

UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-K

ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the fiscal year ended September 30, 2025

or

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from _____ to _____

Commission file number 001-39265

WOODWARD, INC.

(Exact name of registrant as specified in its charter)

Delaware

(State or other jurisdiction of incorporation or organization)

1081 Woodward Way, Fort Collins, Colorado

(Address of principal executive offices)

36-1984010

(I.R.S. Employer Identification No.)

80524

(Zip Code)

(970) 482-5811

(Registrant's telephone number, including area code)

Securities registered pursuant to Section 12(b) of the Act:

Title of each class

Trading Symbol(s)

Name of exchange on which registered

Common Stock, par value \$0.001455 per share

WWD

NASDAQ Global Select Market

Securities registered pursuant to Section 12(g) of the Act: None

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes No

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. Yes No

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes No

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company or an emerging growth company. See definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large Accelerated Filer Accelerated Filer Non-accelerated Filer Smaller Reporting Company

Emerging Growth Company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Indicate by check mark whether the registrant has filed a report on and attestation to its management's assessment of the effectiveness of its internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act (15 U.S.C. 7262(b)) by the registered public accounting firm that prepared or issued its audit report.

If securities are registered pursuant to Section 12(b) of the Act, indicate by check mark whether the financial statements of the registrant included in the filing reflect the correction of an error to previously issued financial statements.

Indicate by check mark whether any of those error corrections are restatements that required a recovery analysis of incentive-based compensation received by any of the registrant's executive officers during the relevant recovery period pursuant to §240.10D-1(b).

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Act). Yes No

Aggregate market value of registrant's common stock held by non-affiliates of the registrant, based upon the closing price of a share of the registrant's common stock on March 31, 2025 as reported on The NASDAQ Global Select Market on that date: \$7.09 billion. For purposes of this calculation, shares of common stock held by (i) persons holding more than 5% of the outstanding shares of stock, (ii) officers and directors of the registrant, and (iii) the Woodward Governor Company Profit Sharing Trust, Woodward Governor Company Deferred Shares Trust, or the Woodward Charitable Trust, as of March 31, 2025, are excluded in that such persons may be deemed to be affiliates. This determination is not necessarily conclusive of affiliate status.

As of November 24, 2025, 59,868,975 shares of the registrant's common stock with a par value of \$0.001455 per share were outstanding.

DOCUMENTS INCORPORATED BY REFERENCE

Portions of our proxy statement for the Annual Meeting of Stockholders to be held virtually on January 28, 2026, are incorporated by reference into Part III of this Annual Report on Form 10-K, to the extent indicated.

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Forward-Looking Statements

This Annual Report on Form 10-K (this "Form 10-K"), including "Management's Discussion and Analysis of Financial Condition and Results of Operations," contains forward-looking statements regarding future events and our future results within the meaning of the Private Securities Litigation Reform Act of 1995. All statements other than statements of historical fact are statements that are deemed forward-looking statements. These statements are based on current expectations, estimates, forecasts, and projections about the industries in which we operate and the beliefs and assumptions of management. Words such as "anticipate," "believe," "estimate," "seek," "goal," "expect," "forecast," "intend," "continue," "outlook," "plan," "project," "target," "strive," "can," "could," "may," "should," "will," "would," variations of such words, and similar expressions are intended to identify such forward-looking statements. In addition, any statements that refer to projections of our future financial performance, our anticipated growth and trends in our businesses, and other characteristics of future events or circumstances are forward-looking statements. Forward-looking statements may include, among others, statements relating to:

- future sales, earnings, cash flow, uses of cash, and other measures of financial performance, including our assumptions underlying our expectations;
- trends in our business and the markets in which we operate, including expectations for those markets, our customers and their business and products;
- our ability to manage risks from operating internationally, including the impacts of tariffs on our markets in which we operate as well as our supply chain;
- expectations regarding demand for our products, in particular our expectations with respect to natural gas trucks in China;
- our expected expenses in future periods and trends in such expenses over time;
- our expectations regarding margins and the impact of specific products, product mix, and our strategic actions on margins;
- descriptions of our plans and expectations for future operations, including our strategic initiatives and impact of such initiatives;
- plans and expectations relating to the performance of our joint venture with GE Aerospace;
- the expected levels of activity in particular industries or markets and the effects of changes in those levels;
- the scope, nature, or impact of acquisition activity and integration of such acquisition into our business;
- impact of restructuring activities;
- the research, development, production, and support of new products and services;
- our plans, objectives, expectations, and intentions with respect to business opportunities that may be available to us;
- our liquidity, including our ability to meet capital spending requirements and operations;
- future dividends and repurchases of common stock;
- future levels of indebtedness and capital spending;
- the stability of financial institutions, including those lending to us;
- pension and other postretirement plan assumptions and future contributions;
- our tax rate and other effects of the changes in U.S. federal tax law and other tax law;
- availability of raw materials and components used in our products;
- expectations relating to environmental and emissions regulations;
- effects of data privacy, data protection, and cybersecurity regulations;
- our ability to develop competitive technologies or products and to compete effectively in our markets;
- our consolidated customer base and ability to enhance customer experience;
- our ability to manage risks related to U.S. Government contracting, including defense activity and spending patterns;
- our ability to attract, retain, and develop qualified personnel;
- our continued access to a stable workforce and our ability to maintain favorable labor relations;
- our ability to structure our operations in light of evolving market conditions;
- our ability to mitigate the ongoing impacts of inflation and tariffs;
- the impact of legal proceedings, investigations, claims and other regulatory proceedings;
- the impact of future prices for fossil fuels and commodity prices for oil, natural gas, and other minerals;
- the impact of our ability to protect our intellectual property and technological know-how on our business, financial condition, results of operations, and cash flows; and
- the impact of any potential physical or cybersecurity attacks and other information technology system or network interruptions or intrusions on our operations, business, including our financial condition, operating results, and reputation.

All these forward-looking statements are only predictions and are subject to risks, uncertainties, and assumptions that are difficult to predict and are subject to a number of factors and uncertainties that could cause actual results to differ materially from those described in the forward-looking statements. Factors that could cause actual results and the timing of certain events to differ materially from the forward-looking statements include the factors described in Item 1A, Risk Factors. We undertake no obligation to revise or update any forward-looking statements for any reason, except as required by applicable law. Unless we have indicated otherwise or the context otherwise requires, references in this Form 10-K to "Woodward," "the Company," "we," "us," and "our" refer to Woodward, Inc. and its consolidated subsidiaries. Except where we have otherwise indicated or the context otherwise requires, amounts presented in this Form 10-K are in thousands, except per share amounts.

Item 1. Business

General

We are an independent designer, manufacturer, and services provider of control solutions for the aerospace and industrial markets. Our innovative fluid energy, combustion control, electrical energy, and motion control systems help customers offer cleaner, more reliable, and more efficient equipment. Our customers include leading original equipment manufacturers and end users of their products. We have production and assembly facilities primarily in the United States, Europe, and Asia, and promote our products and services through our worldwide locations.

Our strategic focus is providing energy control and optimization solutions for the aerospace and industrial markets. The precise and efficient control of energy, including motion, fluid, combustion, and electrical energy, is a growing requirement in the markets we serve. Our customers look to us to optimize the efficiency, emissions, and operation of power equipment in both commercial and defense operations. Our core technologies leverage well across our markets and customer applications, enabling us to develop and integrate cost-effective and state-of-the-art fuel, combustion, fluid, actuation, and electronic systems. We focus primarily on serving original equipment manufacturers ("OEMs") and equipment packagers, partnering with them to bring superior component and system solutions to their demanding applications.

We also provide repair, maintenance, replacement, and other services support for our installed products. We have traditionally referred to this part of our business as "aftermarket"; however, to better reflect the nature and scope of these offerings, we will now refer to it as "services".

Woodward was established in 1870, incorporated in 1902, and is headquartered in Fort Collins, Colorado. The mailing address of our world headquarters is 1081 Woodward Way, Fort Collins, Colorado 80524. Our telephone number at that location is (970) 482-5811, and our website is www.woodward.com. None of the information contained on our website is incorporated into this document by reference.

Markets and Principal Lines of Business

We serve the aerospace and industrial markets through our two reportable segments – **Aerospace** and **Industrial**. Our customers require technological solutions to meet their needs for performance, efficiency, and reliability, and to reduce cost of operation of their products.

Within the aerospace market, we provide systems, components, and solutions for both commercial and defense applications. Our aerospace systems and components optimize the performance of fixed wing and rotorcraft platforms in commercial, business and military aircraft, missiles, weapons and space, ground vehicles, and other equipment. Our key focus areas within this market are propulsion and combustion control solutions for turbine powered aircraft and fluid and motion control solutions for critical aerospace and defense applications.

Within the industrial market, our key focus areas are applications and control solutions for machines that produce electricity utilizing conventional or alternative energy sources and fluid, motion, and combustion control solutions for complex oil and gas, industrial, power generation, and transportation applications.

Products, Services, and Applications

Aerospace

Our Aerospace segment designs, manufactures, and services systems and products for the management of fuel, air, combustion, and motion control. These products include fuel pumps, metering units, actuators, air valves, specialty valves, fuel nozzles, and thrust reverser actuation systems for turbine engines and nacelles, as well as flight deck controls, actuators, servocontrols, motors, and sensors for aircraft. These products are used on commercial and private aircraft and rotorcraft, as well as on military fixed-wing aircraft and rotorcraft, guided weapons, and other defense systems.

We have significant content on a wide variety of commercial aircraft, rotorcraft, and business jet platforms, such as the Airbus A320neo, Boeing 737 MAX, Boeing 787, Bell 429, and Bombardier Global 7500. We also have significant content on defense applications such as Blackhawk and Apache helicopters, F-35 and F-15 fighter jets, and smart defense weapons.

Revenues from the Aerospace segment are generated by sales to OEMs, tier-one suppliers, prime contractors, and through services sales of components, such as provisioning spares or replacements. We provide services, including maintenance, repair, and overhaul ("MRO"), as well as other services to commercial airlines, repair facilities, military depots, third-party repair shops, and other end users.

Industrial

Our Industrial segment designs, produces, and services systems and products for the management of energy in the form of fuel, air, fluids, gases, motion, combustion, and electricity. These products include actuators, valves, pumps, fuel injection systems, solenoids, ignition systems, control systems, electronics and software, and sensors. Our products are used on industrial gas turbines (including heavy frame, aeroderivative, and small industrial gas turbines), steam turbines, compressors, and reciprocating engines (including low speed, medium speed, and high-speed engines that operate on various fuels, including natural gas, diesel, heavy fuel oil, and new lower carbon alternative fuels in both single and dual-fuel applications). The equipment on which our products are found is used to generate power; to extract, distribute, and refine energy sources; to mine other commodities; and to convert fuel to work in transportation and freight (both marine and locomotives), mobile, and industrial equipment applications.

Revenues from our Industrial segment are generated primarily by sales to OEMs for both new unit production and providing other related services. Our Industrial segment also sells products and services through an independent network of distributors and authorized system integrators, repairs and overhaul facilities, and directly to end users around the globe.

Customers

Our customers include leading original equipment manufacturers and end users of their products that require technological solutions to meet their needs for performance, efficiency, reliability, and reduced cost of operations.

Sales to our five largest customers represented approximately 36% of our consolidated net sales for the fiscal year ended September 30, 2025 and 35% in the fiscal year ended September 30, 2024.

We had no customers who accounted for 10% or more of our consolidated net sales for the fiscal years ended September 30, 2025 and September 30, 2024. However, each of our reportable segments did have customers that represented 10% or more of their respective segment sales.

The customers who account for 10% or more of net sales of each of Woodward's reportable segments are as follows:

For the Year Ended September 30,			
	2025	2024	2023
Aerospace	RTX Corporation, GE Aerospace, The Boeing Company	RTX Corporation, The Boeing Company	RTX Corporation, General Electric Company, The Boeing Company
Industrial	Rolls-Royce PLC, Caterpillar Inc., GE Vernova	Weichai Power, Rolls-Royce PLC	Rolls-Royce PLC, Caterpillar Inc., Weichai Power

On April 2, 2024, The General Electric Company ("GE") split into two separate companies, GE Aerospace and GE Vernova. During fiscal year 2024, we engaged in transactions with GE prior to its split and subsequently engaged in transactions with both GE Aerospace and GE Vernova. Sales listed with "GE" represent the legacy General Electric Company, and any sales following the split will be listed as GE Aerospace and GE Vernova as applicable.

