

Woodward, Inc.
Form DEF 14A
December 09, 2016
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SCHEDULE 14A INFORMATION

Proxy Statement Pursuant to Section 14(a) of the Securities

Exchange Act of 1934

Filed by the Registrant

Filed by a Party other than the Registrant

Check the appropriate box:

Preliminary Proxy Statement

Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))

Definitive Proxy Statement

Definitive Additional Materials

Soliciting Material under Rule 14a-12

WOODWARD, INC.

(Name of Registrant as Specified In Its Charter)

(Name of Person(s) Filing Proxy Statement, if other than the Registrant)

Payment of Filing Fee (Check the appropriate box):

No fee required.

Fee computed on table below per Exchange Act Rules 14a-6(i)(4) and 0-11

1) Title of each class of securities to which transaction applies:

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- 2) Aggregate number of securities to which transaction applies:

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- 1) Amount Previously Paid:

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- 3) Filing Party:

- 4) Date Filed:

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WOODWARD, INC.

**NOTICE OF 2016 ANNUAL MEETING OF STOCKHOLDERS
AND PROXY STATEMENT**

December 9, 2016

Dear Stockholder:

You are cordially invited to join our Board of Directors and senior leadership in attendance at Woodward, Inc.'s Annual Meeting of stockholders at 8:00 a.m., Mountain Standard Time, on Wednesday, January 25, 2017, at Embassy Suites Loveland located at 4705 Clydesdale Parkway, Loveland, Colorado. Please follow posted signs directing you to the registration table. We invite you to join our directors and members of our management team for a continental breakfast at 7:30 a.m. The formal meeting will begin promptly at 8:00 a.m.

Parking is available on site. A map is located on the back of this proxy statement.

Your vote is very important to us and to the continued success of our Company. Please complete and return your proxy card by mail, or vote via telephone or the Internet, as soon as possible regardless of whether you plan to attend in person. Thank you in advance for your continuing commitment to Woodward.

Sincerely yours,

WOODWARD, INC.

Thomas A. Gendron

Chairman, Board of Directors

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NOTICE OF ANNUAL MEETING OF STOCKHOLDERS

Important Notice Regarding the Availability of Proxy Materials for our Annual Meeting to be Held on January 25, 2017:

This Proxy Statement and our Annual Report on Form 10-K for the fiscal year ended September 30, 2016, including consolidated financial statements, are available to you at www.proxydocs.com/wwd.

Date and Time:

Wednesday, January 25, 2017

8:00 a.m., Mountain Standard Time

Place:

Embassy Suites Loveland

4705 Clydesdale Parkway

Loveland, Colorado

The purpose of our Annual Meeting is to:

1. Elect as directors the three nominees identified in this proxy statement, each to serve for a term of three years;
2. Ratify the appointment of Deloitte & Touche LLP as the Company's independent registered public accounting firm for the fiscal year ending September 30, 2016;
3. Vote on an advisory resolution regarding the compensation of the Company's named executive officers;
4. Vote on an advisory proposal regarding the frequency of stockholder advisory votes on executive compensation;
5. Approve the Woodward, Inc. 2017 Omnibus Incentive Plan; and

6. Transact other business that properly comes before the meeting, or any postponement or adjournment thereof. Stockholders who owned Woodward, Inc. common stock at the close of business on the record date, November 28, 2016, are entitled to vote at the meeting, or any postponement or adjournment thereof.

By Order of the Board of Directors,

WOODWARD, INC.

A. Christopher Fawzy

Corporate Secretary

December 9, 2016

YOUR VOTE IS IMPORTANT

Even if you plan to attend the meeting in person, please date, sign, and return your proxy card in the enclosed envelope, or vote via telephone or the Internet, prior to the meeting and as soon as possible. Your prompt response is helpful and your cooperation will be appreciated.

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ANNUAL REPORT ON FORM 10-K

You may obtain a free copy of our Annual Report on Form 10-K for the year ended September 30, 2016, filed with the Securities and Exchange Commission (SEC) and available at its website at www.sec.gov. Please contact the Corporate Secretary, Woodward, Inc., 1081 Woodward Way, Fort Collins, Colorado 80524 or email investor.relations@woodward.com. This report is also available at www.proxydocs.com/wwd.

