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**WOODWARD CODE OF BUSINESS CONDUCT AND ETHICS****"A Tradition of Integrity"**

Message from Tom Gendron

Woodward has conducted business with integrity since 1870. I am pleased to maintain the Tradition of Integrity carried on by each of Woodward's five prior chief executives. I strongly support the Woodward Code of Business Conduct and Ethics as a written expression of the Tradition of Integrity central to Woodward's culture. Woodward is not merely responding to reforms in the wake of corporate scandals. In emphasizing our commitment to A Tradition of Integrity, we are expressing Woodward's core values and principles.

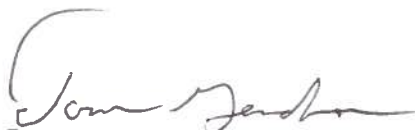
These core values and principles are essential to us, and we expect everyone at Woodward to behave accordingly. Each of the members of our Board of Directors has committed to act ethically at all times and to adhere to the policies in the Woodward Code of Business Conduct and Ethics. All of our members, including officers and senior management, are required to comply with these codes. The commitment also extends to others who represent or act on behalf of Woodward. Representatives are instructed that their conduct on our behalf shall comply with these codes.

Within the Woodward Code of Business Conduct and Ethics there are two codes: 1) the Woodward Code of Business Conduct and 2) the Woodward Code of Ethics for Senior Financial Officers and Other Finance Members.

The Woodward Code of Business Conduct applies to all Woodward members as well as to Woodward's directors. The Woodward Code of Ethics for Senior Financial Officers and Other Finance Members is specifically directed to Woodward's Finance group. In compliance with applicable law, this code also applies to Senior Financial Officers and to me as Woodward's Chief Executive Officer and President. These codes also reference Policy 2-16 "Trades of Woodward Stock" which addresses in detail issues of insider trading.

The "*Reporting Violations*" section of the Woodward Code of Business Conduct (pages 13 through 17) establishes the policies and procedures for reporting suspected violations of these codes. Reports can be submitted in a variety of ways including, a confidential help line which is available to report suspected violations. Reports can be submitted anonymously by calling your country specific toll free number (in the U.S. 888-325-7915) or by using a web-based tool accessible via Inside Woodward at Company Resources/Member Matters/Ethics Help Line, [www.Woodward.com](http://www.Woodward.com) or [www.EthicsPoint.com](http://www.EthicsPoint.com). Non-U.S. phone numbers are listed on page 16.

The Code of Business Conduct and Ethics serves to guide us in acting on behalf of Woodward. It is essential that every member and representative of Woodward understands and complies with them.



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Tom Gendron  
Chairman of the Board and Chief Executive Officer

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**WOODWARD CODE OF BUSINESS CONDUCT AND ETHICS****"A Tradition of Integrity"**Introduction

Woodward stands firmly on a tradition of integrity. To maintain that tradition we must familiarize ourselves with all applicable standards of our business conduct. Many standards of business conduct are based on legal requirements. Many standards involve technical and complex content.

All of these standards of conduct deserve our attention and compliance. However, genuine integrity means more than compliance with legal and technical standards. Genuine integrity requires that before taking any action we can say **"We would not feel ashamed or embarrassed if this action were to be made public."**

Genuine integrity also requires an atmosphere that is not only free and open but that also respects the proper role of privacy and confidentiality. By encouraging voluntary reporting and disclosure of suspected violations we intend to foster an atmosphere in which violations will not occur.

**Woodward will not discharge, demote, suspend, threaten, harass, or in any other manner discriminate against a member** in the terms and conditions of employment because of any lawful act done by the member to provide information, cause information to be provided, or otherwise assist in an investigation regarding any conduct which the member reasonably believes constitutes a violation.

Woodward Code of Business Conduct and Ethics

- **"Woodward Code of Business Conduct"**

*This Code applies to all members of the Company and to the directors of the Company<sup>1</sup>. See "Board of Directors' Compliance" below.*

- **"Reporting Violations"**

- **"Woodward Code of Ethics for Senior Financial Officers and Other Finance Members"**

*This Code<sup>2</sup> of Ethics sets standards of conduct for Woodward's Finance Team and for "Senior Financial Officers" The Audit Committee of the Board of Directors has approved and established this Code.*

- **See also:**

- **Policy 1-16 "Government Contracting Ethics Program and Policy for Reporting Violations and Dealing with Ineligible Parties"**

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<sup>1</sup> Consultants, representatives, agents, and others who represent or otherwise act on behalf of the Company are instructed that their conduct on behalf of the Company shall comport with this Code. See "Applicability" section in the Code.

<sup>2</sup> The Company has determined that the Woodward Code of Ethics for Senior Financial Officers and Other Finance Members is a code that complies with the definition of a "code of ethics" under Regulation S-K, Item 406(b) promulgated under the Securities Exchange Act of 1934.

