

Woodward, Inc.  
Form DEF 14A  
December 19, 2012

## SCHEDULE 14A INFORMATION

### Proxy Statement Pursuant to Section 14(a) of the Securities

### Exchange Act of 1934

Filed by the Registrant

Filed by a Party other than the Registrant

Check the appropriate box:

Preliminary Proxy Statement

Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))

Definitive Proxy Statement

Definitive Additional Materials

Soliciting Material under Rule 14a-12

## WOODWARD, INC.

(Name of Registrant as Specified In Its Charter)

(Name of Person(s) Filing Proxy Statement, if other than the Registrant)

Payment of Filing Fee (Check the appropriate box):

No fee required.

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1) Title of each class of securities to which transaction applies:

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4) Proposed maximum aggregate value of transaction:

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2) Form, Schedule or Registration Statement No.:

3) Filing Party:

4) Date Filed:



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**WOODWARD, INC.**

**NOTICE OF 2012 ANNUAL MEETING OF STOCKHOLDERS**

**AND PROXY STATEMENT**

December 19, 2012

Dear Stockholder:

You are cordially invited to attend Woodward, Inc.'s Annual Meeting of stockholders at 8:00 a.m., Mountain Standard Time, on Wednesday, January 23, 2013, at the Hilton Fort Collins located at 425 West Prospect Road, Fort Collins, Colorado. Registration for the meeting will be conducted in Salon 1. We invite you to join our directors and members of our management team for a continental breakfast at 7:30 a.m. The formal meeting will begin promptly at 8:00 a.m.

Parking is available on site. A map is located on the back of this proxy statement.

Please complete and return your proxy card by mail, or vote via telephone or the Internet, as soon as possible regardless of whether you plan to attend in person.

Sincerely yours,

WOODWARD, INC.

Thomas A. Gendron

Chairman, Board of Directors

## NOTICE OF ANNUAL MEETING OF STOCKHOLDERS

### **Important Notice Regarding the Availability of Proxy Materials for our Annual Meeting to be Held on January 23, 2013:**

This Proxy Statement and our Annual Report on Form 10-K for the fiscal year ended September 30, 2012, including consolidated financial statements, are available to you at [www.proxydocs.com/wwd](http://www.proxydocs.com/wwd).

### **The purpose of our Annual Meeting is to:**

Wednesday, January 23, 2013

1. Elect as directors the three nominees identified in this proxy statement, each to serve for a term of three years;

8:00 a.m. MST

2. Ratify the appointment of Deloitte & Touche LLP as the Company's independent registered public accounting firm for the fiscal year ending September 30, 2013;

Hilton Fort Collins

3. Vote on an advisory resolution regarding the compensation of the Company's named executive officers; and

425 West Prospect Road

4. Transact other business that properly comes before the meeting, or any postponement or adjournment thereof.

Fort Collins, Colorado

Stockholders who owned Woodward, Inc. common stock at the close of business on the record date, November 26, 2012, are entitled to vote at the meeting, or any postponement or adjournment thereof.

By Order of the Board of Directors,

WOODWARD, INC.

A. Christopher Fawzy

Corporate Secretary

December 19, 2012

**YOUR VOTE IS IMPORTANT**

**Even if you plan to attend the meeting in person, please date, sign, and return your proxy card in the enclosed envelope, or vote via telephone or the Internet, as soon as possible. Prompt response is helpful and your cooperation will be appreciated.**

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**Annual Report on Form 10-K**

You may obtain a free copy of our Annual Report on Form 10-K for the year ended September 30, 2012, filed with the Securities and Exchange Commission ( SEC ) and available at its website at [www.sec.gov](http://www.sec.gov). Please contact the Corporate Secretary, Woodward, Inc., 1000 E. Drake Road, Fort Collins, Colorado 80525 or email [investor.relations@woodward.com](mailto:investor.relations@woodward.com). This report is also available at [www.proxydocs.com/wwd](http://www.proxydocs.com/wwd).

## About the Annual Meeting and Voting

Woodward, Inc. ( Woodward or the Company ), on behalf of its Board of Directors (the Board ), is soliciting your proxy to vote at our Annual Meeting of stockholders (or at any postponement or adjournment of the meeting). This proxy statement summarizes the information you need to know to vote at the meeting.

