation, warranty or covenant shall be deemed to be an exception to any other representation, warranty or covenant contained herein unless expressly provided, nor shall any such exceptions be deemed to permit any action or omission that would be in contravention of applicable Law.

11.16 Consent to Forum; Waiver of Jury Trial.

EACH BORROWER HEREBY IRREVOCABLY CONSENTS TO THE NONEXCLUSIVE JURISDICTION OF THE COURT OF COMMON PLEAS OF CHESTER COUNTY AND THE UNITED STATES DISTRICT COURT FOR THE EASTERN DISTRICT OF PENNSYLVANIA, AND WAIVES PERSONAL SERVICE OF ANY AND ALL PROCESS UPON IT AND CONSENTS THAT ALL SUCH SERVICE OF PROCESS BE MADE BY CERTIFIED OR REGISTERED MAIL DIRECTED TO THE BORROWERS AT THE ADDRESSES PROVIDED FOR IN SECTION 11.6 AND SERVICE SO MADE SHALL

BE DEEMED TO BE COMPLETED UPON ACTUAL RECEIPT THEREOF. EACH BORROWER WAIVES ANY OBJECTION TO JURISDICTION AND VENUE OF ANY ACTION INSTITUTED AGAINST IT AS PROVIDED HEREIN AND AGREES NOT TO ASSERT ANY DEFENSE BASED ON LACK OF JURISDICTION OR VENUE. EACH BORROWER, THE ADMINISTRATIVE AGENT AND THE BANKS HEREBY WAIVE TRIAL BY JURY IN ANY ACTION, SUIT, PROCEEDING OR COUNTERCLAIM OF ANY KIND ARISING OUT OF OR RELATED TO THIS AGREEMENT, THE COLLATERAL OR ANY OTHER LOAN DOCUMENT TO THE FULL EXTENT PERMITTED BY LAW.

11.17           Intentionally Omitted.

11.18           Public Filings.

The Administrative Agent agrees to use reasonable efforts to provide to TGI, as agent for the Borrowers, this Agreement, any other Loan Document and any amendments or supplements hereto or thereto in a computer readable format if so requested by TGI in connection with public filings.

11.19           Agent Titles.

Each of the parties hereto acknowledge and agree that each of the titles of “Lead Arranger;” “Bookrunner”, “Documentation Agent;” and “Syndication Agent” is honorary and does not imply or impose any duty or obligation of any nature on any party having any such title.

11.20           Joinder of Borrowers and Guarantors.

(i) Each Domestic Material Subsidiary acquired, formed or coming into existence after the Closing Date (which, for the purposes of this Section 11.20(i), shall include (x) any Material Subsidiary that ceases to be a Foreign Subsidiary or (y) any Domestic Subsidiary that ceases to be an Immaterial Subsidiary) shall be required to, and, each Foreign Subsidiary upon electing to do so may, become a Borrower or a Guarantor hereunder, and the Borrowers and the Guarantors shall complete all of the following steps in clauses (a), (b) and (c) below within thirty (30) days (unless such time period is extended in writing by the Administrative Agent) after the date of the acquisition, formation or coming into existence of (or in the case of a Foreign Subsidiary, election by) such Subsidiary: (a) cause such Person to sign and join in this Agreement or the Guarantee and Collateral Agreement by execution and delivery to the Administrative Agent of one or more counterparts of a Joinder hereto in the form attached hereto as Exhibit 11.20(A) or Exhibit 11.20(B) (each, as the case may be, a “Borrower Joinder” or “Guarantor Joinder”), appropriately dated, (b) deliver to the Administrative Agent all certificates and other documents referred to in Section 7 of this Agreement and such Borrower Joinder or Guarantor Joinder and (c) deliver to the Administrative Agent documents necessary to grant and perfect Prior Security Interests to the Administrative Agent for the benefit of the Banks in all Pledged Collateral held by the owners of such Subsidiary if it is owned directly by a Loan Party. The Borrowers covenant and agree to cause all Domestic Material Subsidiaries to comply with the terms of this Section 11.20(i). Notwithstanding the foregoing, each new Borrower shall not be permitted to borrow under this Agreement until the following number of Business Days

has elapsed after a fully executed Borrower Joinder has been delivered to the Banks: (i) five (5) with respect to a Domestic Borrower and (ii) ten (10) with respect to a Foreign Borrower.

(ii) The Borrowers agree that at all times on and after the Closing Date (a) the Borrowers and the Guarantors fully liable for the Obligations hereunder shall have directly accounted for not less than 75% of Consolidated EBITDA of TGI and its Subsidiaries and (b) the Domestic Loan Parties shall have directly accounted for not less than 95% of Consolidated EBITDA of TGI and its Domestic Subsidiaries for the four fiscal quarter period then last ended.

(iii) Notwithstanding anything to the contrary herein or in the other Loan Documents, the obligations of each Foreign Borrower on account of principal and interest under the Loans and Reimbursement Obligations and Letters of Credit Borrowings shall be limited to the principal amount advanced directly to such Foreign Borrower or its Subsidiaries and reimbursement of draws under Letters of Credit issued for the account of such Foreign Borrower or its Subsidiaries and, in each case, interest and/or fees thereon. Each Foreign Borrower shall be liable only for its pro rata share of all fees and expenses and other sums due hereunder (other than principal and interest on the Loans) based upon the ratio of Loans outstanding to, and Letters of Credit Outstanding for Letters of Credit issued for the account of, such Foreign Borrower or its Subsidiaries to the total amount of Loans outstanding and Letters of Credit Outstanding hereunder.

(iv) Any Foreign Borrower may from time to time deliver a termination notice to the Administrative Agent requesting that it no longer be a party hereto. Such termination shall be effective two (2) Business Days after receipt by the Administrative Agent so long as all Obligations of such Foreign Borrower hereunder have been Paid In Full; provided that, to the extent this Agreement provides for the survival of certain provisions upon termination hereof, such surviving provisions shall survive a termination under this subsection with respect to any such Foreign Borrower. Following receipt of such notice, no further Loans may be borrowed by, or Letters of Credit issued for the account of, such Foreign Borrower or its Subsidiaries hereunder, unless such Foreign Borrower shall thereafter rejoin this Agreement as a Borrower pursuant to the joinder provisions of this Section 11.20.

