



Political Action Committee

Building Trust in Politics to Protect Our Future

Dear Colleague:

Congratulations and welcome to Cobham! Cobham is a world-class aerospace and defense company, providing innovative technologies, products and services that improve the combat readiness of our Armed Forces and help save lives. It is significant that more than half of our revenues are from U.S. military, non-military and government sources. As a result, decisions made by the U.S. Congress concerning defense spending and funding of our programs profoundly affect our future.

At Cobham, the most important thing we build is trust. While this is true for our business, it is essential for our participation in U.S. politics. Cobham and the government relations team in Washington DC took an important step at the end of 2008 by establishing a Political Action Committee, Cobham PAC. Political Action Committees are a way for like-minded citizens to pool their resources in order to have a louder voice in the political process. Cobham PAC is central to preserving our current relationships and building new ones with legislators who represent our facilities, business interests, and communities. Cobham PAC gives us the ability to engage with these important stakeholders and keep them well informed so we can have a partnered approach to our business growth. The PAC board is made up of representatives of each division in order to ensure that the Cobham PAC works towards the success of every business unit.

In the coming weeks and months, you will have opportunities to learn more about Cobham PAC and to support its efforts to protect and advance the future we share with Cobham. I am a proud member of Cobham PAC, and I encourage you to visit www.cobhampac.net or email cobhampac@cobham.com if you have any questions about this program. Thank you for giving Cobham PAC your serious consideration and good luck in your endeavors at Cobham.

Sincerely,

Michael Barbero
Senior Vice President, Washington Operations and Government Relations
Cobham Corporate North America

All contributions to Cobham PAC are for political purposes. Contributions to Cobham PAC are completely voluntary. You may choose not to contribute without reprisal. Contributions to Cobham PAC are not tax deductible for federal income purposes.

The most important thing we build is trust



PAC Introduction to New Employees

Cobham Political Action Committee

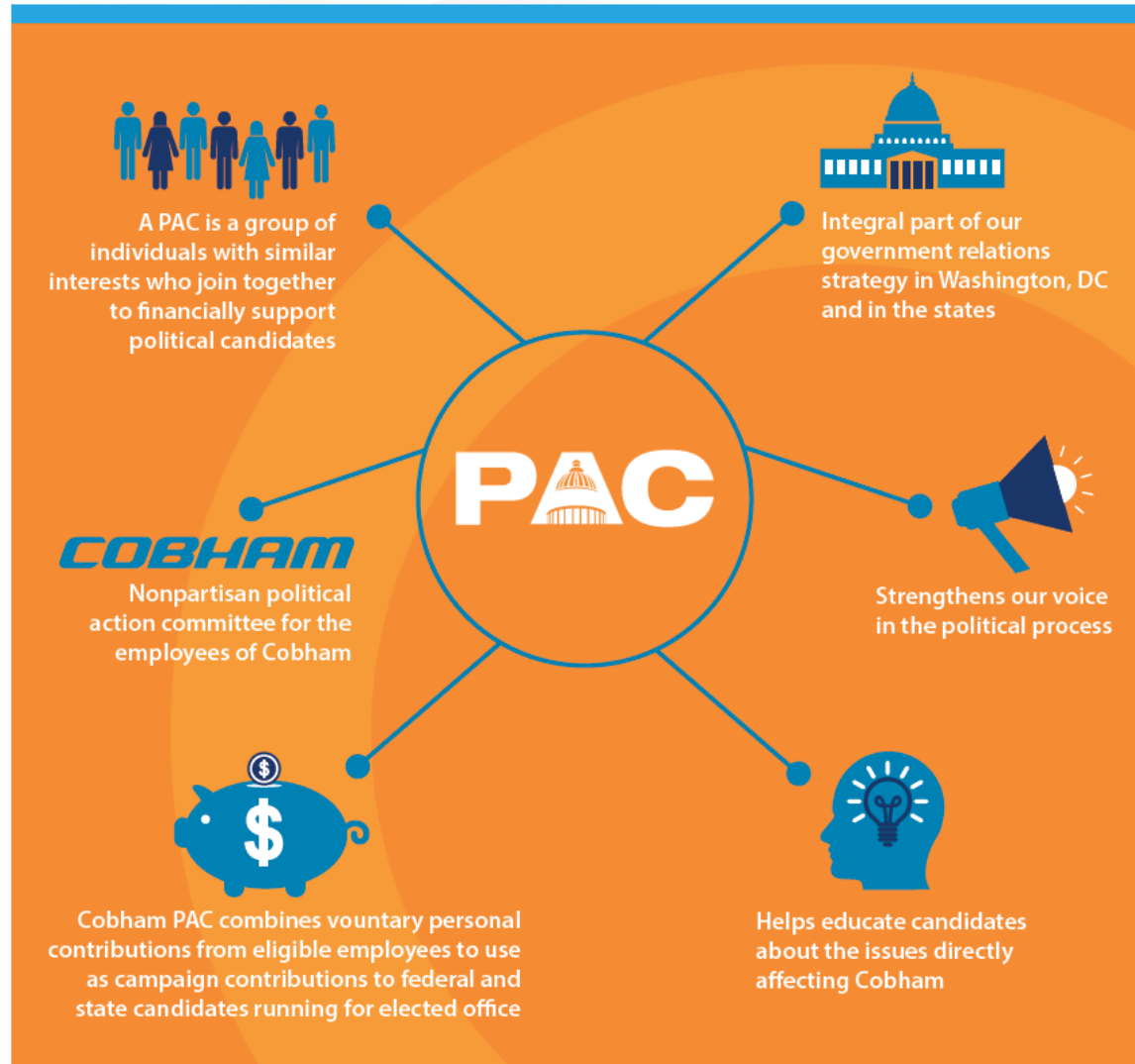
Welcome to Cobham PAC!



