

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 2014 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 FST EMPLOYEES' PENSION PLAN</u>	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 80%;">1b Three-digit plan number (PN) ▶</td> <td style="width: 20%; text-align: center;"><u>005</u></td> </tr> <tr> <td colspan="2">1c Effective date of plan <u>06/15/1998</u></td> </tr> </table>	1b Three-digit plan number (PN) ▶	<u>005</u>	1c Effective date of plan <u>06/15/1998</u>					
1b Three-digit plan number (PN) ▶	<u>005</u>								
1c Effective date of plan <u>06/15/1998</u>									
2a Plan sponsor's name and address; include room or suite number (employer, if for a single-employer plan) <u>WOODWARD, INC.</u> <u>PO BOX 7001</u> <u>ROCKFORD, IL 61125-7001</u>	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td colspan="2">2b Employer Identification Number (EIN) <u>36-1984010</u></td> </tr> <tr> <td colspan="2">2c Plan Sponsor's telephone number <u>815-877-7441</u></td> </tr> <tr> <td colspan="2">2d Business code (see instructions) <u>339900</u></td> </tr> <tr> <td colspan="2" style="height: 40px;"></td> </tr> </table>	2b Employer Identification Number (EIN) <u>36-1984010</u>		2c Plan Sponsor's telephone number <u>815-877-7441</u>		2d Business code (see instructions) <u>339900</u>			
2b Employer Identification Number (EIN) <u>36-1984010</u>									
2c Plan Sponsor's telephone number <u>815-877-7441</u>									
2d Business code (see instructions) <u>339900</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.	12/03/2015	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 <div style="background-color: #cccccc; height: 40px; width: 100%;"></div>
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: a Sponsor's name	4b EIN 4c PN
5 Total number of participants at the beginning of the plan year	5 363
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) 137
a(2) Total number of active participants at the end of the plan year	6a(2) 135
b Retired or separated participants receiving benefits	6b 141
c Other retired or separated participants entitled to future benefits.....	6c 73
d Subtotal. Add lines 6a(2) , 6b , and 6c	6d 349
e Deceased participants whose beneficiaries are receiving or are entitled to receive benefits.	6e 14
f Total. Add lines 6d and 6e	6f 363
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 0
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 1B	
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) (1) ☐ Insurance (2) ☐ Code section 412(e)(3) insurance contracts (3) ☒ Trust (4) ☐ General assets of the sponsor	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
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 (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	b General Schedules (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.

<div>A Name of plan WOODWARD FST EMPLOYEES' PENSION PLAN</div>	<div>B Three-digit plan number (PN) 005</div>
<div>C Plan sponsor's name as shown on line 2a of Form 5500 or 5500-SF WOODWARD, INC.</div>	<div>D Employer Identification Number (EIN) 36-1984010</div>

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	23619174	
b Actuarial value	2b	22876448	
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	140	12290467	12290467
b For terminated vested participants	86	2279020	2279020
c For active participants	137	5852261	6053411
d Total	363	20421748	20622898
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	6.44%	
6 Target normal cost	6	100000	

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.

<div>SIGN HERE</div>	<div>10/14/2015</div> <div>Signature of actuary</div> <div>JOHN ALDERSON</div> <div>Type or print name of actuary</div> <div>TOWERS WATSON DELAWARE INC.</div> <div>Firm name</div> <div>101 SOUTH HANLEY ROAD SUITE 900 ST. LOUIS, MO 63105-3437</div> <div>Address of the firm</div>	<div>Date</div> <div>14-07894</div> <div>Most recent enrollment number</div> <div>314-719-5900</div> <div>Telephone number (including area code)</div>
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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)	851921	
8 Portion elected for use to offset prior year's funding requirement (line 35 from prior year)	91000	
9 Amount remaining (line 7 minus line 8)	760921	
10 Interest on line 9 using prior year's actual return of <u>8.80</u> %	66961	
11 Prior year's excess contributions to be added to prefunding balance:		
a Present value of excess contributions (line 38a from prior year)		366655
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 <u>6.29</u> %		17339
b(2) Interest on line 38b from prior year Schedule SB, using prior year's actual return		8008
c Total available at beginning of current plan year to add to prefunding balance		392002
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)	827882	