We began mailing this proxy statement and the enclosed proxy card on or about December 19, 2012, to all stockholders entitled to vote. The Woodward, Inc. Annual Report, which includes our financial statements, is also being distributed with this proxy statement.

Stockholders who owned Woodward common stock at the close of business on the record date, November 26, 2012, are entitled to vote at the meeting. As of the record date, there were 68,427,032 shares of Woodward common stock outstanding.

Each share of Woodward common stock that you own entitles you to one vote on each matter presented at the Annual Meeting, except for the election of directors, for which you may cumulate your votes. Since three directors are standing for election, you will be entitled to three director votes for each share of stock you own. Of this total, you may choose how many votes you wish to cast for each director. The Board is not soliciting discretionary authority to cumulate votes with respect to the election of directors.

Woodward offers stockholders the opportunity to vote by mail, by telephone, or via the Internet. Instructions to use these methods are set forth on the enclosed proxy card.

If you vote by telephone or via the Internet, please have your proxy or voting instruction card available. A telephone or Internet vote authorizes the named proxies in the same manner as if you marked, signed, and returned the card by mail. Voting by telephone and via the Internet are valid proxy voting methods under the laws of Delaware (our state of incorporation) and our Amended and Restated Bylaws (our Bylaws ).

If you properly fill in your proxy card and send it to us in time to vote, one of the individuals named on your proxy card (your proxy ) will vote your shares as you have directed. If you sign the proxy card but do not make specific choices, your proxy will follow the Board s recommendations and vote your shares or abstain from voting as follows:

**FOR the election of the Board s nominees to the Board;**

**FOR the ratification of the appointment of Deloitte & Touche LLP as the Company s independent registered public accounting firm; and**

**FOR the advisory resolution regarding the compensation of the Company s named executive officers.**

If any other matter is presented at the meeting, your proxy will vote in accordance with your proxy s best judgment. At the time this proxy statement was printed, we knew of no other matters to be acted on at the meeting.

You may revoke your proxy by:

entering a new vote by telephone, over the Internet, or by signing and returning another signed proxy card at a later date,

notifying our Corporate Secretary in writing before the meeting that you have revoked your proxy, or

voting in person at the meeting.

If you want to give your written proxy to someone other than the individuals named on the proxy card:

cross out the individuals named and insert the name of the individual you are authorizing to vote, or

provide a written authorization to the individual you are authorizing to vote along with your proxy card.

## Summary of Proposals Submitted for Vote

**The following are only summaries of the proposals. You should review the full discussion of each proposal in this proxy statement before casting your vote.**

### **Proposal 1: Election of Directors**

*Nominees:* At the Annual Meeting, you will be asked to elect to the Board the three nominees for director identified in this proxy statement. Each director will be elected to serve a three-year term and will hold office until the 2015 Annual Meeting held in or about January 2016 and until a successor is elected and qualifies.

*Vote Required:* Directors are elected by a plurality vote of shares present at the meeting in person or by proxy, meaning that the three director nominees receiving the most votes will be elected.

### **Proposal 2: Ratification of the Appointment of Independent Registered Public Accounting Firm**

*Independent Registered Public Accounting Firm:* At the Annual Meeting, you will be asked to ratify the Audit Committee's appointment of Deloitte & Touche LLP as the Company's independent registered public accounting firm for the fiscal year ending September 30, 2013.

*Vote Required:* The affirmative vote of the holders of a majority of shares of Woodward common stock present in person or by proxy and entitled to vote at the Annual Meeting will be required to ratify the Audit Committee's appointment of the independent registered public accounting firm.

### **Proposal 3: Approval of Advisory Resolution Regarding the Compensation of the Named Executive Officers**

*Compensation of the Company's named executive officers:* At the Annual Meeting, you will be asked to approve an advisory resolution regarding the compensation of the named executive officers of the Company.

*Vote Required:* The affirmative vote of the holders of a majority of shares of Woodward common stock present in person or by proxy and entitled to vote at the Annual Meeting will be required for the approval of the advisory resolution regarding compensation of the Company's named executive officers.