Competitive Environment

Our products and product support services are sold worldwide into a variety of markets. In all markets, we compete on the basis of differentiated technology and design, product performance, and conformity with customer specifications. Additional factors are customer service and support, including on-time delivery and customer partnering, product quality, price, reputation, and local presence. Both of our segments operate in uniquely competitive environments.

We believe that new competitors face significant barriers to entry into many of our markets, including various government mandated certification requirements to compete in the aerospace and industrial markets in which we participate.

Aerospace

Aerospace has significant product certification requirements to meet safety regulations, which form a basis for competition as well as a barrier to entry. Technological innovation and design, product performance including increased efficiency and thrust, conformity with customer specifications, and product quality and reliability are of utmost importance in the aerospace and defense industry. In addition, on-time delivery, pricing, and joint development capabilities with customers are points of competition within this market.

We compete with numerous companies around the world that specialize in fuel and air management, combustion, electronic control, aircraft motion control, flight deck control, and thrust reverser products. Our competitors in aerospace

include divisions of Eaton, Honeywell, Moog, Parker Hannifin, and RTX Corporation. In addition, some of our OEM customers are capable of developing and manufacturing similar products internally. Several competitors are also customers for our products, such as Honeywell, Parker Hannifin, and RTX Corporation.

Some of our customers are affiliated with our competitors through ownership or joint venture agreements. For example, Pratt & Whitney, one of our customers, is affiliated with RTX Corporation, one of our competitors. Similarly, GE Aerospace has a joint venture with Parker Hannifin for the supply of fuel nozzles. We have also partnered with our customers in the past, such as our strategic joint venture with one of our largest customers, GE Aerospace.

We believe our products offer high levels of field reliability, which provides end users with an advantage in life-cycle cost. We address competition in services through responsiveness to our customers' needs, providing short turnaround times, greater performance such as longer time between repairs, and maintaining a global presence. We also compete in part by establishing relationships with our customers' engineering organizations, and by offering innovative technical and commercial solutions to meet their market requirements. Our ability to design, develop, and test an integrated system with a customer is a competitive differentiator, offering the customer savings in both resources and time.

Industrial

Industrial operates in the global markets for industrial turbines and reciprocating engines, which are used in power generation systems, transportation, and oil and gas markets. Many of these markets are subject to regulatory product and performance certifications to meet emissions and safety requirements, which form a basis for competition as well as a barrier to entry.

We compete with numerous companies that specialize in various engine, turbine, and power management products, and our OEM customers are often capable of developing and manufacturing similar products internally. Many of our customers are large global OEMs that require suppliers to support them around the world and to meet increasingly higher requirements in terms of safety, quality, delivery, reliability, and cost. Competitors include Emerson, EControls, Heinzmann GmbH & Co., Hoerbiger, Meggitt, Robert Bosch AG, and Triconix. OEM customers with internal capabilities for similar products include Caterpillar, Cummins, GE Vernova, Rolls-Royce Power Systems, Wärtsilä, and Weichai Power.

We believe we are a market leader in providing our customers with advanced technology and superior product performance at a competitive price. We focus on developing and maintaining close relationships with our OEM customers' engineering teams. Competitive success is based on the development of innovative components and systems that are aligned with the OEMs' technology roadmaps to achieve future reliability, emission, efficiency, and fuel flexibility targets.

For additional information about our markets and trends in our markets, please see Part II, Item 7, Management's Discussion and Analysis of Financial Condition and Results of Operations.

Government Contracts and Regulation

Portions of our business, particularly in our Aerospace segment, are heavily regulated. We contract with numerous U.S. Government agencies and entities, including all branches of the U.S. military, the National Aeronautics and Space Administration ("NASA"), and the Departments of Defense, Homeland Security, and Transportation. We also contract with similar government authorities outside the United States, subject in all cases to applicable law.

We must comply with, and are affected by, laws and regulations relating to the formation, administration, and performance of U.S. Government contracts. These laws and regulations, among other things:

- require accurate, complete, and current disclosure and certification of cost and pricing data in connection with certain contracts;
- impose specific and unique cost accounting practices that may differ from accounting principles generally accepted in the United States ("U.S. GAAP"), and therefore require robust systems to reconcile;
- impose regulations that define allowable and unallowable costs and otherwise govern our right to reimbursement under certain cost-based U.S. Government contracts;
- impose manufacturing specifications and other quality standards that may be more restrictive than for non-government business activities; and
- restrict the use and dissemination of information classified for national security purposes due to the regulations of the U.S. Government and foreign governments pertaining to the export of certain products and technical data.

Sales made directly to U.S. Government agencies and entities, or indirectly through third-party manufacturers utilizing our parts and subassemblies, collectively represented 20% of our sales for fiscal year 2025 and 17% of our sales for fiscal year 2024.

Seasonality

We believe our sales, in total or in either reportable segment, are not subject to significant seasonal variation. However, our sales have generally been lower in the first quarter of our fiscal year as compared to the immediately preceding quarter due to fewer working days resulting from the observance of various holidays and scheduled plant shutdowns for annual maintenance.

Sales Order Backlog

For each of our reportable segments, we have elected to quantify backlog in a manner consistent with the definition of remaining performance obligations. Our remaining performance obligations by segment, excluding material rights, are shown in the table below:

	October 31, 2025	Percent Expected to be satisfied by September 30, 2026	October 31, 2024	Percent Expected to be satisfied by September 30, 2025
Aerospace	\$ 2,683,116	74%	\$ 2,240,597	55%
Industrial	736,912	89%	662,750	85%
	<u>\$ 3,420,028</u>	78%	<u>\$ 2,903,347</u>	62%

Our remaining performance obligations relate to the aggregate amount of the total contract transaction price of firm orders for which the performance obligation has not yet been recognized in revenue.

Manufacturing

We operate manufacturing and assembly plants primarily in the United States, Europe, and Asia. Our products consist of mechanical, electronic, and electromechanical systems and components.

Aluminum, iron, and steel are primary raw materials used to produce our mechanical components. Other commodities, such as gold, copper, and nickel, are also used in the manufacture of our products, although in much smaller quantities. We purchase various goods, including component parts and services used in production, logistics, and product development processes from third parties. Generally, there are numerous sources for the raw materials and components used in our products, which we believe are sufficiently available to meet current requirements.

We maintain global strategic sourcing models to meet our global facilities' production needs while building long-term supplier relationships and efficiently managing our overall supply costs. We expect our suppliers to maintain adequate levels of quality raw materials and component parts, and to deliver such parts on a timely basis to support production of our various products. We use a variety of agreements with suppliers intended to protect our intellectual property and processes and to monitor and mitigate risks of disruption in our supply base that could cause a business disruption to our production schedules or to our customers. The risks monitored include supplier financial viability, business continuity, quality, delivery, and protection of our intellectual property and processes.

Our customers expect us to maintain adequate levels of certain finished goods and certain component parts to support our warranty commitments and sales to our services customers, and to deliver such parts on a timely basis to support our customers' standard and customary needs. We carry certain finished goods and component parts in inventory to meet these rapid delivery requirements of our customers.

Research and Development

We finance our research and development activities primarily with our own funds. Our research and development costs include basic research, applied research, component and systems development, and concept formulation studies.

We collaborate closely with our customers as they develop their technology plans, which leads to new product concepts. We believe this collaboration allows us to develop technology, new systems, and products that are aligned with our customers' needs and future performance, which increases the likelihood that our systems and components will be selected for inclusion in the platforms developed by our customers. Further, we believe our close collaboration with our

customers during preliminary design stages allows us to provide products that deliver the component and system performance necessary to bring greater value to our customers. This preliminary work may include opportunities to test new products in order to validate concepts and demonstrate performance in challenging environments. We strive to stay ahead of the competition through our modeling, prototyping, and state of the art test capabilities.

Aerospace is focused on developing systems and components that we believe will be instrumental in helping our customers achieve their objectives of lower fuel consumption, lighter weight, more efficient performance, reduced emissions, and improved operating economics. We support our engine and airframe customers as they develop next generation designs across the commercial aviation, general aviation, civil private, and military markets. Our development efforts support technology for a wide range of:

- aerospace turbine engine applications, which include commercial, business, and military turbofan engines of various thrust classes, turboshaft engines, and turboprop engines;
- electromechanical and hydraulic actuation systems for flight deck-to-flight surface control of fixed-wing aircraft and rotorcraft, and turbine engine nacelles, as well as guidance for weapon systems; and
- motion control components for integration into comprehensive actuation systems.

Most technology development programs begin years before an expected entry to service, such as those for the next generation of commercial aircraft. Other development programs result in nearer-term product launches associated with new OEM offerings, product upgrades, or product replacements on existing programs.

We developed the fuel system, air management system, and actuation hardware for CFM International's Leading Edge Aviation Propulsion ("LEAP") engine program. We also developed actuation system, combustion system, and oil system components for Pratt & Whitney's Geared Turbo Fan ("GTF" or "PurePower") engine program. We continue to support CFM LEAP engine program through our joint venture with GE Aerospace, and Pratt & Whitney PurePower engine program through Collins Aerospace.

Industrial focuses on developing innovative technologies—integrated control systems and system components—that help customers cost-effectively meet emissions regulations and fuel-efficiency requirements, support a wider range of fuel sources, boost reliability in harsh environments, and lower the total cost of ownership. Our development efforts support technology for a wide range of:

- products that improve the quality of combustion processes and provide more precise flow of various fuels and gases in our customers' gas turbines industrial reciprocating engines fueled by bio-diesel and dual-fuel;
- electronic devices and software solutions that provide improved control and protection of reciprocating engines, gas turbines, steam turbines, and engine- and turbine-powered equipment; and
- advanced predictive intelligence that is integrated into many of our complex products and systems.

Human Capital

Our employees (whom we call "members") are Woodward's most valuable resource for current and future success. We promote an environment that ensures safety, fosters growth and self-development, and provides meaningful work. All members participate in our success through attractive and aligned total rewards programs. Notable programs we offer to our full-time members include:

- employer sponsored health insurance;
- employer 401(k) matching contributions;
- annual Woodward stock contributions for U.S. members;
- a tuition assistance program;
- training and professional development courses through our Woodward University curriculum; and
- other values-based and technical development training

Tenure of all members averages 10 years, reflective of our positive workplace culture. Our recruiting team uses internal and external resources to recruit highly skilled and talented workers, and we encourage and reward member referrals for open positions.

In addition to our comprehensive investment in our members' success, we strive to maintain an environment that values and leverages the uniqueness of each member to the benefit of all our stakeholders. We view the combination of unique perspectives and backgrounds as a powerful force for innovation. To promote our core principles, we emphasize

dignity, value, and equality of all members, regardless of race, color, religion, age, gender or sexual orientation, through our actions and the workplace training programs we provide. We continually strive to harness the range of skills and experiences of our global workforce by cultivating a climate that permits all our members to bring their authentic selves to work every day.

The health and safety of our members is also a top priority. We have implemented appropriate procedures and precautions to ensure the continued safety and well-being of members. We strive to comply with all federal and local workplace laws and regulations where we do business. We are always looking for ways to exceed compliance standards by utilizing continuous improvement discipline to proactively eliminate risks in the workplace.

As of October 31, 2025, we employed approximately 10,200 full-time members of which approximately 30% were located outside of the United States, with the majority of such members located in Germany, Poland, and China.

In the United States, approximately 13% of our total full-time workforce were union members as of October 31, 2025. All union members in the United States work for our Aerospace segment. The collective bargaining agreements with our union members are generally renewed through contract renegotiation near the contract expiration dates. The MPC Employees Representative Union contract, which covered approximately 825 members as of October 31, 2025, expired on October 17, 2025, and there has been no work stoppage. We are continuing to honor this contract as the status quo. Due to actions taken by an external union during our negotiations for a successor agreement, we are waiting for a National Labor Relations Board election to take place to determine our future bargaining obligations. The Local Lodge 727-N International Association of Machinists and Aerospace Workers agreement, which covers approximately 500 members as of October 31, 2025, expires April 23, 2027. Almost all of our other members in the United States were at-will members as of October 31, 2025, and therefore, not subject to any type of employment contract or agreement.

In Germany, approximately 12% of our total full-time workforce were union members as of October 31, 2025, all of whom work for our Industrial segment. Our Woodward L'Orange members are part of the IG Metall union in Germany. IG Metall covered approximately 1,200 members as of October 31, 2025.