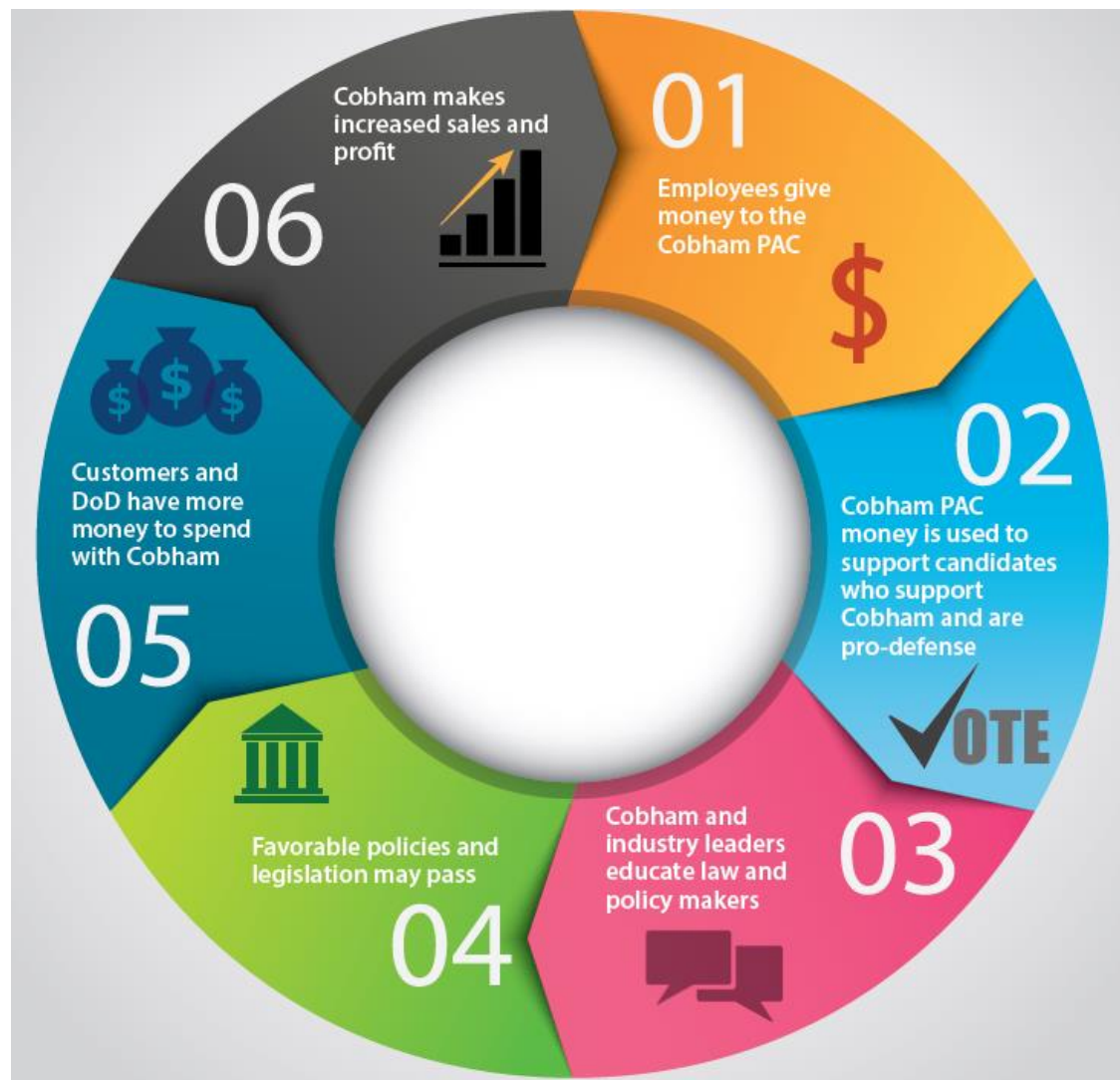
Political Action Committee Defined

- A Political Action Committee is when an interest group, union, or corporation wants to contribute to federal candidates or parties, it must do so through a PAC. These PACs receive and raise money from a “restricted class.” The PAC may then make contributions to political campaigns.
- Cobham PAC is a voluntary contribution fund that supports members of Congress who are pro-business, pro-defense and pro-Cobham. The PAC is a strategic business development tool for Cobham North America.
- A PAC is a legal, transparent, federally-monitored means of expressing united interests with one powerful voice, representing many members.
- Corporations cannot contribute directly to federal candidates.

What is Cobham PAC?



How does a PAC help Cobham?



In a highly-regulated industry under the pressure of the sequester, our GR efforts have a lot of ground to cover:

Educate

