

UNITED STATES SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): **March 27, 2024**

ASTRONICS CORPORATION

(Exact name of registrant as specified in its charter)

New York
(State of Other Jurisdiction of Incorporation)

0-7087
(Commission File Number)

16-0959303
(I.R.S. Employer Identification No.)

130 Commerce Way
East Aurora, New York
(Address of principal executive offices)

14052
(Zip Code)

Registrant's telephone number, including area code: **(716) 805-1599**

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

Title of each class	Trading Symbol	Name of each exchange on which registered
Common Stock, \$.01 par value per share	ATRO	NASDAQ Stock Market

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

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

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

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

Emerging growth company

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

Item 1.01 Entry into a Material Definitive Agreement.

The disclosure set forth in Item 2.03 below is incorporated in this Item 1.01 by reference.

Item 2.03 Creation of a Direct Financial Obligation or an Obligation under an Off-Balance Sheet Arrangement of a Registrant.

Astronics Corporation (the “Company”) amended its existing asset-based credit facility on March 27, 2024 by entering into the Third Amendment (the “ABL Amendment”) to the Sixth Amended and Restated Credit Agreement (the “ABL Agreement”), as amended, with HSBC Bank USA, National Association, as Agent and Co-Collateral Agent, Wells Fargo Bank, N.A., as Co-Collateral Agent, and the lenders signatory thereto. The ABL Amendment increased the maximum aggregate amount that the Company can borrow under the revolving credit line by \$5 million, from \$115 million to \$120 million, with borrowings subject to a borrowing base determined primarily by inventory and accounts receivable. The increase will expire on the earlier of (x) the date on which the Agent receives the quarterly financial statements for the fiscal quarter ending March 31, 2024, and (y) May 15, 2024. The previous temporary increase in the revolving credit line to \$120 million had expired on February 1, 2024.

The ABL Amendment also amends certain financial covenants to (i) increase the maximum amount of capital expenditures that the Company and its subsidiaries are permitted to make during four consecutive fiscal quarter periods ending on specified dates, and (ii) decrease the minimum amount of Consolidated EBITDA (as defined in the ABL Agreement) that the Company and its subsidiaries are required to earn during the four consecutive fiscal quarter periods ending as of the end of the first, second and third quarters of 2024 (collectively, the “Covenant Changes”).

The Company also entered into Amendment No. 2 (the “Term Loan Amendment”) to Credit Agreement (the “Term Loan Agreement”) on March 27, 2024, with Great Rock Capital Partners Management, LLC, as Agent, and the lenders signatory thereto. The Term Loan Amendment implemented the Covenant Changes with respect to the Term Loan Agreement.

The above description does not purport to be complete and is qualified in its entirety by reference to (i) the ABL Amendment and the Term Loan Amendment, which are filed as Exhibits 10.1 and 10.2 to this Current Report on Form 8-K and incorporated herein by reference, (ii) the ABL Agreement and Term Loan Agreement, which were filed as Exhibits 10.1 and 10.2 to the Company’s Current Report on Form 8-K filed on January 19, 2023 and incorporated herein by reference, (iii) the First Amendment to the ABL Agreement, which was filed as Exhibit 10.1 to the Company’s Current Report on Form 8-K filed on June 28, 2023 and incorporated herein by reference, (iv) the Second Amendment to the ABL Agreement, which was filed as Exhibit 10.1 to the Company’s Current Report on Form 8-K filed on November 1, 2023 and incorporated herein by reference, and (v) Amendment No. 1 to the Term Loan Agreement, which was filed as Exhibit 10.23 to the Company’s Annual Report on Form 10-K filed on March 5, 2024 and incorporated herein by reference.

Item 9.01 Financial Statements and Exhibits.

<u>Exhibit</u>	<u>Description</u>
10.1	Third Amendment to Sixth Amended and Restated Credit Agreement, entered into as of March 27, 2024, by and among Astronics Corporation, the other Loan Parties party thereto, each Lender party thereto, HSBC Bank USA, National Association, as Agent, Co-Collateral Agent, Swing Line Lender and Issuing Bank, and Wells Fargo Bank, N.A., as Joint Lead Arranger and Co-Collateral Agent
10.2	Amendment No. 2 to Credit Agreement, entered into as of March 27, 2024, by and among Astronics Corporation, the other Loan Parties party thereto, the lenders party thereto and Great Rock Capital Partners Management, LLC, as agent
104	Cover Page Interactive Data File (embedded within the Inline XBRL document)

SIGNATURE

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

Dated: April 1, 2024

Astronics Corporation
By: /s/ David C. Burney
Name: David C. Burney
Executive Vice President and Chief Financial
Officer

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

This Third Amendment to Sixth Amended and Restated Credit Agreement (this "Amendment") is entered into as of March 27, 2024, by and among ASTRONICS CORPORATION, a New York corporation (the "Borrower Representative"); the other Loan Parties party hereto; each Lender party hereto; HSBC BANK USA, NATIONAL ASSOCIATION, as Agent, as Co-Collateral Agent, Swing Line Lender and Issuing Bank; and WELLS FARGO BANK, N.A., as Joint Lead Arranger and Co-Collateral Agent.

BACKGROUND

Borrower Representative, the other Borrowers, the Guarantors, the Agent, the Co-Collateral Agents, the Swing Line Lender and Lenders are parties to that certain Sixth Amended and Restated Credit Agreement, dated as of January 19, 2023 (as amended pursuant to that First Amendment to Sixth Amended and Restated Credit Agreement dated as of June 28, 2023 (the "First Amendment") and that Second Amendment to Sixth Amended and Restated Credit Agreement dated as of October 31, 2023 (the "Second Amendment"), and as further amended, restated, amended and restated, supplemented or otherwise modified from time to time, the "Existing Credit Agreement") pursuant to which the Lenders provide the Borrowers with certain financial accommodations.