We believe we have good, collaborative relationships with our union members and the representative unions.

Outside of the United States, we enter into employment contracts and agreements in those countries in which such relationships are mandatory or customary, including coordination through local works' councils. The provisions of these agreements correspond in each case with the required or customary terms in the subject jurisdiction.

Our executive officers each have severance and change-in-control agreements which have been filed with the SEC.

Patents, Intellectual Property, and Licensing

We own numerous patents and other intellectual property and have licenses for the use of patents and other intellectual property owned by others, which relate to our products and their manufacture. In addition to owning a large portfolio of intellectual property, we also license intellectual property to and from third parties. For example, the U.S. Government has certain rights in our patents and other intellectual property developed in performance of certain government contracts, and it may use or authorize others to use the inventions covered by such patents for government purposes as allowed by law.

Non-patented intellectual property encompasses trade secrets and technological know-how that are either not patentable or intentionally unpatented — for example, proprietary manufacturing methods, engineering designs, unpatented software, and specialized R&D and engineering skills — all of which are vital to our business and each operating segment.

While our intellectual property assets taken together are important, we do not believe our business or either of our segments would be materially affected by the expiration of any particular intellectual property right or termination of any particular intellectual property patent license agreement.

As of September 30, 2025, our Consolidated Balance Sheets includes \$428,080 of net intangible assets. This value represents the carrying values, net of amortization, of certain assets acquired in various business acquisitions and does not purport to represent the fair value of our acquired intellectual property as of September 30, 2025.

Environmental Matters and Climate Change

The Company is regulated by federal, state, and international environmental laws governing our use, transport and disposal of substances and control of emissions. Compliance with these existing laws has not had a material impact on our capital expenditures, earnings or global competitive position.

We use hazardous materials and/or regulated materials in our manufacturing operations. We also own, operate, have acquired, and may in the future acquire facilities that were formerly owned and operated by others that used such materials. We believe the risk that a significant release of regulated materials has occurred in the past or will occur in the future cannot be completely eliminated or prevented. From time to time, we engage in environmental remediation activities, generally in coordination with other companies, pursuant to federal and state laws. In addition, we may be exposed to other environmental costs including participation in superfund sites or other similar jurisdictional initiatives. When it is reasonably probable that we will incur remediation costs at a site, and those costs can be reasonably estimated, we accrue a liability for such future costs with a related charge against our earnings. In formulating that estimate and recognizing those costs, we do not consider amounts expected to be recovered from insurance companies, or others, until such recovery is assured. Currently, we have no sites undergoing remediation.

Our manufacturing facilities generally do not produce volumes or quantities of byproducts, including greenhouse gases, that would be considered hazardous waste or otherwise harmful to the environment. We do not expect legislation currently pending or expected in the next several years to have a significant negative impact on our operations in any of our segments.

Domestic and foreign legislative initiatives on emissions control, renewable energy, and climate change tend to favorably impact the sale of our energy control products. For example, our Industrial segment produces energy control products that help our customers maximize engine efficiency and minimize wasteful emissions, including greenhouse gases.

Available Information

Through a link on the Investor Information section of our website, www.woodward.com, we make available, free of charge, the following filings as soon as reasonably practicable after they are electronically filed or furnished to the SEC: our Annual Report on Form 10-K, Quarterly Reports on Form 10-Q, Current Reports on Form 8-K, Proxy Statements on Schedule 14A, and any amendments to those reports filed or furnished pursuant to Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), as well as Section 16 reports of our officers and directors. The Securities and Exchange Commission (the "SEC") also maintains a website that contains our SEC filings. The address of the site is www.sec.gov. We provide notifications of news or announcements regarding our financial performance, including SEC filings, investor events, press and earnings releases as part of our investor relations website. We have used, and intend to continue to use, our investor relations website, as well as the following as of the date of this filing, as means of disclosing material non-public information and for complying with the disclosure obligations under Regulation FD:

- Facebook: [Facebook.com/woodwardinc](https://www.facebook.com/woodwardinc)
- Instagram: [Instagram.com/@woodward_inc](https://www.instagram.com/@woodward_inc)
- LinkedIn: [Linkedin.com/company/woodwardinc](https://www.linkedin.com/company/woodwardinc)
- YouTube: [YouTube.com/user/woodwardinc](https://www.youtube.com/user/woodwardinc)

All links to websites are intended to be inactive. None of the information contained on our website, or the above-mentioned social media sites, is incorporated into this document by reference.

Item 1A. Risk Factors

The following summarizes important factors that could individually, or together with one or more other factors, affect our business, financial condition, results of operations, and/or cash flows:

Industry Risks

We operate in highly competitive industries and, if we are unable to compete effectively in one or more of our markets, our business, financial condition, and results of operations will be adversely affected.

We face intense competition from a number of established competitors in the United States and abroad, some of which are larger in size or are divisions of large, diversified companies with substantially greater financial resources. In addition, global competition continues to increase. Changes in competitive conditions, including the availability of new

technologies, products and services, the introduction of new channels of distribution, changes in OEM and services pricing, and further consolidation of companies in our industries, could impact our relationships with our customers and may adversely affect future sales and margins, which could have a material adverse effect on our business, financial condition, results of operations, and cash flows.

A significant portion of our revenue is concentrated among a relatively small number of customers, which makes our business more vulnerable to fluctuations in sales to these customers and changes in their financial condition.

A significant portion of our revenue is concentrated among a relatively small number of customers. We have fewer customers than many companies with similar sales volumes. For the fiscal year ended September 30, 2025, sales to our largest five customers represented approximately 36% of our consolidated net sales and approximately 34% of our accounts receivable. If any of our significant customers were to change suppliers, in-source production, institute significant restructuring or cost-cutting measures, or experience financial distress, these significant customers may substantially reduce, or otherwise be unable to pay for, purchases from us. Accordingly, our consolidated net sales could decrease significantly, or we may experience difficulty collecting, or be unable to collect, amounts due and payable, which could have a material adverse effect on our business, financial condition, results of operations, and cash flows.

The long sales cycle, customer evaluation process, and implementation period of our products and services may increase the costs of obtaining orders and reduce the predictability of sales cycles and our inventory requirements.

Our products and services are technologically complex and require significant capital commitments. Prospective customers generally must commit significant resources to test and evaluate our products and to install and integrate them into larger systems. Accordingly, customers often require a significant number of product presentations and demonstrations before reaching a sufficient level of confidence in the product's performance and compatibility to commit to an order. In addition, orders expected in one quarter may shift, and from time to time have shifted, to another quarter or be cancelled with little advance notice as a result of customers' budgetary constraints, internal acceptance reviews, and other factors affecting the timing of customers' purchase decisions. The difficulty in forecasting demand increases the challenge in anticipating sales cycles and our inventory requirements, which may cause us to over-produce finished goods and could result in inventory write-offs, or could cause us to under-produce finished goods. Any such over-production or under-production could have a material adverse effect on our business, financial condition, results of operations, and cash flows.

Our strategic joint venture with GE Aerospace may make it more difficult to secure long-term sales in certain aerospace markets.

In January 2016, Woodward and GE (now GE Aerospace), consummated the formation of a strategic joint venture (the "JV"). The JV agreement does not restrict Woodward from entering into any market; however, consolidation in the aircraft engine market is increasingly prevalent, resulting in fewer engine manufacturers, and thus it may become more difficult for Woodward to secure new business with GE Aerospace competitors on similar product applications both within and outside the specific markets the JV operates. Additionally, if GE Aerospace fails to win new content in the market space covered by the JV, Woodward may be prevented from expanding content on future commercial aircraft engines in those markets.

Commercial, Financial, and Regulatory Risks

Suppliers may be unable to provide us with materials of sufficient quality or quantity to meet our production needs at favorable prices or at all which may adversely affect our revenue and margins.

We are dependent upon suppliers for parts and raw materials used in the manufacture of products that we sell to our customers, and our raw material costs are subject to commodity market fluctuations and have been impacted by the current inflationary environment. We have experienced shortages of certain parts and raw materials due to challenges in our supply chain. Our strategic investments to simplify and strengthen our supply chain may not be successful, and we may continue to experience shortages of parts or raw materials for the same or other reasons, such as the loss of a significant supplier, global supply chain constraints, high overall demand creating shortages in parts and supplies we use, financial distress, work stoppages, natural disasters, fluctuations in commodity prices, the imposition of tariffs or other duties, or production or distribution difficulties that may affect one or more of our suppliers. In some instances, we depend upon a single source of supply, manufacturing, or logistics support or participate in commodity markets that may be subject to allocations of limited supplies by suppliers. Some of our suppliers have experienced, and others may similarly experience, financial difficulties, inflationary pressures, production quality issues, labor instability, delivery delays or other performance problems, and, as a result, we have from time to time been, and may in the future be, unable to meet commitments to our customers and/or incur additional costs. In addition, quality and sourcing issues that our suppliers may experience can also adversely affect the quality and effectiveness of our products and services and may result in liability or reputational harm to us. Our customers rely on us to provide on-time delivery and have certain rights if our delivery standards are not maintained. Significant increases in our supply costs, including for raw materials that are subject to commodity price fluctuations, inflationary pressures, the imposition of tariffs, or a protracted interruption of supplies for any reason, have resulted in, and could result in further production and shipment delays, increased costs, and in lost revenue. Significant issues could damage our reputation and relationships with customers. Any of these events could have a material adverse effect on our business, financial condition, results of operations, and cash flows.

Our profitability may suffer if we are unable to manage our expenses in connection with sales increases, sales decreases, or if we experience change in product mix.

Some of our expenses are relatively fixed in relation to changes in sales volume and are difficult to adjust in the short term. Expenses driven by business activity other than sales level and other long-term expenditures, such as fixed manufacturing costs, capital expenditures, and research and development expenses may be difficult to reduce in a timely manner in response to a reduction in sales. In periods of rapid sales increases it may be difficult to quickly increase our production of finished goods because of our long manufacturing lead times. If a sudden, unanticipated need for raw materials, components and labor arises, we could experience difficulties in sourcing these items at a favorable cost, in sufficient quantities or at all. These factors could result in delays in fulfilling customer sales contracts, lost revenue, damage to our reputation and relationships with our customers, and an inability to meet market demand, which in turn could prevent us from taking advantage of business opportunities or responding to competitive pressures and could result in an increase in costs leading to a decrease in net earnings or even net losses. In addition, we sell products that have varying profit margins, and fluctuations in the mix of sales of our various products have impacted our overall profitability, and may do so in the future.

Reductions, delays or changes in U.S. Government spending could adversely affect our business.

Sales made directly to U.S. Government agencies and entities, or indirectly through third-party manufacturers, such as tier-one prime contractors utilizing our parts and subassemblies, accounted for approximately 20% of total sales in fiscal year 2025 and 17% in fiscal year 2024.

The U.S. Government participates in a wide variety of operations, including homeland defense, counterinsurgency, counterterrorism, and other defense-related operations that employ our products and services. U.S. defense spending has historically been cyclical in nature and is subject to periodic congressional authorization and appropriation actions. The level of U.S. defense spending is hard to predict and may be impacted by numerous factors outside of our control such as changes in the perceived threat environment, prevailing U.S. foreign policy, changes in security, defense, and intelligence strategies and priorities, shifts in domestic and international spending, the macroeconomic environment, tax policy, budget deficits and competing budget priorities, and the political environment and future potential government shutdowns.

Defense budgets tend to rise when perceived threats to national security increase the level of concern over the country's safety, but we can provide no assurance that an increase in defense spending will be allocated to programs that would benefit our business. Decreases in U.S. Government defense spending, changes in the spending allocation, and

phase-outs or terminations of certain aerospace and defense programs on which we have content could have a material adverse effect on our sales unless they are offset by other aerospace and defense programs and opportunities. If the priorities of the U.S. Government change and/or defense spending is reduced or delayed for any of the reasons discussed above, our business, financial condition, results of operations, and cash flows may be adversely affected.

Our business may be adversely affected by risks unique to government contracting.