- o **Policy 2-16 "Trades of Woodward Stock"**  
*This Policy Statement addresses in detail issues of insider trading.*
- o **Bulletin 25421 "Woodward Ethics Statement for Business Contacts"**  
*This bulletin is a convenient one-page summary addressing customer, supplier, and agent relationship issues.*
- o All Woodward Quality Policies

### **Board of Directors' Compliance with Codes of Conduct and Ethics Statements**

*The Board of Directors has determined that each director is to act ethically at all times and to acknowledge his or her adherence to the policies comprising the "**Woodward Code of Business Conduct**" (beginning page 5 below). All directors will recuse themselves from any discussion or decision affecting their personal, business or professional interests.*

*If an actual or potential conflict of interest arises for a director, the director shall promptly inform the Chairman. If an actual or potential conflict of interest arises for any executive officer<sup>3</sup>, the Board shall be promptly informed. If a significant conflict exists and cannot be resolved, the director or executive officer should resign, unless the Board determines that a waiver is appropriate. The Board shall resolve any conflict of interest issue involving any executive officer, and the Chairman shall resolve any conflict of interest issue involving any other officer of the Company.*

### ***Personal Integrity***

#### **Standards of Business Conduct**

We are expected to carry out the Company's business with honesty, integrity and high ethical standards. These standards should govern our conduct when making decisions that affect Woodward. Our standards include the values and principles expressed in **Woodward's Constitution**. Woodward's Constitution directs us to conduct ourselves with honesty, integrity, and the highest ethical behavior. We must also comply with all governmental laws, rules and regulations that apply to our businesses.

#### **Fair Dealing**

We should endeavor to deal fairly with the Company's customers, suppliers, competitors and members. None should take unfair advantage of anyone through manipulation, concealment, abuse of privileged information, misrepresentation of material facts, or any other unfair-dealing practice. We should act in good faith and in a responsible manner, clearly stating material facts and maintaining an independent judgment.

#### **Conflicts of Interest**

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<sup>3</sup> The term "executive officer" includes the persons required by the SEC to be identified as "executive officers" in Part III, Item 10 of the Company's Annual 10-K report.

A "conflict of interest" occurs when an individual's private interest interferes in any way – or could potentially interfere – with the interests of the Company as a whole. Conflicts of interest also arise when any of us or a member of our family receives improper personal benefits as a result of his or her position in the Company.

Each of us has the responsibility to avoid activities which conflict or could potentially conflict with our job responsibilities or the interests of Woodward. On the other hand, not all conflicts or potential conflicts are of sufficient consequence to require that we refrain from each such activity. We can best resolve these decisions by being accountable. Each of us faced with such a decision should first consult with and seek approval of our leader or other person to whom we are accountable. In some cases additional consultation with a Vice President or Director level manager ("Senior Management") may be helpful. In other cases the advice of Human Resources or Woodward's General Counsel may be needed.

**The following are examples of conflicts of interest:**

- Engaging in employment or any other activity that interferes with our ability to devote the required time and attention to our job responsibilities at Woodward.
- Holding a significant financial interest in a current or prospective customer, supplier or competitor of Woodward, or serving as an employee, consultant or director of that business.
- Directing Woodward business to a supplier owned or managed by a relative.
- Supervising the job performance or compensation of a relative.
- Using or disclosing confidential Company information.
- Improperly using Company assets for personal benefit or the benefit of others.

### **Corporate Opportunities**

We are prohibited from:

- Taking for ourselves personally opportunities that are discovered through the use of Company property, information or position.
- Using Company property, information, or position for personal gain.
- Competing with the Company. We owe a duty to the Company to advance its legitimate interests when the opportunity to do so arises.

### **Protection and Proper Use of Company Assets**

We must protect and safeguard Company property and the property of our customers, suppliers and business partners. This applies to property and assets of all kinds, including equipment, supplies and real estate, as well as proprietary business information.

We should protect the Company's assets and ensure their efficient use. Theft, carelessness and waste have a direct impact on the Company's profitability. All Company assets should be used for legitimate business purposes.

Protection of non-public Company information is especially important. Unauthorized use or release of information regarding plans, strategies, costs or prices, pending contracts or unannounced products could jeopardize the Company's competitive position.

Woodward's intellectual property is a highly valuable asset. We will safeguard our



patents, trademarks, copyrights, trade secrets and other proprietary information. We will also respect the valid intellectual property rights of others

"Company Assets" includes such things as electronic communications, computers, cellular phones and similar devices, email, and internet. We will ensure that these items are only used in a manner that complies with company policies. We will not access, download, or transmit any information, files, or images that are or may be offensive or demeaning to others. Woodward's policy regarding the proper use of electronic media is set forth in Policy 1-33.

