

Form 5500 Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Annual Return/Report of Employee Benefit Plan This form is required to be filed for employee benefit plans under sections 104 and 4065 of the Employee Retirement Income Security Act of 1974 (ERISA) and sections 6047(e), 6057(b), and 6058(a) of the Internal Revenue Code (the Code). <p style="text-align: center;">▶ Complete all entries in accordance with the instructions to the Form 5500.</p>	OMB Nos. 1210-0110 1210-0089 <div style="text-align: center; font-size: 1.5em; font-weight: bold;">2014</div> This Form is Open to Public Inspection
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Part I	Annual Report Identification Information
For calendar plan year 2014 or fiscal plan year beginning <u>01/01/2014</u> and ending <u>12/31/2014</u>	
A This return/report is for:	☐ a multiemployer plan; ☐ a multiple-employer plan (Filers checking this box must attach a list of participating employer information in accordance with the form instructions); or ☒ a single-employer plan; ☐ a DFE (specify) _____
B This return/report is:	☐ the first return/report; ☐ the final return/report; ☒ an amended return/report; ☐ a short plan year return/report (less than 12 months).
C If the plan is a collectively-bargained plan, check here.	☐
D Check box if filing under:	☒ Form 5558; ☐ automatic extension; ☐ the DFVC program; ☐ special extension (enter description)

Part II	Basic Plan Information —enter all requested information		
1a Name of plan	<u>WOODWARD HRT PENSION PLAN</u>	1b Three-digit plan number (PN) ▶	<u>006</u>
		1c Effective date of plan	<u>04/03/2009</u>
2a Plan sponsor's name and address; include room or suite number (employer, if for a single-employer plan)	2b Employer Identification Number (EIN) <u>36-1984010</u>		
<u>WOODWARD, INC.</u>	2c Plan Sponsor's telephone number <u>815-877-7441</u>		
<u>PO BOX 7001</u>	<u>5001 NORTH SECOND STREET</u>	2d Business code (see instructions) <u>339900</u>	
<u>ROCKFORD, IL 61125-7001</u>	<u>LOVES PARK, IL 61111-5808</u>		

Caution: A penalty for the late or incomplete filing of this return/report will be assessed unless reasonable cause is established.

Under penalties of perjury and other penalties set forth in the instructions, I declare that I have examined this return/report, including accompanying schedules, statements and attachments, as well as the electronic version of this return/report, and to the best of my knowledge and belief, it is true, correct, and complete.

SIGN HERE	Filed with authorized/valid electronic signature.	10/14/2015	PHOEBE LARSON
	Signature of plan administrator	Date	Enter name of individual signing as plan administrator
SIGN HERE			
	Signature of employer/plan sponsor	Date	Enter name of individual signing as employer or plan sponsor
SIGN HERE			
	Signature of DFE	Date	Enter name of individual signing as DFE
Preparer's name (including firm name, if applicable) and address (include room or suite number) (optional)			Preparer's telephone number (optional)

3a Plan administrator's name and address ☒ Same as Plan Sponsor		3b Administrator's EIN	
		3c Administrator's telephone number	
4 If the name and/or EIN of the plan sponsor has changed since the last return/report filed for this plan, enter the name, EIN and the plan number from the last return/report:		4b EIN	
a Sponsor's name		4c PN	
5 Total number of participants at the beginning of the plan year		5	773
6 Number of participants as of the end of the plan year unless otherwise stated (welfare plans complete only lines 6a(1) , 6a(2) , 6b , 6c , and 6d).			
a(1) Total number of active participants at the beginning of the plan year		6a(1)	538
a(2) Total number of active participants at the end of the plan year		6a(2)	500
b Retired or separated participants receiving benefits		6b	135
c Other retired or separated participants entitled to future benefits.....		6c	127
d Subtotal. Add lines 6a(2) , 6b , and 6c		6d	762
e Deceased participants whose beneficiaries are receiving or are entitled to receive benefits.		6e	9
f Total. Add lines 6d and 6e		6f	771
g Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item)		6g	
h Number of participants that terminated employment during the plan year with accrued benefits that were less than 100% vested.....		6h	2
7 Enter the total number of employers obligated to contribute to the plan (only multiemployer plans complete this item).....		7	
8a If the plan provides pension benefits, enter the applicable pension feature codes from the List of Plan Characteristics Codes in the instructions: 1A 1D			
b If the plan provides welfare benefits, enter the applicable welfare feature codes from the List of Plan Characteristics Codes in the instructions:			
9a Plan funding arrangement (check all that apply)		9b Plan benefit arrangement (check all that apply)	
(1)	☐	Insurance	
(2)	☐	Code section 412(e)(3) insurance contracts	
(3)	☒	Trust	
(4)	☐	General assets of the sponsor	
(1)	☐	Insurance	
(2)	☐	Code section 412(e)(3) insurance contracts	
(3)	☒	Trust	
(4)	☐	General assets of the sponsor	
10 Check all applicable boxes in 10a and 10b to indicate which schedules are attached, and, where indicated, enter the number attached. (See instructions)			
a Pension Schedules		b General Schedules	
(1)	☒	R	(Retirement Plan Information)
(2)	☐	MB	(Multiemployer Defined Benefit Plan and Certain Money Purchase Plan Actuarial Information) - signed by the plan actuary
(3)	☒	SB	(Single-Employer Defined Benefit Plan Actuarial Information) - signed by the plan actuary
(1)	☒	H	(Financial Information)
(2)	☐	I	(Financial Information – Small Plan)
(3)	☐	A	(Insurance Information)
(4)	☒	C	(Service Provider Information)
(5)	☐	D	(DFE/Participating Plan Information)
(6)	☐	G	(Financial Transaction Schedules)

Part III**Form M-1 Compliance Information (to be completed by welfare benefit plans)**

11a If the plan provides welfare benefits, was the plan subject to the Form M-1 filing requirements during the plan year? (See instructions and 29 CFR 2520.101-2.) ☐ Yes ☐ No

If "Yes" is checked, complete lines 11b and 11c.

11b Is the plan currently in compliance with the Form M-1 filing requirements? (See instructions and 29 CFR 2520.101-2.) ☐ Yes ☐ No

11c Enter the Receipt Confirmation Code for the 2014 Form M-1 annual report. If the plan was not required to file the 2014 Form M-1 annual report, enter the Receipt Confirmation Code for the most recent Form M-1 that was required to be filed under the Form M-1 filing requirements. (Failure to enter a valid Receipt Confirmation Code will subject the Form 5500 filing to rejection as incomplete.)

Receipt Confirmation Code _____

<div>SCHEDULE SB (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation</div>	<div>Single-Employer Defined Benefit Plan Actuarial Information</div> <div>This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA) and section 6059 of the Internal Revenue Code (the Code).</div> <div>▶ File as an attachment to Form 5500 or 5500-SF.</div>	<div>OMB No. 1210-0110</div> <div>2014</div> <div>This Form is Open to Public Inspection</div>
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For calendar plan year 2014 or fiscal plan year beginning 01/01/2014 and ending 12/31/2014

▶ Round off amounts to nearest dollar.
▶ Caution: A penalty of \$1,000 will be assessed for late filing of this report unless reasonable cause is established.

A Name of plan WOODWARD HRT PENSION PLAN	B Three-digit plan number (PN) ▶ 006
C Plan sponsor's name as shown on line 2a of Form 5500 or 5500-SF WOODWARD, INC.	D Employer Identification Number (EIN) 36-1984010

E Type of plan: ☒ Single ☐ Multiple-A ☐ Multiple-B **F** Prior year plan size: ☐ 100 or fewer ☐ 101-500 ☒ More than 500

Part I Basic Information

1 Enter the valuation date: Month 01 Day 01 Year 2014			
2 Assets:			
a Market value	2a	113020199	
b Actuarial value	2b	105321517	
3 Funding target/participant count breakdown	(1) Number of participants	(2) Vested Funding Target	(3) Total Funding Target
a For retired participants and beneficiaries receiving payment.....	128	25749869	25749869
b For terminated vested participants.....	110	6430981	6430981
c For active participants.....	538	47652012	49217686
d Total.....	776	79832862	81398536
4 If the plan is in at-risk status, check the box and complete lines (a) and (b)..... ☐			
a Funding target disregarding prescribed at-risk assumptions	4a		
b Funding target reflecting at-risk assumptions, but disregarding transition rule for plans that have been in at-risk status for fewer than five consecutive years and disregarding loading factor.....	4b		
5 Effective interest rate	5	6.52%	
6 Target normal cost	6	3018626	

Statement by Enrolled Actuary
To the best of my knowledge, the information supplied in this schedule and accompanying schedules, statements and attachments, if any, is complete and accurate. Each prescribed assumption was applied in accordance with applicable law and regulations. In my opinion, each other assumption is reasonable (taking into account the experience of the plan and reasonable expectations) and such other assumptions, in combination, offer my best estimate of anticipated experience under the plan.

SIGN HERE		10/14/2015
	Signature of actuary	Date
JOHN T. ALDERSON	Type or print name of actuary	14-07894
		Most recent enrollment number
TOWERS WATSON DELAWARE INC.	Firm name	314-719-5900
		Telephone number (including area code)
101 SOUTH HANLEY ROAD SUITE 900 ST. LOUIS, MO 63105-3437	Address of the firm	

If the actuary has not fully reflected any regulation or ruling promulgated under the statute in completing this schedule, check the box and see instructions ☐

Part II Beginning of Year Carryover and Prefunding Balances		(a) Carryover balance	(b) Prefunding balance
7	Balance at beginning of prior year after applicable adjustments (line 13 from prior year)		6000811
8	Portion elected for use to offset prior year's funding requirement (line 35 from prior year)		
9	Amount remaining (line 7 minus line 8)		6000811
10	Interest on line 9 using prior year's actual return of 16.02%		961330
11	Prior year's excess contributions to be added to prefunding balance:		
a	Present value of excess contributions (line 38a from prior year)		9550391
b(1)	Interest on the excess, if any, of line 38a over line 38b from prior year Schedule SB, using prior year's effective interest rate of 6.35%		606450
b(2)	Interest on line 38b from prior year Schedule SB, using prior year's actual return		
c	Total available at beginning of current plan year to add to prefunding balance		10156841
d	Portion of (c) to be added to prefunding balance		
12	Other reductions in balances due to elections or deemed elections		
13	Balance at beginning of current year (line 9 + line 10 + line 11d – line 12)		6962141

Part III Funding Percentages			
14	Funding target attainment percentage	14	120.84 %
15	Adjusted funding target attainment percentage	15	129.38 %
16	Prior year's funding percentage for purposes of determining whether carryover/prefunding balances may be used to reduce current year's funding requirement	16	108.13 %
17	If the current value of the assets of the plan is less than 70 percent of the funding target, enter such percentage	17	%

Part IV Contributions and Liquidity Shortfalls					
18 Contributions made to the plan for the plan year by employer(s) and employees:					
(a) Date (MM-DD-YYYY)	(b) Amount paid by employer(s)	(c) Amount paid by employees	(a) Date (MM-DD-YYYY)	(b) Amount paid by employer(s)	(c) Amount paid by employees
Totals ►			18(b)		18(c)