(v) For purposes of determining Loans outstanding for the benefit of a Foreign Borrower and its Subsidiaries, principal payments received hereunder shall be applied first to Obligations of Domestic Borrowers, unless (a) such payments are made directly by a Foreign Borrower (in which case such payments shall first be applied to Obligations of the Foreign Borrower making such payment) or (b) TGI designates at the time such payment is made that such payment is applicable to the Obligations of an identified Foreign Borrower and certifies that the funds for such payment were received from such Foreign Borrower.

(vi) Subject to the limitation of liability of Foreign Borrowers as expressly set forth in this Section 11.20, all Obligations of the Borrowers and Guarantors are joint and several, except that no Foreign Guarantor shall have any liability with respect to any Obligation of a Domestic Loan Party.

(vii) Notwithstanding anything to the contrary contained herein no Bank shall be obligated to make a Loan to a Foreign Borrower if any Bank shall be prohibited under applicable Law or shall not be licensed to make Loans or extend credit to such Foreign Borrower; provided that if any such Bank is so prohibited, the Borrowers shall have the right to replace such Bank under Section 5.4.2 hereof. Each Bank agrees to notify the Administrative Agent and TGI in writing promptly upon knowledge that it is so prohibited from making Loans or extending credit to any Foreign Borrower.

(viii) Notwithstanding anything contained herein to the contrary, no Foreign Subsidiary shall become a “Borrower” hereunder without the written consent of each Bank. In addition to the foregoing, prior to any Foreign Subsidiary being a Borrower hereunder, (A) the Administrative Agent shall have received on behalf of the Banks such supporting resolutions, incumbency certificates, legal opinions and other documents or information, in form, content and scope reasonably satisfactory to the Administrative Agent, as may be required by the Administrative Agent or the Banks in their sole discretion, (B) the Banks shall have received satisfactory documentation and information required by regulatory authorities under applicable “know your customer” and anti-money laundering rules and regulations, including, without limitation, the USA Patriot Act, (C) each Bank shall have met all necessary regulatory and licensing requirements and internal policy requirements and shall be legally permitted to make loans in the jurisdiction in which such Foreign Borrower is organized and (D) lending to such Foreign Borrower will not cause any administrative or operational issues for any Bank.

11.21 USA Patriot Act.

Each Bank or assignee or Participant of a Bank that is not incorporated under the Laws of the United States of America or a state thereof (and is not excepted from the certification requirement contained in Section 313 of the USA Patriot Act and the applicable regulations because it is both (i) an affiliate of a depository institution or foreign bank that maintains a physical presence in the United states or foreign county, and (ii) subject to supervision by a banking authority regulating such affiliated depository institution or foreign bank) shall deliver to the Administrative Agent the certification, or, if applicable, recertification, certifying that such Bank is not a “shell” and certifying to other matters as required by Section 313 of the USA Patriot Act and the applicable regulations: (1) within 10 days after the Closing Date, and (2) as such other times as are required under the USA Patriot Act.

11.22 Subordination Agreements, Etc.

The Administrative Agent is authorized and directed to enter into on behalf of the Banks any future subordination agreements (pursuant to which the Banks will subordinate their Liens) with respect to Purchase Money Security Interest which are Permitted Liens and are permitted Indebtedness under Section 8.2.1(i)(g), and each of the Banks hereby approves and agrees to be bound by the terms of any such subordination agreement which has been approved by the Administrative Agent in its sole discretion.



Acknowledgement and Consent to Bail-In of EEA Financial Institutions

Notwithstanding anything to the contrary in any Loan Document or in any other agreement, arrangement or understanding among any such parties, each party hereto acknowledges that any liability of any EEA Financial Institution arising under any Loan Document, to the extent such liability is unsecured, may be subject to the Write-Down and Conversion Powers of an EEA Resolution Authority and agrees and consents to, and acknowledges and agrees to be bound by:

- (i) the application of any Write-Down and Conversion Powers by an EEA Resolution Authority to any such liabilities arising hereunder which may be payable to it by any party hereto that is an EEA Financial Institution; and
- (ii) the effects of any Bail-In Action on any such liability, including, if applicable:
- (a) a reduction in full or in part or cancellation of any such liability;
- (b) a conversion of all, or a portion of, such liability into shares or other instruments of ownership in such EEA Financial Institution, its parent undertaking, or a bridge institution that may be issued to it or otherwise conferred on it, and that such shares or other instruments of ownership will be accepted by it in lieu of any rights with respect to any such liability under this Agreement or any other Loan Document; or
- (c) the variation of the terms of such liability in connection with the exercise of the Write-Down and Conversion Powers of any EEA Resolution Authority.

Acknowledgement Regarding Any Supported QFCs.

To the extent that the Loan Documents provide support, through a guarantee or otherwise, for any Interest Rate Hedge or any other agreement or instrument that is a QFC (such support, “QFC Credit Support”, and each such QFC, a “Supported QFC”), the parties acknowledge and agree as follows with respect to the resolution power of the Federal Deposit Insurance Corporation under the Federal Deposit Insurance Act and Title II of the Dodd-Frank Wall Street Reform and Consumer Protection Act (together with the regulations promulgated thereunder, the “U.S. Special Resolution Regimes”) in respect of such Supported QFC and QFC Credit Support (with the provisions below applicable notwithstanding that the Loan Documents and any Supported QFC may in fact be stated to be governed by the laws of the State of New York and/or of the United States or any other state of the United States):

- (i) In the event a QFC Covered Entity that is party to a Supported QFC (each, a “Covered Party”) becomes subject to a proceeding under a U.S. Special Resolution Regime, the transfer of such Supported QFC and the benefit of such QFC Credit Support (and any interest and obligation in or under such Supported QFC and such QFC Credit Support, and any rights in property securing such Supported QFC or such QFC Credit Support) from such Covered Party will be effective to the same extent as the transfer would be effective

under the U.S. Special Resolution Regime if the Supported QFC and such QFC Credit Support (and any such interest, obligation and rights in property) were governed by the laws of the United States or a state of the United States. In the event a Covered Party or a BHC Act Affiliate of a Covered Party becomes subject to a proceeding under a U.S. Special Resolution Regime, Default Rights under the Loan Documents that might otherwise apply to such Supported QFC or any QFC Credit Support that may be exercised against such Covered Party are permitted to be exercised to no greater extent than such Default Rights could be exercised under the U.S. Special Resolution Regime if the Supported QFC and the Loan Documents were governed by the laws of the United States or a state of the United States. Without limitation of the foregoing, it is understood and agreed that rights and remedies of the parties with respect to a Defaulting Bank shall in no event affect the rights of any Covered Party with respect to a Supported QFC or any QFC Credit Support.“

(ii) As used in this Section 11.24, the following terms have the following meanings:

“BHC Act Affiliate” of a party means an “affiliate” (as such term is defined under, and interpreted in accordance with, 12 U.S.C. 1841(k)) of such party.