## **Confidentiality**

We should maintain the confidentiality of information entrusted to us by the Company or its customers, except when disclosure is authorized or legally mandated. Confidential information includes all non-public information that might be of use to competitors, or harmful to the Company or its customers, if disclosed. We should never use confidential information for our personal advantage.

### *Confidential Information of Customers, Suppliers, and Third Parties*

We will only use or accept proprietary information of a supplier, customer or competitor if the information is in the public domain or if such use or acceptance is authorized. Any member who receives non-public, proprietary information from a supplier, customer or competitor without proper authorization, such as a non-disclosure agreement, should not share such information with any other person in his/her organization.

Handling Inadvertent Disclosures – In the event any member receives information from a supplier, customer, subcontractor or other party that the member reasonably believes the Company should not have, the member shall not forward or otherwise share the information with any other person, and the member should immediately advise his/her leader that there may be an inadvertent disclosure, and contact the Woodward Legal & Compliance Department for guidance.

Examples of such information include, but are not limited to, confidential technical information, competition sensitive information, bids or proposals of competitors, cost and pricing information, and any information marked in a manner that indicates it should not be in the Company's possession. When in doubt, the member should contact the Legal and Compliance Department for guidance.

### *Post-Employment Obligations*

The obligation to protect confidential and proprietary information extends beyond the end of employment. Any confidential or proprietary information obtained or developed during our employment with Woodward should be returned to Woodward prior to our leaving the company. During and after our employment, we will not use or otherwise disclose Company information, or the information of others learned as a result of employment with Woodward, for any purpose unless we are expressly authorized to do so. Each member has signed a (Proprietary Disclosure Agreement) and we will adhere to the terms of that agreement, even after we are no longer employed by Woodward.

**Business Records**

Government agencies, customers and suppliers rely upon the integrity of our business records. All business records (for example, wage and hour records, purchase orders, quality reports and financial records) must accurately reflect the transactions of the Company in accordance with all applicable requirements. We will not create or permit false or misleading entries to be made in the records of the Company under any circumstances.

We will comply with Woodward's records retention policies and schedules as well as all applicable laws and regulations relating to the preservation of documents and records. We will preserve documents and records relevant to pending or reasonably foreseeable litigation, audits or investigations, and as directed by Company counsel.

We will use electronic communications (such as emails) as business records only when it is appropriate to do so, and we will ensure that all such electronic business records are properly marked, filed, stored, and destroyed in accordance with Woodward records retention policies.

**Insider Trading**

We are prohibited from buying or selling Woodward securities while aware of material information about Woodward that has not been disclosed to the public. Information is considered material if it would affect a reasonable investor's decision to purchase or sell a security, including stock, bonds or options. Sharing such information is also prohibited. Trading in the securities of a company doing business with Woodward is subject to the same restrictions described above.

The rules on insider trading are complex. Policy Statement 2-16 (**"TRADES OF WOODWARD STOCK"**) addresses these issues in more detail. Questions or concerns should be referred to Woodward's General Counsel.

**Communications with the Public**

To ensure consistent, accurate and timely delivery of Woodward information, any communications with, or questions from, the news media, securities analysts, or investors must be referred to appropriate members authorized to speak on behalf of the Company.

Postings on "Social Media" sites such as Facebook may also represent public communications. We recognize that we must not publish information that Woodward may consider confidential, sensitive, or proprietary, and we will follow Woodward's "Social Media Guidelines" when considering whether it is appropriate to share information through social media.

***Company, Member and Community Relationships*****Member Relations**

We are committed to equal opportunity in employment and to a work environment that recognizes and values member diversity. Each of us is responsible for acting in a manner that will help Woodward achieve the following goals:



**Equal Opportunity:** It is our policy to employ, train, promote and compensate individuals based on merit, job-related qualifications and abilities.

**Diversity:** We value the differences among our members. Individual differences enrich the workplace and improve our ability to attract members and work with customers. A work environment that values individual differences and encourages the full contribution of every member creates a stronger Company.

**No Harassment:** We will maintain a professional work environment that is free from threats and acts of violence, bullying, abusive or intimidating conduct, or other similar behavior. Any kind of harassment by or against our members is prohibited. Sexual harassment is of special concern. Prohibited conduct includes the making of unwelcome sexual advances or engaging in any other conduct with sexual overtones which interferes with an individual's work performance or creates an intimidating, hostile or offensive work environment.

**Drug Free Workplace:** Possession, use, sale or distribution of an illegal drug in the workplace or while conducting Company business off premises is strictly prohibited. Illegal drugs have an adverse effect on member performance, jeopardize the safety of co-workers and constitute a risk to the business and interests of the Company. Consult the Woodward policy on substance abuse for further information.