WHEREAS, the Borrowers have requested that the Agent, the Co-Collateral Agents and the Lenders consent to certain amendments to the Existing Credit Agreement as set forth herein (as so amended, the "Amended Credit Agreement").

WHEREAS, the Borrowers, the Guarantors, the Agent, the Co-Collateral Agents and each Lender have agreed, on the terms and conditions set forth herein, to amend the Existing Credit Agreement as set forth herein.

NOW, THEREFORE, in consideration of any loan or advance or grant of credit heretofore or hereafter made to or for the account of the Borrowers under the Existing Credit Agreement, and for other good and valuable consideration, the receipt and sufficiency of which hereby are acknowledged, the parties hereto hereby agree as follows:

1. Definitions. All capitalized terms not otherwise defined herein shall have the respective meanings given to them in the Amended Credit Agreement.

2. Revolving Credit Commitment Increase.

(a) Each Lender (each an "Incremental Lender") party to this Amendment hereby severally agrees to provide the Revolving Credit Commitment Increase set forth opposite its name on Annex A attached hereto (the "Third Amendment Incremental Commitments"). The Third Amendment Incremental Commitments (i) shall be an increase to the Revolving Credit Commitments provided on the Closing Date, (ii) shall be subject to all of the terms and conditions set forth in the Existing Credit Agreement (including Section 2.25 thereof), (iii) shall have terms identical to the terms of the initial Revolving Credit Commitments and (iv) shall remain in effect through the Third Amendment Commitment Termination Date (as defined in the Amended Credit Agreement).

(b) Each Incremental Lender, the Borrowers, Guarantors, the Agent and the Co-Collateral Agents acknowledge and agree that the Third Amendment Incremental Commitments shall constitute a Revolving Credit Commitment Increase pursuant to Section 2.25 of the Existing Agreement and, upon the Third Amendment Effective Date (as defined below), the Third Amendment Incremental Commitments of each Incremental Lender shall be added to (and thereafter become a part of), the Revolving Credit Commitment of such Incremental Lender through the Third Amendment Commitment Termination Date. Each Incremental Lender, the Borrowers, Guarantors, Agent and the Co-Collateral Agents further agree that, with respect to the Third Amendment Incremental Commitments provided by each Incremental Lender pursuant to this Agreement, such Incremental Lender shall receive from the Borrowers such upfront fees, and/or other fees, if any, as may be separately agreed to in writing with the Borrowers and the Agent, all of which fees shall be due and payable to such Incremental Lender on the terms and conditions set forth in each such separate agreement.

(c) The Borrowers represent and warrant that (i) the conditions set forth in Section 2.25 of the Existing Agreement with respect to the effectiveness of any Revolving Commitment Increase are satisfied with respect to the Third Amendment Incremental Commitments on the Third Amendment Effective Date, (ii) the Third Amendment Incremental Commitments are permitted under Section 2.25 of the Amended Credit Agreement and (iii) the Third Amendment Incremental Commitments are permitted under the Term Loan Credit Agreement and the Intercreditor Agreement, subject to Term Loan Agent's consent contained in the Acknowledgment and Consent attached hereto.

3. Amendments. Effective as of the Third Amendment Effective Date, and subject to the terms and conditions set forth herein, the Existing Credit Agreement shall be amended as follows:

(a) The definition of "Fee Letter" appearing in Section 1.1 of the Existing Credit Agreement is hereby amended to read in its entirety as set forth below:

"Fee Letter" – collectively, (i) the Fee Letter dated as of Closing Date between the Borrower Representative and the Agent as such letter may from time to time be amended, amended and restated, restated, supplemented or otherwise modified, (ii) the First Amendment Fee Letter, (iii) the Second Amendment Fee Letter and (iv) the Third Amendment Fee Letter.

(b) The definition of "Maximum Limit" appearing in Section 1.1 of the Existing Credit Agreement is hereby amended to read in its entirety as set forth below:

"Maximum Limit" - The maximum aggregate amount which the Borrowers can borrow from time to time under the Revolving Credit, which on the Closing Date is \$115,000,000; provided that the Maximum Limit shall be (i) (x) increased to \$120,000,000 on the First Amendment Effective Date through (and including) January 31, 2024, as a result of the First Amendment Incremental Commitment Increase and (y) automatically reduced to \$115,000,000 on February 1, 2024 and (ii) (x) increased to \$120,000,000 on the Third Amendment Effective Date through the Third Amendment Commitment Termination Date, as a result of the Third Amendment Incremental Commitment Increase and (y) automatically reduced to \$115,000,000 on the day immediately following the Third Amendment Commitment Termination Date.

(c) Section 1.1 of the Existing Credit Agreement is hereby further amended by inserting the following defined term in appropriate alphabetical order:

“**Second Amendment**” – that certain Second Amendment to Sixth Amended and Restated Credit Agreement dated as of October 31, 2023 by and among the Loan Parties, each Lender party thereto, the Agent and the Co-Collateral Agents.

“**Third Amendment**” – that certain Third Amendment to Sixth Amended and Restated Credit Agreement dated as of March 27, 2024 by and among the Loan Parties, each Lender party thereto, the Agent and the Co-Collateral Agents and as consented to, acknowledged and approved by the Term Loan Agent.

“**Third Amendment Commitment Termination Date**” – the earlier of (x) the date on which the Agent receives the quarterly financial statements for the fiscal quarter ending March 31, 2024 as required under Section 5.2(a)(ii) hereto and (y) May 15, 2024.

“**Third Amendment Fee Letter**” –the Fee Letter dated as of the date of the Third Amendment among the Borrowers and the Agent as such letter may from to time be amended, amended and restated, restated, supplemented or otherwise modified.

“**Third Amendment Effective Date**” – As defined in the Third Amendment.

“**Third Amendment Incremental Commitment Increase**” means \$5,000,000.

