

**WOODWARD
EXECUTIVE/DIRECTOR
STOCK OWNERSHIP GUIDELINES
November 2007**

Philosophy

In order to align Executive Officers' and Directors' interests and objectives with that of shareholders, we have established guidelines for Woodward stock ownership.

Ownership Guidelines

President & CEO - Shares with a value equal to 4 times annual base salary.

Group Vice Presidents & CFO - Shares with a value equal to 2.5 times annual base salary.

Vice Presidents - Shares with a value equal to 2 times annual base salary.

Directors - Shares with a value equal to 5 times annual base retainer.

Stock Qualifications

Shares held as owner of record, or in brokerage account, in the Woodward Stock Plan, and unfunded deferred plan amounts denominated in Woodward Stock, all qualify towards the ownership guidelines. Unexercised, "in-the-money", stock options will also qualify towards up to a maximum of 50% of the ownership requirements.

Compliance

Except as may be prohibited in any relevant jurisdiction, Woodward requires its Executive Officers and Directors to comply with these guidelines. 100% of all amounts deferred under the Woodward Executive Benefit Plan will be denominated in Woodward Stock and remain as such until the ownership requirements are reached.

If the ownership target is not reached within 5 years of being subject to these guidelines, at least 75% of incentive compensation bonuses must be deferred in the unfunded deferred plan and denominated in Woodward Stock and remain as such until the ownership requirements are achieved.

If a person subject to these guidelines becomes out of compliance solely as a result of a decrease in the value of Woodward stock, such person will be deemed to remain in compliance provided he or she retains the same number of shares (as adjusted for stock splits, dividends, etc.) that were held at the time the individual was in compliance.

The Compensation Committee will review Executive Officer and Director stock ownership levels annually and ensure compliance where necessary.