Part III Funding Percentages		
14 Funding target attainment percentage	14	106.91 %
15 Adjusted funding target attainment percentage	15	110.92 %
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	104.15 %
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

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 4
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	100000	
b Excess assets, if applicable, but not greater than line 31a	31b	100000	
32 Amortization installments:	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 FST EMPLOYEES' PENSION PLAN	B Three-digit plan number (PN) ▶ 005
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	29871	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	38887	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	14000	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)

(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 ☐

(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.	<small>OMB No. 1210-0110</small> 2014 This Form is Open to Public Inspection
For calendar plan year 2014 or fiscal plan year beginning <u>01/01/2014</u> and ending <u>12/31/2014</u>		
A Name of plan <u>WOODWARD FST EMPLOYEES' PENSION PLAN</u>		B Three-digit plan number (PN) ▶ <u>005</u>
C Plan sponsor's name as shown on line 2a of Form 5500 <u>WOODWARD, INC.</u>		D Employer Identification Number (EIN) <u>36-1984010</u>

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	93233	100830
b Receivables (less allowance for doubtful accounts):			
(1) Employer contributions.....	1b(1)	300000	
(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)	23231159	25077563
(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	23624392	25178393

Liabilities

g Benefit claims payable	1g		
h Operating payables	1h	7430	7484
i Acquisition indebtedness	1i		
j Other liabilities	1j		
k Total liabilities (add all amounts in lines 1g through 1j)	1k	7430	7484

Net Assets

l Net assets (subtract line 1k from line 1f)	1l	23616962	25170909
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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)	1067279	
(D) Total dividends. Add lines 2b(2)(A) , (B) , and (C)	2b(2)(D)		1067279
(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)		1811259
c Other income	2c		
d Total income. Add all income amounts in column (b) and enter total	2d		2878538

Expenses

e Benefit payment and payments to provide benefits:			
(1) Directly to participants or beneficiaries, including direct rollovers	2e(1)	1169804	
(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)		1169804
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)	52887	
(2) Contract administrator fees	2i(2)	29871	
(3) Investment advisory and management fees	2i(3)	22378	
(4) Other	2i(4)	49651	
(5) Total administrative expenses. Add lines 2i(1) through (4)	2i(5)		154787
j Total expenses. Add all expense amounts in column (b) and enter total	2j		1324591

Net Income and Reconciliation

k Net income (loss). Subtract line 2j from line 2d	2k		1553947
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>	
For calendar plan year 2014 or fiscal plan year beginning 01/01/2014 and ending 12/31/2014					
A Name of plan WOODWARD FST EMPLOYEES' PENSION PLAN				B Three-digit plan number (PN) ►	005
C Plan sponsor's name as shown on line 2a of Form 5500 WOODWARD, INC.				D Employer Identification Number (EIN) 36-1984010	
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	1
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					
For Paperwork Reduction Act Notice and OMB Control Numbers, see the instructions for Form 5500.				Schedule R (Form 5500) 2014 v. 140124	

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
FST EMPLOYEES' PENSION PLAN**

Financial Statements and
Supplemental Schedules

December 31, 2014 and 2013

(With Independent Auditor's Report Thereon)

**WOODWARD
FST EMPLOYEES' PENSION PLAN**

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Independent Auditor's Report

The Plan Administrator
Woodward FST Employees' Pension Plan

Report on the Financial Statements

We were engaged to audit the accompanying financial statements of the Woodward FST Employees' 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 audits 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 schedules. 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 these financial statements.

Other Matter – Supplemental Schedules

The supplemental schedules, as listed in the accompanying table of contents, are required by the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974 and are presented for the purpose of additional analysis and are 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 schedules 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 schedules, 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 "Bendy Corp, LLC". The signature is written in a cursive, flowing style.