**Privacy of Personal Information:** We respect the personal privacy of members. We safeguard the security and confidentiality of Company records containing personal information in accordance with applicable laws. We collect and record only accurate, factual, job-related information needed for business purposes and for complying with legal requirements. Access to such information is made available only to those who have a legitimate business need for it when permitted by law. See also, Policy 5-24 "Privacy Policy for European Union Personal Data."

### **Political Contributions and Activities**

Contributions of Company funds or the use of Company assets or facilities for the benefit of political parties or candidates anywhere in the world is prohibited unless permitted by applicable law and approved in advance by Woodward Senior Management.

Woodward encourages all members to participate personally in the political process and to support political parties and candidates of their choice.

### **Environmental Protection, Health and Safety**

We are committed to being an environmentally responsible Company and to providing a safe and healthful workplace for our members.

We will comply with all applicable environmental, health and safety laws and regulations where Woodward does business. We will monitor our wastes and emissions, and our use of energy and water, to ensure that Woodward operates in compliance with environmental laws while continuing to reduce the environmental impact of our operations.

We will observe all posted warnings and regulations, wear appropriate protective clothing and equipment, and operate all machinery in accordance with its established procedures. Any members having concerns for health or safety in the workplace should report immediately to the appropriate management any accident or injury sustained on the job, any safety or health concern, or any opportunities to enhance workplace safety.

### **Corporate Responsibility**

The Company will comply with all laws pertaining to privacy, collective bargaining, immigration, working time, wages and hours. The Company will not use child labor nor engage in practices that result in forced labor. The Company is also committed to ensuring that conflict minerals are not incorporated into Company products. The Company will communicate this policy to suppliers and subcontractors, and shall take appropriate remedial actions in the event the Company finds a supplier or subcontractor is engaged in practices inconsistent with this policy.

### ***Relationships with other Parties***

#### **Gifts and Entertainment**

We should not give or receive business gifts of more than nominal value, since such gifts can affect or might appear intended to affect the judgment of the person receiving the gift.

Where laws or policies do not provide otherwise, gifts having a nominal value are permitted. Lavish meals or inappropriate entertainment should always be avoided.

No gift, favor, meal, refreshment or entertainment may be given to any U.S. government employee, other than widely-distributed commemorative items valued at less than \$20 or occasional refreshments in connection with a business meeting. We should also familiarize ourselves and comply with all other applicable restrictions on providing meals, entertainment, gifts or gratuities to members or representatives of any local or foreign governmental agency. Outside the United States, you must seek and follow the guidance of a leader at the director level or higher when deciding whether gifts, meals, or entertainment may be offered to a government official.

In a commercial setting, the giving or receiving of a gift, meal or entertainment in the course of business must be reasonable given the practices of the city or country where it is offered, and may not be offered where the laws, custom or policies of the recipient's organization do not permit it. In no event will a gift, meal or entertainment valued at more than \$150 be offered to or received by any individual in a commercial setting unless a leader at the director level or higher approves an exception.

Questions about gifts, meals or entertainment should be resolved by a leader at the director level or higher, with the assistance of Human Resources, any corporate officer or Woodward's General Counsel.

### **Improper Payments**

Improper payments, directly or indirectly, or acceptance of bribes, kickbacks or other improper payments while conducting Woodward business is prohibited. This prohibition applies to dealings with current or potential customers, suppliers, representatives, consultants or other parties seeking to establish a business relationship with Woodward.

### **Customer and Suppliers**

We work to build strong business relationships with our customers and suppliers based on lawful, honest business practices and the best interests of Woodward. We are committed to the pursuit of excellence in all of our products and services, and strive to meet or exceed our customers' expectations for quality, integrity, safety, delivery and reliability.

When we contract for goods and services on behalf of Woodward, we should avoid doing anything that might compromise our objectivity or impair Woodward's reputation. Our purchasing decisions should always be based on appropriate business criteria such as price, quality, technical leadership, reliability and the reputation of the supplier.

### **Representatives and Agents**

Woodward's representatives are an extension of our Company and should be chosen and monitored carefully. When representatives are engaged in Woodward business, they are required to comply with applicable laws and adhere to standards of business conduct consistent with the **Woodward Code of Business Conduct**. Our agents, consultants, dealers and distributors are to be instructed to conduct themselves in the same manner.

The Company shall engage only agents performing legitimate business services in a proper commercial manner. Compensation paid must be reasonable considering the services performed and the location in which provided. Agents may not be asked to perform any task which is prohibited for a Company member.

### **Investor Relationships**

Woodward grows by advancing the long-term interests of our shareholders. We endeavor to achieve sustained growth and profitability. We keep investors, creditors, securities trading markets, members, and the general public appropriately informed. We make full, fair, accurate, timely, and understandable disclosure in our filings and submissions to the Securities and Exchange Commission, and in other public communications. We comply with Regulation FD and all other applicable regulations.