Ensure understanding of the issues, promoting informed decisions

Influence

Explain how Cobham PAC's interests align with those of constituents

Support

Help pro-Cobham PAC candidates stay in office to maximize the impact of our Education and Influence efforts

435

Members of the U.S. House of Representatives

100

Members of the U.S. Senate

1,000+

Members of state legislatures

We have four tools available:

Lobbyists



Employees



Trade Associations



Political Action Committee



Cobham PAC Charity Match Program

COBHAM

Give \$240 per year to the PAC and your contribution is matched to a charity of your choice!

- A benefit open to all PAC members contributing more than \$240 per year to Cobham PAC. You can choose any charity, school, or church and Cobham will match 100% of your contribution to Cobham PAC annually.
- You are involved in your community and in the Cobham PAC.



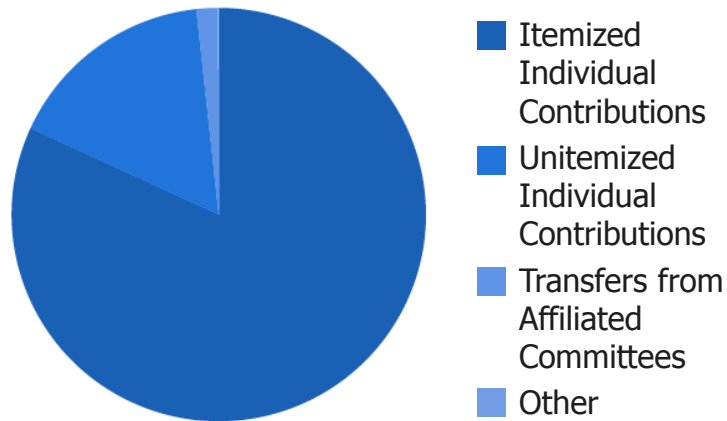
**You can make a
difference...twice...
for the same dollar!**