Rockford, Illinois
October 5, 2015

WOODWARD
FST EMPLOYEES' PENSION PLAN
Statements of Net Assets Available for Benefits
December 31, 2014 and 2013

	<u>2014</u>	<u>2013</u>
Assets:		
Cash	\$ 100,830	93,233
Investments at fair value	25,077,563	23,231,159
Employer contribution receivable	<u>—</u>	<u>300,000</u>
Total assets	25,178,393	23,624,392
Liabilities –		
Accrued administrative fees	<u>7,484</u>	<u>7,430</u>
Net assets available for benefits	\$ <u>25,170,909</u>	<u>23,616,962</u>

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

WOODWARD
FST EMPLOYEES' 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:		
Interest and dividends	\$ 1,067,279	899,820
Net appreciation in fair value of investments	<u>1,811,259</u>	<u>1,026,414</u>
	2,878,538	1,926,234
Investment expenses	<u>(25,000)</u>	<u>(25,000)</u>
Net investment income	2,853,538	1,901,234
Employer contributions	<u>—</u>	<u>400,000</u>
Total additions	2,853,538	2,301,234
Deductions from net assets attributed to:		
Benefits paid	1,169,804	1,087,851
Administrative fees	<u>129,787</u>	<u>72,932</u>
Total deductions	<u>1,299,591</u>	<u>1,160,783</u>
Net increase in net assets available for benefits	1,553,947	1,140,451
Net assets available for benefits:		
Beginning of year	<u>23,616,962</u>	<u>22,476,511</u>
End of year	\$ <u>25,170,909</u>	<u>23,616,962</u>

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

WOODWARD
FST EMPLOYEES' 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 and beneficiaries currently receiving benefits	\$ 11,648,107	9,997,485
Other participants	<u>7,666,131</u>	<u>8,829,778</u>
	19,314,238	18,827,263
Nonvested benefits	<u>188,010</u>	<u>266,848</u>
Total actuarial present value of accumulated plan benefits	\$ <u>19,502,248</u>	<u>19,094,111</u>

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

WOODWARD
FST EMPLOYEES' 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 year	\$ 19,094,111	17,940,586
Increase (decrease) during the year attributable to:		
Actuarial (gains) losses	164,743	(174,260)
Increase for interest due to decrease in discount period	1,298,513	1,309,714
Change in actuarial assumptions	32,732	973,536
Benefits paid	<u>(1,087,851)</u>	<u>(955,465)</u>
Net increase	<u>408,137</u>	<u>1,153,525</u>
Total actuarial present value of accumulated plan benefits at the end of the year	\$ <u>19,502,248</u>	<u>19,094,111</u>

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

**WOODWARD
FST EMPLOYEES' PENSION PLAN**

Notes to Financial Statements

December 31, 2014 and 2013

(1) Description of Plan

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

(a) General

The Plan is a defined benefit pension plan covering substantially all Fuel Systems Textron (FST) employees of Woodward, Inc. (Company) hired prior to September 30, 1999. The Plan and related trust were established on June 15, 1998 pursuant to the purchase of the FST Division of Textron, Inc. by the Company. The Plan was amended to freeze service as of September 30, 1999 but allow salary increases for salaried employees. Effective January 1, 2007, the Plan was further amended to exclude compensation earned after December 31, 2006 from participants' retirement benefit calculation. The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974 (ERISA), as amended.

(b) Pension Benefits

The Plan provides benefits to participating employees upon normal or early retirement, upon termination of employment, upon disability if eligible for disability benefit, and upon death if eligible for a pre-retirement spouse's benefit.

The normal retirement benefit is payable at age 65. The benefit formula for salaried employees is a final average pay formula which is integrated with Social Security which, as of January 1, 2007, excludes compensation earned after December 31, 2006. The benefit for hourly employees is a flat monthly dollar benefit of \$20 multiplied by the years of service as of September 30, 1999.