**The Board unanimously recommends that the stockholders vote FOR each of the proposals listed above.**

**Summary of Proposals Submitted for Vote** (continued)

**Quorum**

A quorum of stockholders is necessary to hold a valid meeting. The presence, in person or by proxy, at the meeting of holders of shares representing a majority of the votes of the common stock entitled to vote constitutes a quorum. Abstentions and broker non-votes are counted as present for establishing a quorum. A broker non-vote occurs when a stockholder does not provide voting instructions to his or her broker or nominee and the broker or nominee does not have discretionary authority to vote on the matter, as further described below under **Voting of Shares Held in Street Name by Your Broker**.

**Abstentions**

Abstentions are counted as present for establishing a quorum. Except for the election of directors, abstentions have the same effect as votes against the matter.

**Voting of Shares Held in Street Name by Your Broker**

If your shares are held in a stock brokerage account or by a bank or other nominee, you are considered the beneficial owner of shares held in street name and these proxy materials are being forwarded to you by your broker or nominee who is considered, with respect to those shares, the stockholder of record. As the beneficial owner, you have the right to direct your broker on how to vote your shares. You are also invited to attend the Annual Meeting and vote your shares in person. In order to vote your shares in person, you must provide us with a legal proxy from your broker.

Brokerage firms have authority to vote customers' shares for which they have not received voting instructions on certain routine matters, such as ratification of the auditors. If you do not provide voting instructions, your brokerage firm may either vote your shares on routine matters or leave your shares unvoted (i.e., a broker non-vote). On the other hand, absent instructions from customers, a brokerage firm cannot vote customers' shares on non-routine matters, such as the election of directors and the advisory resolution regarding the compensation of our named executive officers. Consequently, if you do not give your brokerage firm specific instructions, your shares will not be voted on the non-routine matters and will not be counted in determining the number of shares necessary for approval, although they will count for purposes of determining whether a quorum exists. We encourage you to provide instructions to your brokerage firm. This ensures your shares will be voted at the meeting.

**In order for your shares to be voted on all matters presented at the meeting, including the election of directors, we urge all stockholders whose shares are held in street name by a brokerage firm to provide voting instructions to the brokerage firm.**

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## Board of Directors

### Board Composition

Michael H. Joyce, age 72, will not stand for re-election following the expiration of his term on January 23, 2013, as our Director Guidelines provide that Board members generally will not be nominated for re-election after attaining the age of 70. In light of the expiration of Mr. Joyce's term, the Board will reduce the number of directors from eleven to ten, effective upon the expiration of Mr. Joyce's term on January 23, 2013, the date of the Annual Meeting. The Board is divided into three classes for purposes of election. One class is elected at each Annual Meeting of stockholders to serve for a three-year term.

Each of the three directors identified in this proxy statement as standing for election at the 2012 Annual Meeting of Stockholders has been nominated by the Board at the recommendation of the Nominating and Governance Committee to hold office for a three-year term expiring in 2016 or when a successor is elected and qualifies. The remaining directors identified in this proxy statement are not standing for election at this meeting and will continue in office for the remainder of their respective terms.

If a nominee is unavailable for election, proxy holders will vote for another nominee proposed by the Nominating and Governance Committee.

The Nominating and Governance Committee is responsible for recommending qualified director candidates for nomination by the Board based on the skills and characteristics that the Board seeks in its members as well as the composition of the Board as a whole. This review includes an assessment of, among other things, a candidate's knowledge, experience, diversity, and skills in areas critical to understanding the Company and its business, with a commitment to enhancing stockholder value. The Nominating and Governance Committee also assesses a candidate's integrity, reputation, ability to make independent analytical inquiries, and willingness to devote adequate time to Board duties. The Nominating and Governance Committee seeks candidates with the highest professional and personal ethics and values, guided by the philosophy and concepts as expressed in the Company's Constitution, and who will operate in accordance with the Company's Codes of Business Conduct and Ethics.

We believe that our director nominees should possess the following experience, qualifications, attributes and skills:

- an understanding of the principal operational and financial objectives, plans and strategies of the Company;

- an understanding of the results of operations and financial condition of the Company;

- an understanding of the relative standing of the Company in relation to its competitors; and

- leadership experience at the policy-making level in business, government, education or public interest.

