

AUDIT COMMITTEE CHARTER



Charter of the Audit Committee of the Board of Directors of Woodward, Inc.

Purpose

The Audit Committee (the “Committee”) is appointed by the Board of Directors to oversee the accounting and financial reporting processes of Woodward, Inc. (the “Company”), including the quality of internal controls over those processes and audits of the Company’s financial statements and internal control reports. The Committee also assists the Board of Directors by providing oversight of the Company’s processes for risk management, monitoring compliance with laws/regulations and adherence to its code of conduct. The Committee shall maintain free and open communication among the directors, the independent registered public accounting firm (also referred to as the “external auditor”), the CFO, internal audit, the General Counsel, and other personnel as necessary, regarding the financial management and internal audit activities of the Company.

Responsibilities

The Committee oversees and monitors management, internal audit and the external auditor’s participation in the financial reporting and internal control process.

Oversight of the Independent Registered Public Accounting Firm

In performing its oversight responsibility of the Independent Registered Public Accounting Firm, the Audit Committee shall:

1. Be directly responsible for the appointment, compensation, retention and oversight of the work of 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. The independent registered public accounting firm is engaged by the Committee and reports directly to the Committee.
2. Discuss the external auditor’s opinion on the acceptability and appropriateness of material accounting principles and practices implemented by the Company, and the external auditor’s evaluation of the Company’s internal control over financial reporting. Review and discuss identified significant or material deficiencies in internal control over financial reporting.
3. Discuss with the external auditor any matters required to be communicated under current auditing standards, as well as any audit problems or difficulties and management’s response, and other matters as may become required by regulatory agencies. The Committee will address

all unresolved disagreements, if any exist, between management and the external auditor regarding financial reporting or internal control over financial reporting.

4. Obtain assurance from the external auditor that in the course of conducting the audit, there have been no acts detected or that have otherwise come to the attention of the external auditor that require disclosure to the Committee under Section 10A(b), *Required Response to Audit Discoveries*, of the Securities Exchange Act of 1934 (the “Exchange Act”).
5. Review requests to perform permissible non-audit services, and where required, pre-approve the performance of such services and the applicable fees.
6. Review the reports of the Public Company Accounting Oversight Board (the “PCAOB”) with respect to the Company’s external auditor when such reports are made publicly available. If the Company’s audit was selected for PCAOB inspection, discuss deficiencies, if any, found in such audit
7. Obtain from the external auditor the written disclosures and a letter required by the PCAOB regarding the external auditor’s communications with the Committee concerning independence and relationships between the external auditor and the Company; 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; actively engage in a dialogue 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 external auditor.

Oversight Responsibilities Involving Multiple Parties

1. Review and discuss with management and the external auditor the audited financial statements and management’s assessment of the effectiveness of internal control over financial reporting. Recommend to the Board of Directors, based on reviews and discussions with management and the external auditor, that the audited financial statements and the related reports on effectiveness of internal control over financial reporting be included in the Company’s Annual Report on Form 10-K.
2. Review with management and the external auditor the Company’s quarterly financial statements prior to filing of its Form 10-Q and earnings releases.
3. Review major changes to the Company’s accounting principles and practices and develop an understanding of the implications of such changes on financial reports to be issued by the Company

Oversight of Internal Audit Function

1. Review and discuss with management and the internal audit leader the internal audit plan and budget, including the audit/risk assessment and the results of audit activities.

2. Approve in advance any changes regarding the appointment and tenure of the internal audit leader.
3. Periodically assess the quality of the internal audit activity.

Oversight of Risk Management, Legal, and Ethical Compliance

1. Review and discuss with management the Company's financial reporting risk exposures, and the steps management has taken to monitor and control such exposures, including the Company's risk assessment and risk management processes
2. 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.
3. 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.
4. Discuss with the Company's General Counsel any allegations regarding violations of the Company's Codes of Business Conduct and Ethics or other Company policies involving a member of senior management or allegations which, if found to be true would indicate a material fraud or result in a misstatement of earnings or serious reputational damage.

Other Ongoing Audit Committee Responsibilities

1. 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.
2. Review and approve or disapprove those related-party transactions that would be required to be disclosed pursuant to Regulation S-K (Item 404).
3. 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.
4. Periodically meet in separate executive sessions with the external auditor, internal audit leader, General Counsel and other financial or compliance management as appropriate.
5. 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.
6. Review and reassess the adequacy of this Charter annually and recommend to the Board of Directors any proposed changes.

7. 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 effective internal controls over financial reporting and compliance with applicable laws, regulations and Company policies. The external auditor has the responsibility for auditing the financial statements and management's report on the effectiveness of internal controls over financial reporting.

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 that may be provided by the Company's existing or prospective external auditor. 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 external auditor. 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, and the Company will provide funding for, (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 (the "Chairman of the Committee"). Each member of the Committee must meet the independence requirements of the Securities Exchange Act of 1934 and Marketplace Rules of the NASDAQ Stock Market LLC (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 sufficient to meet the

criteria of an “audit committee financial expert” within the meaning of any rules promulgated by the SEC under the Exchange Act. Such individual (or individuals) shall be designated by the Board of Directors as an "audit committee financial expert" 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 as often as it deems appropriate to carry out its responsibilities, but not less frequently than four times each fiscal year. The Chairman of the Board, the Chairman of the Committee or a majority of the members of the Committee may call a meeting of the Committee. The Committee may request any officer or employee of the Company to attend a meeting of the Committee, or to meet with any members of, or consultants to, the Committee. The Chairman of the Committee will preside at each meeting of the Committee and, in consultation with the other members of the Committee, shall set the frequency and length of each meeting and the agenda of items to be addressed at each meeting. A majority of the Committee members shall constitute a quorum. A majority of the members present shall decide any matter brought before the Committee. 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. The Committee also may take action by unanimous written consent.

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As Amended and Restated April 24, 2018