(d) Section 6.15 of the Existing Credit Agreement is hereby amended by amending and restating the grid therein in its entirety as follows:

<u>Period</u>	<u>Maximum Capital Expenditures</u>
Four (4) consecutive fiscal quarter period ended December 31, 2022	\$9,824,000
Four (4) consecutive fiscal quarter period ended on or about March 31, 2023	\$14,723,000
Four (4) consecutive fiscal quarter period ended on or about June 30, 2023	\$18,240,000
Four (4) consecutive fiscal quarter period ended on or about September 30, 2023	\$22,923,000
Four (4) consecutive fiscal quarter period ended December 31, 2023	\$21,862,000
Four (4) consecutive fiscal quarter period ended on or about March 31, 2024	\$22,000,000

Four (4) consecutive fiscal quarter period ended on or about June 30, 2024	\$25,000,000
Four (4) consecutive fiscal quarter period ended on or about September 30, 2024	\$30,000,000
Four (4) consecutive fiscal quarter period ended on or about December 31, 2024 and for each four (4) consecutive fiscal quarter period ending at the end (or in the case of each of the first three (3) fiscal quarters of each year, ending on or about the end) of each fiscal quarter ending thereafter	\$40,000,000

follows: (e) Section 6.16 of the Credit Agreement is hereby amended by amending and restating the grid therein in its entirety as

<u>Period</u>	<u>Minimum Consolidated EBITDA</u>
Four (4) consecutive fiscal quarter period ended December 31, 2022	\$12,122,000
Four (4) consecutive fiscal quarter period ended on or about March 31, 2023	\$14,701,000
Four (4) consecutive fiscal quarter period ended on or about June 30, 2023	\$23,254,000
Four (4) consecutive fiscal quarter period ended on or about September 30, 2023	\$39,209,000
Four (4) consecutive fiscal quarter period ended December 31, 2023	\$51,693,000
Four (4) consecutive fiscal quarter period ended on or about March 31, 2024	\$45,326,330.53

Four (4) consecutive fiscal quarter period ended on or about June 30, 2024	\$47,983,956.63
Four (4) consecutive fiscal quarter period ended on or about September 30, 2024	\$67,136,522.50
Four (4) consecutive fiscal quarter period ended on or about December 31 , 2024 and for each four (4) consecutive fiscal quarter period ending at the end (or in the case of each of the first three (3) fiscal quarters of each year, ending on or about the end) of each fiscal quarter ending thereafter	\$70,000,000

(f) The table of the Lender’s Commitments set forth on Schedule 2.1 to the Existing Credit Agreement shall be amended and restated in its entirety as shown on Annex A hereto.

4 . Conditions of Effectiveness. This Amendment shall become effective (the “Third Amendment Effective Date”) upon Agent’s receipt of:

- (a) A copy of this Amendment, executed by the Borrowers, each Guarantor, the Agent, the Co-Collateral Agents, and each Incremental Lender;
- (b) A copy of the Acknowledgment and Consent to Third Amendment attached hereto, executed by the Term Loan Agent;
- (c) A copy of each of the documents, instruments and information identified on the Closing Checklist attached as Annex B hereto;
- (d) On behalf of each Incremental Lender, the fees set forth in the Third Amendment Fee Letter dated as of the date hereof executed by the Borrowers and Agent; and
- (e) All reasonable out-of-pocket expenses of the Agent incurred in connection with the preparation, execution and delivery of this Amendment and the other instruments and documents to be delivered hereunder, if any (including the reasonable fees, disbursements and other charges of Thompson Coburn LLP, counsel for the Agent) to the extent invoiced at least one (1) day prior to the date hereof.

5. Representations and Warranties. Each Loan Party represents and warrants as follows:

- (a) This Amendment has been duly authorized, executed and delivered by each Loan Party and constitutes the legal, valid and binding obligations of each Loan Party, enforceable against such Loan Party, in accordance with the terms hereof.

(b) Upon the effectiveness of this Amendment, each Loan Party hereby reaffirms all covenants made in the Amended Credit Agreement and agrees that, after giving effect to this Amendment, all representations and warranties (except for those representations and warranties specifically made as of a prior date) shall be true and correct in all material respects (or in all respects with respect to any representation or warranty which by its terms is limited as to materiality, in each case, after giving effect to such qualification) on and as of the date hereof.

(c) Both immediately before and after giving effect to this Amendment, no Event of Default or Default has occurred and is continuing.

6. Effect on the Credit Agreement.

(a) On and after the Third Amendment Effective Date, each reference in the Existing Credit Agreement and the Amended Credit Agreement to “this Agreement,” “hereunder,” “hereof” or words of like import referring to the Existing Credit Agreement shall mean and be a reference to the Amended Credit Agreement in accordance with this Amendment. This Amendment shall be a “Loan Document” for all purposes under the Amended Credit Agreement.

(b) The Amended Credit Agreement and each of the other Loan Documents, as specifically amended by this Amendment, are and shall continue to be in full force and effect and are hereby in all respects ratified and confirmed. Without limiting the generality of the foregoing, the Collateral Documents and all of the Collateral described therein do and shall continue to secure the payment of all applicable Obligations under the Loan Documents, in each case, as amended by this Amendment.

(c) The execution, delivery and effectiveness of this Amendment shall not, except as expressly provided herein, operate as a waiver of any right, power or remedy of any Lender or Agent under any of the Loan Documents, nor constitute a waiver of any provision of any of the Loan Documents. On and after the effectiveness of this Amendment, this Amendment shall for all purposes constitute a Loan Document.