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ABOUT THE ANNUAL MEETING AND VOTING

Woodward, Inc. (Woodward or the Company), on behalf of its Board of Directors (the Board), is soliciting your proxy to vote at our Annual Meeting of Stockholders (or at any postponement or adjournment of the meeting) (the Annual Meeting). This proxy statement summarizes the information you need to know to vote at the meeting.

We began mailing this proxy statement and the enclosed proxy card on or about December 9, 2016, to all stockholders entitled to vote. The Woodward, Inc. Annual Report, which includes our most recent audited financial statements, is also being distributed with this proxy statement.

Stockholders who owned Woodward common stock at the close of business on the record date, November 28, 2016, are entitled to vote at the meeting. As of the record date, there were 61,724,893 shares of Woodward common stock outstanding.

Each share of Woodward common stock that you own entitles you to one vote on each matter to be presented at the Annual Meeting, except for the election of directors, for which you may cumulate your votes. Since three directors are standing for election, you will be entitled to three director votes for each share of stock you own. Of this total, you may choose how many votes you wish to cast for each director. The Board is not soliciting discretionary authority to cumulate votes with respect to the election of directors.

Woodward offers stockholders the opportunity to vote by mail, by telephone, or via the Internet. Instructions to use these methods are set forth on the enclosed proxy card. We urge you to vote promptly, even if you plan to attend the Annual Meeting in person.

If you vote by telephone or via the Internet, please have your proxy or voting instruction card available. A telephone or Internet vote authorizes the named proxies in the same manner as if you marked, signed, and returned the card by mail. Voting by telephone and via the Internet are valid proxy voting methods under the laws of Delaware (our state of incorporation) and our Amended and Restated Bylaws (our Bylaws).

If you properly fill in your proxy card and send it to us in time to vote, your shares will be voted as you have directed. If you sign the proxy card but do not make specific choices, your shares will be voted in accordance with the Board s recommendation as follows:

FOR the election of the Board s nominees to the Board;

FOR the ratification of the appointment of Deloitte & Touche LLP as the Company s independent registered public accounting firm;

FOR the advisory resolution regarding the compensation of the Company s named executive officers;

EVERY YEAR for the advisory proposal on the frequency of the advisory vote on executive compensation; and

FOR the approval of the Woodward, Inc. 2017 Omnibus Incentive Plan.

If any other matter is presented at the meeting, your shares will be voted in accordance with the proxyholder s best judgment. At the time this proxy statement was printed, we were not aware of any additional matters to be acted on at

the meeting.

You may revoke your proxy by:

Entering a new vote by telephone, over the Internet, or by signing and returning another signed proxy card at a later date,

Notifying our Corporate Secretary in writing before the meeting that you have revoked your proxy, or

Voting in person at the meeting.

If you want to give your written proxy to someone other than the individuals named on the proxy card:

Cross out the individuals named and insert the name of the individual you are authorizing to vote, or

Provide a written authorization to the individual you are authorizing to vote along with your proxy card.

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SUMMARY OF PROPOSALS SUBMITTED FOR VOTE

The following are only summaries of the proposals to be presented at the Annual Meeting. You should review the full discussion of each proposal in this proxy statement before casting your vote.

Proposal 1: Election of Directors

Director Nominees: At the Annual Meeting, you will be asked to elect to the Board the three nominees for director identified in this proxy statement. Each director will be elected to serve a three-year term and will hold office until the 2019 Annual Meeting held in or about January 2020 and until a successor is elected and qualifies.

Vote Required: Because this is an uncontested election, directors are elected by a majority vote. A nominee for director in an uncontested election will be elected if the votes cast for that nominee's election exceed the votes cast against that nominee's election. Abstentions and broker non-votes will not be considered in the calculation. We have adopted a director resignation policy. Accordingly, each director has submitted an irrevocable resignation contingent upon not receiving a majority of votes in an uncontested election and acceptance of the resignation by the Board.

Proposal 2: Ratification of the Appointment of Independent Registered Public Accounting Firm

Independent Registered Public Accounting Firm: At the Annual Meeting, you will be asked to ratify the Audit Committee's appointment of Deloitte & Touche LLP as the Company's independent registered public accounting firm for the fiscal year ending September 30, 2017.

Vote Required: The affirmative vote of the holders of a majority of shares of Woodward common stock present in person or by proxy and entitled to vote at the Annual Meeting will be required to ratify the Audit Committee's appointment of the independent registered public accounting firm. Abstentions will count as a vote against the proposal. Broker non-votes will have no effect on the outcome of the vote.

