Resolved: Shareholders request that the Board of Directors of TransDigm Group Incorporated adopt a policy for improving board diversity (the "Policy") requiring that the initial list of candidates from which new management-supported director nominees are chosen (the "Initial List") by the Nominating and Governance Committee should include (but need not be limited to) qualified women and minority candidates. The Policy should provide that any third-party consultant asked to furnish an Initial List will be requested to include such candidates.

Supporting Statement

Currently, TransDigm Group Incorporated has one woman and no minorities on its board. A growing body of empirical research indicates a significant positive relationship between firm value and the percentage of women and minorities on boards. According to the Wall Street Journal, in September 2018, California's Governor signed a bill that would mandate that all publicly traded companies with principal offices in the state, have at minimum one woman on their boards by next year and for companies with five or more directors would be required to have two or three directors by 2021. (https://www.wsj.com/articles/california-becomes-first-state-to-mandate-female-board-directors-1538341932?mod=searchresults&page=1&pos=3) A 2015 McKinsey study of 366 companies found that corporate leadership in the top quartile for racial and ethnic diversity were 35 percent more likely to have financial returns above their national industry median. ((http://www.diversitas.co.nz/Portals/25/Docs/Diversity%20Matters.pdf).

We believe that the search process used by boards can play an important role in improving board diversity. According to a 2016 study published by the *Harvard Business Review*, including more than one woman or member of a racial minority in a finalist pool helps combat unconscious bias among interviewers and increases the likelihood of a diverse hire. (https://hbr.org/2016/04/if-there-only-your-candidiate-pool-theres-statisticallu-no-chance-shell-be-hired).

Increasingly, business organizations are adopting policies to implement this Policy. A 2012 NACD Blue Ribbon Commission report on Board Diversity recommended that no less than one-third of candidates for new board seats should match the board's definition of diverse. (https://www.nacdonline.org/Store/ProductDetail.cfm?ItemNumber=5814). In its 2016 Principles of Corporate Governance, the Business Roundtable calls on boards to "develop a framework for identifying appropriately diverse candidates that allows the nominating/governance committee to consider women, minorities, and others with diverse backgrounds as candidates for each open board seat."

(http://businessroundtable.org/corporate-governance). Policies like the one advanced in this Proposal have been adopted by the nominating and governance committees of Amazon.com Inc, CME Group, Cognex Corporation, Costco Wholesale Corporation, Facebook Inc, FCB Financial Holdings Inc, Gentex Corporation, Getty Realty Corp., HollyFrontier Corporation, Home Depot, Hub Group, Inc., IDEXX Labs, Neogen Corporation, Oceaneering International, Inc., Stryker Corporation, Thor Industries and Whole Foods Market.

The proposed rule resembles the Rooney Rule in the National Football League (NFL), which requires teams to interview minority candidates for head coaching and senior football operations openings. Following the policy implemented the number of minority head coaches and minority general managers has increased significantly. (https://www.sec.gov/comments/s7-06-16/s70616-293.pdf)

We urge you to vote FOR this proposal.