The early retirement benefit is based on the pay and service as of the termination date and is calculated under the same formula as the normal retirement benefit. Participants are eligible for early retirement at age 55 if they meet the service requirement. Benefits are reduced for commencement of benefits prior to age 65. Also, unreduced benefits at age 62 are available if the participant meets certain service requirements, as specified in the Plan document.

A participant who terminates prior to attaining eligibility for early retirement is eligible for a deferred vested benefit. The benefit is the accrued normal retirement benefit and is reduced for commencement prior to age 65.

The normal form of benefit payment is a life annuity. All other benefit forms are actuarially equivalent to the life annuity.

**WOODWARD
FST EMPLOYEES' PENSION PLAN**

Notes to Financial Statements

(c) Death and Disability Benefits

A participant who terminates employment due to a total disability and has met the eligibility requirements for a disability benefit is entitled to a disability benefit. Disability benefits will begin upon the later of the expiration of any temporary disability benefits or six months after the date the individual was first eligible to receive Social Security disability benefits. A pre-retirement spouse's benefit is provided upon the death of a participant.

(d) Vesting

All participants are 100% vested.

(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.

(c) Use of Estimates

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

(d) Investment Valuation and Income Recognition

Under the terms of the Trust agreement between The Vanguard Fiduciary Trust Company (Trustee) and the Plan, the Trustee manages trust funds and executes investment transactions as directed by the Plan. The Plan's investments are stated 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 and dividends are recorded on the ex-dividend date. Capital gains distributions are included in dividend income. Net appreciation

WOODWARD
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Notes to Financial Statements

(depreciation) in fair value of investments includes the Plan's gains and losses on investments bought and sold as well as held during the year.

(e) Payment of Benefits

Benefit payments to participants are recorded upon distribution.

(f) Administrative Expenses

Services provided by the Plan actuary, record keepers, Plan auditors and Trustee are paid by the Plan. Indirect investment fees are netted against the net appreciation in fair value of assets. 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 the last six years ended on or before December 31, 2006. Benefits payable under all circumstances – retirement, death, disability, and termination of employment – are included, to the extent they are deemed attributable to employee service rendered through December 31, 2006. 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 significant actuarial assumptions used in the valuations as of January 1, 2014 and 2013 were (a) discount rate of 7.0% in 2014 and 7.0% in 2013 (b) the life expectancy of participants (using the PPA statutory tables) (c) retirement age assumptions (assumed retirement age was between 55 and 70), (d) no compensation increases included after December 31, 2006 and (e) investment rates of return based upon the interest rate corridors of MAP-21. These rates are intended to represent the net yield after investment expenses over an extended period of time in the future. The foregoing actuarial assumptions are based on the presumption that the Plan will

WOODWARD
FST EMPLOYEES' PENSION PLAN

Notes to Financial Statements

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 2.6% as of the January 1, 2014 valuation date.

(3) Funding Policy

The Company makes contributions based upon actuarial assumptions in order to provide the Plan with sufficient assets from which to pay pension benefits to participants. Company contributions are made in accordance with the funding requirements of ERISA. 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.

(4) Plan Termination

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

WOODWARD
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Notes to Financial Statements

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, which is adjusted periodically, on the amount of an individual's monthly benefit that the PBGC guarantees. For plan terminations occurring during 2014 that ceiling is \$4,943 per month.

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 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 plan administrator has elected the method of annual reporting compliance permitted by 29 CFR 2530.103-8 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA. Vanguard Fiduciary Trust Company has certified that the Plan's investments, interest and dividends, and net appreciation in fair value of investments as reported to the Plan and included in the accompanying financial statements and supplemental schedules are complete and accurate as of December 31, 2014 and 2013 and the years then ended.

(6) Investments (Unaudited, Certified by Trustee)

The following table presents the fair values of investments that represent 5% or more of the Plan's net assets.

	<u>2014</u>	<u>2013</u>
Vanguard Long-Term		
Investment-Grade Fund Admiral	\$ 15,334,944	11,806,939
Vanguard Total Stock		
Market Index Fund	6,426,341	7,329,719
Vanguard International		
Growth Fund Admiral	3,316,278	4,094,501

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 in value by \$1,811,259 and \$1,026,414, respectively.