Proposal 3: Approval of Advisory Resolution Regarding the Compensation of the Named Executive Officers

Compensation of the Company's Named Executive Officers: At the Annual Meeting, you will be asked to approve an advisory resolution regarding the compensation of the Company's named executive officers.

Vote Required: The affirmative vote of the holders of a majority of shares of Woodward common stock present in person or by proxy and entitled to vote at the Annual Meeting will be required for the approval of the advisory resolution regarding the compensation of the Company's named executive officers. Abstentions will count as a vote against the proposal. Broker non-votes will have no effect on the outcome of the vote.

This proposal 3, commonly referred to as a "say-on-pay" proposal, is not binding on the Board or the Compensation Committee. However, the Board and the Compensation Committee will review and consider the voting results when evaluating our executive compensation program.

Proposal 4: Advisory Proposal Regarding the Frequency of the Stockholder Advisory Vote on Executive Compensation

Frequency of the Advisory Vote on the Compensation of Named Executive Officers: At the Annual Meeting, you will be asked to vote *Every Year* , *Every Two Years* or *Every Three Years* with respect to how often we hold a say-on-pay vote. This proposal is commonly referred to as a *Say-When-On-Pay* vote.

Vote Required: The option of one year, two years or three years that receives the highest number of votes cast by stockholders will be the frequency for the advisory vote on executive compensation that has been selected by stockholders. Abstentions and broker non-votes will have no effect on the outcome of the vote.

As an advisory vote, the vote on Proposal 4 is not binding on the Board or the Compensation Committee. However, the Board and the Compensation Committee value the opinions of our stockholders, and will consider the outcome of the vote in determining whether to change the frequency of the advisory vote on executive compensation.

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SUMMARY OF PROPOSALS SUBMITTED FOR VOTE (continued)

Proposal 5: Approval of the Woodward, Inc. 2017 Omnibus Incentive Plan

Approval of the Woodward, Inc. 2017 Omnibus Incentive Plan, (the 2017 Plan): At the Annual Meeting, you will be asked to approve the 2017 Plan.

Vote Required: The affirmative vote of a majority of the votes cast on Proposal 5 at the Annual Meeting will be required for the approval of the 2017 Plan. Under the listing rules of NASDAQ, with respect to Proposal 5, abstentions will have the effect of a vote against the proposal. Broker non-votes will have no effect on the outcome of the vote.

The Board unanimously recommends that the stockholders vote FOR proposals 1-3 and 5 listed above and Every Year for proposal 4 listed above.

Quorum

A quorum of stockholders is necessary to hold a valid meeting. The presence, in person or by proxy, at the Annual Meeting of holders of shares representing a majority of the votes of the common stock entitled to vote constitutes a quorum. Abstentions and broker non-votes are counted as present for establishing a quorum. A broker non-vote occurs when a stockholder does not provide voting instructions to his or her broker or nominee and the broker or nominee does not have discretionary authority to vote on the matter, as further described below under Voting of Shares Held in Street Name by Your Broker.

Abstentions

Abstentions are counted as present for establishing a quorum. Except for the election of directors and the frequency of Say-On-Pay proposal, abstentions have the same effect as votes against the matter.

Voting of Shares Held in Street Name by Your Broker

If your shares are held in a stock brokerage account or by a bank or other nominee, you are considered the beneficial owner of shares held in street name and these proxy materials are being forwarded to you by your broker or nominee who is considered, with respect to those shares, the stockholder of record. As the beneficial owner, you have the right to direct your broker how to vote your shares. You are also invited to attend the Annual Meeting and vote your shares in person. In order to vote your shares in person, you must provide us with a legal proxy from your broker.

Brokerage firms have authority to vote customers' shares for which they have not received voting instructions on certain routine matters, such as ratification of the auditors. If you do not provide voting instructions, your brokerage firm may either vote your shares on routine matters or leave your shares unvoted. On the other hand, absent instructions from customers, a brokerage firm cannot vote customers' shares on non-routine matters, such as the

election of directors, the advisory resolution regarding the compensation of our named executive officers, the advisory vote on the frequency of the advisory vote on executive compensation, and the approval of the 2017 Plan. The shares for which instructions are not given and therefore, remain unvoted, are referred to as broker non-votes. For the purposes of this Annual Meeting, the only routine matter is the Ratification of the Appointment of our Independent Registered Public Accounting Firm. Consequently, if you do not give your brokerage firm specific instructions, your shares will not be voted on the other, non-routine, matters and will not be counted in determining the number of shares necessary for approval, although they will count for purposes of determining whether a quorum exists. We encourage you to provide instructions to your brokerage firm. This ensures your shares will be voted at the meeting.