19 Discounted employer contributions – see instructions for small plan with a valuation date after the beginning of the year:	
a Contributions allocated toward unpaid minimum required contributions from prior years	19a
b Contributions made to avoid restrictions adjusted to valuation date	19b
c Contributions allocated toward minimum required contribution for current year adjusted to valuation date	19c
20 Quarterly contributions and liquidity shortfalls:	
a Did the plan have a "funding shortfall" for the prior year?	☐ Yes ☒ No
b If line 20a is "Yes," were required quarterly installments for the current year made in a timely manner?	☐ Yes ☐ No
c If line 20a is "Yes," see instructions and complete the following table as applicable:	
Liquidity shortfall as of end of quarter of this plan year	
(1) 1st	(2) 2nd
(3) 3rd	(4) 4th

Part V Assumptions Used to Determine Funding Target and Target Normal Cost

21 Discount rate:				
a Segment rates:	1st segment: 4.99 %	2nd segment: 6.32 %	3rd segment: 6.99 %	☐ N/A, full yield curve used
b Applicable month (enter code).....				21b
22 Weighted average retirement age				22 63
23 Mortality table(s) (see instructions) ☐ Prescribed - combined ☒ Prescribed - separate ☐ Substitute				

Part VI Miscellaneous Items

24 Has a change been made in the non-prescribed actuarial assumptions for the current plan year? If "Yes," see instructions regarding required attachment.	☒ Yes ☐ No
25 Has a method change been made for the current plan year? If "Yes," see instructions regarding required attachment.	☐ Yes ☒ No
26 Is the plan required to provide a Schedule of Active Participants? If "Yes," see instructions regarding required attachment.	☒ Yes ☐ No
27 If the plan is subject to alternative funding rules, enter applicable code and see instructions regarding attachment.....	27

Part VII Reconciliation of Unpaid Minimum Required Contributions For Prior Years

28 Unpaid minimum required contributions for all prior years	28	
29 Discounted employer contributions allocated toward unpaid minimum required contributions from prior years (line 19a).....	29	
30 Remaining amount of unpaid minimum required contributions (line 28 minus line 29)	30	

Part VIII Minimum Required Contribution For Current Year

31 Target normal cost and excess assets (see instructions):												
a Target normal cost (line 6).....	31a	3018626										
b Excess assets, if applicable, but not greater than line 31a	31b	3018626										
32 Amortization installments:	<table border="1"> <thead> <tr> <th></th> <th>Outstanding Balance</th> <th>Installment</th> </tr> </thead> <tbody> <tr> <td>a Net shortfall amortization installment.....</td> <td></td> <td></td> </tr> <tr> <td>b Waiver amortization installment</td> <td></td> <td></td> </tr> </tbody> </table>				Outstanding Balance	Installment	a Net shortfall amortization installment.....			b Waiver amortization installment		
	Outstanding Balance	Installment										
a Net shortfall amortization installment.....												
b Waiver amortization installment												
33 If a waiver has been approved for this plan year, enter the date of the ruling letter granting the approval (Month _____ Day _____ Year _____) and the waived amount	33											
34 Total funding requirement before reflecting carryover/prefunding balances (lines 31a - 31b + 32a + 32b - 33) ..	34											
	Carryover balance	Prefunding balance	Total balance									
35 Balances elected for use to offset funding requirement.....												
36 Additional cash requirement (line 34 minus line 35).....	36											
37 Contributions allocated toward minimum required contribution for current year adjusted to valuation date (line 19c).....	37											
38 Present value of excess contributions for current year (see instructions)												
a Total (excess, if any, of line 37 over line 36)	38a	0										
b Portion included in line 38a attributable to use of prefunding and funding standard carryover balances	38b											
39 Unpaid minimum required contribution for current year (excess, if any, of line 36 over line 37)	39											
40 Unpaid minimum required contributions for all years	40	0										

Part IX Pension Funding Relief Under Pension Relief Act of 2010 (See Instructions)

41 If an election was made to use PRA 2010 funding relief for this plan:			
a Schedule elected	☐ 2 plus 7 years ☐ 15 years		
b Eligible plan year(s) for which the election in line 41a was made	☐ 2008 ☐ 2009 ☐ 2010 ☐ 2011		
42 Amount of acceleration adjustment	42		
43 Excess installment acceleration amount to be carried over to future plan years	43		

SCHEDULE C (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Service Provider Information This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA). ▶ File as an attachment to Form 5500.	OMB No. 1210-0110
		2014
		This Form is Open to Public Inspection.

For calendar plan year 2014 or fiscal plan year beginning 01/01/2014 and ending 12/31/2014	
A Name of plan WOODWARD HRT PENSION PLAN	B Three-digit plan number (PN) ▶ 006
C Plan sponsor's name as shown on line 2a of Form 5500 WOODWARD, INC.	D Employer Identification Number (EIN) 36-1984010

Part I	Service Provider Information (see instructions)
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You must complete this Part, in accordance with the instructions, to report the information required for **each person** who received, directly or indirectly, \$5,000 or more in total compensation (i.e., money or anything else of monetary value) in connection with services rendered to the plan or the person's position with the plan during the plan year. If a person received **only** eligible indirect compensation for which the plan received the required disclosures, you are required to answer line 1 but are not required to include that person when completing the remainder of this Part.

1 Information on Persons Receiving Only Eligible Indirect Compensation

a Check "Yes" or "No" to indicate whether you are excluding a person from the remainder of this Part because they received only eligible indirect compensation for which the plan received the required disclosures (see instructions for definitions and conditions)..... ☐ Yes ☒ No

b If you answered line 1a "Yes," enter the name and EIN or address of each person providing the required disclosures for the service providers who received only eligible indirect compensation. Complete as many entries as needed (see instructions).

(b) Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation

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(b) Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation

2. Information on Other Service Providers Receiving Direct or Indirect Compensation. Except for those persons for whom you answered "Yes" to line 1a above, complete as many entries as needed to list each person receiving, directly or indirectly, \$5,000 or more in total compensation (i.e., money or anything else of value) in connection with services rendered to the plan or their position with the plan during the plan year. (See instructions).

(a) Enter name and EIN or address (see instructions)

VANGUARD FIDUCIARY TRUST

23-2186884

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
13	TRUSTEE	132728	Yes ☐ No ☒	Yes ☐ No ☐		Yes ☐ No ☐

(a) Enter name and EIN or address (see instructions)

TOWERS WATSON DELAWARE INC.

86-0181291

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
11	ACTUARY	87819	Yes ☐ No ☒	Yes ☐ No ☐		Yes ☐ No ☐

(a) Enter name and EIN or address (see instructions)

BENNING GROUP, LLC

30-0003878

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
10	AUDITOR	17100	Yes ☐ No ☒	Yes ☐ No ☐		Yes ☐ No ☐

2. Information on Other Service Providers Receiving Direct or Indirect Compensation. Except for those persons for whom you answered "Yes" to line 1a above, complete as many entries as needed to list each person receiving, directly or indirectly, \$5,000 or more in total compensation (i.e., money or anything else of value) in connection with services rendered to the plan or their position with the plan during the plan year. (See instructions).

(a) Enter name and EIN or address (see instructions)

DIMEO SCHNEIDER & ASSOCIATES LLC

36-4001764

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
27	INVESTMENT ADVISOR	22378	Yes ☐ No ☒	Yes ☐ No ☐		Yes ☐ No ☐

(a) Enter name and EIN or address (see instructions)

WILSON SONSINI GOODRICH & ROSATI

94-2451946

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
29	ATTORNEY	16275	Yes ☐ No ☒	Yes ☐ No ☐		Yes ☐ No ☐

(a) Enter name and EIN or address (see instructions)

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
			Yes ☐ No ☐	Yes ☐ No ☐		Yes ☐ No ☐

Part I Service Provider Information (continued)

3 If you reported on line 2 receipt of indirect compensation, other than eligible indirect compensation, by a service provider, and the service provider is a fiduciary or provides contract administrator, consulting, custodial, investment advisory, investment management, broker, or recordkeeping services, answer the following questions for (a) each source from whom the service provider received \$1,000 or more in indirect compensation and (b) each source for whom the service provider gave you a formula used to determine the indirect compensation instead of an amount or estimated amount of the indirect compensation. Complete as many entries as needed to report the required information for each source.

(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation
(d) Enter name and EIN (address) of source of indirect compensation	(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.	
(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation
(d) Enter name and EIN (address) of source of indirect compensation	(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.	
(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation
(d) Enter name and EIN (address) of source of indirect compensation	(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.	

Part II Service Providers Who Fail or Refuse to Provide Information

4 Provide, to the extent possible, the following information for each service provider who failed or refused to provide the information necessary to complete this Schedule.

(a) Enter name and EIN or address of service provider (see instructions)	(b) Nature of Service Code(s)	(c) Describe the information that the service provider failed or refused to provide

Part III Termination Information on Accountants and Enrolled Actuaries (see instructions)
(complete as many entries as needed)

a Name: ERIC J. MINUTE	b EIN: 53-0181291
c Position: ACTUARY	
d Address: 101 S. HANLEY RD STE 900 ST. LOUIS, MO 63105-3437	e Telephone: 314-719-5900

Explanation: REASSIGNMENT OF RESPONSIBILITIES WITHIN TOWERS WATSON

a Name:	b EIN:
c Position:	
d Address:	e Telephone:

Explanation:

a Name:	b EIN:
c Position:	
d Address:	e Telephone:

Explanation:

a Name:	b EIN:
c Position:	
d Address:	e Telephone:

Explanation:

a Name:	b EIN:
c Position:	
d Address:	e Telephone:

Explanation:

SCHEDULE H (Form 5500) <small>Department of the Treasury Internal Revenue Service</small> <small>Department of Labor Employee Benefits Security Administration</small> <small>Pension Benefit Guaranty Corporation</small>	Financial Information This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA), and section 6058(a) of the Internal Revenue Code (the Code). ► File as an attachment to Form 5500.	OMB No. 1210-0110 2014 This Form is Open to Public Inspection
For calendar plan year 2014 or fiscal plan year beginning 01/01/2014 and ending 12/31/2014		
A Name of plan WOODWARD HRT PENSION PLAN	B Three-digit plan number (PN) ►	006
C Plan sponsor's name as shown on line 2a of Form 5500 WOODWARD, INC.	D Employer Identification Number (EIN) 36-1984010	

Part I	Asset and Liability Statement		
1 Current value of plan assets and liabilities at the beginning and end of the plan year. Combine the value of plan assets held in more than one trust. Report the value of the plan's interest in a commingled fund containing the assets of more than one plan on a line-by-line basis unless the value is reportable on lines 1c(9) through 1c(14). Do not enter the value of that portion of an insurance contract which guarantees, during this plan year, to pay a specific dollar benefit at a future date. Round off amounts to the nearest dollar. MTIAs, CCTs, PSAs, and 103-12 IEs do not complete lines 1b(1), 1b(2), 1c(8), 1g, 1h, and 1i. CCTs, PSAs, and 103-12 IEs also do not complete lines 1d and 1e. See instructions.			
Assets		(a) Beginning of Year	(b) End of Year
a Total noninterest-bearing cash	1a	317429	220901
b Receivables (less allowance for doubtful accounts):			
(1) Employer contributions.....	1b(1)		
(2) Participant contributions	1b(2)		
(3) Other.....	1b(3)		
c General investments:			
(1) Interest-bearing cash (include money market accounts & certificates of deposit).....	1c(1)		
(2) U.S. Government securities	1c(2)		
(3) Corporate debt instruments (other than employer securities):			
(A) Preferred	1c(3)(A)		
(B) All other	1c(3)(B)		
(4) Corporate stocks (other than employer securities):			
(A) Preferred	1c(4)(A)		
(B) Common.....	1c(4)(B)		
(5) Partnership/joint venture interests	1c(5)		
(6) Real estate (other than employer real property).....	1c(6)		
(7) Loans (other than to participants)	1c(7)		
(8) Participant loans.....	1c(8)		
(9) Value of interest in common/collective trusts	1c(9)		
(10) Value of interest in pooled separate accounts	1c(10)		
(11) Value of interest in master trust investment accounts	1c(11)		
(12) Value of interest in 103-12 investment entities.....	1c(12)		
(13) Value of interest in registered investment companies (e.g., mutual funds).....	1c(13)	112702770	119928416
(14) Value of funds held in insurance company general account (unallocated contracts).....	1c(14)		
(15) Other.....	1c(15)		