“Default Right” has the meaning assigned to that term in, and shall be interpreted in accordance with, 12 C.F.R. §§ 252.81, 47.2 or 382.1, as applicable.

“QFC” has the meaning assigned to the term “qualified financial contract” in, and shall be interpreted in accordance with, 12 U.S.C. 5390(c)(8)(D).

“QFC Covered Entity” means any of the following: (i) a “covered entity” as that term is defined in, and interpreted in accordance with, 12 C.F.R. § 252.82(b); (ii) a “covered bank” as that term is defined in, and interpreted in accordance with, 12 C.F.R. § 47.3(b); or (iii) a “covered FSI” as that term is defined in, and interpreted in accordance with, 12 C.F.R. § 382.2(b).

#### 11.25 Amendment and Restatement, Ratification, No Novation.

This Agreement amends and restates in its entirety the Original Credit Agreement, and the Loan Parties confirm that: the Original Credit Agreement, the other Loan Documents and the Collateral for the Obligations thereunder (as all such capitalized terms are defined in the Original Credit Agreement) have at all times, since the date of the execution and delivery of such documents, remained in full force and effect and, where applicable, continue to guaranty and secure such obligations which are continued as the Obligations hereunder as amended hereby. The Loans hereunder are a continuation of the Loans under (and as such term is defined in) the Original Credit Agreement. The Loan Parties, the Administrative Agent, and the Banks acknowledge and agree that the amendment and restatement of the Original Credit Agreement and any Loan Documents expressly amended by this Agreement are not intended to constitute, nor do they constitute, a novation, interruption, suspension of continuity, satisfaction, discharge or termination of the obligations, loans, liabilities, or Indebtedness under the Original Credit Agreement and other Loan Documents thereunder or the collateral security therefor, and this Agreement and the other Loan Documents are entitled to all rights and benefits originally

pertaining to the Original Credit Agreement and the other Loan Documents (as such term is defined therein). The Loan Parties ratify and reaffirm the Intercompany Subordination Agreement and the other Loan Documents (and with respect to the Notes, as amended and restated in connection with this Agreement) executed and delivered in connection with the Original Credit Agreement, and agree that the terms thereof remain in full force and effect with respect to this Agreement, the Obligations and the Loan Documents notwithstanding any amendments to the Original Credit Agreement made by virtue of this Agreement.

## EXHIBIT 1.1(P)

### Pricing Grid

	LEVEL I	LEVEL II	LEVEL III
Basis for Pricing Applicable to Loans	If the Total Leverage Ratio is less than 3.00 to 1.	If the Total Leverage Ratio is equal to or greater than 3.00 to 1 but less than 4.00 to 1.	If the Total Leverage Ratio is equal to or greater than 4.00 to 1 and During the Pricing Restriction Period
Commitment Fee	30	40	50
Euro-Rate plus	350	375	400
Base Rate plus	250	275	300
Letter of Credit Fee	350	375	400

- (1) All prices are expressed in basis points per annum; basis points in “Euro-Rate” and “Base Rate” rows represent margins added to those rates in computing the interest rate(s) payable on the Loans. Pricing levels are determined quarterly on the basis of the Total Leverage Ratio set forth in the compliance certificates submitted under Section 8.3.3. Changes in pricing levels will become effective on the date such compliance certificate is due to be delivered pursuant to Section 8.3.3, except that any changes in pricing levels relating to outstanding Borrowing Tranches of Loans in an Optional Currency shall be effective upon the expiration of the current Interest Period with respect to such Borrowing Tranches.
- (2) Pricing as of the Eighth Amendment Effective Date shall be set at Level III and remain at Level III during the Pricing Restriction Period.
- (3) If, as a result of any restatement of or other adjustment to the financial statements of TGI or for any other reason, the Borrowers or the Banks determine that (i) the Total Leverage Ratio as calculated by the Borrowers as of any applicable date was inaccurate and (ii) a proper calculation of the Total Leverage Ratio would have resulted in higher pricing for such period, the Borrowers shall immediately and retroactively be obligated to pay to the Administrative Agent for the account of the applicable Banks, promptly on demand by the Administrative Agent (or, after the occurrence of an actual or deemed entry of an order for relief with respect to any Borrower under the Bankruptcy Code of the United States, automatically and without further action by the Administrative Agent, any Bank or the Issuing Bank), an amount equal to the excess of the amount of interest and fees that should have been paid for such period over the amount of interest and fees actually paid for such period. This paragraph shall not limit the rights of Administrative Agent, any Bank or the Issuing Bank, as the case may be, under Sections 2.8 [Letter of Credit

Subfacility] or 4.4 [Interest After Default] or 9 [Default]. The Borrowers' obligations under this paragraph shall survive the termination of the Commitments and the repayments of all other Obligations hereunder.

- (4) Notwithstanding anything in this Exhibit to the contrary, if Consolidated Adjusted EBITDA is zero or negative, pricing shall not be lower than Level III.
- (5) Notwithstanding anything hereinabove in this Exhibit to the contrary, if TGI and its Subsidiaries are at any time rated below B3/B- or equivalent by either S&P or Moody's, pricing shall not be lower than Level III until the time that such rating is upgraded to at least B3/B- or equivalent by both agencies. If the rating system of one of S&P or Moody's shall change, or if one of such rating agencies shall cease to be in the business of rating corporate debt obligations, TGI and the Banks shall negotiate in good faith to amend this provision to reflect such changed rating system or the unavailability of ratings from such rating agency and, pending the effectiveness of any such amendment, the rating most recently in effect prior to such change or cessation shall apply.

EXHIBIT 5.8.6(A)

[FORM OF]

U.S. TAX COMPLIANCE CERTIFICATE

(For Foreign Lenders That Are Not Partnerships For U.S. Federal Income Tax Purposes)

Reference is hereby made to the Third Amended and Restated Credit Agreement dated as of [ ] (as amended, supplemented or otherwise modified from time to time, the "Credit Agreement"), among [ ], and each lender from time to time party thereto.