In order for your shares to be voted on all matters presented at the Annual Meeting, including the election of directors, we urge all stockholders whose shares are held in street name by a brokerage firm to provide voting instructions to the brokerage firm.

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BOARD OF DIRECTORS

Woodward's certificate of incorporation provides for the Board to be divided into three classes, designated Class I, Class II and Class III, with directors in each class serving a three-year term. Woodward's certificate of incorporation further provides that the Board must consist of no less than six directors. The exact number of directors serving on the Board, and the exact number of directors in each class, is determined from time to time by resolution of the Board. If the number of directors changes, any increase or decrease must be apportioned among the classes so as to maintain the number of directors in each class as nearly equal as possible. The Company's Bylaws and Director Guidelines provide that directors are elected by a majority of the votes cast and we have a corresponding resignation policy for uncontested director elections. Contested elections are determined by a plurality vote.

On April 22, 2016, the Board increased the approved number of directors from nine to ten and appointed Jonathan W. Thayer to serve as a director. Larry E. Rittenberg, age 70, will not stand for re-election following the expiration of his term on January 25, 2017, as our Director Guidelines provide that Board members generally will not be nominated for re-election after attaining the age of 70. In light of Dr. Rittenberg's retirement from the Board, the Board will reduce the number of directors from ten to nine, effective upon the expiration of Dr. Rittenberg's term on the date of the Annual Meeting.

The Board's three classes are currently comprised of three Class I directors, three Class II directors, and four Class III directors, including Dr. Rittenberg. Upon Dr. Rittenberg's retirement at the end of his current term, each of the Board's classes will be comprised of three directors. Each of the three directors identified in this proxy statement as standing for election at the 2016 Annual Meeting of Stockholders has been nominated by the Board at the recommendation of the Nominating and Governance Committee to hold office for a three-year term expiring in January 2020, or when a successor is elected and qualified. Directors identified in this proxy statement who are not standing for election at this meeting will continue in office for the remainder of their respective terms.

If a nominee is unavailable for election, proxy holders will vote for another nominee proposed by the Nominating and Governance Committee.

We identify below certain biographical information of each of our directors and the director nominees for election, including his or her principal occupation, public company directorships currently held or held during the past five years and other business affiliations. We also describe the specific experience, qualifications, attributes and skills of each director and director nominee that led the Board to conclude that he or she should serve as a member of the Board.

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BOARD OF DIRECTORS (continued)

PROPOSAL 1 ELECTION OF DIRECTORS

Directors Standing for Election at This Meeting for Terms Expiring in 2020:

Mary L. Petrovich

Ms. Mary L. Petrovich has been serving as a senior advisor to private equity with the Carlyle Group and American Security Partners since June 2011. Prior to this role, Ms. Petrovich served as General Manager of AxleTech International, a supplier of off-highway and specialty vehicle drive train systems and components, after its acquisition by General Dynamics in December 2008. Ms. Petrovich served as Chairman and Chief Executive Officer of AxleTech International from 2001 through the December 2008 sale of the company to General Dynamics. Prior to AxleTech, in 2000, Ms. Petrovich was President of the Drivers Controls Division of Dura Automotive, possessing management responsibility for 7,600 employees.

Age: 53

Ms. Petrovich has extensive experience with mergers, acquisitions and the integration of acquired businesses in the automotive, off-highway and transportation industries. This experience, together with her operational experience with Six Sigma lean manufacturing techniques and supply chain management, and her experience in evaluating new business opportunities, provides the Board with valuable knowledge in its oversight of Woodward's operational efficiency and recent acquisitions.

Director since: 2002

Other public company directorships: WABCO (since 2011); GT Advanced Technologies Inc. (2011-2014); Modine Manufacturing Company (2011-2014).