We identify below certain biographical information of each of our directors and the director nominees for election, including his or her principal occupation, public company directorships currently held or held during the past five years and other business affiliations. We also describe the specific experience, qualifications, attributes and skills of each director and director nominee that led the Board to conclude that he or she should serve as a member of the Board.

**Board of Directors** (continued)

**PROPOSAL 1 ELECTION OF DIRECTORS**

**Directors Standing for Election at This Meeting for Terms Expiring in 2016:**

**John D. Cohn**

Age: 58

Mr. John Cohn has served as Senior Vice President, Asia Business Planning and Execution, of Rockwell Automation, Inc., a global provider of innovative industrial automation and information products, services and solutions, since September 1, 2011. In this capacity, Mr. Cohn supports development of regional and country level business strategies for approximately \$1 billion of Rockwell Automation sales. Additionally, Mr. Cohn leads business development activities, vertical industry business plans, and other market expansion opportunities to generate incremental revenue. Prior to accepting this position in August 2011, Mr. Cohn served at Rockwell Automation as Senior Vice President, European Business Planning and Execution from March 2009 to August 2011, and as Senior Vice President, Strategic Development and Communications, for Rockwell Automation from 1999 to 2009.

Mr. Cohn brings to the Board expertise in global market and business development, execution of focused initiatives, and experience with leading organizations through change management, mergers and acquisitions.

Mr. Cohn has been a director of the Company since 2002.

Other public company directorships: None held during the past five years.

**James R. Rulseh**

Age: 57

Mr. James Rulseh is President of JRR & Associates, LLC, an independent manufacturing consulting company focused on operations improvement and operational leadership excellence. Prior to May 2011, Mr. Rulseh served as the Chief Operating Officer, Tulip Corporation, a private manufacturing company, since 2009. Prior to joining Tulip Corporation, Mr. Rulseh served in the following capacities for Modine Manufacturing Company, an NYSE listed company that is a diversified global leader in thermal management technology and solutions: Special Assistant to the Chief Executive Officer, from January 2009 to October 2009; Regional Vice President Americas, and an officer of Modine Manufacturing Company, from October 2007 to January 2009; Regional Vice President Asia and an officer of Modine Manufacturing Company, from November 2006 to October 2007; Group Vice President and an officer of Modine Manufacturing Company, from April 2001 to November 2006; Managing Director of the Automotive Business Unit of Modine Europe, from 1998 to March 2001. Prior to 1998, Mr. Rulseh had held various other positions with Modine beginning in 1977.

Mr. Rulseh's experience as COO of Tulip Corporation and his extensive operational management experience at Modine Manufacturing Company provide him with significant insight and experience into the operations, challenges and complex issues facing major manufacturing corporations. Mr. Rulseh brings to the Board extensive senior executive level experience in international manufacturing and business restructurings.

Mr. Rulseh has been a director of the Company since 2002.

Other public company directorships: Proliance International, Inc. (PLI) (2005-2010).



**Board of Directors** (continued)

**Gregg C. Sengstack**

Age: 54

Mr. Gregg Sengstack has been President of Franklin Electric Co. Inc., since December 2011. Franklin Electric is a global leader in the production and marketing of systems and components for the movement of water and automotive fuels. Prior to his promotion, Mr. Sengstack was President of Franklin Electric's International Water Systems and Fueling Group since 2005, and was Chief Financial Officer for Franklin Electric from 1999 to 2005. Mr. Sengstack joined Franklin Electric in 1988 and he has worked on numerous acquisitions in the U.S. and overseas during his career.

Mr. Sengstack's combination of P&L, finance, international and general management experience, as well as his consensus-driven global leadership style and experience working with boards, allow him to be a very effective Board member.

Mr. Sengstack has been a director of the Company since 2011.

Other public company directorships: None held during the past five years.

**Your Board unanimously recommends a vote FOR the nominees presented in Proposal 1.**

**Board of Directors** (continued)

**Directors Remaining in Office Until 2014:**

**Mary L. Petrovich**

Age: 49

Ms. Mary Petrovich has been serving as a senior advisor to private equity with the Carlyle Group and American Security Partners since June 2011. Prior to this role, Ms. Petrovich served as General Manager of AxleTech International, a supplier of off-highway and specialty vehicle drive train systems and components, after its acquisition by General Dynamics in December 2008. Ms. Petrovich served as Chairman and Chief Executive Officer of AxleTech International from 2001 through the December 2008 sale of the company to General Dynamics. Prior to AxleTech, in 2000, Ms. Petrovich was President of the Driver Controls Division of Dura Automotive, possessing management responsibility for 7,600 employees.