Pursuant to the provisions of Section 5.8 [*Taxes*] of the Credit Agreement, the undersigned hereby certifies that (i) it is the sole record and beneficial owner of the Loan(s) (as well as any Note(s) evidencing such Loan(s)) in respect of which it is providing this certificate, (ii) it is not a bank within the meaning of Section 881(c)(3)(A) of the Internal Revenue Code, (iii) it is not a ten percent shareholder of the Borrower within the meaning of Section 871(h)(3)(B) of the Internal Revenue Code and (iv) it is not a controlled foreign corporation related to the Borrower as described in Section 881(c)(3)(C) of the Internal Revenue Code.

The undersigned has furnished the Administrative Agent and the Borrower with a certificate of its non-U.S. Person status on IRS Form W-8BEN or W-8BEN-E, as applicable. By executing this certificate, the undersigned agrees that (1) if the information provided on this certificate changes, the undersigned shall promptly so inform the Borrower and the Administrative Agent, and (2) the undersigned shall have at all times furnished the Borrower and the Administrative Agent with a properly completed and currently effective certificate in either the calendar year in which each payment is to be made to the undersigned, or in either of the two calendar years preceding such payments.

Unless otherwise defined herein, terms defined in the Credit Agreement and used herein shall have the meanings given to them in the Credit Agreement.

[NAME OF LENDER]

By:

Name:

Title:

Date: \_\_\_\_\_, 20[ ]

EXHIBIT 5.8.6(B)

[FORM OF]

U.S. TAX COMPLIANCE CERTIFICATE  
(For Foreign Participants That Are Not Partnerships For U.S. Federal Income Tax Purposes)

Reference is hereby made to the Third Amended and Restated Credit Agreement dated as of [ ] (as amended, supplemented or otherwise modified from time to time, the "Credit Agreement"), among [ ], and each lender from time to time party thereto.

Pursuant to the provisions of Section 5.8 [*Taxes*] of the Credit Agreement, the undersigned hereby certifies that (i) it is the sole record and beneficial owner of the participation in respect of which it is providing this certificate, (ii) it is not a bank within the meaning of Section 881(c)(3)(A) of the Internal Revenue Code, (iii) it is not a ten percent shareholder of the Borrower within the meaning of Section 871(h)(3)(B) of the Internal Revenue Code, and (iv) it is not a controlled foreign corporation related to the Borrower as described in Section 881(c)(3)(C) of the Internal Revenue Code].

The undersigned has furnished its participating Bank with a certificate of its non-U.S. Person status on IRS Form W-8BEN or W-8BEN-E, as applicable. By executing this certificate, the undersigned agrees that (1) if the information provided on this certificate changes, the undersigned shall promptly so inform such Bank in writing, and (2) the undersigned shall have at all times furnished such Bank with a properly completed and currently effective certificate in either the calendar year in which each payment is to be made to the undersigned, or in either of the two calendar years preceding such payments.

Unless otherwise defined herein, terms defined in the Credit Agreement and used herein shall have the meanings given to them in the Credit Agreement.

[NAME OF PARTICIPANT]

By:

Name:

Title:

Date: \_\_\_\_\_, 20[ ]

EXHIBIT 5.8.6 (C)

[FORM OF]

U.S. TAX COMPLIANCE CERTIFICATE  
(For Foreign Participants That Are Partnerships For U.S. Federal Income Tax Purposes)

Reference is hereby made to the Third Amended and Restated Credit Agreement dated as of [ ] (as amended, supplemented or otherwise modified from time to time, the "Credit Agreement"), among [ ], and each lender from time to time party thereto.

Pursuant to the provisions of Section 5.8 [*Taxes*] of the Credit Agreement, the undersigned hereby certifies that (i) it is the sole record owner of the participation in respect of which it is providing this certificate, (ii) its direct or indirect partners/members are the sole beneficial owners of such participation, (iii) with respect such participation, neither the undersigned nor any of its direct or indirect partners/members is a bank extending credit pursuant to a loan agreement entered into in the ordinary course of its trade or business within the meaning of Section 881(c)(3)(A) of the Internal Revenue Code, (iv) none of its direct or indirect partners/members is a ten percent shareholder of the Borrower within the meaning of Section 871(h)(3)(B) of the Internal Revenue Code and (v) none of its direct or indirect partners/members is a controlled foreign corporation related to the Borrower as described in Section 881(c)(3)(C) of the Internal Revenue Code.

The undersigned has furnished its participating Bank with IRS Form W-8IMY accompanied by one of the following forms from each of its partners/members that is claiming the portfolio interest exemption: (i) an IRS Form W-8BEN or W-8BEN-E, as applicable, or (ii) an IRS Form W-8IMY accompanied by an IRS Form W-8BEN or W-8BEN-E, as applicable, from each of such partner's/member's beneficial owners that is claiming the portfolio interest exemption. By executing this certificate, the undersigned agrees that (1) if the information provided on this certificate changes, the undersigned shall promptly so inform such Bank and (2) the undersigned shall have at all times furnished such Bank with a properly completed and currently effective certificate in either the calendar year in which each payment is to be made to the undersigned, or in either of the two calendar years preceding such payments.

Unless otherwise defined herein, terms defined in the Credit Agreement and used herein shall have the meanings given to them in the Credit Agreement.

[NAME OF PARTICIPANT]

By:

Name:

Title:

Date: \_\_\_\_\_, 20[ ]



EXHIBIT 5.8.6 (D)

[FORM OF]

U.S. TAX COMPLIANCE CERTIFICATE  
(For Foreign Lenders That Are Partnerships For U.S. Federal Income Tax Purposes)

Reference is hereby made to the Third Amended and Restated Credit Agreement dated as of [ ] (as amended, supplemented or otherwise modified from time to time, the "Credit Agreement"), among [ ], and each lender from time to time party thereto.

Pursuant to the provisions of Section 5.8 [*Taxes*] of the Credit Agreement, the undersigned hereby certifies that (i) it is the sole record owner of the Loan(s) (as well as any Note(s) evidencing such Loan(s)) in respect of which it is providing this certificate, (ii) its direct or indirect partners/members are the sole beneficial owners of such Loan(s) (as well as any Note(s) evidencing such Loan(s)), (iii) with respect to the extension of credit pursuant to this Credit Agreement or any other Loan Document, neither the undersigned nor any of its direct or indirect partners/members is a bank extending credit pursuant to a loan agreement entered into in the ordinary course of its trade or business within the meaning of Section 881(c)(3)(A) of the Internal Revenue Code, (iv) none of its direct or indirect partners/members is a ten percent shareholder of the Borrower within the meaning of Section 871(h)(3)(B) of the Internal Revenue Code and (v) none of its direct or indirect partners/members is a controlled foreign corporation related to the Borrower as described in Section 881(c)(3)(C) of the Internal Revenue Code.