(d) By its execution and delivery of this Amendment, (i) each Guarantor hereby consents to the execution, delivery and performance of this Amendment, including the effectiveness of the Amended Credit Agreement, and agrees that each reference to the Existing Credit Agreement in the Loan Documents shall, on and after the Third Amendment Effective Date, be deemed to be a reference to the Amended Credit Agreement; (ii) each Guarantor hereby acknowledges and agrees that, after giving effect to this Amendment and the Amended Credit Agreement, all of its respective obligations and liabilities under the Loan Documents to which it is a party, as such obligations and liabilities have been amended by this Amendment and the Amended Credit Agreement, are reaffirmed, and remain in full force and effect; and (iii) after giving effect to this Amendment, each Guarantor reaffirms each Lien granted by it to the Collateral Agent for the benefit of the Secured Parties under each of the Loan Documents to which it is a party, which Liens shall continue in full force and effect during the term of the Amended Credit Agreement and shall continue to secure the Secured Obligations (after giving effect to this Amendment and the Amended Credit Agreement), in each case, on and subject to the terms and conditions set forth in this Amendment and the Amended Credit Agreement, and the other Loan Documents. This Amendment and the Amended Credit Agreement shall not constitute a novation of the Existing Credit Agreement or any of the Loan Documents.

7. Governing Law. This Amendment and the obligations of the parties hereto shall be construed under, and governed by, the internal laws of the State of New York without regard to principles of conflicts of law.

8. Titles. Titles to the sections of this Amendment are solely for the convenience of the parties, and are not an aid in the interpretation of this Amendment or any part thereof.

9. Counterparts; Facsimile. This Amendment may be executed in any number of counterparts and by the parties hereto in one or more counterparts, each of which when so executed and delivered shall be an original, but all such counterparts shall together constitute one and the same Agreement. The words "execution," "signed," "signature," and words of like import herein shall be deemed to include electronic signatures or the keeping of records in electronic form, each of which shall be of the same legal effect, validity or enforceability as a manually executed signature or the use of a paper-based recordkeeping system, as the case may be, to the extent and as provided for in any applicable Law, including the Federal Electronic Signatures in Global and National Commerce Act, the New York State Electronic Signatures and Records Act, or any other similar state laws based on the Uniform Electronic Transactions Act.

10. Authorization. The Lenders hereby authorize the Agents to take such actions, including making filings and entering into agreements and any amendments or supplements to any Collateral Document, as may be necessary or desirable to reflect the intent of this Amendment.

11. Severability. In case of one or more of the provisions contained in this Amendment shall be held invalid, illegal or unenforceable in any respect, the validity, legality and enforceability of the remaining provisions contained herein shall not in any way be affected or impaired thereby.

12. Release.

(a) Each Loan Party hereby releases and forever discharges Agent and Lenders and their respective parents, subsidiaries and affiliates, past or present, and each of them, as well as their respective directors, officers, agents, servants, employees, shareholders, representatives, attorneys, administrators, executors, heirs, assigns, predecessors and successors in interest, and all other persons, firms or corporations with whom any of the former have been, are now, or may hereafter be affiliated, and each of them (collectively, the "Releasees"), from and against any and all claims, demands, liens, agreements, contracts, covenants, actions, suits, causes of action in law or equity, obligations, controversies, debts, costs, expenses, damages, judgments, orders and liabilities of whatever kind or nature in law, equity or otherwise, whether known or unknown, fixed or contingent, suspected or unsuspected by such Loan Party (collectively, "Claims"), which such Loan Party now owns or holds or has at any time heretofore owned or held and which are in existence on the Third Amendment Effective Date (collectively the "Released Matters").

(b) Each Loan Party represents, warrants and agrees, that in executing and entering into this release, it is not relying and has not relied upon any representation, promise or statement made by anyone which is not recited, contained or embodied in this Amendment, the Credit Agreement or the Loan Documents. Each Loan Party has reviewed this release with its legal counsel, and understands and acknowledges the significance and consequence of this release and of the specific waiver thereof contained herein. Each Loan Party understands and expressly assumes the risk that any fact not recited, contained or embodied therein may turn out hereafter to be other than, different from, or contrary to the facts now known to such Loan Party or believed by such Loan Party to be true. Nevertheless, each Loan Party intends by this release to release fully, finally and forever all Released Matters and agrees that this release shall be effective in all respects notwithstanding any such difference in facts, and shall not be subject to termination, modification or rescission by reason of any such difference in facts.

(c) Each Loan Party, on behalf of itself and its successors, assigns, and other legal representatives, hereby absolutely, unconditionally and irrevocably, covenants and agrees with each Releasee that it will not sue (at law, in equity, in any regulatory proceeding or otherwise) any Releasee on the basis of any Claims released, remised and discharged by such Loan Party pursuant to this Section 12. If any Loan Party violates the foregoing covenant, Loan Parties agree to pay, in addition to such other damages as any Releasee may sustain as a result of such violation, all attorneys' fees and costs incurred by any Releasee as a result of such violation.

[Remainder of page left intentionally blank. Signature pages follow.]

IN WITNESS WHEREOF, this Amendment has been duly executed as of the day and year first written above.