Paul Donovan

Mr. Paul Donovan retired in 2004 as special advisor to the Chairman of Wisconsin Energy Corporation. Mr. Donovan had previously served as the Executive Vice President and Chief Financial Officer of Wisconsin Energy Corporation from 1999 until 2003. Prior to joining Wisconsin Energy Corporation, Mr. Donovan was Executive Vice President and Chief Financial Officer of Sundstrand Corporation, a manufacturer of aerospace and industrial products, from June 1988 to August 1999. Prior to June 1988, he held a variety of financial positions, including at Allied Signal and Ford Motor Company.

Age: 69

Director since: 2000

Mr. Donovan's demonstrated leadership of large company corporate finance and tax departments provides the Board with expertise regarding the intricacies of tax, banking, finance, and mergers and acquisitions. He also possesses direct knowledge of the power generation, transportation and aerospace markets, all of which are key business segments for Woodward. As a former member of the Office of the Chairman at Wisconsin Energy and a former member of the Executive Office at Sundstrand Corporation, Mr. Donovan contributes to the Board not only his strong knowledge of the markets in which Woodward competes, but also strong leadership and insight into large organizations.

Other public company directorships: CLARCOR, Inc. (since 2003).

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BOARD OF DIRECTORS (continued)

Jonathan W. Thayer

Mr. Jonathan W. Thayer has served as Senior Executive Vice President and Chief Financial Officer of Exelon Corporation since 2012, an energy provider and holding company for several energy businesses. Prior to joining Exelon, Mr. Thayer held the position of Senior Vice President, Chief Financial Officer for Constellation Energy Group, Inc. from October 2008 until Constellation Energy's acquisition by Exelon. Mr. Thayer was also appointed Treasurer of Constellation Energy in August 2008, and held prior positions of Vice President and Managing Director, Corporate Strategy and Development (2004-2008) and Director, Investor Relations (2003-2004). Prior to joining Constellation Energy, Mr. Thayer held financial positions at Deutsche Bank Securities, Inc. and SBC Warburg Dillon Read, Inc.

Age: 45

Director since: 2016

Mr. Thayer brings to the Board expertise in corporate finance and strategy, equity offerings, complex M&A transactions, including post acquisition integration, and risk management. He is experienced in leading across periods of growth, maturation, disruption, and crisis. Mr. Thayer has a strong sense of board governance, and an understanding of promoting shareholder value and investor relations.

Other public company directorships: None held during the past five years.

Your Board unanimously recommends a vote FOR each of the nominees presented in Proposal 1.

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BOARD OF DIRECTORS (continued)

Directors Remaining in Office Until 2018:

Thomas A. Gendron

Mr. Thomas A. Gendron has been Chairman of the Board of the Company since January 2008, and has been President and Chief Executive Officer of the Company since July 2005. Mr. Gendron previously served as Chief Operating Officer and President of the Company from September 2002 until July 2005, and as Vice President and General Manager of Industrial Controls from June 2001 until September 2002. Prior to that, Mr. Gendron served as Vice President of Industrial Controls from April 2000 through May 2001, and as Director of Global Marketing and Industrial Controls Business Development from February 1999 through March 2000. Overall, Mr. Gendron has served with Woodward for over 25 years in both the aircraft and industrial businesses, providing leadership in sales, marketing, business development, and product support management.

Age: 55

Director since: 2005

His experience with and knowledge of the Company's businesses and the industries in which they operate has enabled Mr. Gendron to lead the Company's growth since his appointment to President and Chief Operating Officer in September 2002. He has brought significant insight to the Board due to his comprehensive understanding of the Company and its operations at multiple levels, including the Company's strategic vision, products, suppliers, customers and markets.

Other public company directorships: Hexcel Corporation (since 2010).

John A. Halbrook

Mr. John A. Halbrook retired as Chairman of the Board of the Company in January 2008, and previously served as Chief Executive Officer of the Company from November 1993 until July 2005. Mr. Halbrook has served in various other executive positions with the Company, including Chief Executive Operating Officer and President. Prior to joining Woodward, Mr. Halbrook garnered broad experience in finance and accounting, budgeting, marketing, strategic planning and operations through positions with Worthington Pumps, McGraw Edison, Turbodyne, General Electric, and General Dynamics.

Age: 71

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Director since: 1991

Through his tenure as Chairman and Chief Executive Officer of Woodward, Mr. Halbrook brings to the Board insight into the Company's operations and an understanding of the complex issues facing Woodward's business segments and the markets in which the Company competes.

Other public company directorships: None held during the past five years.