The undersigned has furnished the Administrative Agent and the Borrower with IRS Form W-8IMY accompanied by one of the following forms from each of its partners/members that is claiming the portfolio interest exemption: (i) an IRS Form W-8BEN or W-8BEN-E, as applicable, or (ii) an IRS Form W-8IMY accompanied by an IRS Form W-8BEN or W-8BEN-E, as applicable, from each of such partner's/member's beneficial owners that is claiming the portfolio interest exemption. By executing this certificate, the undersigned agrees that (1) if the information provided on this certificate changes, the undersigned shall promptly so inform the Borrower and the Administrative Agent, and (2) the undersigned shall have at all times furnished the Borrower and the Administrative Agent with a properly completed and currently effective certificate in either the calendar year in which each payment is to be made to the undersigned, or in either of the two calendar years preceding such payments.

Unless otherwise defined herein, terms defined in the Credit Agreement and used herein shall have the meanings given to them in the Credit Agreement.

[NAME OF PARTICIPANT]

By:

Name:

Title:

Date: \_\_\_\_\_, 20[ ]

### EXHIBIT 8.3.3

#### Third Amended and Restated Compliance Certificate

[Date]

PNC Bank, National Association, as Administrative Agent  
1900 Market Street  
Philadelphia, Pennsylvania 19103

Ladies and Gentlemen:

Reference is made to that certain Third Amended and Restated Credit Agreement dated as of November 19, 2013 (as the same may be amended, restated, supplemented or otherwise modified from time to time, the "Credit Agreement") among TRIUMPH GROUP, INC. ("TGI"), the other borrowers from time to time party thereto (together with TGI, the "Borrowers"), the guarantors from time to time party thereto, the banks from time to time party thereto (the "Banks"), and PNC BANK, NATIONAL ASSOCIATION, as Administrative Agent for the Banks (the "Administrative Agent"). Unless otherwise defined herein, capitalized terms defined in the Credit Agreement are used herein with the same meanings.

I, \_\_\_\_\_, [**President/Chief Executive Officer/Chief Financial Officer**] of TGI, do hereby certify, solely in my capacity as [**President/Chief Executive Officer/Chief Financial Officer**] of TGI and not in any individual capacity, on behalf of the Borrowers as of \_\_\_\_\_, \_\_\_\_\_] (the "Report Date"), that, except as set forth in any notice delivered pursuant to Section 8.3.4 of the Credit Agreement:

1. Minimum Interest Coverage Ratio (Section 8.2.15). The Interest Coverage Ratio is \_\_\_\_\_ to 1.00 for the four consecutive fiscal quarters ending as of the Report Date, as demonstrated by the calculations attached hereto as Exhibit A, which [is][is not] less than the required minimum ratio specified in Section 8.2.15 of the Credit Agreement.

2. Maximum First Lien Secured Leverage Ratio (Section 8.2.16). The First Lien Secured Leverage Ratio for the fiscal quarter ending as of the Report Date is \_\_\_\_\_ to 1.00, as demonstrated by the calculations attached hereto as Exhibit B, which [is][is not] more than the maximum permitted ratio specified in Section 8.2.16 of the Credit Agreement

3. Maximum Senior Secured Leverage Ratio (Section 8.2.17). The Senior Secured Leverage Ratio for the fiscal quarter ending as of the Report Date is \_\_\_\_\_ to 1.00, as demonstrated by the calculations attached hereto as Exhibit C, which [is][is not] more than the maximum permitted ratio specified in Section 8.2.17 of the Credit Agreement.]

4. Total Leverage Ratio. The Total Leverage Ratio for the fiscal quarter ending as of the Report Date is \_\_\_\_\_ to 1.00, as demonstrated by the calculations attached hereto as Exhibit D.

5. Consolidated EBITDA. TGI and the Subsidiaries of TGI which comprised the Loan Parties which are fully liable for the Obligations during the last four consecutive fiscal

quarters ending as of the Report Date directly contributed in the aggregate \_\_\_% of the Consolidated EBITDA of TGI and its Subsidiaries for the last four consecutive fiscal quarters ending as of the Report Date, which [is][is not] less than the minimum required 75% of Consolidated EBITDA of TGI and its Subsidiaries. TGI and the Domestic Subsidiaries of TGI which comprised the Loan Parties during the last four consecutive fiscal quarters ending as of the Report Date directly contributed in the aggregate \_\_\_% of the Consolidated EBITDA of TGI and its Domestic Subsidiaries for the last four consecutive fiscal quarters ending as of the Report Date, which [is][is not] less than the minimum required 95% of Consolidated EBITDA of TGI and its Domestic Subsidiaries.

6. Other Covenants During the reporting period covered by this Compliance Certificate, the Borrowers have performed and complied with all covenants and conditions contained in the Credit Agreement.

7. Representations and Warranties The representations and warranties of the Borrowers contained in Article 6 of the Credit Agreement are true and correct on and as of the date hereof with the same effect as though such representations and warranties had been made on and as of the date hereof (except representations and warranties which expressly relate solely to an earlier date or time, which representations and warranties were true and correct on and as of the specific dates or times referred to therein).

8. No Defaults No Event of Default or Potential Default exists and is continuing as of the date hereof.

**[SIGNATURE APPEARS ON FOLLOWING PAGE]**

**[SIGNATURE PAGE – THIRD AMENDED  
AND RESTATED COMPLIANCE CERTIFICATE]**

IN WITNESS WHEREOF, the undersigned has executed this Certificate this \_\_\_ day of \_\_\_\_\_, \_\_\_\_\_.

**TRIUMPH GROUP, INC.**

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

**Exhibit A**

Interest Coverage Ratio

See Attached.

**Exhibit B**

First Lien Secured Leverage Ratio

See Attached.

**[Exhibit C**

Senior Secured Leverage Ratio

See Attached.]

**Exhibit D**

Total Leverage Ratio

See Attached.