As a result of our contracts with the U.S. Government, we are subject to certain unique risks, including the risks set forth below:

- Our U.S. Government contracts and the U.S. Government contracts of our customers are subject to modification, curtailment or termination by the government, either for the convenience of the government or for default as a result of a failure by us or our customers to perform under the applicable contract. If any of our contracts are terminated by the U.S. Government, our backlog would be reduced, in accordance with contract terms, by the expected value of the remaining work under such contracts. In addition, we are not the prime contractor on most of our contracts for supply to the U.S. Government, and the U.S. Government could terminate a prime contract under which we are a subcontractor, irrespective of the quality of our products and services as a subcontractor.
- We must comply with procurement laws and regulations relating to the formation, administration, and performance of our U.S. Government contracts and the U.S. Government contracts of our customers. The U.S. Government may change procurement laws and regulations from time to time. A violation of U.S. Government procurement laws or regulations, a change in U.S. Government procurement laws and regulations, or a termination arising out of our default could expose us to liability, debarment, or suspension and could have an adverse effect on our ability to compete for future contracts and orders.
- We are subject to government inquiries, audits, and investigations due to our business relationships with the U.S. Government and the heavily regulated industries in which we do business. In addition, our contract costs are subject to audits by the U.S. Government. U.S. Government agencies, including the Defense Contract Audit Agency and the Defense Contract Management Agency, routinely audit government contractors and subcontractors. These agencies review our performance under contracts, cost structure, and compliance with applicable laws, regulations, and standards, as well as the adequacy of and our compliance with our internal control systems and policies. Any costs found to be misclassified or inaccurately allocated to a specific contract would be deemed non-reimbursable, and to the extent already reimbursed, would be refunded. Any inadequacies in our systems and policies could result in withholdings on billed receivables, penalties, and reduced future business. Any inquiries or investigations, including those related to our contract pricing, could potentially result in civil and criminal penalties and administrative sanctions, including termination of contracts, forfeiture of profits, suspension of payments, fines, suspension, and/or debarment from participating in future business opportunities with the U.S. Government. Such actions could harm our reputation, even if such allegations are later determined to be unfounded, and could have a material adverse effect on our business, financial condition, results of operations, and cash flows.

The occurrence of one or more of these risks, some of which are out of our control, could have a material adverse effect on our business, financial condition, results of operations, and cash flows.

Our debt obligations and the restrictive covenants in the agreements governing our debt could limit our ability to operate our business or pursue our business strategies, could adversely affect our business, financial condition, results of operations, and cash flows, and could significantly reduce stockholder benefits from a change of control event.

As of September 30, 2025, our total debt was \$702,202, including \$390,000 in unsecured notes denominated in U.S. dollars issued in private placements and \$187,613 of unsecured notes denominated in Euros issued in private placements. We are obligated to make interest and scheduled principal payments under the agreements governing our long-term debt, which requires us to dedicate a portion of our net cash provided by operating activities to payments on our indebtedness, and which may reduce the availability of our cash for other purposes, including business development efforts and mergers and acquisitions. These debt obligations could make us more vulnerable to general adverse economic and industry conditions and could limit our flexibility in planning for, or reacting to, changes in our business and the industries in which we operate, thereby placing us at a disadvantage to our competitors that have less indebtedness. Further, we may require additional capital to repay our debt obligations when they mature, and such capital may not be available on terms acceptable to us or at all.

Our existing revolving credit facility and note purchase agreements impose financial covenants on us and our subsidiaries that require us to maintain certain leverage ratios and minimum levels of consolidated interest coverage. Certain of these agreements require us to repay outstanding borrowings with portions of the proceeds we receive from certain sales of property or assets and specified future debt offerings.

These financial covenants place certain restrictions on our business that may affect our ability to execute our business strategy successfully or take other actions that we believe would be in the best interests of our Company. These covenants include limitations or restrictions, among other things, on our ability and the ability of our subsidiaries to:

- incur additional indebtedness;
- pay dividends or make distributions on our capital stock or certain other restricted payments or investments;
- purchase or redeem stock;
- issue stock of our subsidiaries;
- make domestic and foreign investments and extend credit;
- engage in transactions with affiliates;
- transfer and sell assets;
- effect a consolidation or merger or sell, transfer, lease, or otherwise dispose of all or substantially all of our assets; and
- create liens on our assets to secure debt.

These agreements contain certain customary events of default, including certain cross-default provisions related to other outstanding debt arrangements. Any breach of the covenants under these agreements or other event of default could cause a default under these agreements and/or a cross-default under our other debt arrangements, which could restrict our ability to borrow under our revolving credit facility. If there were an event of default under certain provisions of our debt arrangements that was not cured or waived, the holders of the defaulted debt may be able to cause all amounts outstanding with respect to the debt instrument, plus any required settlement costs, to be due and payable immediately. Our assets and available cash balances may not be sufficient to fully repay borrowings under our outstanding debt instruments if accelerated upon an event of default. If we are unable to repay, refinance, or restructure our indebtedness as required, or amend the covenants contained in these agreements, the lenders or note holders may be entitled to obtain a lien or institute foreclosure proceedings against our assets. Any of these events could have a material adverse effect on our business, financial condition, results of operations, and cash flows.

Unforeseen additional tax expense or additional tax exposures could impact our future profitability.

We are subject to income taxes in both the United States and jurisdictions outside of the United States. Our tax liabilities are dependent upon the distribution mix of operating income among these different jurisdictions. Our tax expense includes estimates of additional tax that may be incurred and reflects various estimates, projections, and assumptions that could impact the valuation of our deferred tax assets and liabilities. Our future operating results could be adversely affected by changes in the effective tax rate, which could be caused by, among other things:

- changes in the mix of earnings in countries with differing statutory tax rates;
- changes in our overall profitability;
- changes in rules or interpretations of existing tax laws;
- changes in U.S. federal tax legislation and tax rates;
- changes in state or non-U.S. government tax legislation and tax rates;
- changes in tax incentives;
- changes in U.S. GAAP;
- changes in the projected realization of deferred tax assets and liabilities;
- changes in management's assessment of the amount of earnings indefinitely reinvested offshore;
- changes in management's intentions regarding the amount of earnings reinvested offshore;
- the results of audits and examinations of previously filed tax returns and continuing assessments of our tax exposures; and
- changes to global minimum taxes or other tax law changes

The Organization for Economic Cooperation and Development ("OECD") has passed Pillar Two, an inclusive framework on Base Erosion and Profit Sharing, which would enact a minimum 15% tax for large multinational companies. Many countries are considering changes to their tax laws or proposing new tax laws to align with the recommendations that have been made by the OECD regarding Pillar Two. We are closely monitoring developments and evaluating the potential impacts of Pillar Two, which could adversely impact our effective tax rate, tax payments, results of operations, and cash flows.

We derive a significant amount of revenue and obtain components from outside of the United States; accordingly, we are subject to the risks of doing business in other countries.

In fiscal year 2025, approximately 46% of our total sales were made to customers in jurisdictions outside of the United States (including products manufactured in the United States and sold outside the United States as well as products manufactured in international locations). We also purchase raw materials and components from suppliers outside the United States. Accordingly, our business and results of operations are subject to risks associated with doing business internationally, including:

- transportation delays and interruptions;
- political, social and economic conditions, instability and disruptions;
- natural disasters or pandemics;
- terrorism, war, and international tensions and conflicts;
- the imposition of taxes, import and export controls, duties and tariffs, embargoes, sanctions and other trade restrictions;
- fluctuations in currency exchange rates;
- different and changing regulatory environments;
- cost of compliance with increasingly complex and often conflicting regulations governing various matters worldwide;
- cost of labor, labor shortages, and other changes in labor conditions;
- the potential for nationalization of enterprises;
- potential limitations on the Company's ability to enforce legal rights and remedies, including protection of intellectual property;
- difficulty of enforcing agreements and collecting receivables through some foreign legal systems;
- potentially adverse tax consequences, including limitations on repatriations of earnings; and
- difficulties in implementing restructuring actions on a timely basis.

The United States and other countries have levied tariffs and taxes on certain goods, including during our fiscal year 2025. Some of our products are included in these tariffs, and certain commodities, raw materials, and other manufacturing inputs that we require are also included. The imposition of new or increased tariffs, duties, border adjustment taxes, or other trade restrictions by the United States could also result in the adoption of new or increased tariffs or other trade restrictions by other countries. While we have so far experienced minimal levels of cost pressure as a result of the recently implemented tariffs, future tariffs could increase our cost of materials, which could pressure our profitability if we are unable to secure commensurate price increases from our customers, or if the price increases we secure are not sufficient to fully offset the impact of the tariffs. The trade barriers implemented by the U.S. or other countries could have a significant adverse impact on our suppliers, our customers, and our business. We are not able to predict future trade policy of the United States or any foreign countries in which we operate or purchase goods, or the terms of any renegotiated trade agreements, or their impact on our business.

We are subject to and must comply with U.S. laws restricting or otherwise prohibiting companies from doing business in certain countries and with certain parties, including those on exports imposed under the U.S. Export Control Laws and Sanctions Programs. These laws and regulations change from time to time and may restrict sales to other countries or parties.

We are subject to the U.S. Foreign Corrupt Practices Act ("FCPA") and similar anti-bribery and anti-corruption laws and regulations in other jurisdictions generally prohibit companies and their intermediaries from making improper payments to government officials for the purpose of obtaining or retaining business or securing an improper business advantage. We operate in many parts of the world and sell to industries that have experienced corruption to some degree. If we are found to be liable for FCPA or other similar anti-bribery law or regulatory violations, we could be subject to civil and criminal penalties or other sanctions that could have a material adverse impact on our business, financial condition, results of operations, and cash flows.

Also, a material disruption to the financial institutions with whom we transact business could have a material adverse effect on our international operations or on our business, financial condition, results of operations, and cash flows. We could be adversely affected if the financial institutions providing our capital refuse to honor their contractual commitments, cease lending, or declare bankruptcy.

Changes in the estimates of fair value of reporting units or of long-lived assets, particularly goodwill, may result in future impairment charges, which could have a material adverse effect on our business, financial condition, and results of operations.

At September 30, 2025, we had \$832,288 of goodwill, representing approximately 18% of our total assets. We test goodwill for impairment at the reporting unit level on at least an annual basis or more frequently if an event occurs or circumstances change that would more likely than not reduce the fair value of a reporting unit below its carrying amount. Future goodwill impairment charges may occur if estimates of fair values decrease, which would reduce future earnings. In addition, we may incur asset impairment charges if asset utilization declines, if customer demand decreases, or for a number of other reasons, which would reduce future earnings. Any such impairment charges could have a material adverse effect on our business, financial condition, and results of operations.

There can be no assurance that our estimates and assumptions of the fair value of our reporting units, the current economic environment, or the other inputs used in forecasting the present value of forecasted cash flows used to estimate the fair value of our reporting units will prove to be accurate projections of future performance, and any material error in our estimates and assumptions, could result in us needing to take a material impairment charge, which would have the effects discussed above.

Our inability to retain key personnel or attract and retain new qualified personnel could adversely affect our business and limit our ability to operate successfully.

Due to the specialized nature of our business, competition for technical personnel is intense and our future performance is highly dependent on our ability to hire, train, assimilate, and retain a qualified workforce. Additionally, it is important we hire and retain personnel with relevant experience in local laws, regulations, customs, traditions, and business practices to support our international operations. Achieving this objective may be difficult due to many factors, including fluctuations in global economic and industry conditions, management changes, increasing local and global competition for talent, the availability of qualified members, challenges associated with retaining qualified members, restructuring and alignment activities, and the attractiveness of our compensation and benefit programs.

Our financial and operating performance depends on continued access to a stable workforce and on favorable labor relations with our members.

We rely on a highly trained workforce due to the specialized nature of our business. Any significant increases in labor costs, deterioration of member relations, or slowdowns or work stoppages at any of our locations, whether due to member turnover, changes in availability of qualified technical personnel, failure to have a collaborative and effective relationship with our members, or otherwise, could impair our ability to supply products or fulfill orders, and could otherwise have a material adverse effect on our business, our relationships with customers, and our financial condition, results of operations, and cash flows.

Further, approximately 13% of our workforce in the United States is unionized, and certain of our operations in the United States and internationally involve different member/employer relationships and the existence of works' councils. We cannot predict how stable our union relationships will be. We periodically need to renegotiate our collective bargaining agreements, and there can be no assurance that we will be able to timely agree to terms of future agreements or extensions without experiencing work stoppages, strikes, slowdowns, or other disruptions. One of our union contracts in the United States is currently expired, and the Company is continuing to honor this contract as status quo. There has been no associated work stoppage since the expiration of the union contract, but we cannot guarantee this will continue. Prolonged negotiations or labor disputes could disrupt our operations, lead to increased costs, or negatively impact our ability to serve customers and achieve our business objectives. Additionally, the terms of any renegotiated agreements could result in increased labor costs, operational restrictions, or other changes that could adversely affect our financial performance. Any deterioration in the relationship with our union members, or the failure to have effective collective bargaining agreements in place with our union members, could impair our ability to supply products or fulfill orders, and could otherwise have a material adverse effect on our business, our relationships with customers, and our financial condition, results of operations, and cash flows. Although we have not experienced any recent work stoppages, we may experience them in the future, which could adversely affect our business.