Table of Contents**BOARD OF DIRECTORS (continued)****Ronald M. Segal**

Age: 64

Director since: 2008

Dr. Ronald M. Segal serves as Director, Systems Engineering Programs at Colorado State University (CSU) and Special Assistant to the Chancellor for Strategic Initiatives. Prior to this role, he was Vice President and Enterprise Executive for Energy and the Environment at CSU and The Ohio State University (OSU) from September 2010 through August 2013. CSU and OSU are two Land-Grant universities engaged in efficient, sustainable development of practical products using our natural resources through education, research and outreach. At CSU, he served as chair of the Sustainability, Energy, and Environment Advisory Committee (CSU ranked #1 in Sustainability ref STARS). Dr. Segal also served as chair of the President's and Provost's Council on Sustainability at OSU. Dr. Segal held the position of Vice President for Energy, Environment, and Applied Research with the CSU Research Foundation from September 2007 through August 2010. Prior to joining CSU, Dr. Segal served as Under Secretary for the U.S. Air Force from August 2005 to August 2007. As Under Secretary, Dr. Segal led a team that developed a comprehensive energy strategy emphasizing supply, demand, and culture with results in 2006 leading to the receipt of the overall Presidential Award for Leadership in Federal Energy Management for the U.S. Government. As Under Secretary, Dr. Segal's role also included the Department of Defense (DOD) Executive Agent for space, and the Air Force Service Acquisition Executive for space programs. From August 2001 until August 2005, Dr. Segal was Director of Defense Research and Engineering, Office of the Secretary of Defense, which is the Chief Technology Officer for the DOD. From July 1996 to August 2001, he served as Dean, College of Engineering and Applied Science, University of Colorado at Colorado Springs. Dr. Segal is a former NASA astronaut and veteran of two shuttle missions. He retired from the U.S. Air Force in the rank of Major General. Dr. Segal is a Fellow of the American Institute of Aeronautics and Astronautics, as well as a Fellow of the Institute of Electrical and Electronics Engineers.

Dr. Segal brings to the Board extensive experience applying academic research to real-world situations, knowledge of U.S. government contracting practices, and expertise in aerospace and energy technology and markets.

Other public company directorships: Rentech, Inc. (since 2007).

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BOARD OF DIRECTORS (continued)

Directors Remaining in Office Until 2019:

John D. Cohn

Mr. John D. Cohn has served as Senior Vice President, Asia Business Planning and Execution, of Rockwell Automation, Inc., a global provider of innovative industrial automation and information products, services and solutions since September 2011. In this capacity, Mr. Cohn develops and implements regional and country level business strategies for approximately \$1 billion of Rockwell Automation sales. Additionally, Mr. Cohn leads business development activities, industry business plans, and other market expansion opportunities to drive growth for Rockwell Automation on a global basis. Prior to accepting this position in August 2011, Mr. Cohn served at Rockwell Automation as Senior Vice President, European Business Planning and Execution from March 2009 to August 2011, and as Senior Vice President, Strategic Development and Communications, for Rockwell Automation from 1999 to 2009.

Age: 62

Director since: 2002

Mr. Cohn brings to the Board expertise in global market and business development, execution of focused initiatives, and experience with leading organizations through change management, mergers and acquisitions.

Other public company directorships: None held during the past five years.

James R. Rulseh

Mr. James R. Rulseh is President of JRR & Associates, LLC, an independent manufacturing consulting company focused on operations improvement and operational leadership excellence. Prior to May 2011, Mr. Rulseh served as the Chief Operating Officer, Tulip Corporation, a private manufacturing company, since October 2009. Prior to joining Tulip Corporation, Mr. Rulseh served in the following capacities for Modine Manufacturing Company, an NYSE listed company that is a diversified global leader in thermal management technology and solutions: Special Assistant to the Chief Executive Officer, from January 2009 to October 2009; Regional Vice President Americas, and an officer of Modine Manufacturing Company, from October 2007 to January 2009; Regional Vice President Asia and an officer of Modine Manufacturing Company, from November 2006 to October 2007; Group Vice President and an officer of Modine Manufacturing Company, from April 2001 to November 2006; Managing Director of the Automotive Business Unit of Modine Europe, from 1998 to March 2001. Prior to 1998, Mr. Rulseh had held various other positions with Modine beginning in 1977.

