

Clawback Policy

Purpose

The purpose of this Clawback Policy ("Policy") is to enable Woodward to recover from any current or former executive officer, as defined in Section §16 of the Exchange Act of 1934 ("Covered Person"), any incentive-based compensation paid or payable (whether based on cash or equity) to the Covered Person that was determined, in whole or in part, on the achievement of any financial or operating result of Woodward ("Incentive-Based Compensation"), and that was awarded erroneously to the Covered Person due to material noncompliance with any financial reporting requirement under the securities laws.

Scope of Policy

This Policy shall apply to any Incentive-Based Compensation granted to any Covered Person after the adoption of this Policy or during the Look-Back Period (defined below).

Policy

Notwithstanding anything to the contrary in the 2017 Woodward Omnibus Plan, including the Woodward Variable Incentive Plan, the Cash Long-Term Incentive Plan, and any equity award agreement, if all of the following occur:

- all or a portion of Woodward's financial statements are materially restated for any period during the preceding three full fiscal years and/or for the fiscal year in which the restatement occurs (the "Look-Back Period");
- the amount of Incentive-Based Compensation paid or payable to a Covered Person would have been less if the original financial statements were correct at the time the amount of Incentive-Based Compensation was first determined;
- the Incentive-Based Compensation became payable to the Covered Person in connection with the achievement of any financial performance measures for the Look-Back Period; and
- the Woodward Board of Directors, or a duly established committee thereof, determines that the pursuit of recovery would not violate applicable law nor be impracticable because it would impose undue costs on Woodward or its shareholders,

then, to the extent permitted by law, Woodward will recover from any Covered Person the amount of any Incentive-Based Compensation paid or payable to such Covered Person in excess of what would have been paid had the financial statements been correct at the time the amount of Incentive-Based Compensation was first determined (such excess amount, the "Excess Compensation"). Incentive-Based Compensation is considered received in the fiscal period in which the applicable financial or operating result is attained, regardless of the actual payment date. In seeking recovery of any Excess Compensation, Woodward will be authorized at its sole discretion, subject to and in accordance with applicable law, to demand recovery of the Excess Compensation by direct repayment and/or to withhold future Incentive-Based Compensation payments.

Interpretation

This Policy shall be interpreted in a manner consistent with any applicable rules or regulations adopted by the Securities and Exchange Commission and the Nasdaq pursuant to Section 10(d) of the Securities Exchange Act of 1934 (the “Applicable Rules”) and any other applicable law or regulation.

To the extent the Applicable Rules require recovery of Incentive-Based Compensation in additional circumstances beyond those described above, nothing in this Policy shall be deemed to limit or restrict the right or obligation of Woodward to recover Incentive-Based Compensation to the fullest extent required by the Applicable Rules. Once the Applicable Rules become effective, Woodward’s Board of Directors, or a duly authorized committee thereof, may amend this Policy to conform to the requirements of the Applicable Rules.

In addition, and notwithstanding any contrary provision in this Policy, Woodward’s Board of Directors, or a duly authorized committee thereof, may at any time and for any reason amend this Policy with respect to compensation not yet paid.

Any right of recovery under this policy will be in addition to, and not in lieu of, any other rights of recovery that may be available to the Company.