### **Transactions with the United States Government**

Woodward transacts business frequently with the U.S. government. Government employees are subject to varied and complex rules usually prohibiting them from accepting anything of value unless specifically provided in relevant statutes or regulations. All members involved in government business activities should adhere to the ethical standards of government rules and regulations as well as the **Woodward Code of Business Conduct**.

Government contracting laws and regulations are complex and include statutes such as the Truth in Negotiations Act; the Anti-Boycott Act; the Procurement Integrity Act, and the Anti-Kickback Act, among others.

If your job involves doing business with any government entity, you should know and understand the regulations applicable to your job. If you are in doubt, do not attempt to interpret the regulations yourself. Ask for help starting with your leader or Woodward's Legal Department.

### **Transactions with Governmental Entities, Including Foreign Governments**

In doing business with governments and officials in any country, Woodward is committed to acting with honesty and integrity and will comply with all applicable laws and regulations. When we sell goods or services to any government, we must know and comply with applicable government procurement regulations and policies.

### **Antitrust and Unfair Competition**

Woodward will comply with the antitrust and unfair competition laws in all countries where we do business. Business decisions involving pricing, terms and conditions of sale, dealings with customers, suppliers or competitors, and participation in trade associations may present sensitive issues under these laws.

Antitrust and unfair competition laws are often complicated. For further information, consult with Woodward's General Counsel before taking action.

Woodward's goal of offering products that are competitive in quality, reliability and price is to be achieved without sacrificing business integrity. We will use only proper and legal means of gathering marketing and business information concerning competitors.

## ***Compliance***

### **Woodward's Compliance Program**

Woodward is committed to complying with all applicable laws and regulations. Each of us is expected to be familiar with laws and regulations that apply to our business operations and to seek help from Woodward's General Counsel when legal questions arise.

This Policy is reproduced in the Woodward Leader Guidebook #20010. The appropriate form for distribution to business contacts is [Company publication #25421](#). Questions regarding this Policy may be directed to your leader, Human Resources (HR) manager, site leader, the General Counsel, or any other officer.

Woodward will periodically instruct, inform, and remind members of this **Woodward Code of Business Conduct**. Such information shall include the acknowledgement by such members as management determines to be appropriate that members have received, read, and understood this Policy and have agreed to abide by its contents. Such acknowledgement shall include an appropriate statement, distributed in hard copy form or by e-mail with response by voting button.

In addition, Woodward will periodically inform and remind members of this **Woodward Code of Business Conduct**.

## International Compliance

Woodward is committed to complying with the laws and regulations of the countries in which we conduct business. As a U.S. company with international operations, Woodward must comply with both U.S. laws that apply internationally and the laws of international jurisdictions where we do business. Questions about the application of any law (foreign or domestic) should be referred to Woodward's General Counsel.

*Many U.S. and foreign laws apply to Woodward's operations throughout the world, including:*

**Foreign Corrupt Practices Act:** The U.S. Foreign Corrupt Practices Act (FCPA) prohibits bribery of foreign government and political party officials. The FCPA also requires proper record keeping and internal accounting controls in the Company's U.S. and international operations.

**Export Controls:** The U.S. and foreign countries have controls which restrict the import and export of certain products, services, technical data and software, as well as the re-export of those items. Woodward's operations worldwide must comply with all applicable U.S. and foreign export control laws.

**Antitrust:** U.S. and foreign antitrust laws will typically apply to transactions by operations in other jurisdictions if trade affects the country enforcing the antitrust laws. Consult with Woodward's General Counsel for further information.

**Boycotts:** U.S. law prohibits U.S. companies from participating in or cooperating with restrictive trade practices or economic boycotts imposed by other nations. Any suspected boycott issue should be referred to Woodward's General Counsel.

**Data Privacy Laws:** The U.S., the European Union and its member countries, and other countries have strict laws protecting the privacy of members' personal information. See Woodward Policy 5-24.

## Reporting Violations

### Purpose

This policy establishes the method by which members may report suspected violations of Woodward's Ethics Policies in a free, open, timely, and confidential manner. It also establishes the principle that Woodward will not discharge, demote, suspend, threaten, harass, or in any other manner discriminate against a member in the terms and conditions of employment because of any lawful act done by the member to provide information, cause information to be provided, or otherwise assist in an investigation regarding any conduct which the member reasonably believes constitutes a violation. For the purposes of this Policy Woodward's "Ethics Policies" are regarded as including:



## **POLICY**

"Ethics Policy" (1-14),  
"Trades of Woodward Stock" (2-16),  
"Woodward Ethics Statement for Business Contacts" (Bulletin 25421),  
All Woodward Quality Policies.