Ms. Petrovich has extensive experience with mergers, acquisitions and the integration of acquired businesses in the automotive, off-highway and transportation industries. This experience, together with her operational experience with Six Sigma lean manufacturing techniques and supply chain management, and her experience in evaluating new business opportunities, provides the Board with valuable knowledge in its oversight of Woodward's operational efficiency and recent acquisitions.

Ms. Petrovich has been a director of the Company since 2002.

Other public company directorships: GT Advanced Technologies Inc. (since July 2011); Modine Manufacturing Company (since July 2011); WABCO (since November 2011).

**Larry E. Rittenberg**

Age: 66

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Dr. Larry Rittenberg, PhD, CPA and CIA, has been Professor Emeritus at the University of Wisconsin since August 2011. He was the Ernst & Young Professor of Accounting & Information Systems at the University of Wisconsin until his retirement from that position in August 2011. Dr. Rittenberg has been on the faculty at the University since 1976, and served as the chair of the accounting department for 11 years. Dr. Rittenberg continues to teach auditing, enterprise risk management, governance and control, and has served in leadership positions across a number of professional organizations, including the American Institute of CPAs, the Institute of Internal Auditors (IIA), and the American Accounting Association (AAA), where he served as VP of Finance and established the first audit committee within the AAA. Dr. Rittenberg served as Chairman of the Committee of Sponsoring Organizations of the Treadway Commission ( COSO ) from 2004 to 2009. COSO is a voluntary private sector organization dedicated to improving the quality of financial reporting through business ethics, effective internal controls, and corporate governance. He also served as a financial advisor providing counsel on Sarbanes-Oxley Act compliance to the Audit Committee and Board of Petro China, the largest publicly listed company in China.

Dr. Rittenberg's in-depth understanding of accounting and finance, Sarbanes-Oxley, and corporate governance is a valuable asset to the Board in its oversight of the integrity of the Company's financial statements and financial reporting processes.

Dr. Rittenberg has been a director of the Company since 2004.

Other public company directorships: None held during the past five years.

**Board of Directors** (continued)

**Michael T. Yonker**

Age: 70

Mr. Michael T. Yonker retired as the President and Chief Executive Officer of Portec, Inc., a manufacturer of engineered products for the construction, railroad, and materials handling industries, in June 1998. Prior to Portec, Mr. Yonker served as Corporate Vice President of PT Components, with responsibility for operational management of its industrial gear business, from 1982 to 1988, and worked with FMC Corporation in corporate strategic planning, marketing and operational management of various of its engineered industrial products businesses from 1971 to 1981.

Mr. Yonker has a technical understanding of engineered products and their applications, and has extensive experience with industrial markets and customers. Mr. Yonker brings to the Board extensive management experience at the senior executive and board-level, and expertise in manufacturing, finance, marketing and international business. Mr. Yonker also has significant experience in the oversight of compensation and governance issues for other public companies.

Mr. Yonker has been a director of the Company since 1993.

Other public company directorships: Modine Manufacturing Company (1993 - July 2012); EMCOR Group, Inc. (since 2002); Proliance, Inc. (2005-2006).

**Board of Directors** (continued)

**Directors Remaining in Office Until 2015:**

**Paul Donovan**

Age: 65

Mr. Paul Donovan retired in 2004 as special advisor to the Chairman of Wisconsin Energy Corporation. Mr. Donovan had previously served as the Chief Financial Officer of Wisconsin Energy Corporation from August 1999 until June 2003. Prior to joining Wisconsin Energy Corporation, Mr. Donovan was Executive Vice President and Chief Financial Officer of Sundstrand Corporation, a manufacturer of aerospace and industrial products, from June 1988 to August 1999. Prior to June 1988, he held a variety of financial positions, including with Allied Signal and Ford Motor Company.