1d Employer-related investments:

		(a) Beginning of Year	(b) End of Year
(1) Employer securities	1d(1)		
(2) Employer real property	1d(2)		
e Buildings and other property used in plan operation	1e		
f Total assets (add all amounts in lines 1a through 1e)	1f	113020199	120149317

Liabilities

g Benefit claims payable	1g		
h Operating payables	1h	33091	33186
i Acquisition indebtedness	1i		
j Other liabilities	1j		
k Total liabilities (add all amounts in lines 1g through 1j)	1k	33091	33186

Net Assets

l Net assets (subtract line 1k from line 1f)	1l	112987108	120116131
---	-----------	-----------	-----------

Part II Income and Expense Statement

2 Plan income, expenses, and changes in net assets for the year. Include all income and expenses of the plan, including any trust(s) or separately maintained fund(s) and any payments/receipts to/from insurance carriers. Round off amounts to the nearest dollar. MTIAs, CCTs, PSAs, and 103-12 IEs do not complete lines 2a, 2b(1)(E), 2e, 2f, and 2g.

Income

		(a) Amount	(b) Total
a Contributions:			
(1) Received or receivable in cash from: (A) Employers	2a(1)(A)		
(B) Participants	2a(1)(B)		
(C) Others (including rollovers)	2a(1)(C)		
(2) Noncash contributions	2a(2)		
(3) Total contributions. Add lines 2a(1)(A) , (B) , (C) , and line 2a(2)	2a(3)		
b Earnings on investments:			
(1) Interest:			
(A) Interest-bearing cash (including money market accounts and certificates of deposit)	2b(1)(A)		
(B) U.S. Government securities	2b(1)(B)		
(C) Corporate debt instruments	2b(1)(C)		
(D) Loans (other than to participants)	2b(1)(D)		
(E) Participant loans	2b(1)(E)		
(F) Other	2b(1)(F)		
(G) Total interest. Add lines 2b(1)(A) through (F)	2b(1)(G)		
(2) Dividends: (A) Preferred stock	2b(2)(A)		
(B) Common stock	2b(2)(B)		
(C) Registered investment company shares (e.g. mutual funds)	2b(2)(C)	4055411	
(D) Total dividends. Add lines 2b(2)(A) , (B) , and (C)	2b(2)(D)		4055411
(3) Rents	2b(3)		
(4) Net gain (loss) on sale of assets: (A) Aggregate proceeds	2b(4)(A)		
(B) Aggregate carrying amount (see instructions)	2b(4)(B)		
(C) Subtract line 2b(4)(B) from line 2b(4)(A) and enter result	2b(4)(C)		
(5) Unrealized appreciation (depreciation) of assets: (A) Real estate	2b(5)(A)		
(B) Other	2b(5)(B)		
(C) Total unrealized appreciation of assets. Add lines 2b(5)(A) and (B)	2b(5)(C)		

		(a) Amount	(b) Total
(6) Net investment gain (loss) from common/collective trusts	2b(6)		
(7) Net investment gain (loss) from pooled separate accounts	2b(7)		
(8) Net investment gain (loss) from master trust investment accounts	2b(8)		
(9) Net investment gain (loss) from 103-12 investment entities	2b(9)		
(10) Net investment gain (loss) from registered investment companies (e.g., mutual funds)	2b(10)		6024665
c Other income	2c		
d Total income. Add all income amounts in column (b) and enter total	2d		10080076

Expenses

e Benefit payment and payments to provide benefits:			
(1) Directly to participants or beneficiaries, including direct rollovers	2e(1)	2635943	
(2) To insurance carriers for the provision of benefits	2e(2)		
(3) Other	2e(3)		
(4) Total benefit payments. Add lines 2e(1) through (3)	2e(4)		2635943
f Corrective distributions (see instructions)	2f		
g Certain deemed distributions of participant loans (see instructions)	2g		
h Interest expense	2h		
i Administrative expenses: (1) Professional fees	2i(1)	121194	
(2) Contract administrator fees	2i(2)	132728	
(3) Investment advisory and management fees	2i(3)	22378	
(4) Other	2i(4)	38810	
(5) Total administrative expenses. Add lines 2i(1) through (4)	2i(5)		315110
j Total expenses. Add all expense amounts in column (b) and enter total	2j		2951053

Net Income and Reconciliation

k Net income (loss). Subtract line 2j from line 2d	2k		7129023
l Transfers of assets:			
(1) To this plan	2l(1)		
(2) From this plan	2l(2)		

Part III Accountant's Opinion

3 Complete lines 3a through 3c if the opinion of an independent qualified public accountant is attached to this Form 5500. Complete line 3d if an opinion is not attached.

a The attached opinion of an independent qualified public accountant for this plan is (see instructions):

(1) ☐ Unqualified (2) ☐ Qualified (3) ☒ Disclaimer (4) ☐ Adverse

b Did the accountant perform a limited scope audit pursuant to 29 CFR 2520.103-8 and/or 103-12(d)?

☒ Yes ☐ No

c Enter the name and EIN of the accountant (or accounting firm) below:

(1) Name: BENNING GROUP, LLC

(2) EIN: 30-0003878

d The opinion of an independent qualified public accountant is **not attached** because:

(1) ☐ This form is filed for a CCT, PSA, or MTIA. (2) ☐ It will be attached to the next Form 5500 pursuant to 29 CFR 2520.104-50.

Part IV Compliance Questions

4 CCTs and PSAs do not complete Part IV. MTIAs, 103-12 IEs, and GIAs do not complete lines 4a, 4e, 4f, 4g, 4h, 4k, 4m, 4n, or 5. 103-12 IEs also do not complete lines 4j and 4l. MTIAs also do not complete line 4l.

During the plan year:

- a** Was there a failure to transmit to the plan any participant contributions within the time period described in 29 CFR 2510.3-102? Continue to answer "Yes" for any prior year failures until fully corrected. (See instructions and DOL's Voluntary Fiduciary Correction Program.)
- b** Were any loans by the plan or fixed income obligations due the plan in default as of the close of the plan year or classified during the year as uncollectible? Disregard participant loans secured by participant's account balance. (Attach Schedule G (Form 5500) Part I if "Yes" is checked.)

	Yes	No	Amount
4a		X	
4b		X	

	Yes	No	Amount
c Were any leases to which the plan was a party in default or classified during the year as uncollectible? (Attach Schedule G (Form 5500) Part II if "Yes" is checked.)		X	
4c			
d Were there any nonexempt transactions with any party-in-interest? (Do not include transactions reported on line 4a. Attach Schedule G (Form 5500) Part III if "Yes" is checked.).....		X	
4d			
e Was this plan covered by a fidelity bond?	X		20000000
4e			
f Did the plan have a loss, whether or not reimbursed by the plan's fidelity bond, that was caused by fraud or dishonesty?		X	
4f			
g Did the plan hold any assets whose current value was neither readily determinable on an established market nor set by an independent third party appraiser?.....		X	
4g			
h Did the plan receive any noncash contributions whose value was neither readily determinable on an established market nor set by an independent third party appraiser?.....		X	
4h			
i Did the plan have assets held for investment? (Attach schedule(s) of assets if "Yes" is checked, and see instructions for format requirements.)	X		
4i			
j Were any plan transactions or series of transactions in excess of 5% of the current value of plan assets? (Attach schedule of transactions if "Yes" is checked, and see instructions for format requirements.)		X	
4j			
k Were all the plan assets either distributed to participants or beneficiaries, transferred to another plan, or brought under the control of the PBGC?		X	
4k			
l Has the plan failed to provide any benefit when due under the plan?.....		X	
4l			
m If this is an individual account plan, was there a blackout period? (See instructions and 29 CFR 2520.101-3.)		X	
4m			
n If 4m was answered "Yes," check the "Yes" box if you either provided the required notice or one of the exceptions to providing the notice applied under 29 CFR 2520.101-3.			
4n			

5a Has a resolution to terminate the plan been adopted during the plan year or any prior plan year?
 If "Yes," enter the amount of any plan assets that reverted to the employer this year..... ☐ Yes ☒ No Amount:

5b If, during this plan year, any assets or liabilities were transferred from this plan to another plan(s), identify the plan(s) to which assets or liabilities were transferred. (See instructions.)

5b(1) Name of plan(s)	5b(2) EIN(s)	5b(3) PN(s)

5c If the plan is a defined benefit plan, is it covered under the PBGC insurance program (see ERISA section 4021)? ☐ Yes ☐ No ☐ Not determined

Part V Trust Information (optional)

6a Name of trust	6b Trust's EIN

<div>SCHEDULE R (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation</div>	<div>Retirement Plan Information</div> <div>This schedule is required to be filed under section 104 and 4065 of the Employee Retirement Income Security Act of 1974 (ERISA) and section 6058(a) of the Internal Revenue Code (the Code).</div> <div>► File as an attachment to Form 5500.</div>	<div>OMB No. 1210-0110</div> <div>2014</div> <div>This Form is Open to Public Inspection.</div>
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For calendar plan year 2014 or fiscal plan year beginning 01/01/2014 and ending 12/31/2014

<div>A Name of plan WOODWARD HRT PENSION PLAN</div>	<div>B Three-digit plan number (PN) ► 006</div>
<div>C Plan sponsor's name as shown on line 2a of Form 5500 WOODWARD, INC.</div>	<div>D Employer Identification Number (EIN) 36-1984010</div>

Part I	Distributions
--------	---------------

All references to distributions relate only to payments of benefits during the plan year.