Our operations and suppliers may be subject to physical and other risks that could disrupt our operations.

Our operations and sources of supply could be disrupted by unforeseen events, including fires, tornadoes, tsunamis, hurricanes, earthquakes, floods, and other forms of severe weather in countries in which we operate or in which our suppliers are located, any of which could adversely affect our operations and financial performance. Natural disasters, public health concerns and pandemics, war, political unrest, terrorist activity, equipment failures, power outages, threats to physical security of our facilities, assets or people, or the security of our information technology ("IT") infrastructure and systems or other unforeseen events could result in physical damage to or other disruption of, and complete or partial closure of, one or more of our manufacturing facilities, or could cause temporary or long-term disruption in the supply of component products from some local and international suppliers, disruption in the transport of our products and significant delays in the shipment of products and the provision of services, which could in turn cause the loss of sales and customers. Existing insurance arrangements may not provide protection for all the costs that may arise from such events. Accordingly, disruption of our operations or the operations of a significant supplier could have a material adverse effect on our business, financial condition, results of operations, and cash flows.

Failure to develop, obtain, enforce, and protect intellectual property rights or third parties' claims that we are infringing their intellectual property could harm our business.

Our success depends in part on our ability to develop technologies and inventions and other intellectual property, and obtain intellectual property rights and enforce such intellectual property rights worldwide. In this regard, we rely on patent, trademark, copyright, and trade secret laws in the United States and in other jurisdictions where we do business, as well as license agreements, nondisclosure agreements, and confidentiality and other contractual provisions.

However, we cannot be certain we will be able to obtain patents or other intellectual property rights in our new technologies and inventions or, if we do, the scope of such rights may not be sufficiently broad to afford us any significant commercial advantage over our competitors. Further, our existing and future intellectual property rights may not provide us with competitive advantages or distinguish our products and services from those of our competitors. The technologies and inventions developed by us in the future may not be considered valuable by customers or provide us with a competitive advantage, or competitors may develop similar or identical technologies and inventions independently of us and before we do.

Effective protection of intellectual property rights is expensive and difficult to maintain, both in terms of application and maintenance costs, as well as the costs of defending and enforcing those rights. Competitors and other third parties may also challenge the ownership, validity, and/or enforceability of our patents or other intellectual property rights. Moreover, the laws of certain foreign jurisdictions do not recognize intellectual property rights or protect them to the same extent as do the laws of the United States. To the extent we do assert our intellectual property rights against third parties, we may not be successful and adequate remedies may not be available in the event of infringement or unauthorized use of our intellectual property rights, or disclosure of our trade secrets.

Third parties may in the future assert that we have infringed, misappropriated, or otherwise violated their intellectual property rights. We cannot assure you that our current or future technologies are not infringing or violating intellectual property rights of third parties, or will not do so in the future. In the event we face claims of infringement or misappropriation, we may face expensive litigation or indemnification obligations, be required to enter into licenses, and may be prevented from selling existing products and pursuing product development or commercialization. Even if such claims are without merit, we may be required to expend significant time and resources on the defense of such claims. If we are unable to sufficiently protect our patent and other proprietary rights or if we infringe on or misappropriate proprietary rights of others, our business, financial condition, results of operations, and cash flows could be materially adversely affected. The theft or unauthorized use or publication of our intellectual property and/or technological know-how that is either not patentable or intentionally unpatented, including trade secrets, could adversely affect our competitive position and the value of certain of our investments in research and development.

We are subject to legal proceedings, investigations, claims and/or regulatory proceedings that could have a significant impact on our business and operations.

We are currently involved or may become involved in legal, regulatory, and other proceedings. These proceedings may include, without limitation, product liability matters, intellectual property matters, contract disputes or claims, pending or threatened litigation, and governmental investigations, as well as employment, tax, environmental, or other matters. These proceedings could lead to enforcement actions, adverse changes to our business practices, fines and penalties, business remedies, or the assertion of private litigation claims and/or damages that could be material, and of which could have a

material adverse effect on our business, financial condition, results of operations, and cash flows. Even if the legal proceedings we face are decided in our favor, or are unfounded, we may incur material expenses and such matters may require significant management attention, and may harm our reputation with customers, members or investors. We accrue for known individual matters if we believe it is probable that the matter will result in a loss when ultimately resolved using estimates of the most likely amount of loss. However, estimating possible losses involves significant judgment and outcomes are unpredictable, therefore, actual losses may exceed our estimates.

Our business and operations may be adversely affected by cybersecurity breaches or other information technology system or network interruptions or intrusions.

We depend heavily on the confidentiality, integrity, and availability of our IT and computerized systems to communicate and operate effectively. We store sensitive data, including proprietary business information, intellectual property, classified information, customer information, supplier information, and confidential employee or other personal data on our servers and databases. Also, due to political uncertainty and hostile military actions, we are subject to heightened risks of cybersecurity incidents and security breaches initiated by nation-state or affiliated actors.

We and certain of our third-party providers have experienced cyberattacks on our IT infrastructure and systems. Given our industry, we expect continued targeting of cyberattacks, either directly against us or indirectly via our supply chain or third-party vendors, seeking unauthorized access to our data or our customers' data or to disrupt our operations or our ability to provide services. We face many ongoing cybersecurity threats, such as the loss, misuse, theft, unavailability, or unauthorized disclosure or other processing of information or assets (including source code), or damage to or other compromise of systems, components, and other IT assets, including the introduction of malicious code or other vulnerabilities by people who obtain unauthorized access to our facilities, systems, or information. There are many different techniques used to obtain unauthorized access to systems and data, and such techniques continue to evolve and become more sophisticated, including the increasing use by threat actors of artificial intelligence, and the adversaries are becoming more advanced, including nation-states and actors sponsored by or affiliated with nation-states, which target us and other defense contractors because we have national security information in our possession, and other actors with substantial financial and technological resources. These techniques include, but are not limited to, the use of malicious software, destructive malware, ransomware, denial-of-service attacks, phishing and other means of social engineering, and other means of causing system or network disruptions, obtaining unauthorized access to data or systems, or causing other cybersecurity breaches and incidents. Additionally, we are exposed to system and service disruptions, and cybersecurity breaches or incidents resulting from employee or contractor error, negligence, or malfeasance. Further, we expect continued cyberattacks directed at our supply chain. We face continued cybersecurity threats resulting from tools, services, or other third-party components and security vulnerabilities within, or introduced by, such tools, services, or components. Due to the rapidly evolving threat environment and other factors, we cannot guarantee protection against all such attacks. Further, due to the evolving nature of these security threats and the national security aspects of much of the data in our possession, the full impact of any future security breach or incident cannot be predicted. In addition, because certain of our products and services are integrated with our customers' systems and processes, the circumvention or failure of our cybersecurity measures may compromise the confidentiality, integrity, and availability of our customers' systems or data. We have acquired and continue to acquire companies with vulnerabilities or unsophisticated security measures, which exposes us to cybersecurity risks.

We and our third-party partners have implemented various security measures, but our IT infrastructure, systems, networks, products, solutions, and services remain vulnerable to numerous additional known and unknown threats. We cannot guarantee that the measures we have implemented to prevent, detect, and respond to malicious activities will be effective or sufficient to prevent a cyberattack or other means of effecting cybersecurity breaches or incidents. For example, given the nature of complex systems like ours and the scanning tools that we deploy in our IT environment, we regularly identify and track known security vulnerabilities; however, we cannot guarantee that patches or mitigating measures will be implemented before any vulnerabilities can be exploited by a threat actor.

If any of our IT infrastructure or systems are damaged, disrupted, or are otherwise impacted by security breaches or incidents, whether from cybersecurity attacks or other causes, or if we suffer any security breach or incident involving unauthorized access to, misuse, acquisition, disclosure, loss, alteration, or destruction of our data or other data we maintain or otherwise process, we could experience significant operational stoppages, disruptions, delays, and/or other detrimental impacts on our operations or investment in research, and may face increased costs, including increased costs of implementing new data protection and security measures, policies, and procedures, and costs associated with remediating and otherwise responding to the security breach or incident. Any such security breach or incident or the perception that it has occurred, also may result in reputational damage and increased operational costs, regulatory investigations,

proceedings, and orders, litigation or other demands, indemnity obligations, damages for contract breach, fines or penalties relating to actual or alleged violation of applicable laws, regulations, or contractual obligations, incentives offered to customers or other business partners in an effort to maintain business relationships, and other costs and liabilities. Such impacts could result in diminished competitive advantages and could have a material adverse effect on our business, financial condition, results of operations, and cash flows. Further, any unauthorized disclosure, use, or acquisition of our intellectual property and/or confidential business information could harm our competitive position, result in a loss of intellectual property protection, and otherwise reduce the value of our investment in research and development and other strategic initiatives or otherwise adversely affect our business.

Our insurance coverage may not be sufficient to compensate for all liability relating to any actual or potential disruption or other security breach or incident. We cannot be certain that our coverage will be adequate for liabilities actually incurred, that insurance will continue to be available to us on economically reasonable terms, or at all, or that any insurer will not deny coverage as to any future claim. The successful assertion of one or more large claims against us that exceed available insurance coverage, or the occurrence of changes in our insurance policies, including premium increases or the imposition of large deductible or co-insurance requirements, could have a material adverse effect on our business, including our financial condition, operating results, and reputation.

Data privacy, data protection, and cybersecurity may require significant resources and present certain risks.

We collect, store, and otherwise process certain confidential or sensitive data, including personal data and other information that is subject to laws, regulations, customer-imposed controls, or other actual or asserted obligations. The laws, regulations, standards, and other actual and asserted obligations relating to privacy, data protection, and cybersecurity to which we may be subject, in the U.S. and globally, are evolving. For example, as a contractor to the Department of Defense, we are contractually required to protect controlled unclassified information and comply with certain cybersecurity regulations, including controls specified in the National Institute of Standards and Technology Special Publication 800-171 (“NIST SP 800-171”). The Cybersecurity Maturity Model Certification program was also recently finalized, which will result in various compliance and contractual obligations in relation to our Department of Defense and related customers. In addition, in the European Union, the General Data Protection Regulation imposes stringent requirements applicable to processing personal data and provides for substantial penalties for noncompliance, and in the U.S., California and numerous other states have adopted comprehensive privacy laws, with other states considering such laws. Many jurisdictions around the world have passed or are considering laws and regulations relating to privacy, data protection, and cybersecurity, including laws that impose cross-border data transfer restrictions and require certain personal data to be maintained on local servers.

Any actual or perceived failure to comply with laws, regulations, or contractual or other actual or asserted obligations to which we are or are alleged to be subject relating to privacy, data protection, or cybersecurity could result in claims, litigation, and regulatory investigations and other proceedings, as well as damage to our reputation. These could result in substantial costs, diversion of resources, fines, penalties, and other damages and liabilities, and harm to our customer relationships, our market position, and our ability to attract new customer engagements. Any of these could harm our business, financial condition, results of operations, and cash flows, potentially in a material manner.

Increasing emission standards that drive certain product sales may be eased or delayed, which could reduce our competitive advantage.

We sell components and systems that have been designed to meet strict emission standards, including standards that have not yet been implemented but are expected to be implemented soon. If these emission standards are eased, developed products may become unnecessary and/or our future sales could be lower as potential customers select alternative products or delay adoption of our products, which would have a material adverse effect on our business, financial condition, results of operations, and cash flows.

Prices for fossil fuels may increase significantly and disproportionately to other sources of fuels used for power generation, which could reduce our sales and adversely affect our business, financial condition, results of operations, and cash flows.

Commercial producers of electricity use many of our components and systems, most predominately in their power plants that use natural gas as their fuel source. Commercial producers of electricity are often in a position to manage the use of different power plant facilities and make decisions based on operating costs. Compared to other sources of fuels used for power generation, natural gas prices have increased slower than fuel oil, but about the same as coal. This increase in natural gas prices and any future increases, whether in absolute dollars or relative to other fuel costs such as oil, could impact the sales mix of our components and systems, which could have a material adverse effect on our business, financial condition, results of operations, and cash flows.