Mr. Donovan's demonstrated leadership of large company corporate finance and tax departments provides the Board with expertise regarding the intricacies of tax, banking, finance, and mergers and acquisitions. He also possesses direct knowledge of the power generation, transportation and aerospace markets, all of which are key markets for Woodward. As a former member of the Office of the Chairman at Wisconsin Energy and a former member of the Executive Office at Sundstrand Corporation, Mr. Donovan contributes to the Board not only his strong knowledge of the markets in which Woodward competes, but also strong leadership and insight into large organizations.

Mr. Donovan has been a director of the Company since 2000.

Other public company directorships: AMCORE Financial, Inc. (1998 - 2010); CLARCOR, Inc. (since 2000).

**Thomas A. Gendron**

Age: 51

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Mr. Tom Gendron has been Chairman of the Board of the Company since January 2008, and has been President and Chief Executive Officer of the Company since July 2005. Mr. Gendron previously served as President and Chief Operating Officer of the Company from September 2002 until July 2005, and as Vice President and General Manager of Industrial Controls from June 2001 until September 2002. Prior to that, Mr. Gendron served as Vice President of Industrial Controls from April 2000 through May 2001, and as Director of Global Marketing and Industrial Controls Business Development from February 1999 through March 2000. Overall, Mr. Gendron has served with Woodward for over 20 years in both the aircraft and industrial businesses, providing leadership in sales, marketing, business development, and product support management.

His experience with and knowledge of the Company's businesses and the industries in which they operate has enabled Mr. Gendron to lead the Company's growth since his appointment to President and Chief Operating Officer in September 2002. He has brought significant insight to the Board due to his comprehensive understanding of the Company and its operations, including the Company's strategic vision, products, suppliers, customers and markets.

Mr. Gendron has been a director of the Company since 2005.

Other public company directorships: Hexcel Corporation (since 2010).

**Board of Directors** (continued)

**John A. Halbrook**

Age: 67

Mr. John Halbrook retired as Chairman of the Board of the Company in January 2008, and previously served as Chief Executive Officer of the Company from November 1993 until July 2005. Mr. Halbrook has served in various other executive positions with the Company, including Chief Operating Officer and President. Prior to joining Woodward, Mr. Halbrook garnered broad experience in finance and accounting, budgeting, marketing, strategic planning and operations through positions with Worthington Pumps, McGraw Edison, Turbodyne, General Electric, and General Dynamics.

Through his tenure as Chairman and Chief Executive Officer of Woodward, Mr. Halbrook brings to the Board insight into the Company's operations and an understanding of the complex issues facing Woodward's business segments and the markets in which the Company competes.

Mr. Halbrook has been a director of the Company since 1991.

Other public company directorships: AMCORE Financial, Inc. (1997 - 2010); HNI Corporation (2004-2010).

**Ronald M. Segal**

Age: 59

Dr. Ronald Segal was appointed Vice President and Enterprise Executive for Energy and the Environment at Colorado State University (CSU) and The Ohio State University effective September 1, 2010. Dr. Segal held the position of Vice President for Energy, Environment, and Applied Research with the CSU Research Foundation through August 2010. Prior to joining CSU, Dr. Segal served as Under Secretary for the U.S. Air Force from August 2005 to August 2007. As Under Secretary, Dr. Segal led a

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team that developed a comprehensive energy strategy emphasizing supply, demand, and culture with results in 2006 of \$100 million in energy-related savings and cost avoidance and receipt of the overall Presidential Award for Leadership in Federal Energy Management for the U.S. Government. As Under Secretary, Dr. Sega's role also included the Department of Defense ( DOD ) Executive Agent for space, and the Air Force Service Acquisition Executive for space programs. From August 2001 until August 2005, Dr. Sega was Director of Defense Research and Engineering, Office of the Secretary of Defense, which is the Chief Technology Officer for the DOD. From July 1996 to August 2001, he served as Dean, College of Engineering and Applied Science, University of Colorado at Colorado Springs. Dr. Sega is a former NASA astronaut and veteran of two shuttle missions. He retired from the U.S. Air Force Reserves in the rank of Major General.

Dr. Sega brings to the Board extensive experience in applying academic research to real-world situations, knowledge of U.S. government contracting practices, and expertise in aerospace and energy technology and markets. Dr. Sega is a Fellow of the American Institute of Aeronautics and Astronautics, as well as a Fellow of the Institute of Electrical and Electronics Engineers.