ASTRONICS CORPORATION, as a Borrower and Borrower Representative

By: /s/ David C. Burney
Name: David C. Burney
Title: Executive Vice President-

ASTRONICS ADVANCED ELECTRONIC SYSTEMS CORP., as a Borrower

By: /s/ David C. Burney
Name: David C. Burney
Title: Secretary and Treasurer

ASTRONICS TEST SYSTEMS INC., as a Borrower

By: /s/ David C. Burney
Name: David C. Burney
Title: Secretary and Treasurer

ASTRONICS AEROSAT CORPORATION, as a Borrower

By: /s/ David C. Burney
Name: David C. Burney
Title: Secretary and Treasurer

ASTRONICS CONNECTIVITY SYSTEMS & CERTIFICATION CORP., as a Borrower

By: /s/ David C. Burney
Name: David C. Burney
Title: Secretary and Treasurer

LUMINESCENT SYSTEMS, INC., as a Borrower

By: /s/ David C. Burney
Name: David C. Burney
Title: Secretary and Treasurer

FREEDOM COMMUNICATION TECHNOLOGIES INC., as a Borrower

By: /s/ David C. Burney
Name: David C. Burney
Title: Secretary and Treasurer

PECO, INC., as a Borrower

By: /s/ David C. Burney
Name: David C. Burney
Title: Secretary and Treasurer

DIAGNOSYS HOLDINGS INC., as a Borrower

By: /s/ David C. Burney
Name: David C. Burney
Title: Secretary and Treasurer

ASTRONICS DME LLC, as a Borrower

By: /s/ David C. Burney
Name: David C. Burney
Title: Secretary and Treasurer

DIAGNOSYS INC., as a Borrower

By: /s/ David C. Burney
Name: David C. Burney
Title: Secretary and Treasurer

ASTRONICS AIR LLC, as a Guarantor

By: ASTRONICS CORPORATION, its sole member

By: /s/ David C. Burney
Name: David C. Burney
Title: Executive Vice President

ASTRONICS AIR II LLC, as a Guarantor

By: ASTRONICS CORPORATION, its sole member

By: /s/ David C. Burney
Name: David C. Burney
Title: Executive Vice President

HSBC BANK USA, NATIONAL ASSOCIATION,
as Agent and Co-Collateral Agent

By: /s/ Ershad Sattar
Name: Ershad Sattar
Title: Senior Vice President

[Signature Page to Third Amendment]

HSBC BANK USA, NATIONAL ASSOCIATION,
as Swingline Lender, a Lender and Issuing Bank

By: /s/ Steven Alves
Name: Steven Alves
Title: Senior Vice President

[Signature Page to Third Amendment]

WELLS FARGO BANK, NATIONAL ASSOCIATION,
as Co-Collateral Agent and a Lender

By: /s/ Marie A. Rowen
Name: Marie A. Rowen
Title: Authorized Signatory

[Signature Page to Third Amendment]

MANUFACTURERS AND TRADERS TRUST COMPANY,
as a Lender

By: /s/ Wendy M. Andrus
Name: Wendy M. Andrus
Title: Senior Vice President

[Signature Page to Third Amendment]

Acknowledgment and Consent to Third Amendment

The undersigned acknowledges, consents to, and approves the Third Amendment Incremental Commitments set forth in this Amendment, in accordance with subsection (b) of the definition of "Maximum ABL Principal Obligations" set forth in the Intercreditor Agreement.

GREAT ROCK CAPITAL PARTNERS MANAGEMENT, LLC, as Term Loan Agent

By: /s/ Kathleen M. Auda
Name: Kathleen M. Auda
Title: Chief Risk Officer

[Signature Page to Acknowledgment to Third Amendment]

ANNEX A

SCHEDULE 2.1

LENDERS' COMMITMENTS

Commitments as of the Third Amendment Effective Date

<u>Lender</u>	<u>Revolving Credit Commitments prior to the Third Amendment Effective Date</u>	<u>Third Amendment Incremental Commitments</u>	<u>Total Revolving Credit Commitments as of the Third Amendment Effective Date through and including the Third Amendment Commitment Termination Date</u>	<u>Total Revolving Credit Commitments as of the day following the Third Amendment Commitment Termination Date and thereafter</u>	<u>Applicable Percentage</u>
HSBC Bank USA, National Association	\$45,000,000.00	\$1,956,521.74	\$46,956,521.74	\$45,000,000.00	39.13043478%
Wells Fargo Bank, National Association	\$40,000,000.00	\$1,739,130.44	\$41,739,130.44	\$40,000,000.00	34.78260870%
Manufacturers and Traders Trust Company	\$30,000,000.00	\$1,304,347.82	\$31,304,347.82	\$30,000,000.00	26.08695652%
Total	\$115,000,000.00	\$5,000,000.00	\$120,000,000	\$115,000,000.00	100.00000000%

Annex A

AMENDMENT NO. 2 TO CREDIT AGREEMENT

This AMENDMENT NO. 2 TO CREDIT AGREEMENT (this “Amendment”) is entered into as of March 27, 2024 by and among ASTRONICS CORPORATION, a New York corporation (the “Borrower Representative”), the other Loan Parties party hereto, the lenders party hereto (each a “Lender” and collectively, the “Lenders”) and GREAT ROCK CAPITAL PARTNERS MANAGEMENT, LLC, as agent (in such capacity, together with its successors and assigns, if any, in such capacity, the “Agent”) for the Lenders.

BACKGROUND

WHEREAS, Borrower Representative, the other Borrowers, the Guarantors, the Agent and the Lenders are parties to that certain Credit Agreement, dated as of January 19, 2023 (as amended by that certain Amendment No. 1 to Credit Agreement, dated as of October 31, 2023, by this Amendment and as may be further amended, restated, amended and restated, supplemented or otherwise modified from time to time, the “Existing Credit Agreement”), pursuant to which the Lenders provide the Borrowers with certain financial accommodations.

WHEREAS, the Borrowers have requested that the Agent and the Lenders consent to certain amendments to the Existing Credit Agreement as set forth herein (as so amended, the “Amended Credit Agreement”).

WHEREAS, the Borrowers, the Guarantors, the Agent and each Lender have agreed, on the terms and conditions set forth herein, to amend the Existing Credit Agreement as set forth herein.

NOW, THEREFORE, in consideration of any loan or advance or grant of credit heretofore or hereafter made to or for the account of the Borrowers under the Existing Credit Agreement, and for other good and valuable consideration, the receipt and sufficiency of which hereby are acknowledged, the parties hereto hereby agree as follows:

1. Definitions. All capitalized terms not otherwise defined herein shall have the respective meanings given to them in the Amended Credit Agreement.