August 14, 2018

Jennifer H. Allen  
51 Spencer Brook Lane  
Carlisle, MA 01741

Dear Jennifer:

Triumph Group, Inc. ("TGI") is pleased to offer you the position of SVP and General Counsel (Band 6), reporting directly to Daniel J. Crowley, CEO and President located in Berwyn, PA. We aspire to be the premier design, manufacturing and support company whose comprehensive capabilities, integrated process and innovative employees advance the safety and prosperity of the world. We look forward to your contributions to Triumph Group Leadership Team to fulfill our vision. This letter is intended to set forth the terms and conditions of our employment offer.

1. Annual Base Salary: \$400,000 (\$15,384 bi-weekly). Base salary is subject to deductions for taxes and other withholdings as required by law or the policies of TGI.
2. Sign-On Cash Bonus: In connection with this offer, you are eligible for a sign-on bonus ("Sign-On Cash Bonus") in the gross amount of \$80,000 subject to the terms outlined below. The Sign -On Cash Bonus will be paid in full, within 30 days of start date. If, during the first 12 months of your employment, you voluntarily resign, or your employment is terminated by TGI for cause, you agree to repay TGI the full amount of the signing bonus.
3. Annual Short-Term Incentive (STI): You will be eligible to participate in TGI's annual bonus program for executives, with a target bonus opportunity equal to 75 % of annual base salary and a maximum bonus opportunity of 2x bonus target% of base salary for Fiscal Year 2019 (FY'19) ending on March 31, 2019.

For FY'19, you will be guaranteed a minimum cash bonus of \$105,000; the balance of the target annual bonus opportunity will be pro-rated based on your date of hire and subject to your individual performance, company achievement in accordance with the applicable performance criteria for FY'19 bonuses for senior corporate executives, and as determined by the Compensation and Management Development Committee (the "Committee"). Your eligibility will be pro-rated based on the number of eligible days worked in the Fiscal Year.

The actual amount of your annual bonus each year will be determined by the Compensation and Management Development Committee (the "Committee") of the Board of Directors of TGI on the basis of the achievement of pre-established performance goals relating to corporate and individual performance.



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4. Sign On Equity Grant: You will be provided with a special one-time incoming equity grant (the "Initial Equity Grant") valued at \$200,000 (number of shares determined by the closing price of TGI common stock on the date of grant) comprised as follows: (a) 40% of the value in restricted stock units (RSUs) vesting ratably over three years and (b) 60% of the value in PSU's with ultimate value depending on TGI's performance against each of the relative and absolute TSR performance targets established by the Committee for FY' 19. The Sign-On Equity Grant will occur at the end of the quarter following your start date. Subject to continued employment, the Sign-On Equity Grant will vest ratably in three installments on the first, second and third anniversaries of the grant date. The Sign-On Equity Award is subject to the terms of the Triumph Group, Inc. 2018 Equity Plan as well as the terms set forth in a separate, written restricted stock award agreement to be provided at the time of the grant.
5. Annual Equity Awards (LTI): Subject to the approval of the Compensation Committee, you will be eligible for annual performance-based long-term incentive awards with a target value of 75% of base salary. For FY '20, the award will be made in Grant period. The annual long-term incentive is comprised as follows: (a) 40% of the value in RSU's vesting ratably over three years, and (b) 60% of the value in PSU's with ultimate value depending on TGI's performance against each of the relative and absolute TSR performance targets established by the Committee for FY'20. PSU's will cliff vest at the end of the three year performance period, which runs through FY'22. The value of PSU's can reach 200% of original grant value if maximum performance. Actual LTI award grants may be more or less than target. Target LTI annual grant values in future years will also be subject to formal approval by the Compensation Committee and will be based on a variety of factors, including without limitation, market data, individual performance, and scope of job responsibilities.
6. Employee Benefits: You will be eligible to participate in TGI's employee benefit plans generally applicable to TGI senior executives. See attached information.
7. Relocation: You will be provided with a relocation package to support your move to your new location. In general, the program provides coverage for costs associated with selling your current home, moving your household goods, purchasing a new home, temporary living and a house hunting trip. A copy of the Homeowner Relocation Program will be provided to you under separate cover. It will outline all specifics and processes related to the program.
8. Conditions: The offer of employment set forth in this letter agreement is subject to the following conditions:
  - Your acceptance of this offer by one week after letter date.
  - Satisfactory background check.
  - Satisfactory drug screening



August 14, 2018  
Page 3

9. Restrictive Covenants: You hereby agree to be bound by the restrictive covenants set forth on Annex A to this letter agreement.

As a TGI employee, you will be expected to adhere to TGI's Code of Business Conduct, current policies, procedures and practices as well as any that may be implemented in the future.

This offer is contingent upon your satisfactory completion of the conditions described above under "Conditions". While we hope we will be able to meet each other's mutual needs, TGI is an employer-at-will. This means that your employment with TGI is not for any set term and may be terminated by either you or TGI at any time. The at-will term of your employment can be modified only in writing signed by you and the Chief Executive Officer of TGI.

Please contact me if you have any questions about the information provided in this letter or if you require further information. I look forward to working with you.

Sincerely,

/s/ Lance R. Turner

\_\_\_\_\_  
Lance R. Turner  
SVP, Human Resources, Safety, & Communications

Agreed and Accepted:  
Date: August 28, 2018

/s Jennifer H. Allen

Cc: Daniel J. Crowley



## Annex A

### Restrictive Covenants

(a) Disclosure of Confidential Information. You shall not at any time during your employment with TGI or thereafter, except as properly required in the course of your employment, use, publish, disclose or authorize anyone else to use, publish or disclose any Confidential Information belonging or relating to TGI or any of its affiliates. Confidential Information includes, but is not limited to, models, drawings, blueprints, memoranda and other materials, documents or records of a proprietary nature; information relating to research, manufacturing processes, bills of material, finance, accounting, sales, personnel management and operations; and information particularly relating to customer lists, price lists, customer service requirements, costs of providing service and equipment, pricing and equipment maintenance costs.

(b) Patents, Copyrights and Trade Secrets. You will disclose, and hereby assign, to TGI any and all material of a proprietary nature, particularly including, but not limited to, material subject to protection as trade secrets or as patentable or copyrightable ideas which you may conceive, invent, or discover during the course of your employment with TGI which relate to the business of TGI, or were developed using TGI's resources (collectively, the "Inventions"), and you shall execute and deliver all papers, including applications for patents and do such other acts (entirely at TGI's expense) as may be necessary for TGI to obtain and maintain proprietary rights in any and all countries and to vest title to such Inventions in TGI.