Dr. Sega has been a Director of the Company since 2008.

Other public company directorships: Rentech, Inc. (since 2007).



## Governance Documents

Woodward's policies and practices reflect corporate governance initiatives that are compliant with the listing requirements of the NASDAQ Global Select Market (NASDAQ), SEC rules and regulations, and the corporate governance requirements of the Sarbanes-Oxley Act. Woodward maintains a corporate governance page on its website at <http://www.woodward.com> that can be accessed by clicking on Investors and then on Corporate Governance. Included on this site are the following documents adopted by our Board: a Message from our Chairman and Chief Executive Officer; the Woodward Constitution; our Director Guidelines; Executive/Director Stock Ownership Guidelines; the Woodward Codes of Business Conduct and Ethics for directors, officers, and members, including the Woodward Code of Ethics for Senior Financial Officers and Other Finance Members; our policy relating to Insider Trades of Woodward Stock; and our Related Person Transaction Policies and Procedures. Charters for our Audit Committee, Compensation Committee, Executive Committee, and Nominating and Governance Committee can be found by clicking on the Investors tab, then selecting Board of Directors, and then clicking on the Board Committees link.

## Independent Directors

The Board has determined that each member of the Board, other than Mr. Gendron, is independent under the criteria established by SEC rules and regulations and NASDAQ listing requirements for independent board members. In addition, the Board has determined that each member of the Audit Committee meets the additional independence criteria required for audit committee membership established by SEC rules and regulations and NASDAQ listing requirements for audit committee membership.

## Board Leadership Structure

Mr. Gendron serves as our Chairman of the Board and Chief Executive Officer. Because one individual serves as Chairman and CEO, the Board appoints an independent director to serve as Lead Director. Our lead director is Mr. Rulseh, who was appointed to that position by the Board in 2011. The independent Lead Director chairs separate meetings of the independent directors following regularly scheduled Board meetings. The duties and responsibilities of the independent Lead Director are set forth under the BOARD MEETINGS AND COMMITTEES LEAD DIRECTOR section below. The Board believes the combined Chairman/CEO position, together with an independent Lead Director has certain advantages over other board leadership structures and best meets the Company's current needs. Mr. Gendron's leadership as Chairman and CEO provides our Board with detailed and in-depth knowledge of the Company's strategy, markets, operations and financial condition, and enhances our ability to communicate a clear and consistent strategy to our stockholders, employees and business partners. The current leadership structure differentiates the oversight role of the Lead Director and other independent directors from the oversight role of the Chairman/CEO and other management.

The Board understands there is no single one-size fits all approach to providing Board leadership in the competitive and changing environment in which we operate. The optimal Board leadership structure may vary as circumstances warrant. At present, the Board believes its current structure effectively maintains independent oversight and management. Consistent with our Director Guidelines, the Board reviews and considers whether the positions of Chairman and CEO should be combined or separated as part of a regular review of the effectiveness of the Company's governance structure.

## Board Meetings and Committees

The Board met six times in fiscal 2012, including five regularly scheduled meetings, and one special meeting held in December 2011. All incumbent directors attended 100 percent of the aggregate of the total regularly scheduled meetings of the Board and all committees of the Board on which they served. All incumbent directors attended the special meeting held via teleconference, other than Messrs. Cohn and Halbrook, who provided proxies to Mr. Gendron for the meeting. Directors are invited, but are not required, to attend annual meetings of stockholders. All directors attended the Company's last Annual Meeting of stockholders.

The Board has the following standing committees: Audit Committee; Compensation Committee; Nominating and Governance Committee; and Executive Committee. All actions by committees are reported to the Board at the next regularly scheduled meeting. As part of its ongoing corporate governance review, the Board reassigned its committee memberships on December 2, 2011, and reassigned one additional Board member on April 25, 2012. The following table reflects the committee memberships as of the date of this proxy statement:

Name	Audit	Compensation	Nominating and Governance	Executive
John D. Cohn		☐	☐*	☐
Paul Donovan		☐	☐	
Thomas A. Gendron				☐*
John A. Halbrook				