Long-term reduced commodity prices for oil, natural gas, and other minerals may depress the markets for certain of our products and services, particularly those from our Industrial segment.

Many of our Industrial segment OEM and services customers and our Aerospace segment rotorcraft product lines' customers provide goods and services that support various industrial extraction activities, including mining, oil and gas exploration and extraction, and transportation of raw materials from extraction sites to refineries and/or processing facilities. Long-term lower prices for commodities such as oil, natural gas, gold, tin, and various other minerals could reduce exploration activities and place downward pressure on demand for our goods and services that support exploration and extraction activities.

Business Risks

If we fail to develop new products or enhance existing products, or our customers do not accept the new or enhanced products we develop, our business, financial condition, results of operations, and cash flows could be adversely affected.

The markets in which we operate experience rapidly changing technologies and frequent introductions of new products and services. We believe that we must continue to enhance our existing products and develop and manufacture new products with improved capabilities in order to effectively compete. We also must align our development activities with our customers' development activities and expectations, along with emerging industry standards. Our technologies and the technological expertise we have developed and maintained could become less valuable if a competitor were to develop a new technology that would allow it to match or exceed the performance of existing technologies at a lower cost, or were to develop more efficient ways to produce their existing products that could cause our existing products or services to become less desirable or obsolete. We also believe that we must continue to make improvements in our productivity in order to maintain our competitive position. Difficulties or delays in research, development or production of new or enhanced products or failure to gain market acceptance of new or enhanced products and technologies may reduce future sales and adversely affect our competitive position. We continue to invest in the development and marketing of new or enhanced products. There can be no assurance that we will have sufficient resources to make such investments, that we will be able to make the technological advances necessary to maintain competitive advantages, or that we can recover major research and development expenses. If we are unable to develop competitive technologies, make innovations, launch products with quality problems, or the market does not accept our new products, future sales or earnings could be lower than expected, which could have a material adverse effect on our business, financial condition, results of operations, and cash flows. In addition, as new or enhanced products are introduced, we must successfully manage the transition from older products to minimize disruption in customers' ordering patterns, avoid excessive levels of older product inventories, and ensure that we can deliver sufficient supplies of new products to meet customers' demands.

Our product development may be more costly than anticipated, or we may not be able to produce newly developed products at a cost that meets the anticipated product cost structure.

Our business involves a significant level of product development activities and research and development costs. Maintaining our market position requires continued investment in research and development. During an economic downturn or a subsequent recovery, we may need to maintain our investment in research and development, which may limit our ability to reduce these expenses in proportion to a sales shortfall.

In addition, increased investments in research and development may divert resources from other potential investments in our business, such as acquisitions or investments in our facilities, processes, and operations. If these activities are not as successful as currently anticipated, are not completed on a timely basis, or are more costly than currently anticipated, or if we are not able to produce newly developed products at a cost that meets the anticipated

product cost structure, then our future sales, margins and/or earnings could be lower than expected, which could have a material adverse effect on our business, financial condition, results of operations, and cash flows.

Product liability claims, product recalls or other liabilities associated with the products and services we provide may force us to pay substantial damage awards and other expenses.

The manufacture and sale of our products and the services we provide expose us to risks of product and other tort claims, and any resulting liability. We currently have and have had in the past product liability claims relating to our products, and we will likely be subject to additional product liability claims in the future for past, current, and future products. Some of these claims may have a material adverse effect on our business, financial condition, results of operations, and cash flows. We also provide certain services to our customers and are subject to claims with respect to the services provided. In providing such services, we may rely on subcontractors to perform all or a portion of the contracted services. It is possible that we could be liable to our customers for work performed by a subcontractor.

Regardless of the outcome, product liability claims can be expensive to defend, can divert the attention of management and other personnel for significant periods of time, and can cause reputational damage. While we believe that we have appropriate insurance coverage available to us related to any such claims, our insurance may not cover all liabilities or be available in the future at a cost acceptable to us. An unsuccessful result in connection with a product liability claim, where the liabilities are not covered by insurance or for which indemnification or other recovery is not available, could have a material adverse effect on our business, financial condition, results of operations, and cash flows.

Acquisitions, joint ventures, divestitures, and other transactions we enter into could fail to achieve strategic objectives, disrupt our ongoing operations, result in operating difficulties, harm our business, and negatively impact our results of operations.

As part of our business strategy, we have pursued, and expect to pursue acquisitions of other companies and assets. The identification, evaluation, and negotiation of potential acquisitions and other strategic transactions may divert the attention of management and entail various expenses, whether or not such transactions are ultimately completed. If we are able to complete a transaction, the success of these transactions depends on, among other things, our ability to integrate these businesses into our operations and realize the planned synergies. Integration of acquired operations may take longer, or be more costly or disruptive to our business, than originally anticipated. The integration of these acquisitions may require significant attention from our management, and the diversion of management's attention and resources could have a material adverse effect on our ability to manage our business. We may also incur costs and divert management attention to acquisitions that are never consummated.

Difficulties in the integration of the acquired business may include consolidating the operations, processes, and systems of the acquired business, retaining and motivating key management and members, and integrating existing business relationships with suppliers and customers. Even if integration is successful, the financial and operational results may differ materially from our assumptions and forecasts due to unforeseen expenses, delays, conditions, and liabilities. Evolving regulations such as changes in tax, trade, environmental, labor, safety, payroll, or pension policies could increase the expected costs of acquisitions, and fluctuations in foreign currency exchange rates may impact the agreed upon purchase price. In addition, we may incur unanticipated costs or expenses following an acquisition, including post-closing asset impairment charges, expenses associated with eliminating duplicate facilities, and other liabilities.

Many of these factors are outside of our control and any one of them could result in increased costs, decreases in the amount of expected revenues, and diversion of management's time and attention. Failure to successfully implement our acquisition strategy, including successfully integrating acquired businesses, could have a material adverse effect on our business, financial condition, results of operations, and cash flows.

We also may make strategic divestitures from time to time. We may experience difficulty separating out portions of, or entire, businesses, incur loss of revenue or experience negative impact on margins, or we may not achieve the desired strategic and financial benefits. In addition, these types of transactions may result in continued financial involvement in the divested businesses, such as through guarantees or other financial arrangements, following the transaction, or we may remain liable for certain matters. We are not likely to have the same level of control over the divested business, and the performance of those divested businesses could affect our future financial results through additional payment obligations, higher costs or asset write-downs, any of which could have a material adverse effect on our business, financial condition, results of operations, and cash flows.

Our restructuring activities may reduce our profitability and may not have the intended effects.

From time to time, we have implemented restructuring and other actions designed to reduce structural costs, improve operational efficiency, and position the Company for long-term profitable growth. Historically, our restructuring activities have included workforce management and other restructuring charges related to acquired businesses. Further, we may decide to implement restructuring or alignment activities in the future, which may involve, among other things, closing plants, moving production lines, or making additions, reductions, or other changes to our management or workforce. These restructuring and/or alignment activities generally result in charges and expenditures that may adversely affect our financial results for one or more periods.

Restructuring and/or alignment activities can also create unanticipated consequences, such as instability or distraction among our workforce, and we cannot be sure that any restructuring or alignment efforts that we undertake will be successful. A variety of risks could cause us not to realize expected cost savings, including, among others, higher than expected severance costs related to staff reductions, higher than expected costs of closing plants, higher costs to hire new members or delays or difficulty hiring the members needed, higher than expected operating costs associated with moving production lines, delays in the anticipated timing of activities related to our cost-saving plan, and other unexpected costs associated with operating the business.

If we are unable to structure our operations in light of evolving market conditions, it could have a material adverse effect on our business, financial condition, results of operations, and cash flows.

Our manufacturing activities may result in future environmental costs or liabilities.

We use hazardous materials and/or regulated materials in our manufacturing operations. We also own, operate, have acquired, and may in the future acquire facilities that were formerly owned and operated by others that used such materials. We are subject to a substantial number of costly regulations and we must conform our operations to applicable regulatory requirements in all countries in which we operate. The risk that a significant release of regulated materials has occurred in the past or will occur in the future cannot be completely eliminated or prevented. Accordingly, we cannot be certain that we will not incur additional material costs or liabilities as a result of complying with these requirements.

In addition, we may be subject to other environmental remediation costs such as participation in superfund sites or other similar jurisdictional initiatives. As a result, we may incur material costs or liabilities or be required to undertake future environmental remediation activities that could damage our reputation and have a material adverse effect on our business, financial condition, results of operations, and cash flows.

Failure of our production lines, or those of our subcontractors, to meet required certification standards could disrupt production.

Our existing production lines, as well as the production lines of our subcontractors, are sometimes required to pass varying levels of qualification with certain of our customers. Some of our customers require that our production lines pass their specific qualification standards and that we, and any subcontractors that we may use, be registered under or certified to certain U.S. or international quality standards. We may be unable to obtain, maintain, or we may experience delays in obtaining, a certification or registration to a required quality standard. A delay in obtaining, or the failure to obtain a necessary quality certification or registration could result in significant out-of-sequence work and increased production costs, as well as delayed deliveries to customers, which could have a material adverse effect on our business, financial condition, results of operations, and cash flows.

Item 1B. Unresolved Staff Comments

None.

Item 1C. Cybersecurity

Cybersecurity Risk Management and Strategy

We maintain a cybersecurity risk management program based on the National Institute of Standards and Technology Cybersecurity Framework to assess, identify, and manage cybersecurity risks. This program is designed to protect business continuity and preserve the confidentiality, integrity, and continued availability of our IT systems and infrastructure used in our business as well as the information that we own or is in our care and is integrated into our overall enterprise risk management program.

We have established processes to evaluate and address cybersecurity risks on an ongoing basis. As part of our risk management program, we engage with external third parties to measure the effectiveness of our cybersecurity program through penetration tests, control assessments, tabletop exercises, and other related activities. Further, we have implemented a defense-in-depth strategy in which we utilize real-time 24/7 monitoring to identify anomalies, potential threats, and alerts. This cybersecurity strategy incorporates frameworks, policies, and practices designed to protect the privacy and security of our sensitive information, backed by a suite of security technologies and tools to implement and automate select security protections. We maintain cyber risk and related insurance policies as a measure of added protection.

We educate our members to raise awareness of cybersecurity threats. As part of our program, we maintain annual training for all members on cybersecurity standards and provide training on how to recognize and properly respond to phishing, social engineering schemes, and certain other cyber threats. We equip our members with a mechanism to easily report suspicious emails which are analyzed by our security systems and dedicated incident response team. We periodically send "Test" phishing assessments to our members. Any failures trigger a retraining exercise. Also, we have specific and regular training for our IT and finance members, as well as our system administrators.

In addition, we maintain processes governing interconnections with third-party systems and we perform due diligence procedures before onboarding service providers with access to our systems or processing sensitive data on our behalf. This process includes, as applicable and appropriate based on risk profile and criticality, a review of System and Organization Controls ("SOC") 1 and SOC 2 reports (as each such report is defined by the American Institute of Certified Public Accountants), ISO 27001 certifications, and/or Cybersecurity Maturity Model Certifications, as well as reviewing penetration tests, conducting vulnerability tests, and administering security questionnaires and assessments.

We have not identified risks from known cybersecurity threats, including as a result of any previous cybersecurity incidents, that have materially affected or are reasonably likely to materially affect us, including our business strategy, results of operations or financial condition. However, risks from cybersecurity threats, including but not limited to exploitation of vulnerabilities, ransomware, denial of service, supply chain attacks, or other similar threats may materially affect us, including our execution of business strategy, reputation, results of operations and/or financial condition. Nonetheless, our IT infrastructure, systems, networks, products, solutions, and services remain vulnerable to numerous additional known or unknown threats. For more information about the cybersecurity risks we face, please refer to Item 1A, "Risk Factors," in this Form 10-K, including the risk factor entitled "Our business and operations may be adversely affected by cybersecurity breaches or other information technology system or network interruptions or intrusions."

