CIRCOR International, Inc.
Principles of Corporate Governance

Purpose of the Board of Directors

The primary role of the board of directors (the "Board") of CIRCOR International, Inc. (the "Company") is to represent the interests of the Company's shareholders in the strategic and material decisions of the Company. Among the most important responsibilities are the determination of corporate policies, the selection and evaluation of the Chief Executive Officer ("CEO"), the ongoing review of the senior management team, planning for management succession, and the review of executive compensation. The Board will also provide advice and guidance to management on a broad range of high-level decisions. Its decision-making role should be limited to strategic, financial, organizational, and ethical issues that are material in the context of the entire business. The Board will consider management's conclusions regarding the materiality of any given issue but the Board shall be the final decision-maker regarding materiality.

Responsibilities of Key Leaders

CEO – The CEO is the executive manager responsible for the overall performance of all segments of the business. The CEO is also responsible for the operational strategy and planning for the Company, with long-term profitable growth, competitive strength and enhanced shareholder value being primary objectives. The CEO is responsible for the hiring, organization, and evaluation of management, and recommends management compensation. It is the CEO's responsibility to ensure that the employees conduct business with high ethical standards. The CEO is also responsible for the Company's interaction with key outside parties, such as governing and regulatory bodies, industry groups, the media, rating agencies, security analysts, and large shareholders.

Chairman of the Board – It is the responsibility of the chairman of the Board (the "Chairman") to conduct Board meetings, administer the activities of the Board, to facilitate communication between management and the Board, and to carry out such other responsibilities as may be assigned to the Chairman by the Nominating and Corporate Governance Committee.

Board Composition

Selection of Chairman and CEO – The Board should be free to select the Chairman and the CEO in the way that, in its opinion, is best for the Company at a given point in time. It is the Board's policy that the positions of Chairman and CEO may but need not be held by two different individuals.

Size of the Board – The bylaws of the Company (the "Bylaws") authorize the directors to determine, from time to time, the number of directors of the Company. At this time, the Board believes that the optimum size of the Board is seven members. The Company's Chief Financial Officer and General Counsel should generally attend Board meetings as non-voting resources.

Mix of Directors – A majority of the members of the Board shall be independent directors. The Nominating and Corporate Governance Committee believes that, absent special circumstances, all directors other than CEO should be independent. Of the 7 current directors, one is the current CEO of the Company. The Board has determined that the remaining 6 directors have no interest or conflicts that would prevent them from exercising independent judgment in matters that come before the Board.

Board Membership Criteria – To be considered independent: (1) a director must be independent as determined under Section 303A.02(b) of the New York Stock Exchange ("NYSE") Listed Company Manual and (2) in the Board's judgment, the director must not have a material relationship with the Company (either directly or as a partner, shareholder or officer of an organization that has a relationship with the Company).

The Nominating and Corporate Governance Committee is responsible for reviewing with the Board from time to time the appropriate skills and characteristics required of Board members in the context of the current make-up of the Board. This assessment should include issues of management experience, general business knowledge, age and specific skills or expertise, such as finance, manufacturing technology, international business, business law, and marketing and should include succession planning. The Board encourages the Nominating and Corporate Governance committee to seek diverse experiences and backgrounds when considering candidates. Such assessment is to be made in the context of the perceived needs of the Board at that point in time and requirements of the NYSE and the Securities and Exchange Commission (the "SEC").

Currently, the Nominating and Corporate Governance Committee does not believe it is in the best interests of the Company to establish rigid criteria for the selection of nominees to the Board. Rather, the Committee recognizes that the challenges and needs of the Company will vary over time and, accordingly, believes that the selection of director nominees should be based on skill sets most pertinent to the issues facing or likely to face the Company at the time of nomination. At the same time, the Committee believes that the Company will benefit from a diversity of background and experience on the Board and, therefore, will consider and seek nominees who, in addition to general management experience and business knowledge, possess, among other attributes, an expertise in one or more of the following areas: finance, manufacturing technology, product innovation, business strategy, organizational development, information technology, international business, investment banking, business law, corporate governance, risk assessment, relevant energy and/or aerospace and defense industry experience, and investor relations. In addition, there are certain general attributes that the Committee believes all director candidates must possess including:

- a commitment to ethics and integrity;
- a commitment to personal and organizational accountability;
- a history of achievement that reflects superior standards for themselves and others; and
- a willingness to express alternate points of view while, at the same time, being respectful of the opinions of others and working collaboratively with colleagues.