WOODWARD
FST EMPLOYEES' PENSION PLAN

Notes to Financial Statements

(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 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.

Mutual funds are valued at the quoted net asset value of shares held by the plan at year end.

The following table sets forth by level, within the fair value hierarchy – all assets are considered Level 1 and valued using quoted prices in active markets for identical assets – the Plan's investments at fair value as of:

<u>December 31, 2014</u>	<u>Fair Value</u>
Mutual funds:	
Fixed income	\$ 15,334,944
Domestic equity	6,426,341
International equity	<u>3,316,278</u>
Total assets at fair value	\$ <u><u>25,077,563</u></u>

**WOODWARD
FST EMPLOYEES' PENSION PLAN**

Notes to Financial Statements

<u>December 31, 2013</u>	<u>Fair Value</u>
Mutual funds:	
Fixed income	\$ 11,806,939
Domestic equity	7,329,719
International equity	<u>4,094,501</u>
Total assets at fair value	<u>\$ 23,231,159</u>

(8) Related Party Transactions

Plan investments are shares of mutual funds managed by The Vanguard Group, Inc. (Vanguard). Vanguard is the parent company to the Trustee. Therefore, these investments and transactions in these investments qualify as party-in-interest transactions, which are exempt from the prohibited transaction rules of ERISA.

(9) Tax Status

The Internal Revenue Service has determined and informed the Company by a letter dated August 18, 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 that changes in the values of investment securities will occur in the near term and that such changes could materially affect the amounts reported in the statements 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
FST EMPLOYEES' PENSION PLAN

EIN #36-1984010 Plan #005

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

December 31, 2014

(a)	(b)	(c)	(d)	(e)
	Identity of Issuer	Description of Investment	Cost	Current Value
*	The Vanguard Group	Vanguard Cash Account Registered Investment Company	\$ 100,830	100,830
*	The Vanguard Group	Vanguard Long-Term Inv-Grade Fund Adm Registered Investment Company	13,346,407	15,334,944
*	The Vanguard Group	Vanguard International Growth Fund Admiral Registered Investment Company	2,715,806	3,316,278
*	The Vanguard Group	Vanguard Total Stock Market Index Fund Registered Investment Company	3,352,326	6,426,341
			\$ <u>19,515,369</u>	<u>25,178,393</u>

* Denotes party in interest

WOODWARD
FST EMPLOYEES' PENSION PLAN

EIN #36-1984010 Plan #005

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 Investment Grade Fund Adm Registered Investment Company	\$ 1,981,579	–	1,981,579	1,981,579	–
* The Vanguard Group	Vanguard Total Stock Market Index Fund Registered Investment Company	–	1,747,384	968,333	1,747,384	779,051

* Denotes party in interest

Form 5500Department of the Treasury
Internal Revenue ServiceDepartment 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).

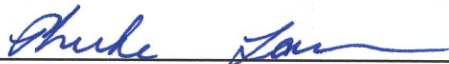
► **Complete all entries in accordance with
the instructions to the Form 5500.**OMB Nos. 1210 - 0110
1210 - 0089**2014****This Form is Open to Public
Inspection****Part I Annual Report Identification Information**

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

- A** This return/report is for: ☐ a multiemployer plan; ☐ a multiple-employer plan; 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
WOODWARD FST EMPLOYEES' PENSION PLAN**1b** Three-digit plan
number (PN) ► **005****1c** Effective date of plan
06/15/1998**2a** Plan sponsor's name and address; including room or suite number (employer, if for a single-employer plan)**WOODWARD, INC.****2b** Employer Identification
Number (EIN)
36-1984010**PO BOX 7001****SEE STATEMENT****2c** Sponsor's telephone
number
815-877-7441**ROCKFORD****IL 61125-7001****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		12/03/2015	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 ATTACHMENTS