2. Amendments. Effective as of the Second Amendment Effective Date (as defined below), and subject to the terms and conditions set forth herein, the Existing Credit Agreement shall be amended as follows:

(a) Section 6.13 of the Existing Credit Agreement is hereby amended to read in its entirety as set forth below:

“**6.13. Maximum Capital Expenditures**. The Company and its Subsidiaries will not make Capital Expenditures in any fiscal quarter in excess of the amount set forth in the following table for the applicable period set forth opposite thereto:

<u>Period</u>	<u>Maximum Capital Expenditures</u>
Four (4) consecutive fiscal quarter period ended December 31, 2022	\$9,824,000

Four (4) consecutive fiscal quarter period ended on or about March 31, 2023	\$14,723,000
Four (4) consecutive fiscal quarter period ended on or about June 30, 2023	\$18,240,000
Four (4) consecutive fiscal quarter period ended on or about September 30, 2023	\$22,923,000
Four (4) consecutive fiscal quarter period ended December 31, 2023	\$21,862,000
Four (4) consecutive fiscal quarter period ended on or about March 31, 2024	\$22,000,000
Four (4) consecutive fiscal quarter period ended on or about June 30, 2024	\$25,000,000
Four (4) consecutive fiscal quarter period ended on or about September 30, 2024	\$30,000,000
Four (4) consecutive fiscal quarter period ended on or about December 31, 2024 and for each four (4) consecutive fiscal quarter period ending at the end (or in the case of each of the first three (3) fiscal quarters of each year, ending on or about the end) of each fiscal quarter ending thereafter	\$40,000,000

”

(b) Section 6.15 of the Existing Credit Agreement is hereby amended to read in its entirety as set forth below:

“**6.15. Minimum Consolidated EBITDA.** The Company will not permit, as of the end of any fiscal quarter, Consolidated EBITDA to be less than the required amount set forth in the following table for the applicable period set forth opposite thereto:

<u>Period</u>	<u>Minimum Consolidated EBITDA</u>
Four (4) consecutive fiscal quarter period ended December 31, 2022	\$12,122,000

Four (4) consecutive fiscal quarter period ended on or about March 31, 2023	\$14,701,000
Four (4) consecutive fiscal quarter period ended on or about June 30, 2023	\$23,254,000
Four (4) consecutive fiscal quarter period ended on or about September 30, 2023	\$39,209,000
Four (4) consecutive fiscal quarter period ended December 31, 2023	\$51,693,000
Four (4) consecutive fiscal quarter period ended on or about March 31, 2024	\$45,326,330.53
Four (4) consecutive fiscal quarter period ended on or about June 30, 2024	\$47,983,956.63
Four (4) consecutive fiscal quarter period ended on or about September 30, 2024	\$67,136,522.50
Four (4) consecutive fiscal quarter period ended on or about December 31, 2024 and for each four (4) consecutive fiscal quarter period ending at the end (or in the case of each of the first three (3) fiscal quarters of each year, ending on or about the end) of each fiscal quarter ending thereafter	\$70,000,000

”

(c) Schedule 5.2(g) (Reporting) to the Existing Credit Agreement is hereby amended by deleting such Schedule in its entirety and replacing it with Schedule 5.2(g) attached as **Exhibit A** hereto.

3. Conditions of Effectiveness. This Amendment shall become effective (the “Second Amendment Effective Date”) upon Agent’s receipt of:

(a) A copy of this Amendment, executed by the Borrowers, the Agent and each Lender;

(b) A copy of that certain Third Amendment to Sixth Amended and Restated Credit Agreement dated as of the date hereof by and among the Borrowers, the Guarantors, the lenders party thereto and ABL Agent, in form and substance satisfactory to Agent and the Lenders;

(c) A certificate of an Authorized Officer of each Loan Party dated as of the date hereof which shall certify (i) copies of resolutions of the board of directors (or other equivalent governing body, member or partner) of such Loan Party authorizing the execution, delivery and performance of this Amendment and each other Loan Document executed in connection with this Amendment to which such Loan Party is a party, (ii) the incumbency and signature of the officers of such Loan Party authorized to execute this Amendment and such other Loan Documents, and (iii) that the copies of the organizational documents of each Loan

Party delivered to the Agent as of the date of this Amendment or as previously delivered to the Agent prior to the date of this Amendment are true, correct and complete as of the date of this Amendment;

(d) An amendment fee payable to Agent for the account of the Lenders (to be shared by the Lenders on a pro-rata basis) in the amount of \$624,375, which fee shall be fully earned and due and payable as of the date hereof; and

(e) All reasonable out-of-pocket expenses of the Agent incurred in connection with the preparation, execution and delivery of this Amendment and the other instruments and documents to be delivered hereunder, if any (including the reasonable fees, disbursements and other charges of Blank Rome LLP, counsel for the Agent) to the extent invoiced at least one (1) day prior to the date hereof.

4. Representations and Warranties. Each Loan Party represents and warrants as follows:

(a) This Amendment has been duly authorized, executed and delivered by each Loan Party and constitutes the legal, valid and binding obligations of each Loan Party, enforceable against such Loan Party, in accordance with the terms hereof.

(b) Upon the effectiveness of this Amendment, each Loan Party hereby reaffirms all covenants made in the Amended Credit Agreement and agrees that, after giving effect to this Amendment, all representations and warranties (except for those representations and warranties specifically made as of a prior date) shall be true and correct in all material respects (or in all respects with respect to any representation or warranty which by its terms is limited as to materiality, in each case, after giving effect to such qualification) on and as of the date hereof.

(c) Both immediately before and after giving effect to this Amendment, no Event of Default or Default has occurred and is continuing.

5. Effect on the Credit Agreement.

(a) On and after the Second Amendment Effective Date, each reference in the Existing Credit Agreement and the Amended Credit Agreement to "this Agreement," "hereunder," "hereof" or words of like import referring to the Existing Credit Agreement shall mean and be a reference to the Amended Credit Agreement in accordance with this Amendment. This Amendment shall be a "Loan Document" for all purposes under the Amended Credit Agreement.

(b) The Amended Credit Agreement and each of the other Loan Documents, as specifically amended by this Amendment, are and shall continue to be in full force and effect and are hereby in all respects ratified and confirmed. Without limiting the generality of the foregoing, the Collateral Documents and all of the Collateral described therein do and shall continue to secure the payment of all applicable Obligations under the Loan Documents, in each case, as amended by this Amendment.