(c) Noncom petition and Nonsolicitation. While you are employed by TGI and its affiliates and for the one-year period following the termination of such employment for any reason (together, the "Restricted Period"), you shall not, in any jurisdiction in which TGI or any of its affiliates is doing business, directly or indirectly, own, manage, operate, control, consult with, be employed by, participate in the ownership, management, operation or control of, or otherwise render services to or engage in, any business engaged in by TGI and its affiliates; provided, that your ownership of securities constituting 2% or less of any publicly traded class of securities of a public company shall not violate this paragraph. During the Restricted Period, you shall not solicit for business or accept the business of, any person or entity who is, or was at any time within the previous 12 months, a customer or client of the business conducted by TGI or its affiliates (or potential customer or client with whom TGI or its affiliates had initiated contact). During the Restricted Period, you shall not, directly or indirectly, employ, solicit for employment, or otherwise contract for or hire, the services of any individual who is then an employee of TGI and its affiliates or who was an employee of TGI and its affiliates within the previous 12 months. Further, during the Restricted Period, you shall not take any action that could reasonably be expected to have the effect of inducing any individual who is then an employee, representative, officer or director of TGI or any of its affiliates, or who was an employee, representative, officer or director of TGI and its affiliates within the previous 12 months, to cease his or her relationship with TGI or any of its affiliates for any reason.

(d) Acknowledgements and Remedies.

(i) The parties hereto agree that the provisions of clauses (a), (b) and (c) of this Annex B (the "Covenants") have been specifically negotiated by sophisticated commercial parties and agree that all such provisions are reasonable under the circumstances of the activities contemplated by this letter agreement. You acknowledge and agree that the Covenants are reasonable in light of all of the circumstances, are sufficiently limited to protect the legitimate interests of TGI and its affiliates, impose no undue hardship on you, and are not injurious to the public. The parties hereto further agree that your services are of a personal, special and unique character and cannot be replaced by TGI, and that the violation by you of any of the Covenants would cause TGI irreparable harm, which could not be adequately compensated by money damages, and that if TGI elects to prevent you from breaching such provisions by obtaining an injunction against you, there is a reasonable probability of TGI's eventual success on the merits. Accordingly, you consent and agree that if you commit any such breach or threaten to commit any breach, in addition to any other remedies as may be available to TGI for such breach,



including the recovery of money damages, TGI shall be entitled (without the necessity of showing economic loss or other actual damage) to (A) cease payment of the severance payments and benefits described in this letter agreement under "Termination by TGI Without Cause" and/or to recoup from you the portion of such severance payments and benefits already paid and (B) temporary and permanent injunctive relief from a court of competent jurisdiction, without posting any bond or other security and without the necessity of proof of actual damage. Furthermore, if TGI institutes any action or proceeding to enforce any of the provisions of this Annex B, to the extent permitted by applicable law, you hereby waive the claim or defense that TGI has an adequate remedy at law, and you shall not assert in any such action or proceeding the defense that any such remedy exists at law.

(ii) Prior to execution of this letter agreement, you were advised by TGI of your right to seek independent advice from an attorney of your own selection regarding this letter agreement. You acknowledge that you have entered into this letter agreement knowingly and voluntarily and with full knowledge and understanding of the provisions of this letter agreement after being given the opportunity to consult with counsel. You further represent that, in entering into this letter agreement, you are not relying on any statements or representations made by any of TGI's directors, officers, employees or agents that are not expressly set forth herein, and that you are relying only upon your own judgment and any advice provided by your attorney.

(i) In light of the acknowledgements contained in this clause (d), you agree not to challenge or contest the reasonableness, validity or enforceability of any limitations and obligations contained in this letter agreement. In the event that the Covenants shall be determined by any court of competent jurisdiction to be unenforceable by reason of their extending for too great a period of time or over too great a geographical area or by reason of their being too extensive in any other respect, they shall be interpreted to extend only over the maximum period of time for which they may be enforceable and/or over the maximum geographical area as to which they may be enforceable and/or to the maximum extent in all other respects as to which they may be enforceable, all as determined by such court.

**Triumph Group, Inc.**, 899 Cassatt Road, Berwyn, PA 19312 USA, Tel: 610-251-1035, [lturner@triumphgroup.com](mailto:lturner@triumphgroup.com)

**Subsidiaries of Triumph Group, Inc.**

HT Parts, L.L.C.  
 Nu-Tech Brands, Inc.  
 Placas Termodinamicas, S. de R.L. de C.V.  
 SBP Holdings Limited  
 The Mexmil Holding Company, LLC  
 The Triumph Group Operations, Inc.  
 Triumph Accessory Services - Grand Prairie, Inc.  
 Triumph Actuation Systems - Connecticut, LLC  
 Triumph Actuation Systems - Isle of Man, Ltd.  
 Triumph Actuation Systems - UK, Ltd.  
 Triumph Actuation Systems - Valencia, Inc.  
 Triumph Actuation Systems - Yakima, LLC  
 Triumph Actuation Systems, LLC  
 Triumph Aerospace Operations UK, Ltd.  
 Triumph Aerospace Systems Group - UK LTD  
 Triumph Aerospace Systems Group, LLC  
 Triumph Aerospace Operations Japan, GK  
 Triumph Aerostructures - Tulsa, LLC  
 Triumph Aerostructures Holdings, LLC  
 Triumph Aerostructures Vought Aircraft Technical Services (Chengdu) Co., Ltd.  
 Triumph Aerostructures, LLC  
 Triumph Aftermarket Services Group, LLC  
 Triumph Airborne Structures, LLC  
 Triumph Aviation Services Asia, Ltd.  
 Triumph Aviations Inc.  
 Triumph Brands, Inc.  
 Triumph Composite Systems, Inc.  
 Triumph Controls (Europe) SAS  
 Triumph Controls - Germany GmbH  
 Triumph Controls - UK Ltd.  
 Triumph Controls France SAS  
 Triumph Controls, LLC  
 Triumph Engine Control Holdings, Inc.  
 Triumph Engine Control Systems, LLC  
 Triumph Engineered Solutions, Inc.  
 Triumph Engineering Services, Inc.  
 Triumph Fabrications - Orangeburg, Inc.  
 Triumph Gear Systems - Macomb, Inc.  
 Triumph Gear Systems - Toronto ULC  
 Triumph Gear Systems, Inc.  
 Triumph Group - Mexico Inmobiliaria, S. de R.L. de C.V.  
 Triumph Group - Mexico, S. de R.L. de C.V.  
 Triumph Group Acquisition Corp.  
 Triumph Group Acquisition Financing, LLC  
 Triumph Group Acquisition Holdings, Inc.  
 Triumph Group Charitable Foundation  
 Triumph Group Holdings - Mexico, LLC  
 Triumph Group Holdings - UK, Ltd.  
 Triumph Group Investment - Mexico, LLC  
 Triumph Group Luxembourg Finance S.a.r.l.  
 Triumph Group Luxembourg Holding S.a.r.l.  
 Triumph Instruments - Burbank, Inc.  
 Triumph Instruments, Inc.  
 Triumph Insulation Systems - Germany GmbH  
 Triumph Insulation Systems, LLC

Triumph Integrated Aircraft Interiors Inmobiliaria, S. de R.L. de C.V.