Selection of New Director Candidates – Except where the Company is legally required by contract, the Bylaws, or otherwise to provide third parties with the ability to nominate directors, the Nominating and Corporate Governance Committee should be responsible for identifying individuals qualified to become Board members, consistent with criteria approved by the Board, and recommending to the Board the persons to be nominated for election as directors at any meeting of stockholders and the persons to be elected by the Board to fill any vacancies on the Board. The Board delegates the screening process involved to the Nominating and Governance Committee which makes recommendations to the Board on the selection of director nominees. The Nominating and Corporate Governance Committee, at its discretion, may consider candidates discovered through personal introduction, recommendation of the CEO and/or other directors, and any candidates proposed by executive search firms. In addition, the Nominating and Corporate Governance Committee will consider for nomination a candidate recommended by a stockholder that submits such proposed nomination in accordance with procedures adopted by the Nominating and Corporate Governance Committee from time to time and published in the Company's proxy statement for its annual meeting.

Directors Who Change Their Present Job Responsibility – The Board does not believe that directors who retire or undergo a job change should necessarily leave the Board. However, such a change can alter the ongoing skills mix that the Board would like to have and, in addition, could create a conflict of interest between the director and the Company. Therefore, there should be an opportunity for the Board, via the Nominating and Corporate Governance Committee, to review the continued appropriateness of Board membership under these circumstances. As a result, in the event of such a job change, a director is required to send a letter to the Nominating and Corporate Governance Committee informing the Committee of the change and offering to resign from the Board if the Committee determines that such resignation is in the Company's best interest.

Majority Voting Policy – In an uncontested election of directors (i.e., an election where the number of nominees is not greater than the number of directors to be elected), any nominee for director who receives a greater number of votes "withheld" from his or her election than votes "for" his or her election (a "Majority Withhold Vote") is expected to tender his or her resignation as a director to the Board promptly following the certification of the election results. Abstentions and broker non-votes are not considered votes "withheld" from a director's election. The Board will nominate for election or re-election as director only candidates who agree to tender, promptly following a failure to receive the required vote for election or re-election at the next meeting at which such person would face election or re-election, an irrevocable resignation that will be effective upon acceptance by the Board of such resignation.

The Nominating and Corporate Governance Committee will consider the tendered resignation and recommend to the Board whether to accept or reject it. The Board will act on the tendered resignation, taking into account the Nominating and Corporate Governance Committee's recommendation, within 90 days following the certification of the election results. The Board will disclose its decision whether to accept or reject the tendered resignation (and the reasons for rejecting the tendered resignation, if applicable) promptly in a document furnished to or filed with the SEC. The Nominating and Corporate Governance Committee, in making its recommendation, and the Board in making its decision, may each consider any factors or other information that it considers appropriate and relevant. If a director's tendered resignation is accepted by the Board, then the Board may fill the resulting vacancy or decrease the number of directors comprising the Board in accordance with the applicable provisions of the Bylaws. If the director's resignation is not accepted by the Board, the director will continue to serve until the annual meeting of stockholders at which he or she is subject to election and until his or her successor is elected and qualified.

Any director who tenders his or her resignation under this policy will not participate in the Nominating and Corporate Governance Committee recommendation or Board action regarding whether to accept the resignation offer. If a majority of the directors serving on the Nominating and Corporate Governance Committee received a Majority Withhold Vote at the same election, then the independent directors who did not receive a Majority Withhold Vote shall appoint a committee amongst themselves to consider the resignation offers and recommend to the Board whether to accept them. However, if the only independent directors who did not receive a Majority Withhold Vote in the same election constitute three (3) or fewer directors, all directors may participate in the action regarding whether to accept the resignation offers.