(c) The execution, delivery and effectiveness of this Amendment shall not, except as expressly provided herein, operate as a waiver of any right, power or remedy of any Lender or Agent under any of the Loan Documents, nor constitute a waiver of any provision of any of the Loan Documents. On and after the effectiveness of this Amendment, this Amendment shall for all purposes constitute a Loan Document.

(d) This Amendment and the Amended Credit Agreement shall not constitute a novation of the Existing Credit Agreement or any of the Loan Documents.

6. Governing Law. This Amendment and the obligations of the parties hereto shall be construed under, and governed by, the internal laws of the State of New York without regard to principles of conflicts of law.

7. Titles. Titles to the sections of this Amendment are solely for the convenience of the parties, and are not an aid in the interpretation of this Amendment or any part thereof.

8. Counterparts; Facsimile. This Amendment may be executed in any number of counterparts and by the parties hereto in one or more counterparts, each of which when so executed and delivered shall be an original, but all such counterparts shall together constitute one and the same Agreement. The words "execution," "signed," "signature," and words of like import herein shall be deemed to include electronic signatures or the keeping of records in electronic form, each of which shall be of the same legal effect, validity or enforceability as a manually executed signature or the use of a paper-based recordkeeping system, as the case may be, to the extent and as provided for in any applicable Law, including the Federal Electronic Signatures in Global and National Commerce Act, the New York State Electronic Signatures and Records Act, or any other similar state laws based on the Uniform Electronic Transactions Act.

9. Authorization. The Lenders hereby authorize the Agents to take such actions, including making filings and entering into agreements and any amendments or supplements to any Collateral Document, as may be necessary or desirable to reflect the intent of this Amendment.

10. Severability. In case of one or more of the provisions contained in this Amendment shall be held invalid, illegal or unenforceable in any respect, the validity, legality and enforceability of the remaining provisions contained herein shall not in any way be affected or impaired thereby.

11. Release.

(a) Each Loan Party hereby releases and forever discharges Agent and Lenders and their respective parents, subsidiaries and affiliates, past or present, and each of them, as well as their respective directors, officers, agents, servants, employees, shareholders, representatives, attorneys, administrators, executors, heirs, assigns, predecessors and successors in interest, and all other persons, firms or corporations with whom any of the former have been, are now, or may hereafter be affiliated, and each of them (collectively, the "Releasees"), from and against any and all claims, demands, liens, agreements, contracts, covenants, actions, suits, causes of action in law or equity, obligations, controversies, debts, costs, expenses, damages, judgments, orders and liabilities of whatever kind or nature in law, equity or otherwise, whether known or unknown, fixed or contingent, suspected or unsuspected by such Loan Party (collectively, "Claims"), which such Loan Party now owns or holds or has at any time heretofore owned or held and which are in existence on the Second Amendment Effective Date (collectively the "Released Matters").

(b) Each Loan Party represents, warrants and agrees, that in executing and entering into this release, it is not relying and has not relied upon any representation, promise or statement made by anyone which is not recited, contained or embodied in this Amendment, the Credit Agreement or the Loan Documents. Each Loan Party has reviewed this release with its legal counsel, and understands and acknowledges the significance and consequence of this release and of the specific waiver thereof contained herein. Each Loan Party understands and expressly assumes the risk that any fact not recited, contained or embodied therein may turn out

hereafter to be other than, different from, or contrary to the facts now known to such Loan Party or believed by such Loan Party to be true. Nevertheless, each Loan Party intends by this release to release fully, finally and forever all Released Matters and agrees that this release shall be effective in all respects notwithstanding any such difference in facts, and shall not be subject to termination, modification or rescission by reason of any such difference in facts.

(c) Each Loan Party, on behalf of itself and its successors, assigns, and other legal representatives, hereby absolutely, unconditionally and irrevocably, covenants and agrees with each Releasee that it will not sue (at law, in equity, in any regulatory proceeding or otherwise) any Releasee on the basis of any Claims released, remised and discharged by such Loan Party pursuant to this Section 11. If any Loan Party violates the foregoing covenant, Loan Parties agree to pay, in addition to such other damages as any Releasee may sustain as a result of such violation, all attorneys' fees and costs incurred by any Releasee as a result of such violation.

[Remainder of page left intentionally blank. Signature pages follow.]

IN WITNESS WHEREOF, this Amendment has been duly executed as of the day and year first written above.

ASTRONICS CORPORATION, as a Borrower and Borrower Representative

By: /s/ David C. Burney
Name: David C. Burney
Title: Executive Vice President-

ASTRONICS ADVANCED ELECTRONIC SYSTEMS CORP., as a Borrower

By: /s/ David C. Burney
Name: David C. Burney
Title: Secretary and Treasurer

ASTRONICS TEST SYSTEMS INC., as a Borrower

By: /s/ David C. Burney
Name: David C. Burney
Title: Secretary and Treasurer

ASTRONICS AEROSAT CORPORATION, as a Borrower

By: /s/ David C. Burney
Name: David C. Burney
Title: Secretary and Treasurer

ASTRONICS CONNECTIVITY SYSTEMS & CERTIFICATION CORP., as a Borrower

By: /s/ David C. Burney
Name: David C. Burney
Title: Secretary and Treasurer

[SIGNATURES CONTINUED FROM PREVIOUS PAGE]

LUMINESCENT SYSTEMS, INC., as a Borrower

By: /s/ David C. Burney
Name: David C. Burney
Title: Secretary and Treasurer

FREEDOM COMMUNICATION TECHNOLOGIES INC., as a Borrower

By: /s/ David C. Burney
Name: David C. Burney
Title: Secretary and Treasurer

PECO, INC., as a Borrower

By: /s/ David C. Burney
Name: David C. Burney
Title: Secretary and Treasurer

DIAGNOSYS HOLDINGS INC., as a Borrower

By: /s/ David C. Burney
Name: David C. Burney
Title: Secretary and Treasurer

Signature Page to Amendment No. 2 to Credit Agreement

[SIGNATURES CONTINUED FROM PREVIOUS PAGE]