Triumph Integrated Aircraft Interiors, Inc.

Triumph Investment Holdings, Inc.

Triumph Metals Company

Triumph Precision Castings Co.

Triumph Real Estate - Mexico, LLC

Triumph Receivables, LLC

Triumph Structures (Thailand) Ltd.

Triumph Structures - Kansas City, Inc.

Triumph Structures - Wichita, Inc.

Triumph Structures International, Ltd

Triumph Thermal Systems - Maryland, Inc.

Triumph Thermal Systems, LLC

Triumph Turbine Services, Inc.

VAC Industries, Inc.

**Consent of Independent Registered Public Accounting Firm**

We consent to the incorporation by reference in the following Registration Statements:

- 1) Registration Statements (Form S-8 No. 333-36957 and Form S-8 No. 333-50056) pertaining to the 1996 Stock Option Plan of Triumph Group, Inc.,
- 2) Registration Statements (Form S-8 No. 333-81665 and Form S-8 No. 333-134861) pertaining to the Amended and Restated Directors' Stock Incentive Plan of Triumph Group, Inc.,
- 3) Registration Statement (Form S-8 No. 333-125888) pertaining to the 2004 Stock Incentive Plan of Triumph Group, Inc.,
- 4) Registration Statement (Form S-8 No. 333-192537) pertaining to the 2013 Stock Purchase Plan of Triumph Group, Inc.,
- 5) Registration Statement (Form S-8 No. 333-192538) pertaining to the 2013 Equity and Cash Incentive Plan of Triumph Group, Inc.,
- 6) Registration Statement (Form S-8 No. 333-211676) pertaining to the Time-Based Restricted Stock Award Agreement of Triumph Group, Inc.,
- 7) Registration Statement (Form S-8 No. 333-219486) pertaining to the 2016 Directors' Equity Compensation Plan of Triumph Group, Inc., and
- 8) Registration Statement (Form S-8 No. 333-226640) pertaining to the 2018 Equity Incentive Plan
- 9) Registration Statement (Form S-3 No. 333-235454) pertaining to the resale of certain shares of common stock by Vought Industries Inc., Master Defined Benefit Trust

of our reports dated May 28, 2020, with respect to the consolidated financial statements and schedule of Triumph Group, Inc. and the effectiveness of internal control over financial reporting of Triumph Group, Inc. included in this Annual Report (Form 10-K) of Triumph Group, Inc. for the year ended March 31, 2020.

/s/ Ernst & Young LLP

Philadelphia, Pennsylvania  
May 28, 2020



**CERTIFICATION PURSUANT TO RULE 13a-14(a) OR 15d-14(a) OF  
THE SECURITIES AND EXCHANGE ACT OF 1934**

I, Daniel J. Crowley, certify that:

1. I have reviewed this Annual Report on Form 10-K of Triumph Group, Inc. (this "Report");
2. Based on my knowledge, this Report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this Report;
3. Based on my knowledge, the financial statements, and other financial information included in this Report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this Report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
  - a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this Report is being prepared;
  - b) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
  - c) evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this Report our conclusions about the effectiveness of the disclosure controls and procedures as of the end of the period covered by this Report based on such evaluation; and
  - d) disclosed in this Report any change in the registrant's internal control over financial reporting that occurred during the registrant's fourth fiscal quarter that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
  - a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
  - b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Dated: May 28, 2020

/s/ Daniel J. Crowley

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Daniel J. Crowley  
*President and Chief Executive Officer (Principal  
Executive Officer)*

**CERTIFICATION PURSUANT TO RULE 13a-14(a) OR 15d-14(a) OF  
THE SECURITIES AND EXCHANGE ACT OF 1934**

I, James F. McCabe, Jr., certify that:

1. I have reviewed this Annual Report on Form 10-K of Triumph Group, Inc. (this "Report");
2. Based on my knowledge, this Report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this Report;
3. Based on my knowledge, the financial statements, and other financial information included in this Report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this Report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
  - a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this Report is being prepared;
  - b) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
  - c) evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this Report our conclusions about the effectiveness of the disclosure controls and procedures as of the end of the period covered by this Report based on such evaluation; and
  - d) disclosed in this Report any change in the registrant's internal control over financial reporting that occurred during the registrant's fourth fiscal quarter that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
  - a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
  - b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Dated: May 28, 2020

/s/ James F. McCabe, Jr.

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James F. McCabe, Jr.  
*Senior Vice President, Chief Financial Officer (Principal  
Financial Officer)*

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

In connection with the Annual Report on Form 10-K of Triumph Group, Inc. (the "Company") for the year ended March 31, 2020, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Daniel J. Crowley, President and Chief Executive Officer of the Company, certify, pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, to the best of my knowledge, that:

- (1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

By:           /s/ Daniel J. Crowley          

Daniel J. Crowley  
*President and Chief Executive Officer*  
*(Principal Executive Officer)*

May 28, 2020

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A signed original of this written statement required by Section 906 has been provided to Triumph Group, Inc. and will be retained by Triumph Group, Inc. and furnished to the Securities and Exchange Commission or its staff upon request.

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

In connection with the Annual Report on Form 10-K of Triumph Group, Inc. (the "Company") for the year ended March 31, 2020, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, James F. McCabe, Jr., Senior Vice President, Chief Financial Officer of the Company, certify, pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, to the best of my knowledge, that:

- (1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

By: /s/ James F. McCabe, Jr. \_\_\_\_\_

James F. McCabe, Jr.  
*Senior Vice President, Chief Financial Officer (Principal  
Financial Officer)*  
May 28, 2020

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A signed original of this written statement required by Section 906 has been provided to Triumph Group, Inc. and will be retained by Triumph Group, Inc. and furnished to the Securities and Exchange Commission or its staff upon request.