



Charter of the Audit Committee of the Board of Directors of Woodward Governor Company

Purpose

The Audit Committee (the “Committee”) is appointed by the Board of Directors to oversee the Company’s accounting and financial reporting processes, including the quality of internal controls over those processes and audits of the Company’s financial statements and internal control reports. The Committee shall maintain free and open communication among the directors, the independent registered public accounting firm, the internal audit activity, and the financial management of the Company.

Responsibilities

The Committee oversees and monitors management, internal audit and the independent registered public accounting firm’s participation in the financial reporting and internal control process. In this role, the Committee shall:

1. Be directly responsible for the appointment, compensation, retention and oversight of the work of any independent registered public accounting firm engaged (including resolution of disagreements between management and the independent registered public accounting firm regarding financial reporting) for the purpose of preparing or issuing an audit report or performing other audit, review or attest services for the Company. The independent registered public accounting firm is engaged by the Committee and reports directly to the Committee.
2. Review and discuss with management and the lead internal auditor the internal audit plan and budget, including the audit/risk assessment and the results of audit activities. Review and approve changes in the appointment of the internal audit leader. Periodically assess the quality of the internal audit activity.
3. Review and discuss with management the audited financial statements and year-end earnings release.
4. Discuss with the independent registered public accounting firm any matters required to be communicated under current auditing standards, including Statement of Auditing Standards No. 61, and other matters as may become required by regulatory agencies.
5. Obtain from the independent registered public accounting firm the written disclosures required by Independence Standards Board Standard No. 1 and/or the Public Company Accounting Oversight Board Independence Rules; obtain confirmation that in the registered independent public accounting firm’s judgment, they are independent of the Company within the meaning of the federal securities laws; discuss with the registered independent public accounting firm any disclosed

relationships or services that may impact their objectivity and independence; and take appropriate actions to oversee the independence of the independent registered public accounting firm.

6. Recommend to the Board of Directors, based on reviews and discussions with management and the independent registered public accounting firm, that the audited financial statements be included in the Company's Annual Report on Form 10-K.
7. Review independently or with management and the independent registered public accounting firm the Company's quarterly financial statements prior to filing of its Form 10-Q and earnings releases.
8. Review major changes to the Company's auditing and accounting principles and practices.
9. Discuss with the independent registered public accounting firm, their opinion on the acceptability and appropriateness of material accounting principles and practices implemented by the Company.
10. Discuss with the Company's General Counsel, the Company's compliance with applicable laws, regulations and legal matters that may have a material impact on the Company's financial statements or accounting policies. The General Counsel or the General Counsel's designee will attend meetings of the Committee as requested.
11. Review management's internal control report prior to its inclusion in the Company's annual report, which addresses the effectiveness of the Company's internal controls and procedures for purposes of financial reporting. Review and discuss with the independent registered public accounting firm, the internal auditor, and management all identified significant or material deficiencies in internal control over financial reporting.
12. Establish procedures for the receipt, retention, and treatment of complaints received by the Company regarding accounting, internal controls, or auditing matters and the confidential, anonymous submission by employees of the Company of concerns regarding questionable accounting or auditing matters.
13. Pre-approve all audit, review or attest engagements and permissible non-audit services to be provided to the Company by the independent registered public accounting firm, and approve the fees of the independent registered public accounting firm for such services; provided, however, that in no event shall the Committee have the authority to pre-approve any non-audit services which may not be performed by the independent registered public accounting firm under applicable law.
14. Review the findings, comments and recommendations of the independent registered public accounting firm.
15. Prepare the Audit Committee Report required by the rules of the Securities and Exchange Commission to be included in the Company's annual proxy statement.
16. Review with the independent registered public accounting firm the reports of the Public Company Accounting Oversight Board with respect to the Company's

independent registered public accounting firm when such reports are made publicly available.

17. Review and approve or disapprove those proposed related-party transactions that would be required to be disclosed pursuant to Regulation S-K (Item 404).
18. Review from time to time the Code of Ethics for Senior Financial Officers and Other Finance Members, which includes those standards the Committee has determined to be reasonably necessary.
19. Periodically meet in separate executive sessions with the independent registered public accounting firm, internal audit, and management.
20. Perform such other specific functions as the Company's Board of Directors may from time to time direct, and make such investigations and reviews of the Company and its operations as the Chief Executive Officer or the Board of Directors may from time to time request.
21. Review and reassess the adequacy of this Charter annually.
22. Perform an annual self-assessment.

The Committee is responsible for the duties set forth in this charter and, although these responsibilities include a review of the financial statements, the Committee is not responsible for either preparing or auditing the financial statements. Management has the responsibility for preparing the financial statements and implementing internal controls, and the independent registered public accounting firm has the responsibility for auditing the financial statements.

Resources and Authority of the Committee

The Committee has the authority to establish pre-approval policies and procedures with respect to audit, review and attest engagements and permissible non-audit services. The Committee also has the authority to delegate to one or more members of the Committee the authority to grant pre-approvals of any audit, review or attest engagements and permissible non-audit services to be performed by the independent registered public accounting firm. Any member to whom such pre-approval authority is delegated shall advise the Committee at its next scheduled meeting of any such pre-approvals by such member.

The Committee has the authority to engage independent counsel and other advisers as it determines necessary to carry out its duties.

The Committee has the authority to determine, on behalf of the Company, (i) the compensation payable to any independent registered public accounting firm engaged for the purpose of preparing or issuing an audit report or performing other audit, review or attest services for the Company; (ii) compensation payable to any advisers employed by

the Committee; and (iii) the ordinary administrative expenses of the Committee that are necessary or appropriate in carrying out its duties.

The Committee may form and delegate authority to subcommittees or Committee members when appropriate.

Membership

The Committee is to consist of three or more members of the Board of Directors, one of whom is to be elected chairman. Each member of the Committee must meet the independence requirements of the Securities Exchange Act of 1934 and The Nasdaq Stock Market, Inc. Marketplace Rules (subject to the exemptions provided thereunder). Each member must be able to read and understand fundamental financial statements, including a balance sheet, statement of earnings and statement of cash flows and not have participated in the preparation of the financial statements of the Company or any current subsidiary during the past three years. At least one member of the Committee must have past employment experience in finance or accounting, requisite professional certification in accounting or comparable experience or background that results in the individual's financial sophistication and be designated as an "audit committee financial expert" as required by applicable federal securities laws. No member of the Committee may serve simultaneously on the audit committees of more than two other public companies, unless the Board of Directors determines that such simultaneous service would not impair the member's ability to serve effectively on the Committee.

Other than in his or her capacity as a member of the Board of Directors or a committee thereof, no director who, directly or indirectly, accepts any consulting, advisory, or other compensatory fee from the Company as determined pursuant to SEC Rule 10A-3(b)(1) shall be eligible to serve as a member of the Committee. No director who is then an "Affiliated Person" of the Company as defined by SEC Rule 10A-3(e)(i) shall be eligible to serve as a member of the Committee.

Actions to remove any member of this Committee shall be taken by a resolution passed by the Board of Directors.

Meetings

The Committee is to meet four or more times each fiscal year. The chairman will determine meeting agendas and will involve or exclude management and the independent registered public accounting firm as considered appropriate to fulfill the Committee's responsibilities. Minutes of each meeting are to be prepared and approved at a subsequent meeting. Minutes are to be distributed to Committee members and the Chairman of the Board of Directors, and are to be made available to all Board members.

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As Amended and Restated November 16, 2007