**Cobham PAC Charity
Match Program gave
to 123 charities in
21 states in 2015!**

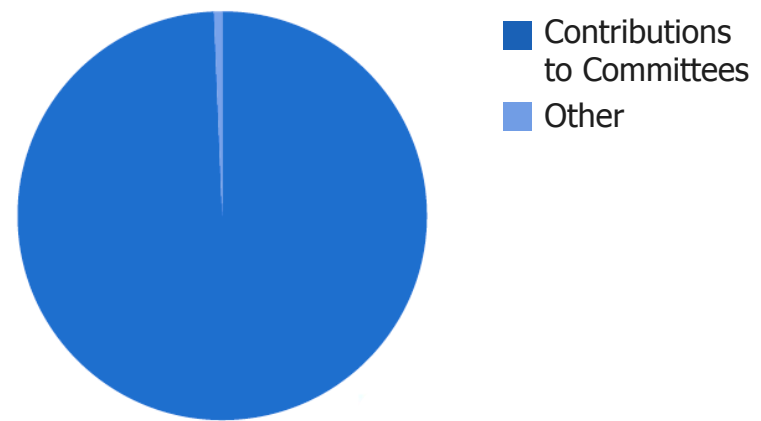
Financial Statement

Total Receipts	\$218,033.35
Total Disbursements	\$230,181.86
Total Contributions	\$214,268.00
Ending Cash on Hand	\$74,086.20

• Receipts



• Disbursements



Main Legislative Issues

Sequester

Under the current law, more than \$100 billion in immediate, across-the-board cuts to discretionary programs and activities will go into effect each year shared equally by defense and domestic agencies. From Fiscal Years 2016 to 2019 the cuts will cap the defense budget at a level \$115 billion below what the Defense Department says is minimally required to meet our national security needs.



FAA Reauthorization

The commercial aerospace industry needs a long-term FAA reauthorization which would provide structure and security for the industry. Policies like NextGen and UAV integration into commercial aerospace is important and needs to move forward. A long term bill as opposed to short term fixes will allow corporations the ability to plan and succeed.



Export-Import Bank

The Ex-Im Bank supports businesses both large and small and includes export credit insurance, working capital loans, loan guarantees and project finance loans. The Ex-Im Bank also provides "express" export finance products which helps finance manufacturing exports within our industry which include large commercial aircraft, helicopters, general aviation aircraft, commercial satellites, and launch services. Reauthorization of the bank is critical for Cobham and our customers.



Tax Inversion Policy

Legislation to combat tax inversion have unintended consequences impacting U.S. subsidiaries of foreign parents like Cobham. If businesses can no longer deduct the interest it pays on its loans, the cost of capital rises, and for foreign companies deciding where to invest, America becomes even less attractive. Inversion policies need to be specific enough to not impact non-inverted foreign companies like Cobham.



Corporate Tax Overhaul

America has the highest corporate tax rate in the developed world which reduces investment in the U.S. and costs American workers jobs and higher wages. Tax reform is an important opportunity to make the U.S. significantly more competitive for all types of business investment, including vital foreign direct investment (FDI).



Timely Appropriations Process

In the absence of regular defense spending bills being passed, Continuing Resolutions (CRs) have become business as usual. Under a CR spending is capped at the prior year's level and there are no new starts for new programs. These short-term CRs bring a level of uncertainty that is harmful to the industry. We need yearly appropriations bills to pass to fund our troops at the appropriate levels.



- Your decision to contribute to Cobham PAC is voluntary and your contributions will be used for political purposes in support of qualified candidates for federal office. If you choose not to contribute to Cobham PAC, there will be no reprisal. Contributions to Cobham PAC are not tax deductible. Federal law requires us to use our best efforts to collect and report the name, mailing address, occupation, and name of employer of individuals whose contributions exceed \$200 in a calendar year.

Questions? Comments?

Cobham PAC

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