



## **Charter of the Business Conduct Oversight Committee of Woodward Governor Company**

### **Purpose**

The purpose of the Business Conduct Oversight Committee (the “BCOC”) is to assist the Board of Directors and Company management in ensuring that Woodward conducts its business with integrity and the highest standards of ethical conduct.

### **Responsibilities**

The BCOC shall assist in overseeing and monitoring the Company’s compliance with the Woodward Codes of Business Conduct and Ethics, including both the Woodward Code of Business Conduct (the “Code of Business Conduct”) and the Woodward Code of Ethics for Senior Financial Officers and Other Finance Members (the “Senior Financial Officer Code”), as well as related policies such as Woodward’s policy on reporting ethical violations, insider trading policy, international trade policies, and policies for fair and ethical dealings with the U.S. Government. In this role, the BCOC shall:

1. Ensure that appropriate communication of (and training with respect to) the Woodward Codes of Business Conduct and Ethics is provided to Woodward members and others to whom the Codes are applicable and, where appropriate, that acknowledgment thereof is received, with the results reported to senior management and the Audit Committee of the Board of Directors (the “Audit Committee”).
2. Oversee the implementation of the Company’s policy regarding reporting violations of the Company’s Codes of Business Conduct and Ethics, including:
  - (i) overseeing the implementation and maintenance of the Company’s confidential third party administered Ethics Hotline for reporting violations;
  - (ii) under the oversight of the Company’s General Counsel, reviewing the reports received through the Ethics Hotline or otherwise to determine if the reports represent potential violations of the Woodward Codes of Business Conduct and Ethics or other Company policies;
  - (iii) immediately reporting to the Audit Committee any reported potential violations (A) involving executive officers or directors of the Company, (B) of the Senior Financial Officer Code or (C) relating to accounting, accounting controls, auditing and financial reporting or fraud involving management or members having a significant role in the Company’s internal controls;
  - (iv) with respect to any reported potential violations, other than those specified in 2(iii) above, determining the nature and extent of the investigation required,

- conducting or selecting the appropriate party to perform the investigation and providing direction and oversight through the conclusion of the investigation;
- (v) conducting or directing any investigation directed to be undertaken by senior management, the Audit Committee or the Board of Directors;
  - (vi) after reviewing the results and conclusions of the respective investigation, making an assessment if disciplinary action is warranted and, if so, making recommendations regarding appropriate disciplinary action;
  - (vii) following up on the implementation of any disciplinary action and ensuring appropriate final disposition of all matters;
  - (viii) for reports received which the BCOC determines to not be potential violations, referring the reports to the proper member of management for follow-up as appropriate; and
  - (ix) taking other actions as appropriate in accordance with the BCOC – Reporting Flow Chart, attached hereto.
3. Oversee and assist the Audit Committee, the Board of Directors and, where appropriate, senior management, regarding the following:
- (i) With respect to requests for a waiver of the Code of Business Conduct, assessing and making recommendations regarding the appropriateness of granting such waiver requests.
  - (ii) Reporting any potential conflicts of interest involving directors to the Chairman of the Board and those involving executive officers to the Audit Committee.
  - (iii) Assisting in assessing any other conflicts of interest or apparent conflicts of interest.
  - (iv) Reviewing and making recommendations to senior management regarding the appropriateness of any request for contributions of Company funds or use of Company assets or facilities for the benefit of political parties or candidates.
  - (v) Assessing whether a gift is in fact of “nominal value” or otherwise appropriate and permitted under the Company’s ethics policies.
4. Address as required by the applicable policy or as is otherwise appropriate, any other policy matters or questions that come to the attention of the BCOC.
5. Periodically review and assess the Company’s ethics training and compliance programs and, if appropriate, make recommendations to senior management or the Audit Committee regarding changes.

6. In addition to immediately reporting the matters specified in 2(iii) above, report to the Audit Committee regularly regarding the nature and volume of any other reported violations and other matters addressed by the BCOC.
7. Periodically review and assess the Company's Codes of Business Conduct and Ethics and related policies and make recommendations to the Audit Committee and senior management regarding any changes deemed appropriate.
8. Perform such other specific functions as the Audit Committee or senior management may from time to time direct.
9. Review and reassess the adequacy of this Charter periodically.

The BCOC may delegate authority to investigate matters included within its responsibilities to one or more members of the BCOC or other appropriate individuals within or outside the Company.

### **Composition of BCOC**

The BCOC is to consist of a minimum of three members of management of the Company, one of whom is to serve as chairman. The members of the BCOC shall be appointed by the Chief Executive Officer. To the extent practicable, the BCOC members should include the Human Resources Leader, the Chief Compliance Officer or equivalent and/or the In-house Counsel, and the Internal Audit Leader. Each member should be familiar with all of the Company's ethics and conduct policies and have a thorough knowledge and understanding of the Woodward Codes of Business Conduct and Ethics.

### **Meetings and Appraisals**

The BCOC is to meet (in person, by teleconference or otherwise) as necessary to fulfill its responsibilities hereunder, but in no event fewer than four times each fiscal year. In the event that formal approval of, or action by, the BCOC is required, a majority of the then appointed members of the BCOC (excluding any members who have a conflict of interest with respect to the matter to be addressed) shall constitute a quorum, and any action or approval by members constituting a majority of such quorum will be considered the approval or action of the BCOC. BCOC members with a conflict of interest with respect to any matter before the BCOC shall inform the other members of the BCOC and recuse themselves from any discussion or decision affecting such matter.

# BCOC - Reporting Flow Chart