1	Total value of distributions paid in property other than in cash or the forms of property specified in the instructions.....	1	
2	Enter the EIN(s) of payor(s) who paid benefits on behalf of the plan to participants or beneficiaries during the year (if more than two, enter EINs of the two payors who paid the greatest dollar amounts of benefits): EIN(s): 23-2926795		
Profit-sharing plans, ESOPs, and stock bonus plans, skip line 3.			
3	Number of participants (living or deceased) whose benefits were distributed in a single sum, during the plan year.....	3	0

Part II	Funding Information (If the plan is not subject to the minimum funding requirements of section 412 of the Internal Revenue Code or ERISA section 302, skip this Part)
---------	---

4	Is the plan administrator making an election under Code section 412(d)(2) or ERISA section 302(d)(2)?.....	☐ Yes	☒ No	☐ N/A
If the plan is a defined benefit plan, go to line 8.				
5	If a waiver of the minimum funding standard for a prior year is being amortized in this plan year, see instructions and enter the date of the ruling letter granting the waiver. Date: Month _____ Day _____ Year _____ If you completed line 5, complete lines 3, 9, and 10 of Schedule MB and do not complete the remainder of this schedule.			
6	a Enter the minimum required contribution for this plan year (include any prior year accumulated funding deficiency not waived).....	6a		
	b Enter the amount contributed by the employer to the plan for this plan year.....	6b		
	c Subtract the amount in line 6b from the amount in line 6a. Enter the result (enter a minus sign to the left of a negative amount)	6c		
If you completed line 6c, skip lines 8 and 9.				
7	Will the minimum funding amount reported on line 6c be met by the funding deadline?.....	☐ Yes	☐ No	☐ N/A
8	If a change in actuarial cost method was made for this plan year pursuant to a revenue procedure or other authority providing automatic approval for the change or a class ruling letter, does the plan sponsor or plan administrator agree with the change?.....	☐ Yes	☐ No	☒ N/A

Part III	Amendments
----------	------------

9	If this is a defined benefit pension plan, were any amendments adopted during this plan year that increased or decreased the value of benefits? If yes, check the appropriate box. If no, check the "No" box.....	☒ Increase	☐ Decrease	☐ Both	☐ No
---	---	--	-----------------------------------	-------------------------------	-----------------------------

Part IV	ESOPs (see instructions). If this is not a plan described under Section 409(a) or 4975(e)(7) of the Internal Revenue Code, skip this Part.
---------	--

10	Were unallocated employer securities or proceeds from the sale of unallocated securities used to repay any exempt loan?	☐ Yes	☐ No
11	a Does the ESOP hold any preferred stock?	☐ Yes	☐ No
	b If the ESOP has an outstanding exempt loan with the employer as lender, is such loan part of a "back-to-back" loan? (See instructions for definition of "back-to-back" loan.).....	☐ Yes	☐ No
12	Does the ESOP hold any stock that is not readily tradable on an established securities market?	☐ Yes	☐ No

Part V Additional Information for Multiemployer Defined Benefit Pension Plans

13 Enter the following information for each employer that contributed more than 5% of total contributions to the plan during the plan year (measured in dollars). See instructions. *Complete as many entries as needed to report all applicable employers.*

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month _____ Day _____ Year _____

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month _____ Day _____ Year _____

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month _____ Day _____ Year _____

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month _____ Day _____ Year _____

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month _____ Day _____ Year _____

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month _____ Day _____ Year _____

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

- 14** Enter the number of participants on whose behalf no contributions were made by an employer as an employer of the participant for:

a The current year	14a	
b The plan year immediately preceding the current plan year	14b	
c The second preceding plan year	14c	

- 15** Enter the ratio of the number of participants under the plan on whose behalf no employer had an obligation to make an employer contribution during the current plan year to:

a The corresponding number for the plan year immediately preceding the current plan year	15a	
b The corresponding number for the second preceding plan year	15b	

- 16** Information with respect to any employers who withdrew from the plan during the preceding plan year:

a Enter the number of employers who withdrew during the preceding plan year	16a	
b If line 16a is greater than 0, enter the aggregate amount of withdrawal liability assessed or estimated to be assessed against such withdrawn employers	16b	

- 17** If assets and liabilities from another plan have been transferred to or merged with this plan during the plan year, check box and see instructions regarding supplemental information to be included as an attachment. ☐

Part VI Additional Information for Single-Employer and Multiemployer Defined Benefit Pension Plans

- 18** If any liabilities to participants or their beneficiaries under the plan as of the end of the plan year consist (in whole or in part) of liabilities to such participants and beneficiaries under two or more pension plans as of immediately before such plan year, check box and see instructions regarding supplemental information to be included as an attachment ☐

- 19** If the total number of participants is 1,000 or more, complete lines (a) through (c)

- a** Enter the percentage of plan assets held as:
 Stock: _____% Investment-Grade Debt: _____% High-Yield Debt: _____% Real Estate: _____% Other: _____%
- b** Provide the average duration of the combined investment-grade and high-yield debt:
☐ 0-3 years ☐ 3-6 years ☐ 6-9 years ☐ 9-12 years ☐ 12-15 years ☐ 15-18 years ☐ 18-21 years ☐ 21 years or more
- c** What duration measure was used to calculate line 19(b)?
☐ Effective duration ☐ Macaulay duration ☐ Modified duration ☐ Other (specify): _____

**WOODWARD
HRT PENSION PLAN**

Financial Statements and
Supplemental Schedule

December 31, 2014 and 2013

(With Independent Auditor's Report Thereon)

**WOODWARD
HRT PENSION PLAN**

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Independent Auditor's Report

The Plan Administrator
Woodward HRT Pension Plan

Report on the Financial Statements

We were engaged to audit the accompanying financial statements of the Woodward HRT Pension Plan (Plan) as listed in the accompanying table of contents, as of December 31, 2014 and 2013 and for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on conducting the audit in accordance with auditing standards generally accepted in the United States of America. Because of the matters described in the Basis for Disclaimer of Opinion paragraph, however, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion.

Basis for Disclaimer of Opinion

As permitted by 29 CFR 2520.103-8 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974, the plan administrator instructed us not to perform, and we did not perform, any auditing procedures with respect to the information summarized in Note 5, which was certified by Vanguard Fiduciary Trust Company, the trustee of the Plan, except for comparing the information with the related information included in the financial statements and supplemental schedule. We have been informed by the plan administrator that the trustee holds the Plan's investment assets and executes investment transactions. The plan administrator has obtained a certification from the trustee as of and for the years ended December 31, 2014 and 2013, that the information provided to the plan administrator by the trustee is complete and accurate.

Disclaimer of Opinion

Because of the significance of the matters described in the Basis for Disclaimer of Opinion paragraph, we have not been able to obtain sufficient, appropriate audit evidence to provide a basis for an audit opinion. Accordingly, we do not express an opinion on the financial statements.

Other Matter

The supplemental schedule, as listed in the accompanying table of contents, is required by the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974 and is presented for the purpose of additional analysis and is not a required part of the financial statements. Because of the significance of the matters described in the Basis for Disclaimer of Opinion paragraph, we do not express an opinion on the supplemental schedule referred to above.

Report on Form and Content in Compliance With DOL Rules and Regulations

The form and content of the information included in the financial statements and supplemental schedule, other than that derived from the information certified by the trustee, have been audited by us in accordance with auditing standards generally accepted in the United States of America and, in our opinion, are presented in compliance with the department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974.

A handwritten signature in black ink that reads "Benny Group, LLC". The signature is written in a cursive, flowing style.

Rockford, Illinois
October 5, 2015

**WOODWARD
HRT PENSION PLAN**

Statements of Net Assets Available for Benefits

December 31, 2014 and 2013

	<u>2014</u>	<u>2013</u>
Assets:		
Cash	\$ 220,901	317,429
Investments at fair value	119,928,416	112,702,770
Employer contribution receivable	<u>—</u>	<u>—</u>
Total assets	120,149,317	113,020,199
Liabilities:		
Accrued administrative expenses	<u>33,186</u>	<u>33,091</u>
Net assets available for benefits	\$ <u>120,116,131</u>	<u>112,987,108</u>

The accompanying notes are an integral part of these financial statements.

**WOODWARD
HRT PENSION PLAN**

Statements of Changes in Net Assets Available for Benefits

For the Years Ended December 31, 2014 and 2013

	<u>2014</u>	<u>2013</u>
Additions to net assets attributed to:		
Investment income:		
Net appreciation in fair value of investments	\$ 6,024,665	11,425,072
Interest and dividends	<u>4,055,411</u>	<u>3,147,815</u>
	10,080,076	14,572,887
Investment expenses	<u>(109,438)</u>	<u>(109,625)</u>
Net investment income	9,970,638	14,463,262
Employer contributions	—	10,000,000
Transfers in	<u>—</u>	<u>206</u>
Total additions	<u>9,970,638</u>	<u>24,463,468</u>
Deductions from net assets attributed to:		
Benefits paid to participants	2,635,943	2,160,923
Administrative expenses	<u>205,672</u>	<u>135,058</u>
Total deductions	<u>2,841,615</u>	<u>2,295,981</u>
Increase in net assets available for benefits	7,129,023	22,167,487
Net assets available for benefits:		
Beginning of year	<u>112,987,108</u>	<u>90,819,621</u>
End of year	\$ <u>120,116,131</u>	<u>112,987,108</u>

The accompanying notes are an integral part of these financial statements.

WOODWARD
HRT PENSION PLAN
Statements of Accumulated Plan Benefits
January 1, 2014 and 2013

	<u>2014</u>	<u>2013</u>
Actuarial present value of accumulated plan benefits:		
Vested benefits:		
Participants currently receiving benefits	\$ 23,475,367	20,777,246
Other participants	<u>47,895,859</u>	<u>43,305,249</u>
	71,371,226	64,082,495
Nonvested benefits	<u>1,391,314</u>	<u>1,670,972</u>
Total actuarial present value of accumulated plan benefits	\$ <u>72,762,540</u>	<u>65,753,467</u>

The accompanying notes are an integral part of these financial statements.

**WOODWARD
HRT PENSION PLAN**

Statements of Changes in Accumulated Plan Benefits

For the Years Ended January 1, 2014 and 2013

	<u>2014</u>	<u>2013</u>
Actuarial present value of accumulated plan benefits at the beginning of the year	\$ 65,753,467	60,749,981
Increase during the year attributable to:		
Net benefits accumulated	2,559,253	2,809,135
Actuarial (gains) losses	(560,596)	(713,154)
Increase for interest due to decrease in the discount period	5,042,419	4,695,673
Benefits paid	(2,160,923)	(1,900,290)
Plan amendment	2,008,388	—
Change in actuarial assumptions	<u>120,532</u>	<u>112,122</u>
Net increase	<u>7,009,073</u>	<u>5,003,486</u>
Total actuarial present value of accumulated plan benefits at the end of the year	\$ <u>72,762,540</u>	<u>65,753,467</u>

The accompanying notes are an integral part of these financial statements.

**WOODWARD
HRT PENSION PLAN**

Notes to Financial Statements

December 31, 2014 and 2013

(1) Description of Plan

The following description of the Woodward HRT Pension Plan (Plan or Pension Plan) provides only general information. Participants should refer to the Plan document for a more complete description of the Plan's provisions.

(a) General

Effective February 27, 2009, Woodward, Inc. (Company) entered into an agreement with Textron, Inc. for the purchase, among other things, of the stock of HR Textron Inc. (HRT). In the agreement, the Company agreed to establish a tax-qualified defined benefit plan to provide benefits for, and assume the liabilities and assets attributable to, salaried employees, non-bargained hourly employees and those hourly employees covered by a collective bargaining agreement with the Union who were employed by HRT on April 3, 2009 and were participating in the Textron Master Retirement Plan as of such date. The HRT Pension Plan consists of the Master Provisions and Addendum A and B. Each addendum reflects a separate benefit structure applicable to participants covered by the addendum.