Outside Board Affiliations – To ensure sufficient director attention to Company matters, unless otherwise approved by the Nominating and Corporate Governance Committee, Board members may serve on the board of directors of no more than two other publicly traded entities.

Retirement – The Board has adopted a mandatory retirement age of 75 for Board members. In this regard, a director shall resign from the Board no later than the first regularly scheduled Board meeting following such individual's attainment of age 75.

Board Compensation Review – The Nominating and Corporate Governance Committee should be responsible for periodically evaluating and recommending director and committee compensation in accordance with the policies and principles set forth below. Such recommendation shall be presented to the full Board for approval.

The Board believes that directors should be incentivized to focus on long-term stockholder value. Including equity as part of director compensation helps align the interest of directors with those of the Company's stockholders.

The Company seeks to attract exceptional talent to its Board. Therefore, the Company's policy is to compensate directors competitively relative to comparable companies. The Company's management shall, from time to time, present a comparison report to the Board, comparing the Company's director compensation with that of comparable companies. The Board believes that it is appropriate for the Chairman and the chairmen and members of the committees to receive additional compensation for their services in those positions.

As written in the Company's By-laws, any director who also is an employee of the Company shall not receive additional compensation for serving as a director.

Board Meetings

Scheduling and Selection of Agenda Items for Board Meetings – Board meetings are held quarterly following the close of each quarter and before the Company's earnings release. In addition to those four meetings, the Board generally meets at least one other time during the year to review the proposed budget for the next fiscal year. From time to time, special meetings are held as necessary. The meetings are usually held at Company headquarters or at one of the Company's manufacturing locations. Each director is free to suggest agenda items although the Chairman will make the final determination of the agenda.

Board Material Distributed in Advance – Information and data that is important to the Board's understanding of the business and to any material matters to be brought for a vote of the Board should be distributed in writing to the directors before the Board meets. Board members are expected to rigorously prepare for, attend, and participate in all Board and applicable Committee meetings.

Access to Employees and Advisors – The Board has complete access to any officer or employee of the Company. Directors are to notify the CEO of material contacts with any Company employees who are not members of the Board or corporate executive officers. In addition, the Board shall have the authority to retain such independent advisors (including legal counsel) as the Board may determine is reasonably necessary or advisable.

Independent Directors' Discussion – Meetings of independent directors take place at least two times per year, generally immediately prior to the regularly- scheduled Board meetings. From time to time, special meetings may be held as necessary. The Chairman shall preside at the meetings.

Number and Description of Committees – The Board currently has three committees as described below. Except as otherwise permitted by the applicable rules of the SEC and the NYSE, each member of the Audit Committee, the Compensation Committee and the Nominating and Corporate Governance Committee shall be an "independent director" as defined by the rules applicable to such committee. In addition, from time to time, the Board may establish ad hoc committees and delegate certain of its authority for the purpose of addressing particular matters (including, for example, financing or credit agreement approval or other matters that the Board believes would be appropriate for review by an ad hoc committee).

Audit – Members of the Audit Committee are appointed by the Board upon the recommendation of the Nominating and Corporate Governance Committee and may be removed by the Board in its discretion. Each member shall meet the financial literacy requirements of the NYSE, and, in addition, at least one of the Committee's members shall be an "audit committee financial expert" as defined by applicable SEC rules. The Audit Committee is directly responsible for the appointment, compensation, retention and oversight of the work of the firm of independent auditors that audits the Company's financial statements and performs services related to the audit. The Audit Committee also reviews the scope and results of the audit with the independent auditors, reviews with management and the independent auditors the Company's annual and quarterly operating results, considers the adequacy of the Company's internal accounting procedures and controls, and considers the effect of such procedures on the auditors' independence.