Cybersecurity Governance

Our cybersecurity program is ultimately overseen by the Board of Directors (the "Board"). The Audit Committee has responsibility for the oversight of risk management activities related to cybersecurity and other information security and technology risks. Our cybersecurity program is implemented and administered by a dedicated team of internal and external cybersecurity professionals that conduct periodic control gap assessments, maturity assessments, and benchmarking against peers in the industry, monitor various security tools deployed in the IT environment and review threat intelligence and other information from various public and private sources. The team has decades of experience with varied certifications and is led by our Chief Information Security Officer ("CISO"), who reports to our Vice President of IT, has over 18 years of experience as an IT professional and in cybersecurity, including experience leading cybersecurity programs protecting high value assets and critical infrastructure, including in high-risk locations. Our Vice President of IT has been a key leader in our IT group for more than 25 years, including the last seven in his current role leading our IT function. He plays an integral role in cybersecurity risk assessment and mitigation in all corporate acquisitions, and he participated in the development and implementation of our initial cybersecurity program more than 20 years ago.

Our CISO and Vice President of IT are primarily responsible for assessing and managing risks from cybersecurity threats to the Company. The CISO and Vice President of IT make regular reports to senior management regarding the cybersecurity program. We also have a notification process for appropriate escalation of cyber incidents by members of our internal cybersecurity team to senior management as appropriate, including our Chief Executive Officer, Chief Financial Officer, Chief Accounting Officer, and/or General Counsel, as well as to the Audit Committee. The senior management team, including the CISO and Vice President of IT, provides quarterly data protection and cybersecurity reports to the Audit Committee, as well as periodic reports to the full Board of Directors, which include information about cyber risk management, the cybersecurity risk environment, and the status of ongoing efforts to strengthen cybersecurity effectiveness.

Item 2 Properties

The following is a summary of our principal facilities as of September 30, 2025:

Country	Location	Plants	Owned/Leased	Segment	Purpose
United States	Fort Collins, CO	2	Owned	Aerospace & Industrial	Corporate Headquarters; Manufacturing and engineering
United States	Greer, SC	1	Owned	Aerospace	Manufacturing and engineering
United States	Niles, IL	1	Owned	Aerospace	Manufacturing and engineering
United States	Rockford, IL	2	Owned	Aerospace	Manufacturing and engineering
United States	Santa Clarita, CA	1	Owned	Aerospace	Manufacturing and engineering
United States	Windsor, CO	1	Owned	Aerospace & Industrial	Manufacturing and engineering
United States	Zeeland, MI	1	Owned	Aerospace	Manufacturing and engineering
Germany	Aken	1	Owned	Industrial	Manufacturing and engineering
Germany	Glatten	1	Owned	Industrial	Manufacturing
Germany	Stuttgart	2	Owned/Leased	Industrial	Engineering
Germany	Wolfratshausen	1	Owned/Leased	Industrial	Manufacturing
Poland	Krakow	1	Owned	Aerospace & Industrial	Manufacturing and engineering
China	Suzhou	1	Leased	Industrial	Manufacturing
China	Tianjin	1	Leased	Industrial	Assembly
United Kingdom	Prestwick	1	Owned	Aerospace	Assembly
Bulgaria	Sofia	1	Leased	Aerospace	Manufacturing

In addition to the principal plants listed above, we own or lease other facilities used primarily for sales, service activities, assembly, and/or engineering activities in Australia, Brazil, China, India, Japan, the Netherlands, the Republic of Korea, Saudi Arabia, Singapore, Germany, Indonesia, and the United States.

Our principal plants are suitable and adequate for the manufacturing and other activities performed at those plants, and we believe our utilization levels are generally high.

Item 3. Legal Proceedings

We are currently involved in pending or threatened litigation or other legal proceedings, investigations, claims and/or regulatory proceedings arising in the normal course of business, including, among others, those relating to product liability claims, employment matters, worker's compensation claims, contractual disputes, product warranty claims, and alleged violations of various laws and regulations. We accrue for known individual matters using estimates of the most likely amount of loss where it believes that it is probable the matter will result in a loss when ultimately resolved and such loss is reasonably estimable.

While the outcome of pending claims, legal and regulatory proceedings, and investigations cannot be predicted with certainty, management believes that any liabilities that may result from these claims, proceedings and investigations will not have a material effect on our liquidity, financial condition, or results of operations.

Item 4. Mine Safety Disclosures

Not applicable.

PART II

Item 5. Market for Registrant’s Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities

Our common stock is listed on The NASDAQ Global Select Market and is traded under the symbol “WWD.” At November 24, 2025, there were approximately 600 holders of record.

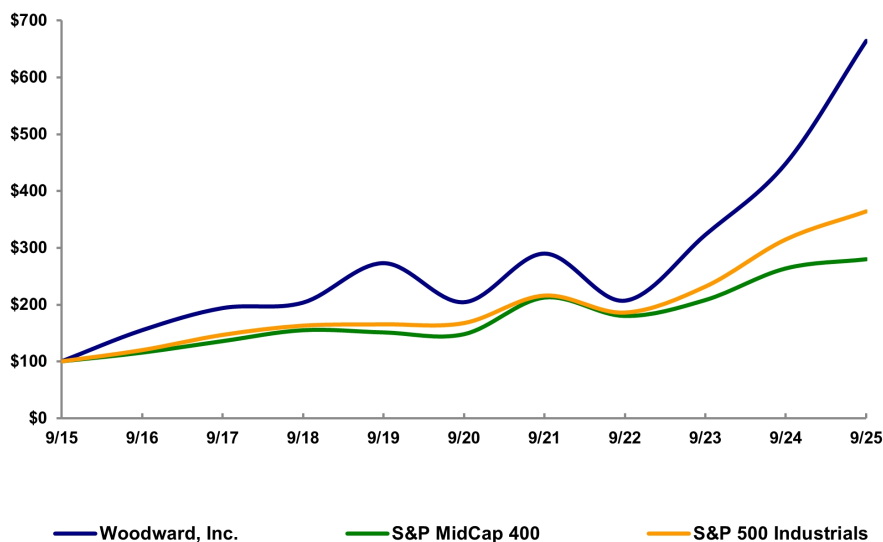
While we have historically paid dividends to holders of our common shares on a quarterly basis, the declaration and payment of future dividends will depend on many factors, including but not limited to, our earnings, financial condition, business development needs and regulatory considerations, and are at the discretion of our board of directors.

Performance Graph

The following graph compares the cumulative 10-year total return to stockholders on our common stock relative to the cumulative total returns of the S&P Midcap 400 index and the S&P Industrials index. The graph shows total stockholder return assuming an investment of \$100 (with reinvestment of all dividends) was made on September 30, 2015 in our common stock and in each of the two indexes and tracks relative performance through September 30, 2025. We have used a period of 10 years as we believe that our stock performance should be reviewed over a period that is reflective of our long-term business cycle.

COMPARISON OF 10-YEAR CUMULATIVE TOTAL RETURN*

Among Woodward, Inc., the S&P MidCap 400 Index and the S&P 500 Industrials Index



*\$100 invested on 9/30/15 in stock or index, including reinvestment of dividends. Fiscal year ending September 30.

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	9/15	9/16	9/17	9/18	9/19	9/20	9/21	9/22	9/23	9/24	9/25
Woodward, Inc.	\$ 100.00	\$ 154.80	\$ 193.69	\$ 203.25	\$ 272.80	\$ 204.07	\$ 289.60	\$ 206.71	\$ 322.54	\$ 448.06	\$ 663.77
S&P Midcap 400	100.00	115.33	135.53	154.78	150.93	147.67	212.17	179.82	207.71	263.35	279.49
S&P Industrials	100.00	119.74	146.50	162.88	165.14	167.33	215.79	185.86	231.56	314.66	364.04

The stock price performance included in this graph is not necessarily indicative of future stock price performance.

Sales of Unregistered Securities

None.

Issuer Purchases of Equity Securities

(In thousands, except share amounts)

	Total Number of Shares Purchased	Average Price Paid Per Share	Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs (1)	Approximate Dollar Value of Shares that may yet be Purchased under the Plans or Programs (1)
July 1, 2025 - July 31, 2025 (2)	61,500	\$ 244.34	61,400	\$ 69,878
August 1, 2025 - August 31, 2025 (2)	61,433	256.87	61,400	54,098
September 1, 2025 - September 30, 2025	46,468	244.86	46,468	42,720

- (1) In January 2024, the Board authorized a program for the repurchase of up to \$600,000 of Woodward's outstanding shares of common stock on the open market or in privately negotiated transactions over a three-year period ending in January 2027 (the "2024 Authorization").
- (2) Under a trust established for the purposes of administering the Woodward Executive Benefit Plan (the "Executive Benefit Plan Trust"), 100 shares of common stock were acquired in July 2025. In addition, 33 shares of common stock were acquired in August 2025 on the open market related to the reinvestment of dividends for shares of treasury stock held for deferred compensation. Shares owned by the Executive Benefit Plan Trust, which is a separate legal entity, are included in "Treasury stock held for deferred compensation" in the Consolidated Balance Sheets.

Item 6. Reserved

Item 7. Management’s Discussion and Analysis of Financial Condition and Results of Operations

This Management’s Discussion and Analysis should be read together with the Consolidated Financial Statements and Notes included in this report. Dollar and number of share amounts contained in this discussion and elsewhere in this Annual Report on Form 10-K are in thousands, except per share amounts. For a discussion of the 2024 Results of Operations, including a discussion of the financial results for the fiscal year ended September 30, 2024 compared to the fiscal year ended September 30, 2023, refer to Part I, Item 7 of our Annual Report on Form 10-K filed with the SEC on November 26, 2024.

OVERVIEW

We enhance the global quality of life and sustainability by optimizing energy use through improved efficiency and lower emissions. We are an independent designer, manufacturer, and services provider of control solutions for the aerospace and industrial markets. We design, produce, and service reliable, efficient, low-emission, and high-performance energy control products for diverse applications in challenging environments. We have production and assembly facilities primarily in the United States, Europe, and Asia, and promote our products and services through our worldwide locations.

Our strategic focus is providing energy control and optimization solutions for the aerospace and industrial markets. The precise and efficient control of energy, including motion, fluid, combustion, and electrical energy, is a growing requirement in the markets we serve, and we have developed and are executing on strategies to leverage the macro trends of reducing greenhouse gases, commercializing space, and accelerating the digital age. To facilitate a cleaner world, we are partnering with our customers to enable their equipment to be more efficient, capable of utilizing clean burning fuels, advancing fuel cells, and the integration of renewable power in both commercial and defense operations. Our core technologies can be leveraged across our markets and customer applications, enabling us to develop and integrate cost-effective and state-of-the-art fuel, combustion, fluid, actuation, and electronic systems. We focus primarily on serving OEMs and equipment packagers, partnering with them to bring superior component and system solutions to their demanding applications. We also provide service repair, maintenance, replacement, and other service support for our installed products.

Our components and integrated systems optimize performance of commercial aircraft, defense aircraft, military ground vehicles and other equipment, gas and steam turbines, industrial diesel, gas, bio-diesel and dual-fuel reciprocating engines, and electrical power systems. Our innovative motion, fluid, combustion, and electrical energy control systems help our customers offer more cost-effective, cleaner, and more reliable equipment.

Global Business Conditions

As global trade dynamics continue to evolve, the impact of increased trade tensions and related tariffs with U.S. trading partners remains a key factor in shaping global economic activity, supply chains, and market stability. Future tariff adjustments may emerge as countries negotiate trade agreements, respond to geopolitical shifts, and address the challenges of inflation and global competition. We expect increased cost pressure resulting from the already announced tariffs, and there are uncertainties surrounding future tariff policy changes and enforcement. However, the Company’s production and supply bases are largely in the same regions where our products are sold, which we believe will mitigate our exposure. Woodward is closely tracking costs from our supply base and customer forecasts regarding the potential impact of currently announced tariff levels, changes to such levels, and actual and potential retaliatory trade actions. We have experienced and are expecting minimal levels of cost pressure as a result of the implemented tariffs. We are proactively working to mitigate this cost pressure, potential sales risks, and potential supply chain disruptions.

BUSINESS ENVIRONMENT AND TRENDS

We serve the aerospace and industrial markets.

Aerospace Markets

Our aerospace products and systems are primarily used to provide propulsion, actuation, and motion control in both commercial and defense fixed-wing aircraft, rotorcraft, smart defense, and other defense systems.

Commercial OEM – In the commercial aerospace markets, global air traffic remained strong. However, due to a strike at Boeing during our first quarter of fiscal 2025, production levels at Boeing did not grow as much as anticipated during the fiscal year. We also experienced inventory management and normalization by our customers, particularly in the second half of the fiscal year. Overall, the commercial OEM market was slightly down year over year.