Addendum A reflects the portion of the Plan that contains provisions specific to the salaried and non-bargained hourly employees. Participants under the benefit structure of Addendum A are also automatically participants of the Woodward HRT Retirement Account Plan (RAP), a defined contribution plan in which the Company makes a contribution of 2% of eligible compensation on behalf of the participants each payroll period beginning on or after April 3, 2009. The RAP and the Pension Plan together are the Woodward HRT Retirement Program, which is designed to be a "floor-offset" arrangement. The Pension Plan formula that guarantees a minimum pension is called the "floor benefit". If the participant's RAP account balance, converted to a monthly single-life annuity, is more valuable than the floor benefit, participants receive their RAP account balance. If the participant's RAP account balance, converted to a monthly single-life annuity, is less valuable than the floor benefit, participants receive the floor benefit. The benefit from the RAP and the Pension Plan together will always be the greater of (a) the floor benefit or (b) the value in participant's account in the RAP.

Addendum B reflects the portion of the Plan that contains provisions specific to the employees who are for purposes of collective bargaining, represented by the Union. These employees are not participants in the RAP identified above.

Effective December 31, 2014, the Plan is amended to freeze future accruals for participants eligible under Addendum A.

**WOODWARD
HRT PENSION PLAN**

Notes to Financial Statements

(b) Pension Benefits

Addendum A

The monthly normal retirement pension available to a participant covered under Addendum A is the greater of the "floor benefit", which is (a) 1 1/3% of the participant's final average compensation multiplied by their credited service earned after December 31, 2006, (b) a minimum monthly benefit based on \$50 times the credited service earned after December 31, 2006 (but no more than five years of service), or (c) the value of their account balance in the RAP. Participants receiving an early or vested retirement pension before age 65 will have a portion of their benefit for service after December 31, 2006 that is paid from the Pension Plan (if any) reduced by 5/12% for each month or part thereof (5% per year) by which the participants Annuity Start Date precedes his 65th birthday. The benefit payment from the RAP will be converted to an actuarially equivalent single-life annuity. Although the RAP is converted to a single-life annuity, participants can still choose to receive their RAP in a lump sum or certain other annuity forms. A grandfathered employee shall be entitled to the greater of the monthly benefit, as described above, or the benefit they would have earned over their entire career if the formula that applied to them under the Textron Pension Plan had remained in effect. A participant is a grandfathered employee if, as of January 1, 2007 the participant was a covered employee of the Textron Pension Plan, had completed at least 5 years of vesting service (or reached age 60), and the sum of (a) age in completed years and (b) full years of vesting service under the Textron Pension Plan equaled 55 or more. On November 18, 2009 the Plan was amended to prohibit any new participants from receiving benefits under Addendum A on or after January 1, 2010.

Addendum B

Employees who have attained age 65 are entitled to a retirement benefit equal to the employee's credited service multiplied by \$44 if employment ended prior to April 19, 2010 and \$52 if employment ends after April 19, 2010. Early retirement benefits are reduced by 0.5% for each complete calendar month by which the employee is under age 62. Deferred vested retirement benefits are reduced by 0.5% for each complete calendar month by which the employee is under age 65. Disability retirement benefits are reduced by the employee's other disability benefits, if any.

Effective April 19, 2010 the Plan was amended to conform the benefits under Addendum B to the terms of the collective bargaining agreement with District Lodge 727-N, International Association of Machinists and Aerospace Workers for and on behalf of Local Lodge 758. For purposes of Addendum B, no person who was not an employee, as defined in the Plan agreement, on or before April 19,

**WOODWARD
HRT PENSION PLAN**

Notes to Financial Statements

2010 shall become an employee. The Plan was amended again in 2014 to increase the service multiplier to \$58 if employment ends on or after April 21, 2014.

(c) Death and Disability Benefits

Addendum A – Death benefit under the RAP

The RAP account balance of a participant that dies (a) while actively working for the Company or (b) after they stop working for the Company but before receiving their benefits, will be payable to a beneficiary designated by the participant. If the beneficiary is anyone other than a surviving spouse, the RAP account balance will be paid in a lump sum. If the beneficiary is a surviving spouse, the surviving spouse may elect a single-life annuity or a lump sum.

Addendum A – Death benefit under the Pension Plan

If the participant is unmarried and has satisfied the requirements to receive a normal or early retirement pension, they may elect a pre-pension survivor annuity. If a married participant dies while they are actively working, has a vested benefit under the Pension Plan, and dies before the Pension payment has begun, the surviving spouse will receive a pre-pension surviving spouse annuity.

If a participant dies after they stop working for the Company but before receiving their pension benefit and is (a) married, the surviving spouse will receive a pre-pension surviving spouse annuity or (b) unmarried, but were eligible to receive a normal or early retirement pension, the beneficiary will receive the pre-pension survivor annuity.

Addendum B

As soon as an employee is vested in retirement benefits under the Plan, the employee's surviving spouse will automatically be eligible to receive a pre-pension surviving spouse annuity if an employee dies before their benefits should begin to be paid. A surviving spouse annuity shall be paid monthly during the life of a surviving spouse beginning on the first day of the month (a) which next follows the date of the employee's death or (b) in which the earliest retirement date would have occurred but for his death, whichever is later.

An employee whose employment ends as a result of permanent and total disability after completing 10 years of vesting service shall be entitled to a disability retirement benefit until they attain age 65, at which time they shall be entitled to a normal retirement benefit.

**WOODWARD
HRT PENSION PLAN**

Notes to Financial Statements

(d) Vesting

Addendum A

Participants are fully vested in their RAP benefits after the completion of 3 years of vesting service, or attain age 60 prior to termination. Participants are eligible for benefits under the Pension Plan when they meet the following criteria. Participants who have attained age 65 are fully vested on attainment of age 65. A participant whose termination of employment occurs before their 65th birthday, but after their 55th birthday and after completion of at least 5 years of vesting service shall be entitled to an early retirement pension. A participant who was an HRT employee of the Textron Plan before January 1, 2007 and whose termination of employment occurs after they earn 20 years of vesting service, but before their 65th birthday, is also eligible for an early retirement pension regardless of their age. A participant who continues employment with the Company beyond the attainment of age 65 and who later retires is entitled to a delayed retirement pension. A participant whose termination from employment before they have become eligible for an early retirement pension but after completing at least 5 years of vesting service, is entitled to a fully vested retirement pension.

Addendum B

Employees who have attained age 65 are fully vested in their retirement benefits. An employee whose termination of employment occurs before their 65th birthday, but after their 55th birthday and after completion of at least 10 years of vesting service shall be entitled to an early retirement benefit. An employee whose employment ends after completion of 5 years of vesting service but before the participant becomes eligible for normal or early retirement benefits is entitled to a deferred vested retirement benefit.

(2) Summary of Significant Accounting Policies

(a) Basis of Accounting

The accompanying financial statements are prepared on the accrual basis of accounting.

(b) Date of Management's Review

Subsequent events were evaluated through October 5, 2015, which is the date the financial statements were available to be issued.

**WOODWARD
HRT PENSION PLAN**

Notes to Financial Statements

(c) Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires the plan administrator to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results may differ from those estimates.

(d) Investment Valuation and Income Recognition

Investments are reported at fair value. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. See Note 7 for discussion of fair value measurements.

Purchases and sales of securities are recorded on trade-date basis. Interest income is recorded on the accrual basis. Dividends are recorded on the ex-dividend date. Capital gains distributions are included in dividend income. Net appreciation (depreciation) includes the Plan's gains and losses on investments bought and sold as well as held during the year.

(e) Payment of Benefits

Benefits are recorded when paid.

(f) Administrative Expenses

Services provided by the trustee, actuarial and recordkeeping service providers are paid by the Plan. Certain administrative expenses, including functions performed by officers or employees of the Company, are incurred by the Company at no charge to the Plan.

(g) Actuarial Present Value of Accumulated Plan Benefits

Accumulated plan benefits are those future periodic payments, including lump sum distributions, which are attributable under the Plan's provisions to the service employees have rendered. Accumulated plan benefits include benefits expected to be paid to (a) retired or terminated employees or their beneficiaries, (b) beneficiaries of employees who have died, and (c) present employees or their beneficiaries. Benefits under the Plan are based on employees' compensation during their last five years ending on the date as of which the benefit information is presented (the valuation date). Benefits payable under all circumstances – retirement, death, disability, and termination of employment – are included, to the

WOODWARD HRT PENSION PLAN

Notes to Financial Statements

extent they are deemed attributable to employee service rendered to the valuation date. Benefits to be provided via annuity contracts excluded from plan assets are excluded from accumulated plan benefits.

The actuarial present value of accumulated plan benefits is determined by the Company's consulting actuaries and is the amount that results from applying actuarial assumptions to adjust the accumulated plan benefits to reflect the time value of money (through discounts for interest) and the probability of payment (by means of decrements such as for death, disability, withdrawal, or retirement) between the valuation date and the expected date of payment. The actuarial valuations are done using the beginning of the year method.

The significant actuarial assumptions used in the valuations as of January 1, 2014 and January 1, 2013 are (a) the prescribed mortality assumption under IRC 430(h)(3)(A) using static tables with separate mortality rates for annuitants and non-annuitants, (b) retirement age assumptions which ranged from ages 55 to 70, (c) annual compensation increases of 3.5% in 2014 and 2013 (d) discount rates of 7.50% in 2014 and 2013, and (e) the assumed plan-related expenses added to the target normal cost were changed from \$303,000 for 2013 to \$396,000 for 2014. The foregoing actuarial assumptions are based on the presumption that the Plan will continue. Were the Plan to terminate, different actuarial assumptions and other factors might be applicable in determining the actuarial present value of accumulated plan benefits.

The American Institute of Certified Public Accountants recently released guidance suggesting plan obligations reported for plan accounting purposes (ASC 960 valuations) should consider the recently updated mortality tables (RP-2014 tables, which are being used for ASC 715 accounting purposes). The Plan's consulting actuary estimates such a change would increase the reported pension benefit obligations by approximately 2.2% as of the January 1, 2014 valuation date.

(3) Funding Policy

Annual contributions are made by the Company in amounts determined with the assistance of the actuary to fund benefits to be paid to Plan participants. The Company intends to contribute to the Plan no less than the minimum amount required to satisfy the minimum funding standards of the Internal Revenue Code. The Company contributions for the year and period ended December 31, 2014 and 2013, respectively, satisfied the minimum funding requirements of ERISA.

**WOODWARD
HRT PENSION PLAN**

Notes to Financial Statements

(4) Plan Termination

Although it has not expressed any intention to do so, the Company has the right under the Plan to terminate the Plan subject to the provisions set forth in ERISA.

In the event the Plan terminates, the net assets of the Plan will be allocated, as prescribed by ERISA and its related regulations, generally to provide the following benefits in the order indicated:

- a. Annuity benefits that former employees or their beneficiaries have been receiving for at least three years, or that employees eligible to retire for that three-year period would have been receiving if they had retired with benefits in the normal form of annuity under the Plan. The priority amount is limited to the lowest benefit that was payable (or would have been payable) during those three years. The amount is further limited to the lowest benefit that would be payable under Plan provisions in effect at any time during the five years preceding Plan termination.
- b. Other vested benefits insured by the Pension Benefit Guarantee Corporation (PBGC), a U.S. Government Agency, up to the applicable limitations discussed below.
- c. All other vested benefits not insured by the PBGC.
- d. All nonvested benefits.

Certain benefits under the Plan are insured by the PBGC if the Plan terminates. Generally, the PBGC guarantees most vested normal age retirement benefits, early retirement benefits, and certain disability and survivor's pensions. However, the PBGC does not guarantee all types of benefits under the Plan, and the amount of benefit protection is subject to certain limitations. Vested benefits under the Plan are guaranteed at the level in effect on the date of the Plan's termination. However, there is a statutory ceiling on the amount of an individual's monthly benefit that the PBGC guarantees. The ceiling is periodically adjusted by the PBGC and was \$4,943 per month for plan terminations occurring in 2014.