This policy also defines the scope, authority, and operation of the Hot Line

### **Scope**

This policy covers the reporting of violations, the investigation of such reports, corrective actions when a reported violation is found to exist, the protection of members who report suspected violations, and disciplinary actions against those who commit violations.

Any violations of the Ethics Policies should be reported. Any violations of Quality Policies should be reported.

This section specifies the methods by which the Help Line will operate and to provide for the confidentiality of reports of suspected violations to protect reporting members from retaliation.

### **Responsibility and Confidentiality**

Each of us has a right and responsibility to promptly report suspected or known violations of the ***Woodward Code of Business Conduct, Policy 2-16 Trades of Woodward Stock, Bulletin 25421 Woodward Ethics Statement for Business Contacts and all Woodward Quality Policies***, including any violation of law. Reports normally should be made through Woodward's Help Line as described below. However, you may also choose to make a report to your leader, any member of management, Human Resources, or any officer of the Company. **Woodward will not discharge, demote, suspend, threaten, harass, or in any other manner discriminate against a member** in the terms and conditions of employment because of any lawful act done by the member to provide information, cause information to be provided, or otherwise assist in an investigation regarding any conduct which the member reasonably believes constitutes a violation.

The name of any member reporting a suspected violation shall not be disclosed to any person by the Woodward Business Conduct Oversight Committee except with the member's permission or as may otherwise be required by applicable law<sup>4</sup>.

Members reporting a suspected violation are encouraged to identify themselves and are assured that the Woodward Business Conduct Oversight Committee will maintain the confidentiality of the reporting member's identity in accordance with this policy, subject to legally required exceptions. Anonymous reports of suspected violations will be accepted. However, members reporting anonymously should expect that such reports may be more difficult to investigate and that the credibility of such reports may be more difficult to determine.

All leaders are responsible for the creation and maintenance of a free, open, and confidential atmosphere which encourages all members to voluntarily disclose and report suspected violations as well as creating an atmosphere in which violations do not occur. **All leaders are required to promptly report to the Business Conduct Oversight Committee any suspected violations of this Policy 1-14 or Policy 1-16, Government Contracting Ethics**

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<sup>4</sup> In some situations, we may be required to disclose, for example in response to civil or criminal process.

***Program and Policy for Reporting Violations and Dealing with Ineligible Parties, including but not limited to any suspected violations of applicable law or regulation.***

Any such reports should be made using the confidential Help Line as described on page 16, below.

### **Investigation Procedure**

The raising of concerns and the reporting of suspected misconduct is expected, accepted, and protected behavior, not the exception.

Investigations are the responsibility of the Woodward Business Conduct Oversight Committee and of the Audit Committee of the Board of Directors. Management shall establish such Committee as is needed to administer this policy. The Committee members will be appointed by the Chief Executive Officer, will consist of a minimum of three members, and should include the Human Resources Leader, the Chief Compliance Officer or equivalent and/or the In-house Counsel, and the Internal Audit Leader, or such other persons as deemed appropriate.

Based on the nature of the suspected violation reported, the Woodward Business Conduct Oversight Committee will determine the nature and extent of the investigation required and will direct the investigation. The Woodward Business Conduct Oversight Committee may delegate the investigation of the suspected violation reported to one or more members of the Business Conduct Oversight Committee or other appropriate individuals within or outside the company. The Business Conduct Oversight Committee will ensure the confidentiality of the reported violation during the investigation and shall protect the identity of any member reporting a violation, if such member has requested anonymity.

- Refusal to cooperate in any investigation by any member shall be reported to the Woodward Business Conduct Oversight Committee, which shall take action to assure that cooperation is obtained.
- Non-exempt members should charge their time to "Training" for any amount of time spent on an investigation committee.
- Upon conclusion of each investigation, The Woodward Business Conduct Oversight Committee shall report the findings and recommendations to the appropriate Woodward management, the Audit Committee of the Board of Directors and to such other person(s) as deemed appropriate, in accordance with this policy.

Woodward management will take such action as it determines to be appropriate in response to any reports, findings and recommendations related to any suspected violation.

Protection of a member reporting a suspected violation shall include disciplinary action against any member attempting any form of retaliation.

The overall seriousness of the matter will be considered in setting the disciplinary action to be taken against an individual member. Such disciplinary action shall range from reprimand up to and including termination. In the event of violations that are violations of criminal law, referral to criminal prosecution will occur when appropriate.

Disciplinary action will be taken not only against individuals who authorize or participate directly in a violation of the ethics policies or quality policies, but also against any member who may

have deliberately failed to report a violation and the violator's managerial superiors to the extent that the circumstances of the violation reflect inadequate leadership and lack of diligence.

Where an investigation reveals the need to take corrective action, we will implement appropriate changes to systems, practices and procedures.