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	
	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	0		0		0		0		0		0		0		0	
25 - 29	0		0		0		0		0		0		0		0	
30 - 34	1		0		0		0		0		0		0		0	
35 - 39	2		4		0		0		0		0		0		0	
40 - 44	2		1		2		1		0		0		0		0	
45 - 49	2		5		0		6		0		0		0		0	
50 - 54	3		4		1		17		13		2		0		0	
55 - 59	1		3		2		11		14		14		0		0	
60 - 64	0		1		1		4		2		10		5		0	
65 - 69	0		0		0		0		1		2		0		0	
70 & Over	0		0		0		0		0		0		0		0	

Plan Name: Woodward FST Employees' Pension Plan
 EIN / PN: 36-1984010/ 005
 Plan Sponsor: Woodward, Inc.
 Valuation Date: January 1, 2014

SCHEDULE SB ATTACHMENTS

Schedule SB – Statement by Enrolled Actuary

Plan Sponsor	Woodward, Inc.
EIN/PN	36-1984010/005
Plan Name	Woodward FST Employees' Pension Plan
Valuation Date	January 1, 2014
Enrolled Actuary	John 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

Economic Assumptions

Interest rate basis:

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

Interest rates:

- | | Reflecting Corridors | Not Reflecting Corridors |
|---------------------------|----------------------|--------------------------|
| • First segment rate | 4.99% | 1.37% |
| • Second segment rate | 6.32% | 4.05% |
| • Third segment rate | 6.99% | 5.06% |
| • Effective interest rate | 6.44% | 4.29% |

Annual rates of increase

- | | |
|-------------------------------------|---------------------------------|
| • Compensation: | Not applicable. Plan is frozen. |
| • Future Social Security wage bases | Not applicable. Plan is frozen. |
| • Statutory limits on compensation | Not applicable. Plan is frozen. |

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 \$100,000.

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.

Plan Name:	Woodward FST Employees' Pension Plan
EIN / PN:	36-1984010/ 005
Plan Sponsor:	Woodward, Inc.
Valuation Date	January 1, 2014

SCHEDULE SB ATTACHMENTS

Retirement

The rates at which participants retire by age are shown below:

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

Disability rates

None assumed.

Plan Name: Woodward FST Employees' Pension Plan
EIN / PN: 36-1984010/ 005
Plan Sponsor: Woodward, Inc.
Valuation Date: January 1, 2014

SCHEDULE SB ATTACHMENTS

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.

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.

Valuation date

First day of plan year.

Funding target

Present value of accrued benefits.

Plan Name: Woodward FST Employees' Pension Plan
EIN / PN: 36-1984010/ 005
Plan Sponsor: Woodward, Inc.
Valuation Date: January 1, 2014

SCHEDULE SB ATTACHMENTS

Target normal cost

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

Changes in assumptions and methods since last actuarial valuation

Other than the prescribed changes in the discount rate and mortality, there were no changes in assumptions as part of this valuation.

Plan Name:	Woodward FST Employees' Pension Plan
EIN / PN:	36-1984010/ 005
Plan Sponsor:	Woodward, Inc.
Valuation Date	January 1, 2014

SCHEDULE SB ATTACHMENTS

Schedule SB, Part V Summary of Plan Provisions

Effective date and most recent amendment

The plan was originally effective June 15, 1998. The last amendment reflected herein is Amendment Number 3, which was effective November 20, 2002. The plan was subsequently amended in 2006 to freeze all benefit accruals.

Plan year

The twelve-month period ending December 31.

Coverage and participation

No new employees are eligible to participate after September 30, 1999.

Credited service

Salaried:

The lesser of 35 years or the sum of:

1. Credited Service as of June 14, 1998 under the prior plan; and
2. Years and fractions of a year in completed months after June 14, 1998 under this plan.

Hourly:

The sum of:

1. Credited Service through December 31, 1997 under the prior plan;
2. For 1998, one year if the sum of hours under the prior plan and hours under this plan is at least 1,700;
3. For each calendar year after December 31, 1998 one year if at least 1,700 hours are worked; and
4. For each calendar year (including 1998) in which less than 1,700 hours are worked, a fraction equal to the actual hours worked divided by 1,700 rounded to nearest tenth.