That ceiling applies to those pensioners who elect to receive their benefits in the form of a single-life annuity and are at least 65 years old at the time of retirement or plan termination, whichever comes later. For younger annuitants or for those who elect to receive their benefits in some form more valuable than a single-life annuity, the corresponding ceilings are actuarially adjusted downward.

Whether all participants receive their benefits should the Plan terminate at some future time will depend on the sufficiency, at that time, of the Plan's net assets to

**WOODWARD
HRT PENSION PLAN**

Notes to Financial Statements

provide for accumulated benefit obligations and may also depend on the financial condition of the Company and the level of benefits guaranteed by the PBGC.

(5) Certification of Financial Information

The following financial data included in the accompanying financial statements and supplemental schedule has been certified as complete and accurate by the Vanguard Fiduciary Trust Company, the trustee, and has not been audited by the independent auditors for the Plan: investments at fair value, interest and dividend income and net appreciation/depreciation in fair value of investments.

(6) Investments (Unaudited, Certified by Trustee)

The individual investments which represent 5% or more of the Plan's net assets as of December 31 are as follows:

	<u>2014</u>	<u>2013</u>
Vanguard Long-Term		
Inv-Grade Fund Admiral	\$ 43,619,119	37,774,454
Vanguard Total Stock		
Market Index Fund	44,977,956	40,903,253
Vanguard International		
Growth Fund Admiral	31,331,341	34,025,063

During the years ended December 31, 2014 and 2013, the plan's investments in mutual funds (including gains and losses on investments bought and sold, as well as held during the year) appreciated \$6,024,665 and \$11,425,072 in 2014 and 2013, respectively.

(7) Fair Value Measurements

The Plan's investments are reported at fair value in the accompanying statement of net assets available for benefits. The methods used to measure fair value may produce an amount that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although the Plan believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

The fair value measurements authoritative literature establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy consists of three broad levels: Level 1 inputs consist of unadjusted quoted

**WOODWARD
HRT PENSION PLAN**

Notes to Financial Statements

prices in active markets for identical assets and have the highest priority, Level 2 inputs consist of observable inputs other than quoted prices for identical assets, and Level 3 inputs are unobservable and have the lowest priority. The Plan uses appropriate valuation techniques based on the available inputs to measure the fair value of its investments.

When available, the Plan measures fair value using Level 1 inputs because they generally provide the most reliable evidence of fair value. Level 3 inputs were used only when Level 1 or Level 2 inputs were not available.

At December 31, 2014 and 2013 the plan's assets consisted of mutual funds which were all considered Level 1 assets.

The following table sets forth the Plan's assets at fair value – valued using quoted prices in active markets for identical assets as of December 31, 2014 and 2013:

<u>December 31, 2014</u>	<u>Fair Value</u>
Mutual funds:	
Fixed income	\$ 43,619,119
Domestic equity	44,977,956
International equity	<u>31,331,341</u>
Total assets at fair value	<u>\$ 119,928,416</u>
<u>December 31, 2013</u>	<u>Fair Value</u>
Mutual funds:	
Fixed income	37,774,454
Domestic equity	40,903,253
International equity	<u>34,025,063</u>
Total assets at fair value	<u>\$ 112,702,770</u>

(8) Related Party Transactions

Certain Plan investments are shares of mutual funds managed by and sold through affiliates of Vanguard Fiduciary Trust Company (Vanguard). Vanguard is the Trustee as defined by the Plan and, therefore, these transactions qualify as party-in-interest transactions. Certain administrative expenses, including functions performed by officers or employees of the Company, are incurred by the Company at no charge to the Plan.

**WOODWARD
HRT PENSION PLAN**

Notes to Financial Statements

(9) Tax Status

The Internal Revenue Service has determined and informed the Company by a letter dated November 21, 2011, that the Plan is designed in accordance with applicable sections of the Internal Revenue Code (IRC). The Plan administrator believes the Plan is no longer subject to income tax examinations for years prior to 2011.

(10) Risks and Uncertainties

The Plan invests in various investment securities. Investment securities are exposed to various risks such as interest rate, market, and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible changes in the value of investment securities will occur in the near term and such changes could materially affect the amounts reported in the statement of net assets available for benefits.

Plan contributions are made and the actuarial present value of accumulated plan benefits are reported based on certain assumptions pertaining to interest rates, inflation rates, and employee demographics, all of which are subject to change. Due to uncertainties inherent in the estimations and assumptions process, it is at least reasonably possible that changes in these estimates and assumptions in the near term would be material to the financial statements.

**WOODWARD
HRT PENSION PLAN**

EIN #36-1984010 Plan #006

Schedule H, Line 4(i) – Schedule of Assets (Held at End of Year)

December 31, 2014

(a)	(b)	(c)	(d)	(e)
	<u>Identity of Issuer</u>	<u>Description of Investment</u>	<u>Cost</u>	<u>Current Value</u>
*	The Vanguard Group	Vanguard Cash Account	\$ 220,901	220,901
*	The Vanguard Group	Vanguard Long-Term Inv-Grade Fund Admiral Mutual Fund	39,522,327	43,619,119
*	The Vanguard Group	Vanguard Total Stock Market Index Fund Mutual Fund	24,180,004	44,977,956
*	The Vanguard Group	Vanguard International Growth Fund Admiral Mutual Fund	<u>26,998,209</u>	<u>31,331,341</u>
			\$ <u>90,921,441</u>	<u>120,149,317</u>

* Denotes party in interest

**WOODWARD GOVERNOR COMPANY
HRT PENSION PLAN**

EIN #36-1984010 Plan #006

Schedule H, Line 4(j) – Schedule of Reportable (5%) Transactions

December 31, 2014

(a)	(b)	(c)	(d)	(g)	(h)	(i)
<u>Identity of Party Involved</u>	<u>Description of asset</u>	<u>Purchase Price</u>	<u>Selling Price</u>	<u>Cost of Asset</u>	<u>Current Value of Asset on Transaction Date</u>	<u>Net Gain or (Loss)</u>
* The Vanguard Group	Vanguard Long-Term Inv-Grade Fund Registered Investment Company	\$ —	—	—	—	—

N/A - none reported at HRT A.1.1

* Denotes party in interest

Form 5500

Department of the Treasury
Internal Revenue Service

Department of Labor
Employee Benefits Security
Administration

Pension Benefit Guaranty Corporation

Annual Return/Report of Employee Benefit Plan

This form is required to be filed for employee benefit plans under sections 104 and 4065 of the Employee Retirement Income Security Act of 1974 (ERISA) and sections 6047(e), 6047(b), and 6058(a) of the Internal Revenue Code (the Code).

► **Complete all entries in accordance with the instructions to the Form 5500.**

OMB Nos. 1210 - 0110
1210 - 0089

2014

This Form is Open to Public Inspection

Part I Annual Report Identification Information

For calendar plan year 2014 or fiscal plan year beginning

and ending

A This return/report is for:

☐
☒

a multiemployer plan;
a single-employer plan:

☐
☐

a multiple-employer plan; or
a DFE (specify) _____

B This return/report is:

☐
☐

the first return/report;
an amended return/report;

☐
☐

the final return/report;
a short plan year return/report (less than 12 months).

C If the plan is a collectively-bargained plan, check here

D Check box if filing under:

☒
☐

Form 5558;
special extension (enter description)

☐
☐

automatic extension; the DFVC program;

Part II Basic Plan Information—enter all requested information

1a Name of plan

WOODWARD HRT PENSION PLAN

1b Three-digit plan number (PN) ►

006

1c Effective date of plan
04/03/2009

2a Plan sponsor's name and address; including room or suite number (employer, if for a single-employer plan)

WOODWARD, INC.

PO BOX 7001

SEE STATEMENT

ROCKFORD

IL 61125-7001

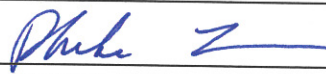
2b Employer Identification Number (EIN)
36-1984010

2c Sponsor's telephone number
815-877-7441

2d Business code (see instructions)
339900

Caution: A penalty for the late or incomplete filing of this return/report will be assessed unless reasonable cause is established.

Under penalties of perjury and other penalties set forth in the instructions, I declare that I have examined this return/report, including accompanying schedules, statements and attachments, as well as the electronic version of this return/report, and to the best of my knowledge and belief, it is true, correct, and complete.

SIGN HERE		10/12/2015	PHOEBE LARSON
	Signature of plan administrator	Date	Enter name of individual signing as plan administrator
SIGN HERE			
	Signature of employer/plan sponsor	Date	Enter name of individual signing as employer or plan sponsor
SIGN HERE			
	Signature of DFE	Date	Enter name of individual signing as DFE
Preparer's name (including firm name, if applicable) and address; include room or suite number. (optional)			Preparer's telephone number (optional)

For Paperwork Reduction Act Notice and OMB Control Numbers, see the instructions for Form 5500.

Form 5500 (2014)

**SCHEDULE SB
(Form 5500)**Department of the Treasury
Internal Revenue ServiceDepartment of Labor
Employee Benefits Security Administration
Pension Benefit Guaranty Corporation**Single-Employer Defined Benefit Plan
Actuarial Information**

This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA) and section 6059 of the Internal Revenue Code (the Code).

► **File as an attachment to Form 5500 or 5500-SF.**

OMB No. 1210-0110

2014**This Form is Open to Public
Inspection**

For calendar plan year 2014 or fiscal plan year beginning and ending

► **Round off amounts to nearest dollar.**► **Caution:** A penalty of \$1,000 will be assessed for late filing of this report unless reasonable cause is established.**A** Name of plan**WOODWARD HRT PENSION PLAN****B** Three-digit
plan number (PN) ►**006****C** Plan sponsor's name as shown on line 2a of Form 5500 or 5500-SF**WOODWARD, INC.****D** Employer Identification Number (EIN)**36-1984010****E** Type of plan:☒ Single☐ Multiple-A☐ Multiple-B**F** Prior year plan size:☐ 100 or fewer☐ 101-500☒ More than 500**Part I Basic Information****1** Enter the valuation date: Month **01** Day **01** Year **2014****2** Assets:**a** Market value**2a** **113,020,199****b** Actuarial value**2b** **105,321,517****3** Funding target/participant count breakdown(1) Number of
participants(2) Vested Funding
Target(3) Total Funding
Target**a** For retired participants and beneficiaries receiving payment**128****25,749,869****25,749,869****b** For terminated vested participants**110****6,430,981****6,430,981****c** For active participants**538****47,652,012****49,217,686****d** Total**776****79,832,862****81,398,536****4** If the plan is in at-risk status, check the box and complete lines (a) and (b) ☐**a** Funding target disregarding prescribed at-risk assumptions**4a****b** Funding target reflecting at-risk assumptions, but disregarding transition rule for plans that have been in
at-risk status for fewer than five consecutive years and disregarding loading factor**4b****5** Effective interest rate**5****6.52 %****6** Target normal cost**6****3018626****Statement by Enrolled Actuary**

To the best of my knowledge, the information supplied in this schedule and accompanying schedules, statements and attachments, if any, is complete and accurate. Each prescribed assumption was applied in accordance with applicable law and regulations. In my opinion, each other assumption is reasonable (taking into account the experience of the plan and reasonable expectations) and such other assumptions, in combination, offer my best estimate of anticipated experience under the plan.