Age: 61

Director since: 2002

Lead Director

Mr. Rulseh's experience as a Global Business Advisor, COO of Tulip Corporation and his extensive operational management experience at Modine Manufacturing Company provide him with significant insight and experience into the operations, challenges and complex issues facing major manufacturing corporations such as Woodward. Mr. Rulseh also brings to the Board extensive senior executive level experience in international manufacturing and business restructurings.

Other public company directorships: Accuride Corporation (since 2013).

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BOARD OF DIRECTORS (continued)

Gregg C. Sengstack

Mr. Gregg C. Sengstack was appointed Chief Executive Officer of Franklin Electric Co., Inc. in May 2014, and Chairman in May 2015. He has been President of the company since December 2011. Franklin Electric is a global leader in the production and marketing of systems and components for the movement of water and automotive fuels. Mr. Sengstack was President of Franklin Electric's International Water Systems and Fueling Group from 2005 to 2011, and was Chief Financial Officer for Franklin Electric from 1999 to 2005. Mr. Sengstack joined Franklin Electric in 1988 and has worked on numerous acquisitions in the U.S. and overseas during his career.

Age: 58

Mr. Sengstack's combination of P&L, finance, international and general management and top leadership experience, as well as his consensus-driven global leadership style and experience working with boards, allow him to provide the Board with strong insight into the Company's multi-national markets and operations.

Director since: 2011

Other public company directorships: Franklin Electric Co., Inc. (since 2014)

Director Whose Term Will Not Continue After the Annual Meeting:

Larry E. Rittenberg

Dr. Larry E. Rittenberg, PhD, CPA and CIA, has been Professor Emeritus at the University of Wisconsin since August 2011. He was the Ernst & Young Professor of Accounting & Information Systems at the University of Wisconsin until his retirement from that position in August 2011. Dr. Rittenberg has been on the faculty at the University since 1976, and served as the chair of the accounting department for 12 years. Dr. Rittenberg continues to teach auditing, enterprise risk management, governance and control, and has served in leadership positions across a number of professional organizations, including the American Institute of CPAs, the Institute of Internal Auditors (IIA), and the American Accounting Association (AAA), where he served as VP of Finance and established the first audit committee within the AAA. Dr. Rittenberg served as Chairman of the Committee of Sponsoring Organizations of the Treadway Commission (COSO) from 2004 to 2009. COSO is a voluntary private sector organization dedicated to improving the quality of financial reporting through business ethics, effective internal controls, and corporate governance. He also served as a financial advisor providing counsel on Sarbanes-Oxley compliance to the Audit Committee and Board of Petro China, one of the largest publicly listed companies in China.

Age: 70

Director since: 2004

Dr. Rittenberg's in-depth understanding of accounting, auditing, risk management, finance, Sarbanes-Oxley, and corporate governance is a valuable asset to the Board in its oversight of the integrity of the Company's financial statements, financial reporting processes and oversight of the Company's enterprise risk management process.

Other public company directorships: None held during the past five years.

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GOVERNANCE

Governance Documents

Woodward's policies and practices reflect corporate governance initiatives that are compliant with the listing requirements of the NASDAQ Global Select Market (NASDAQ), SEC rules and regulations, and the applicable corporate governance requirements of the Sarbanes-Oxley Act and the Dodd-Frank Act. Woodward maintains a corporate governance page on its website at <http://www.woodward.com> that can be accessed by clicking on Investors and then on Corporate Governance. Included on this site are a message from our Chairman and Chief Executive Officer and the following documents adopted by our Board:

The Woodward Constitution;

Our Director Guidelines;

Executive/Director Stock Ownership Guidelines;

The Woodward Code of Business Conduct and Ethics for directors, officers, and employees (who we refer to as members), including the Woodward Code of Ethics for Senior Financial Officers and Other Finance Members;

Our policy relating to Insider Trades of Woodward Stock;

Our recently adopted Clawback Policy; and

Our Related Person Transaction Policies and Procedures.

Charters for our Audit Committee, Compensation Committee, Executive Committee, and Nominating and Governance Committee can be found by clicking on the Investors tab, then selecting Board of Directors, and then clicking on the Board Committees and Charters link.