Credited service for both salaried and hourly participants is frozen as of September 30, 1999.

Plan Name:	Woodward FST Employees' Pension Plan
EIN / PN:	36-1984010/ 005
Plan Sponsor:	Woodward, Inc.
Valuation Date	January 1, 2014

SCHEDULE SB ATTACHMENTS

Vesting service

Salaried:

The sum of:

1. Years and fractions of a year in completed months under the prior plan through June 14, 1998;
- and
2. Years and fractions of a year in completed months after June 14, 1998 under this plan

Hourly:

The sum of:

1. Vesting service through December 31, 1997 under the prior plan;
2. For 1998, one year if the sum of hours under the prior plan and hours under this plan is at least 1,000;
3. For each calendar year after December 31, 1998 one year if at least 1,000 hours are worked; and
4. For each calendar year (including 1998) in which less than 1,000 hours are worked, a fraction equal to the Credited Service for that year.

As of September 30, 1999, all active salaried and hourly participants were deemed to be 100% vested in their benefit.

Final average monthly compensation

Compensation used in the calculation of benefits for salaried participants was frozen effective January 1, 2007.

Normal retirement date

First of the month following attainment of age 65.

Plan Name:	Woodward FST Employees' Pension Plan
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Plan Sponsor:	Woodward, Inc.
Valuation Date	January 1, 2014

SCHEDULE SB ATTACHMENTS

Early retirement date

Salaried:

Earlier of:

- i) Age 55 and 10 years of Vesting Service
- ii) Age 60
- iii) 20 years of Vesting Service

Hourly:

Age 55 and 10 years of Vesting Service

Normal retirement benefit

Salaried:

The sum of:

- a. The participant's benefit as of 12/31/1988, multiplied by a fraction, of which the numerator is the final average compensation (FAC) at termination and the denominator is the FAC as of 12/31/1988;
plus
- b. 1% of the participant's FAC multiplied by years of credited service from 12/31/1988 to termination;
plus
- c. 0.5% of the participant's FAC in excess of 82.5% of Covered Compensation multiplied by years of credited service from 12/31/1988 to termination.

In determining the number of years of credited service for parts (b) and (c), the total years of credited service from original date of hire to termination cannot exceed 35 years.

Hourly:

\$20 multiplied by the participant's years of credited service.

Plan Name:	Woodward FST Employees' Pension Plan
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Plan Sponsor:	Woodward, Inc.
Valuation Date	January 1, 2014

SCHEDULE SB ATTACHMENTS

Early retirement benefit

The Normal Retirement Benefit multiplied by the appropriate factor from the following table based on the participant's age at retirement:

Age	Hourly	Salaried
55	58%	63%
56	64%	69%
57	70%	75%
58	76%	80%
59	82%	85%
60	88%	90%
61	94%	95%
62	100%	100%
63	100%	100%
64	100%	100%
65	100%	100%

Vested benefits upon termination of service

The Normal Retirement Benefit payable at age 65. The benefit payable at an Early Retirement date is multiplied by the appropriate factor (different than the normal early retirement factors) and reduced from age 65.

Pre-retirement death benefits

1. Eligibility: Benefit cannot commence prior to the deceased employee's earliest eligible benefit commencement date or the date at which the employee would have attained age 55.
2. Benefit: 50% Joint and Survivor amount payable to surviving spouse for the remainder of their life.

Optional forms of retirement income in lieu of normal form

Benefits can be paid as a single life annuity or as joint and survivor annuity for both salaried and hourly participants.

Special provisions for top-heavy plans

Not applicable; the plan has never been top-heavy.

Plan Name: Woodward FST Employees' Pension Plan
EIN / PN: 36-1984010/ 005
Plan Sponsor: Woodward, Inc.
Valuation Date: January 1, 2014

SCHEDULE SB ATTACHMENTS

Plan participants' contributions

They are not required or permitted.