**SIGN
HERE***John Alderson**JTA*

Signature of actuary

JOHN T. ALDERSON

Type or print name of actuary

TOWERS WATSON DELAWARE INC.

Firm name

**101 SOUTH HANLEY ROAD
SUITE 900
ST. LOUIS****MO 63105-3437**

Address of the firm

10/14/2015

Date

14-07894

Most recent enrollment number

314-719-5900

Telephone number (including area code)

If the actuary has not fully reflected any regulation or ruling promulgated under the statute in completing this schedule, check the box and see instructions ☐

For Paperwork Reduction Act Notice and OMB Control Numbers, see the instructions for Form 5500 or 5500-SF.

Schedule SB (Form 5500) 2014

Part II Beginning of Year Carryover Prefunding Balances

	(a) Carryover balance	(b) Prefunding balance
7 Balance at beginning of prior year after applicable adjustments (line 13 from prior year)		6,000,811
8 Portion elected for use to offset prior year's funding requirement (line 35 from prior year)		
9 Amount remaining (line 7 minus line 8)		6,000,811
10 Interest on line 9 using prior year's actual return of 16.02 %		961,330
11 Prior year's excess contributions to be added to prefunding balance:		
a Present value of excess contributions (line 38a from prior year)		9,550,391
b(1) Interest on the excess, if any, of line 38a over line 38b from prior year Schedule SB, using prior year's effective interest rate of 6.35 %		606,450
b(2) Interest on line 38b from prior year Schedule SB, using prior year's actual return		
c Total available at beginning of current plan year to add to prefunding balance		10,156,841
d Portion of (c) to be added to prefunding balance		
12 Other reductions in balances due to elections or deemed elections		
13 Balance at beginning of current year (line 9 + line 10 + line 11d - line 12)		6,962,141

Part III Funding Percentages

14 Funding target attainment percentage	14	120.83 %
15 Adjusted funding target attainment percentage	15	129.38 %
16 Prior year's funding percentage for purposes of determining whether carryover/prefunding balances may be used to reduce current year's funding requirement	16	108.13 %
17 If the current value of the assets of the plan is less than 70 percent of the funding target, enter such percentage	17	%

Part IV Contributions and Liquidity Shortfalls**18** Contributions made to the plan for the plan year by employer(s) and employees:

(a) Date (MM-DD-YYYY)	(b) Amount paid by employer(s)	(c) Amount paid by employees	(a) Date (MM-DD-YYYY)	(b) Amount paid by employer(s)	(c) Amount paid by employees
Totals ▶ 18(b)			18(c)		

19 Discounted employer contributions — see instructions for small plan with a valuation date after the beginning of the year:

a Contributions allocated toward unpaid minimum required contributions from prior years.	19a	
b Contributions made to avoid restrictions adjusted to valuation date	19b	
c Contributions allocated toward minimum required contribution for current year adjusted to valuation date	19c	0

20 Quarterly contributions and liquidity shortfalls:

a Did the plan have a "funding shortfall" for the prior year?	Yes	☒ No
b If line 20a is "Yes," were required quarterly installments for the current year made in a timely manner?	Yes	No
c If line 20a is "Yes," see instructions and complete the following table as applicable:		

Liquidity shortfall as of end of quarter of this plan year

(1) 1st	(2) 2nd	(3) 3rd	(4) 4th

Part V Assumptions Used to Determine Funding Target and Target Normal Cost

21 Discount rate:				
a Segment rates:	1st segment: 4.99 %	2nd segment: 6.32 %	3rd segment: 6.99 %	☐ N/A, full yield curve used
b Applicable month (enter code)				21b 0
22 Weighted average retirement age				22 63
23 Mortality table(s) (see instructions)	Prescribed - combined	☒ Prescribed - separate	Substitute	

Part VI Miscellaneous Items

24 Has a change been made in the non-prescribed actuarial assumptions for the current plan year? If "Yes," see instructions regarding required attachment.	☒ Yes	☐ No
25 Has a method change been made for the current plan year? If "Yes," see instructions regarding required attachment.	☐ Yes	☒ No
26 Is the plan required to provide a Schedule of Active Participants? If "Yes," see instructions regarding required attachment	☒ Yes	☐ No
27 If the plan is subject to alternative funding rules, enter applicable code and see instructions regarding attachment	27	

Part VII Reconciliation of Unpaid Minimum Required Contributions For Prior Years

28 Unpaid minimum required contributions for all prior years	28
29 Discounted employer contributions allocated toward unpaid minimum required contributions from prior years (line 19a)	29
30 Remaining amount of unpaid minimum required contributions (line 28 minus line 29)	30

Part VIII Minimum Required Contribution For Current Year

31 Target normal cost and excess assets (see instructions):			
a Target normal cost (line 6)	31a	3018626	
b Excess assets, if applicable, but not greater than line 31a	31b	3018626	
32 Amortization installments:	Outstanding Balance	Installment	
a Net shortfall amortization installment	0	0	
b Waiver amortization installment	0	0	
33 If a waiver has been approved for this plan year, enter the date of the ruling letter granting the approval (Month Day Year) and the waived amount	33		
34 Total funding requirement before reflecting carryover/prefunding balances (lines 31a - 31b + 32a + 32b - 33)	34		
	Carryover balance	Prefunding balance	Total balance
35 Balances elected for use to offset funding requirement			
36 Additional cash requirement (line 34 minus line 35)	36		
37 Contributions allocated toward minimum required contribution for current year adjusted to valuation date (line 19c)	37	0	
38 Present value of excess contributions for current year (see instructions)			
a Total (excess, if any, of line 37 over line 36)	38a	0	
b Portion included in line 38a attributable to use of prefunding and funding standard carryover balances	38b		
39 Unpaid minimum required contribution for current year (excess, if any, of line 36 over line 37)	39	0	
40 Unpaid minimum required contributions for all years	40	0	

Part IX Pension Funding Relief Under Pension Relief Act of 2010 (See Instructions)

41 If an election was made to use PRA 2010 funding relief for this plan:				
a Schedule elected	2 plus 7 years		15 years	
b Eligible plan year(s) for which the election in line 41a was made	2008	2009	2010	2011
42 Amount of acceleration adjustment	42			
43 Excess installment acceleration amount to be carried over to future plan years	43			

SCHEDULE SB ATTACHMENTS

Schedule SB, Line 22 Description of Weighted Average Retirement Age as of January 1, 2014

The average retirement age for Line 22 was calculated by creating a hypothetical life table with retirement as the only decrement, and then computing the average retirement age for the table.

x	q_x^r	l_x	${}_{x-55}p_{55} = l_x / l_{55}$	$q_x^r * l_x / l_{55}$	$x * q_x^r * l_x / l_{55}$
55	0.03	1,000,000	1.000000	0.030000	1.650000
56	0.03	970,000	0.970000	0.029100	1.629600
57	0.03	940,900	0.940900	0.028227	1.608939
58	0.03	912,673	0.912673	0.027380	1.588051
59	0.03	885,293	0.885293	0.026559	1.566968
60	0.06	858,734	0.858734	0.051524	3.091442
61	0.06	807,210	0.807210	0.048433	2.954389
62	0.45	758,777	0.758777	0.341450	21.169889
63	0.15	417,328	0.417328	0.062599	3.943745
64	0.15	354,728	0.354728	0.053209	3.405393
65	0.45	301,519	0.301519	0.135684	8.819436
66	0.20	165,836	0.165836	0.033167	2.189029
67	0.20	132,668	0.132668	0.026534	1.777757
68	0.20	106,135	0.106135	0.021227	1.443433
69	0.20	84,908	0.084908	0.016982	1.171728
70	1.00	67,926	0.067926	0.067926	4.754837
Average age at retirement					62.764635

Rounded for Schedule SB item 22

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 Plan Sponsor: Woodward, Inc.
 Valuation Date: January 1, 2014

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Schedule SB, Line 24
Change in Actuarial Assumptions
as of January 1, 2014

The assumed plan-related expenses added to the target normal cost were changed from \$303,000 for 2013 to \$396,000 for 2014.

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EIN / PN: 36-1984010 / 006
Plan Sponsor: Woodward, Inc.
Valuation Date: January 1, 2014

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Schedule SB, Line 26 Schedule of Active Participant Data as of January 1, 2014

Attained Age	Years of Credited Service																			
	Under 1		1 to 4		5 to 9		10 to 14		15 to 19		20 to 24		25 to 29		30 to 34		35 to 39		40 & Over	
	No.	Avg. Comp.	No.	Avg. Comp.	No.	Avg. Comp.	No.	Avg. Comp.	No.	Avg. Comp.	No.	Avg. Comp.	No.	Avg. Comp.	No.	Avg. Comp.	No.	Avg. Comp.	No.	Avg. Comp.
Under 25	1		0		0		0		0		0		0		0		0		0	
25 - 29	0		2		12		0		0		0		0		0		0		0	
30 - 34	0		2		28		6		0		0		0		0		0		0	
35 - 39	0		2		19		10		2		0		0		0		0		0	
40 - 44	1		2		20		14		5		1		0		0		0		0	
45 - 49	0		2		25		21		5		5		3		0		0		0	
50 - 54	0		5		27		21		19		10		9		7		1		0	
55 - 59	0		3		27		28		14		16		19		17		6		1	
60 - 64	0		2		20		15		13		6		9		6		8		2	
65 - 69	0		0		5		4		6		4		2		5		5		2	
70 & Over	0		0		2		0		1		1		1		0		0		1	

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 Plan Sponsor: Woodward, Inc.
 Valuation Date: January 1, 2014

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Schedule SB – Statement by Enrolled Actuary

Plan Sponsor	Woodward, Inc.
EIN/PN	36-1984010/006
Plan Name	Woodward HRT Pension Plan
Valuation Date	January 1, 2014
Enrolled Actuary	John T. Alderson
Enrollment Number	14-07894

The actuarial assumptions that are not mandated by IRC § 430 and regulations, represent the enrolled actuary's best estimate of anticipated experience under the plan, subject to the following conditions:

The actuarial valuation, on which the information in this Schedule SB is based, has been prepared in reliance upon the employee and financial data furnished by the plan administrator and the trustee. The enrolled actuary has not made a rigorous check of the accuracy of this information but has accepted it after reviewing it and concluding it is reasonable in relation to similar information furnished in previous years. The amounts of contributions and dates paid shown in Item 18 of Schedule SB were listed in reliance on information provided by the plan administrator and/or trustee.

SCHEDULE SB ATTACHMENTS

Schedule SB, Part V Statement of Actuarial Assumptions/Methods

Plan sponsor

Woodward, Inc.

EIN/PN

36-1984010/006

Economic Assumptions

Interest rate basis:

- | | |
|-----------------------|-----------------|
| • Applicable month | January |
| • Interest rate basis | 3-Segment Rates |

Interest rates:

	Reflecting Corridors	Not Reflecting Corridors
• First segment rate	4.99%	1.25%
• Second segment rate	6.32%	4.06%
• Third segment rate	6.99%	5.08%
• Effective interest rate	6.52%	4.42%

Assumed cost of living adjustments

None.

Inclusion date

The valuation date coincident with or next following the date on which the employee becomes a participant.

Plan-related expenses

The amount included this year for plan-related expenses is \$396,000.