ASTRONICS CUSTOM CONTROL CONCEPTS INC., as a Borrower

By: /s/ David C. Burney
Name: David C. Burney
Title: Secretary and Treasurer

ASTRONICS DME LLC, as a Borrower

By: /s/ David C. Burney
Name: David C. Burney
Title: Secretary and Treasurer

DIAGNOSYS INC., as a Borrower

By: /s/ David C. Burney
Name: David C. Burney
Title: Secretary and Treasurer

ASTRONICS AIR LLC, as a Borrower

By: ASTRONICS CORPORATION, its sole member

By: /s/ David C. Burney
Name: David C. Burney
Title: Executive Vice President

[SIGNATURES CONTINUED FROM PREVIOUS PAGE]

ASTRONICS AIR II LLC, as a Borrower

By: ASTRONICS CORPORATION, its sole member

By: /s/ David C. Burney

Name: David C. Burney

Title: Executive Vice President

Signature Page to Amendment No. 2 to Credit Agreement

[SIGNATURES CONTINUED FROM PREVIOUS PAGE]

GREAT ROCK CAPITAL PARTNERS MANAGEMENT, LLC, as Agent

By: /s/ Kathleen Auda
Name: Kathleen Auda
Title: Chief Risk Officer

Signature Page to Amendment No. 2 to Credit Agreement

[SIGNATURES CONTINUED FROM PREVIOUS PAGE]

GRC SPV INVESTMENTS, LLC, as a Lender

By: /s/ Kathleen Auda
Name: Kathleen Auda
Title: Chief Risk Officer

Signature Page to Amendment No. 2 to Credit Agreement

[SIGNATURES CONTINUED FROM PREVIOUS PAGE]

BTC HOLDINGS SC FUND LLC

By: Blue Torch Credit Opportunities SC Master Fund LP, its sole member

By: Blue Torch Credit Opportunities SC GP LLC, its general partner

By: KPG BTC Management LLC, its sole member

By: /s/ Kevin Genda
Name: Kevin Genda
Title: Managing Member

BTC HOLDINGS FUND II LLC

By: Blue Torch Credit Opportunities Fund II LP, its sole member

By: Blue Torch Credit Opportunities GP II LLC, its general partner

By: KPG BTC Management LLC, its sole member

By: /s/ Kevin Genda
Name: Kevin Genda
Title: Managing Member

BTC OFFSHORE HOLDINGS FUND II-B LLC

By: Blue Torch Offshore Credit Opportunities Master Fund II LP,
Its Sole Member

By: Blue Torch Offshore Credit Opportunities GP II LLC
Its General Partner

By: KPG BTC Management LLC, its sole member

By: /s/ Kevin Genda
Name: Kevin Genda
Title: Managing Member

[SIGNATURES CONTINUED FROM PREVIOUS PAGE]

BTC OFFSHORE HOLDINGS FUND II-C LLC

By: Blue Torch Offshore Credit Opportunities Master Fund II LP, its sole member

By: Blue Torch Offshore Credit Opportunities GP II LLC, its general partner

By: KPG BTC Management LLC, its sole member

By: /s/ Kevin Genda
Name: Kevin Genda
Title: Managing Member

BTC HOLDINGS KRS FUND LLC

By: Blue Torch Credit Opportunities KRS Fund LP, its sole member

By: Blue Torch Credit Opportunities KRS GP LLC, its general partner

By: KPG BTC Management LLC, its sole member

By: /s/ Kevin Genda
Name: Kevin Genda
Title: Managing Member

BTC HOLDINGS SBAF FUND LLC

By: Blue Torch Credit Opportunities SBAF Fund LP, its sole member

By: Blue Torch Credit Opportunities SBAF GP LLC, its general partner

By: KPG BTC Management LLC, its sole member

By: /s/ Kevin Genda
Name: Kevin Genda
Title: Managing Member

[SIGNATURES CONTINUED FROM PREVIOUS PAGE]

BTC HOLDINGS SBAF FUND-B LLC

By: Blue Torch Credit Opportunities SBAF Fund LP, its sole member

By: Blue Torch Credit Opportunities SBAF GP LLC, its general partner

By: KPG BTC Management LLC, its sole member

By: /s/ Kevin Genda
Name: Kevin Genda
Title: Managing Member

BTC HOLDINGS FUND III LLC

By: Blue Torch Credit Opportunities Fund III LP, its Sole Member

By: Blue Torch Credit Opportunities GP III LLC, its General Partner

By: KPG BTC Management LLC, its sole member

By: /s/ Kevin Genda
Name: Kevin Genda
Title: Managing Member

BTC HOLDINGS FUND III-B LLC

By: Blue Torch Credit Opportunities Fund III LP, its Sole Member

By: Blue Torch Credit Opportunities GP III LLC, its General Partner

By: KPG BTC Management LLC, its sole member

By: /s/ Kevin Genda
Name: Kevin Genda
Title: Managing Member

[SIGNATURES CONTINUED FROM PREVIOUS PAGE]

BTC OFFSHORE HOLDINGS FUND III LLC

By: Blue Torch Offshore Credit Opportunities Master Fund III LP, its Sole Member

By: Blue Torch Offshore Credit Opportunities GP III LLC, its General Partner

By: KPG BTC Management LLC, its managing member

By: /s/ Kevin Genda
Name: Kevin Genda
Title: Managing Member

BLUE TORCH CREDIT OPPORTUNITIES UNLEVERED FUND III LP

By: Blue Torch Credit Opportunities GP III LLC, its general partner

By: KPG BTC Management LLC, its managing member

By: /s/ Kevin Genda
Name: Kevin Genda
Title: Managing Member

Signature Page to Amendment No. 2 to Credit Agreement