Compensation – The Compensation Committee establishes the Company's philosophy with regard to compensation of the Company's executive officers and senior management. Within this context, the Compensation Committee determines all compensation arrangements regarding the CEO and reviews total compensation arrangements for all senior executives of the Company. Based on recommendations from the CEO, the Compensation Committee also reviews and approves the compensation arrangements for all other executive officers and senior-level employees. In addition, the Compensation Committee reviews general compensation levels for other employees as a group, determines the awards to be granted to eligible persons under the Company's stock option and incentive plan and takes such other action as may be required in connection with the Company's compensation and incentive plans. The Compensation Committee also is responsible for annually reviewing Company-wide benefit plans and approving any changes to such plans. To assist the Compensation Committee in meeting its responsibilities, the Compensation Committee has the authority to, and from time to time does, retain the services of outside compensation consultants.

Nominating and Corporate Governance – The Nominating and Corporate Governance Committee is responsible for establishing criteria for selection of new directors, identifying individuals qualified to become directors, and recommending candidates to the Board for nomination as directors. The Committee also periodically reviews and makes recommendations to the full Board regarding the composition of the Board's committees including possible rotation of committee chairs. In addition, the Nominating and Corporate Governance Committee is responsible for recommending to the Board a set of corporate governance principles applicable to the Company and for overseeing the evaluation of the Board and management. The Committee also monitors compliance with the Company's policies and guidelines regarding ethics and conflicts of interest.

Assignment and Term of Service of Committee Members – The Board is responsible for the appointment of committee members and committee chairs. In this regard, the Board takes into consideration the recommendations of the Nominating and Governance Committee.

Frequency and Length of Committee Meetings and Committee Agenda – The chair of each committee is responsible for scheduling committee meetings following consultation with the members of that committee. The chair will also be responsible for the final agenda of each meeting. The members of the committee will report their general discussions to the full Board at the next regularly scheduled meeting.

Formal Evaluation of Officers and Directors – An annual review of the performance of the CEO is conducted by the Chairman of the Compensation Committee together with the Chairman of the Board. The Compensation Committee will also receive the evaluations from the CEO as to the performance of key executives and will report its views on such evaluations to the entire Board. On an annual basis, the Board and each committee conducts an evaluation of its own performance with input from the CEO and CFO.

Mandatory Retirement – The Company does not have a mandatory retirement age for corporate officers.

Succession Planning and Management Development – Management must annually report to the Board its plan for management succession as well as preparations for emergency succession. Management is also expected to report its management development efforts to the Board on an annual basis. In addition, on an annual basis, the Board should review its plans regarding CEO succession.

Director Orientation and Continuing Education – The Nominating and Corporate Governance Committee, with the assistance of the CEO and other senior management, shall be responsible for providing all new directors with an orientation program intended to educate the new director on the key facets of the Company's business and those key issues then facing the Company. In addition, at least once every three years, each director shall endeavor to attend at least one conference/course designed to enhance such director's skills as a director, and the Company shall reimburse each such director for the reasonable expenses incurred in attending such conference/course.

Code of Conduct and Business Ethics – The Company maintains a Code of Conduct and Business Ethics that is applicable to all directors, officers and employees of the Company.

Stock Ownership Guidelines for Directors and Officers – To align the interests of directors and officers with those of the Company's shareholders, the Company has adopted stock ownership guidelines for directors and officers. These guidelines establish an expectation that, within a five-year period, each director and officer shall achieve and maintain an equity interest in the Company at least equal to a specified multiple of such individual's annual base salary or director's fee. The applicable multiples are as follows:

Position	**Target**
Non-Employee Director	5x value of annual retainer
Chief Executive Officer	5x annual base salary
Chief Financial Officer	3x annual base salary
Group Presidents and Corporate Senior Vice Presidents	2x annual base salary

In calculating an individual's equity interest, credit is given for (i) the value of actual shares of stock owned beneficially, (ii) the pre-tax value of all vested stock options; (iii) the pre-tax value of all restricted stock units not subject to forfeiture (whether or not then vested), and (iv) the pre-tax value of restricted stock units which the individual has received in lieu of either bonus compensation or annual director's retainer.

Updated as of May 9, 2018