As noted above, violations of the **Woodward Code of Business Conduct** are subject to disciplinary action up to and including discharge. We are expected, with the assistance of Woodward General Counsel, to familiarize ourselves with applicable requirements of law and to comply with such requirements, to avoid subjecting Woodward and/or ourselves to civil or criminal penalties, fines or other sanctions.

### Reporting Through the Confidential Help Line

To ensure strict confidentiality of suspected violations reported, the Woodward Help Line is hosted and administered by an independent third party service provider, EthicsPoint. The Help Line is available to all members any time of the day or night. Using the Help Line process hosted by EthicsPoint, there are two methods for reporting suspected violations:

- Toll free phone number (see country specific phone numbers below)
- An online web-based reporting tool (see websites listed below)

To ensure the accuracy and integrity of the reports received, both methods support the receipt of reports in a number of languages. For more information on how to make a report, the Help Line Portal Page can be accessed via:

- *Inside Woodward*: The link to the Ethics Help Line in the column on the left of the web page
- [www.Woodward.com](http://www.Woodward.com)
- [www.EthicsPoint.com](http://www.EthicsPoint.com)

### Toll-free Dialing Instructions

#### Country Phone Number

Australia 1-800-339276

Brazil 0800-8911667

Bulgaria

From an outside line dial the AT&T Direct Dial Access® for your location: 00-800-0010

At the prompt dial 888-325-7915.

The call will be answered in English. To continue your call in another language:

- Please state your language to request an interpreter.
- It may take 1-3 minutes to arrange for an interpreter.
- During this time please do not hang up.

Canada 888-325-7915

China (Northern)

Northern China Includes: Beijing, Tianjin, Heilongjiang, Jilin, Liaoning, Shandong, Shanxi, Hebei, Henan, and Inner Mongolia. 10-800-712-1239

China (Southern)

Southern China Includes: Shanghai, Jiangsu, Zhejiang, Anhui, Fujian, Jiangxi, Hubei,

## **POLICY**

Hunan, Guangdong, Guangxi, Hainan, Chongqing, Sichuan, Yunnan, Tibet Autonomous Region, Shaanxi, Gansu, Qinghai, Ningxia, Xinjiang and Autonomous Region. 10-800-120-1239

Germany 0800-1016582

India 000-800-100-1071

Japan/J5 0044-22-11-2505

Japan/JP 00531-121520

Korea/K2 00308-110-480

Korea/KO 00798-1-1-009-8084

Netherlands 0800-0226174

Peru 0800-52116

Poland 0-0-800-1211571

Switzerland 0800-562907

Thailand 001-800-12-0665204

United Arab Emirates No Service

United Kingdom 08-000328483

United States 888-325-7915

Reports submitted to the independent third party service provider will be made available to the members of the Business Conduct Oversight Committee for review under the direct supervision of Woodward's General Counsel. Reports that pertain to complaints about member behavior that do not violate the ethics or quality policies will be evaluated and investigated as appropriate under the direction of Woodward's Human Resources Leader. Reports that pertain to accounting, auditing, internal financial controls, insider trading, securities violations, etc. will be forwarded to the Audit Committee of the Board of Directors.

The independent third party service provider shall maintain a confidential record of all reports made through the Help Line.

### **Other Reporting Means**

In addition, any Woodward member may report suspected violations of the Woodward Ethics Policies to their leader, any member of management, Human Resources, any officer of the Company, or any member of the Board of Directors.

A notice shall be written and permanently displayed on Human Resource Bulletin Boards and at all Woodward locations to inform members of the existence of the Help Line and of the methods for making reports.

Members shall be informed of the Responsibility and Confidentiality provisions of this policy, and of the alternative of reporting directly to the Woodward General Counsel.

### ***Applicability***

## **POLICY**

INDEX: Administration  
Name: Ethics Policy  
Number: 01-14  
Sheet: 18 of 20  
Date: 2013-02-22  
Applies to: Worldwide

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This **Woodward Code of Business Conduct** applies to members of the Company and to members employed at the Company's domestic and foreign branches and subsidiaries. The Board of Directors of Woodward has determined that each director of the Company is to act ethically at all times and to acknowledge his or her adherence to the policies comprising the **Woodward Code of Business Conduct**.

The Company will inform its consultants, representatives, agents, and others who represent or otherwise act on behalf of the Company of this **Woodward Code of Business Conduct**, and will instruct such persons that their conduct on behalf of or in relation to the Company shall comport with this **Woodward Code of Business Conduct**.

### **Waivers**

In rare and special circumstances, waivers may be granted for conflicts of interest or violations of the **Woodward Code of Business Conduct** only where determined to be necessary and appropriate.

Waivers for members or any other persons subject to this **Woodward Code of Business Conduct** who are not directors or executive officers may be granted by the Chief Executive Officer or by the Chief Financial Officer or by the Company's Board of Directors. Waivers for directors or executive officers may only be granted by the Company's Board of Directors and must be reported to the General Counsel to ensure timely compliance with any applicable filing requirements.