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Mortality

For all participants: The prescribed mortality assumption under IRC §430(h)(3)(A) using static tables with separate mortality rates for annuitants and non-annuitants.

Retirement

For purposes of determining the Funding Target and Target Normal Cost (both disregarding at-risk assumptions), the rates at which participants retire by age and gender are shown below.

Percentage retiring during the year		
Age	Males	Females
55	3%	3%
56	3%	3%
57	3%	3%
58	3%	3%
59	3%	3%
60	6%	6%
61	6%	6%
62	45%	45%
63	15%	15%
64	15%	15%
65	45%	45%
66	20%	20%
67	20%	20%
68	20%	20%
69	20%	20%
70	100%	100%

Disability rates

None assumed.

Compensation increases

3.50%

Future increases in Social Security

National Average Wage Index: 3.0%
Consumer Price Index: 2.5%

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Future increases in maximum benefits and plan compensation limitations

Accrued benefits projected to be paid in future years are limited to the maximum presently allowed under IRC §415. Plan compensation is limited to the maximum presently allowed under IRC §401(a)(17). No provision is made for future increases in the maximum annual benefit or compensation limit.

Representative termination rates (per 100 employees) not due to disability, retirement or mortality

Attained Age	Male Salaried	Female Salaried	Male Hourly	Female Hourly
20	7.4%	12.4%	14.9%	24.9%
25	4.9%	7.4%	9.9%	14.9%
30	3.4%	4.9%	6.9%	9.9%
35	2.4%	3.4%	4.9%	6.9%
40	1.3%	2.4%	2.8%	4.9%
45	0.7%	1.3%	1.6%	2.8%
50	0.0%	0.7%	0.4%	1.6%
55	0.0%	0.0%	0.0%	0.4%

Form of payment

Participants are assumed to elect a single life annuity. The normal form of payment for married participants is an actuarially equivalent 50% Joint and Survivor Annuity.

Marriage

For purposes of valuing the pre-retirement surviving spouse's benefit, 80% of eligible participants are assumed to be married and male spouses are assumed to be 3 years older than female spouses.

Employees

It was assumed there will be no new or rehired employees.

Plan compensation

Plan Compensation is earnings provided by the employer for the prior year adjusted by one-half of the compensation increase rate. Plan Compensation is actual gross earnings during the prior plan year, annualized for participants who did not work a full year.

Timing of benefit payments

Annuity payments are payable monthly at the beginning of the month and lump sum payments are payable on date of decrement.

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Valuation date

First day of plan year.

Funding target

Present value of accrued benefits.

Target normal cost

Present value of benefits expected to accrue during the plan year plus plan-related expenses expected to be paid from plan assets during the plan year.

Actuarial value of assets

Average of the fair market value of assets on the valuation date and the two immediately preceding valuation dates, adjusted for contributions, benefits, administrative expenses and expected earnings (with such expected earnings limited as described in IRS Notice 2009-22). The average asset value must be within 10% of market value, including discounted contributions receivable (discounted using the effective interest rate for the 2013 plan year.)

The method of computing the actuarial value of assets complies with rules governing the calculation of such values under the Pension Protection Act of 2006 (PPA). These rules produce smoothed values that reflect the underlying market value of plan assets but fluctuate less than the market value. As a result, the actuarial value of assets will be lower than the market value in some years and greater in other years. However, over the long term under PPA's smoothing rules, the method has a significant bias to produce an actuarial value of assets that is below the market value of assets.

Participant data

Employee data was supplied by Vanguard at the direction of Woodward, Inc. on electronic files as of the valuation date.

Benefits not valued

All benefits described in the Plan Provisions section of this report were valued based on discussions with Woodward, Inc. regarding the likelihood that these benefits will be paid. Towers Watson has reviewed the plan provisions with Woodward, Inc. and, based on that review, is not aware of any significant benefits required to be valued that were not.

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Changes in assumptions and methods since last actuarial valuation

In addition to the prescribed changes in the discount rate and mortality, the following other changes in assumptions were made as part of this valuation:

- The assumed plan-related expenses added to the target normal cost were changed from \$303,000 for 2013 to \$396,000 for 2014.

Plan Name: Woodward HRT Pension Plan
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Schedule SB, Part V Summary of Plan Provisions

Plan Sponsor

Woodward, Inc.

Plan

Woodward HRT Pension Plan

Effective date and most recent amendment

The plan was originally effective April 3, 2009. The most recent amendment was Amendment Number 7, which was effective April 21, 2014.

Plan year

The twelve-month period ending December 31.

Coverage and participation

An employee becomes eligible to participant on the day he is hired if he is expected to work at least 1,000 hours in the first twelve (12) months of employment. Otherwise, an employee becomes eligible to participate at the end of the first twelve (12) month period or calendar year he completes 1,000 hours. Bargained and Non-bargained employees must be hired before April 19, 2010 and January 1, 2010, respectively, to be eligible for participation.

Credited service

Salaried:

The sum of:

1. Credited Service as of April 3, 2009 under the prior plan; and
2. Years and fractions of a year in completed months after April 3, 2009 under this plan.

Hourly:

The sum of:

1. Credited Service through December 31, 2008 under the prior plan;
2. For each calendar year after December 31, 2008 one year if at least 1,800 hours are worked; and
3. For each calendar year (including 2009) in which less than 1,800 hours are worked, a fraction equal to the actual hours worked divided by 1,800 rounded to nearest tenth.

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Vesting service

Salaried:

The sum of:

1. Years and fractions of a year in completed months under the prior plan through April 3, 2009; and
2. Years and fractions of a year in completed months after April 3, 2009 under this plan.

Hourly:

The sum of:

1. Vesting service through December 31, 2008 under the prior plan; and
2. For each calendar year after December 31, 2008 one year if at least 1,000 hours are worked.

Grandfathered status

Certain salaried participants are deemed to be Grandfathered if as of January 1, 2007 (i) he has attained age 60 or completed 5 years of Vesting Service and (ii) the sum of the Member's attained age as of January 1, 2007 and completed whole years of Vesting Service as of January 1, 2007 equals or exceeds 55.

Compensation base

For a salaried participant, this is the average annual Compensation for the five consecutive calendar years during which his average annual Compensation was the highest. Compensation is defined as wages by Section 3401(a) of the Code. Certain exclusions and inclusions apply as described in the document.

Covered compensation

82.5% of the amount determined by averaging the contribution and benefit bases in effect under Section 230 of the Social Security Act for each year in the 35-year period ending in the calendar year in which the participant terminates.

Retirement account

This is an amount from an Offset Plan that was transferred to this Plan. This amount is converted to an age 65 annuity using the actuarial equivalence defined in Addendum A of the Plan.

Normal retirement benefit

Normal Retirement Date: First of the month following attainment of age 65.

Benefit Formula: *Salaried Non-Grandfathered::*
The maximum of a+b and c:
a. One-twelfth (1/12) of the sum of:

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- (i) 1.5% of the participant's Compensation Base in excess of Covered Compensation multiplied by the participant's credited service as of 12/31/2006;
 - (ii) 1.0% of the participant's Compensation Base not in excess of Covered Compensation multiplied by the participant's credited service as of 12/31/2006;
- plus
- b. The excess, if any, of:
 - (i) 1-1/3% of the participant's Compensation Base, divided by 12, and multiplied by the participant's credited service earned after 12/31/2006
 - (ii) the participant's Retirement Account, expressed as an Actuarially Equivalent single-life annuity commencing upon the participant's Normal Retirement Date
- c. \$50 times a Member's Credited Service to a maximum of five (5) years of Credited Service, with any portion of such amount that is attributable to Credited Service after December 31, 2006 being offset (but not reduced below zero) by the amount payable from the Retirement Account.

Salaried Grandfathered:

The maximum of d and the Non-Grandfathered Salaried formula above:

- d. One-twelfth (1/12) of the sum of:
 - (i) 1.5% of the participant's Compensation Base in excess of Covered Compensation multiplied by the participant's credited service as of termination;
 - (ii) 1.0% of the participant's Compensation Base not in excess of Covered Compensation multiplied by the participant's credited service as of termination

provided that the monthly normal retirement pension attributable to Credited Service earned after December 31, 2006 shall be reduced (but not to less than zero) by the amount payable from the Retirement Account.

In determining the number of years of credited service for part (a) and (d), the total years of credited service from original date of hire to December 31, 2006 cannot exceed 35 years.

Hourly:

\$58 multiplied by the participant's years of credited service.

Normal Form of Benefit: 50% Joint and Surviving Spouse Annuity, if married as of Annuity Starting Date; or a Single-Life Annuity if not married as of Annuity Starting Date

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Early retirement benefit

Eligibility: *Salaried:*
Earlier of:
i) Age 55 and 5 years of Vesting Service
ii) Age 60
iii) 20 years of Vesting Service

Hourly:
Age 55 and 10 years of Vesting Service

Benefit: *Salaried:*
Reduction factors depend on benefit formula and service period
i) Grandfathered and other pre-2007 benefits are multiplied by the appropriate factor as set forth in Table A or Table B of the plan document, whichever is appropriate;
ii) Non-Grandfathered Post-2007 benefits are reduced by 5/12 of 1% for each month or part of month by which the participant's Annuity Starting Date precedes the participant's 65th birthday

Hourly:
The participant's Normal Retirement Benefit reduced by one-half of one-percent for each complete calendar month by which the participant is under age 62

Death benefits for participants in active service

Eligibility: Benefit cannot commence prior to the deceased employee's earliest eligible benefit commencement date.

Benefit: 50% Joint and Survivor amount payable to surviving spouse for the remainder of his/her life.

Optional forms of retirement income in lieu of normal form

Benefits can be paid as a single-life annuity, as a 50% joint and surviving annuity, as a 75% joint and surviving annuity, or as a 100% joint and surviving annuity for both salaried and hourly participants.

Plan participants' contributions

They are not required or permitted.

Maximum on benefits and pay

All benefits and pay for any calendar year may not exceed the maximum limitations for that year as defined in the Internal Revenue Code. The plan provides for increasing the dollar limits automatically as such changes become effective. Increases in the dollar limits are assumed for determining pension cost but not for determining contributions.

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Future plan changes

No future plan changes were recognized in determining pension cost or in determining minimum and maximum contributions. Towers Watson is not aware of any future plan changes which are required to be reflected other than scheduled pension increases contained in the Collective Bargaining Agreement.

Changes in plan provisions since last actuarial valuation

For bargained participants, the benefit formula was changed from \$52 multiplied by the participant's years of credited service to \$58 multiplied by the participant's years of credited service.

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Sponsor Name:	Woodward, Inc.
Valuation Date:	January 1, 2014

PARTY IN INTEREST - X
IDENTITY - The Vanguard Group
DESCRIPTION - Cash Account
COST - 220901
CURRENT VALUE - 220901

PARTY IN INTEREST - X
IDENTITY - The Vanguard Group
DESCRIPTION - LT Inv-Grade Fd Adm
COST - 39522327
CURRENT VALUE - 43619119

PARTY IN INTEREST - X
IDENTITY - The Vanguard Group
DESCRIPTION - Total Stock Mkt Ind
COST - 24180004
CURRENT VALUE - 44977956

PARTY IN INTEREST - X
IDENTITY - The Vanguard Group
DESCRIPTION - Intl Growth Fd Amd
COST - 26998209
CURRENT VALUE - 31331341