Forms of payment

Preretirement death benefits are payable only as described above. Monthly pension benefits are paid as described above as a life annuity, if the participant has no spouse as of the date payments begin, or if the participant so elects. Otherwise, benefits are paid in the form of 50% joint and survivor annuity option or, if the participant elects and the spouse consents, another actuarially equivalent optional form offered by the plan. Optional forms are a 75% joint and survivor annuity and a 100% joint and survivor annuity. Actuarial equivalence is based on the table found in the plan document.

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.

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

There have been no changes in the principal plan provisions since the prior valuation.

Substantive commitments

No substantive commitments other than the above plan provisions have been included in this valuation.

Plan Name:	Woodward FST Employees' Pension Plan
EIN / PN:	36-1984010/ 005
Plan Sponsor:	Woodward, Inc.
Valuation Date	January 1, 2014

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 line 22

63

Plan Name: Woodward FST Employees' Pension Plan
 EIN / PN: 36-1984010/ 005
 Plan Sponsor: Woodward, Inc.
 Valuation Date: January 1, 2014

SCHEDULE SB (Form 5500) Department of the Treasury Internal Revenue Service Department 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
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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 FST EMPLOYEES' PENSION PLAN	B Three-digit plan number (PN) ► 005
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 <u>01</u> Day <u>01</u> Year <u>2014</u>			
2 Assets:			
a Market value	2a	23,619,174	
b Actuarial value	2b	22,876,448	
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	140	12,290,467	12,290,467
b For terminated vested participants	86	2,279,020	2,279,020
c For active participants	137	5,852,261	6,053,411
d Total	363	20,421,748	20,622,898
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	☐		
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	☐		
5 Effective interest rate	5	6.44 %	
6 Target normal cost	6	100000	

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	<u>John Alderson</u> <u>JTA</u> Signature of actuary JOHN 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)
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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)	851,921	
8 Portion elected for use to offset prior year's funding requirement (line 35 from prior year)	91,000	
9 Amount remaining (line 7 minus line 8)	760,921	
10 Interest on line 9 using prior year's actual return of 8.80 %	66,961	
11 Prior year's excess contributions to be added to prefunding balance:		
a Present value of excess contributions (line 38a from prior year)		366,655
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 6.29 %		17,339
b(2) Interest on line 38b from prior year Schedule SB, using prior year's actual return		8,008
c Total available at beginning of current plan year to add to prefunding balance		392,002
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)	827,882	

Part III Funding Percentages

14 Funding target attainment percentage	14	106.91 %
15 Adjusted funding target attainment percentage	15	110.92 %
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	104.15 %
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 4
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	100000	
b Excess assets, if applicable, but not greater than line 31a	31b	100000	
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		

NAME - The Vanguard Group
DESCRIPTION - LT Inv Grade Fund Adm
PURCHASE PRICE - 1981579
SELLING PRICE - 0
LEASE RENTAL - 0
EXPENSES - 0
COST OF ASSET - 1981579
CURRENT VALUE - 1981579
NET GAIN OR LOSS - 0

NAME - The Vanguard Group
DESCRIPTION - Total Stock Market Index Fd
PURCHASE PRICE - 0
SELLING PRICE - 1747384
LEASE RENTAL - 0
EXPENSES - 0
COST OF ASSET - 968333
CURRENT VALUE - 1747384
NET GAIN OR LOSS - 779051

PARTY IN INTEREST - X
IDENTITY - The Vanguard Group
DESCRIPTION - Cash Account
COST - 100830
CURRENT VALUE - 100830

PARTY IN INTEREST - X
IDENTITY - The Vanguard Group
DESCRIPTION - LT Inv-Grade Fd Adm
COST - 13346407
CURRENT VALUE - 15334944

PARTY IN INTEREST - X
IDENTITY - The Vanguard Group
DESCRIPTION - Intl Growth Fund Adm
COST - 2715806
CURRENT VALUE - 3316278

PARTY IN INTEREST - X
IDENTITY - The Vanguard Group
DESCRIPTION - Total Stock Mkt Fund
COST - 3352326
CURRENT VALUE - 6426341