All waivers granted shall be reported to the Nominating and Governance Committee of the Board of Directors.

Any changes in or waivers (including "implicit waivers") of this **Woodward Code of Business Conduct** shall be reported in accordance with rules and regulations applicable to the Company.



**Woodward Code of Ethics for Senior Financial Officers and Other Finance Members**Purpose

All directors, officers and employees are required to comply with Policy 1-14, *Woodward Code of Business Conduct and Ethics*, which addresses many of the risks and requirements the Company faces in the diverse markets we serve including our international operations and our businesses serving government customers. In addition, recognizing that the professional and ethical conduct of the Senior Financial Officers is essential to the proper functioning and success of the Company, certain designated leaders are also required to comply with the provisions of this supplemental Code.

This Code of Ethics for Senior Financial Officers and Other Finance Members (the "Code") has been adopted by the Board of Directors of the Company to establish standards of conduct for Senior Financial Officers and all other members of Woodward's finance organization (including Woodward's principal executive officer, principal financial officer, principal accounting officer or controller, and persons performing similar functions) and to all other members of Woodward's finance organization. It is designed to promote (1) honest and ethical conduct, (2) full, fair, accurate, timely and understandable disclosure in the company periodic reports filed with the Securities and Exchange Commission (the "SEC") and (3) compliance with applicable governmental laws, rules and regulations. Any violation of this Code will be subject to appropriate disciplinary actions, up to and including termination.

Requirements

Under the principles for ethical behavior, Senior Financial Officers and all other members of Woodward's finance organization have special leadership responsibilities to create a culture and organizational environment that supports ethics and compliance. All are expected to:

- Act with honesty and integrity, avoiding actual or apparent conflicts of interest including those between their personal and professional relationships.
- Provide others with information that is accurate, complete, objective, timely and understandable.
- Provide full, fair, accurate, timely, and understandable disclosure in the reports and documents that Woodward files with, or submits to, the Securities and Exchange Commission, and in other public communications by Woodward.
- Comply with applicable governmental laws, rules, and regulations.
- Act in good faith and in a responsible manner, clearly stating material facts and maintaining an independent judgment.
- Respect the confidentiality of information and never use such information for personal advantage. Ensure that confidential information is protected from leaks and inappropriate public disclosure when communicating with the public and media.
- Share knowledge and maintain important and relevant skills.
- Promote ethical behavior among peers.
- Use and control all Company assets and resources in a responsible manner.
- Cooperate with internal and external auditors, and any external investigations and government inquiries.
- Promptly report any violations of this Code.

Conflicts of Interest

Senior Financial Officers and those with finance responsibilities need to be especially aware of potential conflict of interest situations. A conflict of interest occurs when an individual's private interest interferes with the interests of Woodward and can arise when a Senior Financial Officer takes actions or has interests that may make it difficult to perform his or her responsibilities to Woodward objectively and effectively. In particular, a Senior Financial Officer must never use or attempt to use his or her position at Woodward to obtain any improper personal benefit, including loans or guarantees of obligations from any person or entity, for themselves or for any other person.

Conflicts of interest can also occur, or be perceived to occur, in situations involving gifts or entertainment. Senior Financial Officers and members of the Finance organization should be particularly aware of the special requirements concerning gifts and entertainment involving government officials as described on pages 9-10 above.

Woodward employees may not serve on the Board of Directors of any supplier, customer, competitor or business partner to Woodward, except as disclosed to and approved by the Company.

#### Reporting Violations

Any suspected violation of this Code should be reported to the Chief Financial Officer or, alternatively, in accordance with Woodward's "Reporting Violations" process contained on pages 11-15 above. Any suspected violation of the Code shall also be reported in a timely manner to the Audit Committee of the Board of Directors.

To assist in the investigation of reported violations, members or other persons reporting violations are encouraged to identify themselves when making such reports; however, this is not required and potential violations reported anonymously will be investigated. Woodward has a non-retaliation policy and will not discharge, demote, suspend, threaten, harass, or in any other manner discriminate against any member of the Company because they have raised an issue or concern in good faith or assisted in an investigation regarding any conduct which the member reasonably believes constitutes a violation.

#### Waivers

The Company's Board of Directors may, in rare and special circumstances, grant compliance waivers for any individuals subject to this Code. Any amendment to this Code, other than technical, administrative or non-substantive amendments, and any waiver (including an implicit waiver) for Senior Financial Officers or executive officers will be disclosed, to the extent so required, in appropriate filings with the Securities and Exchange Commission.

#### Questions

Any questions regarding this code should be directed to Woodward's Chief Financial Officer or Woodward's General Counsel and Chief Compliance Officer.