Sustainability

Woodward's mission is to set the global standard in energy control solutions for the aerospace and industrial markets and promote sustainable solutions by optimizing energy use through improved efficiency and lower emissions. Woodward's commitment to sustainability extends to several aspects of our business, including:

Products and Facilities Clean energy technologies and innovative product and facility designs contribute to the global reduction of harmful emissions as well as the more efficient use of energy and other natural resources;

Governance The Company's governance structure and core principles enable sustainable growth while advancing shareholder value through strong relationships with members, customers, and other stakeholders; and

Culture and Community Woodward is dedicated to the development of our members and our local communities, and seeks to promote collaborative, effective partnerships at all levels of interaction.

Woodward's sustainability report outlines our present and future commitment to sustainability. Our sustainability report is available on our website (www.woodward.com) on our Social Responsibility page under the Our Company tab.

INDEPENDENT DIRECTORS

The Board, during its annual review of the independence of its members, has determined that each member of the Board, other than Mr. Gendron, is independent under the criteria established by current NASDAQ listing requirements for independent directors. In addition, the Board has determined that each member of the Audit Committee and each member of the Compensation Committee meets the additional independence criteria required for audit committee and compensation committee members, as applicable, established by SEC rules and regulations and NASDAQ listing requirements.

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BOARD LEADERSHIP STRUCTURE

Mr. Gendron serves as our Chairman of the Board and Chief Executive Officer. Because one individual serves as both Chairman and CEO, the Board appoints an independent director to serve as Lead Director. Our Lead Director is Mr. Rulseh, who was appointed to that position by the Board in 2011. The independent Lead Director chairs separate executive sessions of the independent directors following regularly scheduled Board meetings. The duties and responsibilities of the Lead Director are set forth under the Board Meetings and Committees Lead Director section below. The Board believes the combined Chairman/CEO position, together with an independent Lead Director, has certain advantages over other board leadership structures and best meets the Company's current needs. Mr. Gendron's leadership as Chairman and CEO provides our Board with detailed and in-depth knowledge of the Company's strategy, markets, operations and financial condition, and enhances our ability to communicate a clear and consistent strategy to our stockholders, employees and business partners. This leadership structure differentiates the oversight role of the Lead Director and other independent directors from the oversight role of the Chairman/CEO and other management, enabling the Board and the Chairman/CEO to have greater clarity and focus on their respective leadership roles.

The Board is responsible for overseeing the management of the business and affairs of the Company; selecting and recommending to stockholders appropriate candidates for election to the Board; reviewing and, where appropriate, approving the business plans, major strategies and financial objectives of the Company; evaluating Board processes and performance and the overall effectiveness of the Board; evaluating the performance of the Company and of senior management; requiring, approving and overseeing the implementation of the Company's succession plans; reviewing compliance with applicable laws and regulations and adopting policies of corporate conduct to assure compliance with applicable laws and regulations and to assure maintenance of necessary accounting, financial and other controls.

The Board understands there is no single one-size fits all approach to providing Board leadership in the competitive and changing environment in which we operate. The optimal Board leadership structure may vary as circumstances warrant. At present, the Board believes its current structure effectively maintains independent oversight and management. Consistent with our Director Guidelines, the Board reviews and considers whether the positions of Chairman and CEO should be combined or separated as part of a regular review of the effectiveness of the Company's governance structure.

BOARD MEETINGS AND COMMITTEES

The Board met five times in fiscal year 2016. All incumbent directors attended at least 80 percent of the aggregate of the total meetings of the Board and all committees on which they served. Directors are encouraged, but are not required, to attend annual meetings of stockholders. All directors attended the Company's last annual meeting of stockholders.

Table of Contents**BOARD MEETINGS AND COMMITTEES (continued)**

The Board has the following standing committees: Audit Committee; Compensation Committee; Nominating and Governance Committee; and Executive Committee. All actions by committees are reported to the Board at the next regularly scheduled meeting. As part of its ongoing corporate governance review, the Board reviews its assignment of committee memberships annually and made no changes in fiscal year 2016 to those assignments as reported in last year's proxy statement except for the addition of Mr. Thayer to the Audit Committee. The following table reflects the committee memberships as of the filing date of this proxy statement:

NAME	AUDIT	COMPENSATION	NOMINATING & GOVERNANCE	EXECUTIVE
John D. Cohn				
Paul Donovan				
Thomas A. Gendron				
John A. Halbrook				
Mary L. Petrovich				
Larry E. Rittenberg(1)				
James R. Rulseh				
Ronald M. Sega				
Gregg C. Sengstack				
Jonathan W. Thayer				