During fiscal year 2025, overall 737 MAX orders improved, but deliveries for new orders lag by several years. In November 2024, Boeing’s U.S. West Coast factory workers accepted a new contract offer, ending a seven-week strike that

halted production of the 737 MAX as well as the 777. As a result of the work stoppage and our disciplined and measured production ramp to meet demand following the work stoppage, our direct sales to Boeing for the first half of fiscal year 2025 were negatively impacted. We saw deliveries of the 737 MAX program increase in the second half of fiscal year 2025 as compared to the first half of the fiscal year, and we expect them to continue to increase in future periods as we do not expect the long-term demand for the aircraft to decline. Boeing's build rate did stabilize during fiscal year 2025 and, in October 2025, the FAA and Boeing jointly agreed they could increase the 737 build rates. The market expects Boeing to further increase its build rates in fiscal year 2026. Additionally, we anticipate an increase in OEM and initial provisioning sales for the 737 MAX and CFM LEAP engines in the coming months, which would have a positive effect on our business results.

In fiscal year 2026, we expect steady global air traffic growth. In response, aircraft operators are taking delivery of the newest generation aircraft models to meet growing demand, replace aging aircraft, and achieve greater fuel efficiency, and lower emissions. The delivery of the newest generation of aircraft is expected to favor our product offerings because we have more content on those aircraft. We expect production levels to continue to grow due to strong OEM order backlogs for the new aircraft models and continued demand supply imbalance. Demand in the widebody aviation market improved in fiscal year 2025 compared to recent years due to recovering international travel, which has led to increasing production rates on the A350, A330neo, and Boeing 787. Further, we also expect narrowbody deliveries to improve due to backlog associated with single aisle programs and planned production ramps in fiscal year 2026 as compared to fiscal year 2025.

We have content on the Airbus A220, A320neo, A330neo, Bell 429, Boeing 737 MAX, 777, 787, and Comac C919. We have been awarded content on the Boeing 777-9 and Airbus A350 as well as content on a variety of business jet platforms, among others.

We continue to explore opportunities on new engine and aircraft programs that are under consideration. We recently announced that Airbus has selected Woodward as the supplier for the electro-hydraulic A350 Spoiler Actuation System. The agreement includes the supply of actuation systems for 12 of the 14 aircraft spoilers on the A350, as well as maintenance and repair services for the Woodward-supplied A350 Spoiler Actuation Systems in support of A350 operators and Airbus' Flight Hour Services business. In addition, Woodward announced the acquisition of Safran's electromechanical actuation business. With that comes the A350 Trimmable Horizontal Stabilizer Actuator ("THSA") product. These new product offerings with Airbus strengthen Woodward's position for future product wins.

Defense – In recent years, the defense industry has been strong as budgetary allocations have generally increased since 2016. Ongoing global conflicts and preparation for near-peer threats are leading to higher global defense budgets. The U.S. National Defense Authorization Act ("NDAA") for fiscal year 2025 resulted in higher levels of funding for procurement, research and development, and maintenance, which supported our growth for fiscal year 2025. We expect defense research and development, procurement, and maintenance to increase in future years, which would be beneficial for us for future opportunities in defense markets. Our involvement with a wide variety of defense programs in fixed-wing aircraft, rotorcraft, and weapons systems has provided relative stability for our defense market sales, as some newer programs increase (e.g., F-35 Lightning II and T-7A Trainer), and some legacy programs decrease (e.g., F/A-18 E/F Super Hornet and V-22 Osprey). Other programs are relatively steady (e.g., KC-46A Tanker, UH-60 Black Hawk, and A-64 Apache helicopter programs) and some legacy programs, such as the F-15, should maintain or potentially increase production. Smart defense programs for which we have sales include the Joint Direct Attack Munition ("JDAM"), Small Diameter Bomb ("SDB"), and AIM-9X smart defense systems. During fiscal year 2025, we experienced significant growth in smart defense programs. We expect overall demand to increase in the near term for these weapons programs.

Services – Our commercial services business increased significantly in fiscal year 2025, as global air traffic continued to grow and initial provisioning sales have increased. In addition, our products have been selected for new aerospace platforms, and our content has increased across existing platforms, which drives increased services sales. With the entry into service of single aisle aircraft (Boeing 737 MAX and Airbus A320neo), we have seen a significant increase in initial provisioning sales to the operators of these new aircraft. The increasing utilization of LEAP and GTF engines, on which we have significant content, should further contribute to the anticipated future growth in the commercial services business. As aircraft production levels increase to accommodate rising passenger demand and to mitigate higher operating costs driven largely by higher fuel costs on older and less fuel-efficient aircraft, we expect airlines will retire older generation aircraft as they reach certain age thresholds (typically between 20 and 25 years). However, in the past few years, aircraft retirements have lagged historical levels because passenger demand has outpaced deliveries of the newest generation aircraft, forcing airlines to keep older generation legacy aircraft in service longer than anticipated. This has led to increased demand for repairs and spare parts for older engine programs remaining in service, consistent with air traffic growth. This dynamic applies to commercial services related to repairs and spare parts for mature legacy programs with large in-service fleets,

such as the Airbus A320 and the Boeing 777. In fiscal year 2026, we anticipate the commercial services growth rate to moderate as compared to fiscal year 2025 due to high levels of certain products in fiscal year 2025 and because we received advanced purchases from certain customers in the second half of fiscal year 2025 that we believe were made to take advantage of a window of trade stability.

Our defense services sales declined slightly during fiscal year 2025 due to unfavorable mix. Defense budgets continue to support training missions and operations and maintenance upgrades. Global conflicts and growing international demand for various other military programs continue to drive demand for utilization of defense aircraft, including fighter jets, transports and both utility and attack rotorcraft, which are all supported by our products and systems. Although we expect variability, which is generally attributable to the cycling of various maintenance and upgrade programs, as well as actual usage, our outlook for defense services is strong. This is due primarily to growing fleets, the service lives of existing military programs being extended, and increased demand for repairs and spare parts for older military aircraft programs remaining in service.

Industrial Markets

Our industrial products are used worldwide in various types of turbine and reciprocating engine-powered equipment, including electric power generation and distribution systems, ships, locomotives, compressors, pumps, and other mobile and industrial machines.

Power Generation – The demand for power generation, driven in part by rising data center requirements, remained robust in fiscal year 2025. A diverse mix of power generating assets serve this market, including heavy frame, aero derivative, small industrial gas turbines, and reciprocating engines. The increase in fiscal year 2025 was led by increased demand for power generation, data centers, and process industries, particularly in North America, the Middle East, and Asia. We expect this trend to continue as global electrification, renewable integration, and expanding data center loads drive increased electricity consumption. We anticipate continued increased demand in power generation in fiscal year 2026.

Transportation – Our key markets for transportation include compressed natural gas and liquefied natural gas trucks in Asia, mining, and commercial and defense marine markets. In fiscal year 2025, we experienced a material decline in demand for our on-highway natural gas truck business in China compared to fiscal year 2024. This material decline was due to the deteriorating Chinese economy, a narrower natural gas to diesel price spread, and elevated customer inventory levels; future demand remains uncertain due to the volatility of this business. In global marine markets, demand in fiscal year 2025 increased due to sustained ship build rates and the favorable mix of ships produced. Both commercial and defense marine customers continue to launch additional projects to support new programs or modernize fleets, including incorporating alternative fuels capability, which should drive expanded OEM and service opportunities because multi-fuel engines contain more of our content.

Oil and Gas – During fiscal year 2025, we experienced growth driven by increased demand for solutions supporting liquified natural gas production. However, we did see decreased demand due to market dynamics related to global oil and gas processing. We expect market conditions to stabilize in fiscal year 2026, with early signs of increased demand for traditional oil and gas applications across both reciprocating engines and gas turbine solutions.

RESULTS OF OPERATIONS

Financial Highlights

	Year Ended September 30,	
	2025	2024
Net sales:		
Aerospace segment	\$ 2,312,806	\$ 2,028,618
Industrial segment	1,254,258	1,295,631
Consolidated net sales	\$ 3,567,064	\$ 3,324,249
Operating profit:		
Aerospace segment	\$ 506,613	\$ 385,360
<i>Segment earnings as a percent of segment net sales</i>	21.9%	19.0%
Industrial segment	\$ 182,524	\$ 229,857
<i>Segment earnings as a percent of segment net sales</i>	14.6%	17.7%
Consolidated net earnings	\$ 442,111	\$ 372,971
Adjusted net earnings	\$ 423,553	\$ 379,136
Effective tax rate	15.2%	17.8%
Adjusted effective tax rate	17.7%	18.0%
Consolidated diluted earnings per share	\$ 7.19	\$ 6.01
Consolidated adjusted diluted earnings per share	\$ 6.89	\$ 6.11
Earnings before interest and taxes ("EBIT")	\$ 562,911	\$ 495,472
Adjusted EBIT	\$ 556,233	\$ 503,615
Earnings before interest, taxes, depreciation, and amortization ("EBITDA")	\$ 676,189	\$ 611,642
Adjusted EBITDA	\$ 669,511	\$ 619,785

Adjusted net earnings, adjusted earnings per share, adjusted effective tax rate, EBIT, adjusted EBIT, EBITDA, and adjusted EBITDA, are non-U.S. GAAP financial measures. A description of these measures, as well as a reconciliation of these non-U.S. GAAP financial measures to the most directly comparable U.S. GAAP financial measures, can be found under the caption "Non-U.S. GAAP Financial Measures" in this Item 7 – Management's Discussion and Analysis of Financial Condition and Results of Operations.

Liquidity Highlights

Net cash provided by operating activities for fiscal year 2025 was \$471,294, compared to \$439,089 for fiscal year 2024. The increase in net cash provided by operating activities in fiscal year 2025 compared to fiscal year 2024 was primarily attributable to increased earnings and the timing of certain tax payments, partially offset by working capital increases.

For fiscal year 2025, free cash flow was \$340,366, compared to \$342,809 for fiscal year 2024. We define free cash flow as net cash provided by operating activities less payments for property, plant, and equipment. The decrease in free cash flow for fiscal year 2025 as compared to the prior fiscal year was primarily due to higher capital expenditures, partially offset by higher earnings. Free cash flow is a non-U.S. GAAP financial measure. A description of this measure as well as a reconciliation of this non-U.S. GAAP financial measure to the most directly comparable U.S. GAAP financial measure can be found under the caption "Non-U.S. GAAP Financial Measures" in this Item 7 – Management's Discussion and Analysis of Financial Condition and Results of Operations.

At September 30, 2025, we held \$327,431 in cash and cash equivalents and had total outstanding debt of \$702,202 with additional borrowing availability of \$869,828, net of outstanding letters of credit, under our revolving credit agreement. At September 30, 2025, we also had additional borrowing capacity of \$24,176 under various lines of credit and foreign overdraft facilities.

Consolidated Statements of Earnings and Other Selected Financial Data

The following table sets forth consolidated statements of earnings data as a percentage of net sales for each period indicated:

	Year Ended September 30,			
	2025	% of Net Sales	2024	% of Net Sales
Net sales	\$ 3,567,064	100%	\$ 3,324,249	100%
Costs and expenses:				
Cost of goods sold	2,610,772	73.2	2,447,770	73.6
Selling, general, and administrative expenses	329,823	9.2	307,499	9.3
Research and development costs	147,568	4.1	140,676	4.2
Interest expense	45,689	1.3	47,959	1.4
Interest income	(4,189)	(0.1)	(6,458)	(0.2)
Other income, net	(84,010)	(2.4)	(67,168)	(2.0)
Total costs and expenses	3,045,653	85.4	2,870,278	86.3
Earnings before income taxes	521,411	14.6	453,971	13.7
Income tax expense	79,300	2.2	81,000	2.4
Net earnings	\$ 442,111	12.4	\$ 372,971	11.2

Other select financial data:

	September 30, 2025	September 30, 2024
Working capital	\$ 977,025	\$ 820,101
Total debt	702,202	872,470
Total stockholders' equity	2,566,390	2,176,416

2025 RESULTS OF OPERATIONS

2025 Net Sales Compared to 2024

Consolidated net sales for fiscal year 2025 increased by \$242,815, or 7.3%, compared to fiscal year 2024.

Details of the changes in consolidated net sales are as follows:

Consolidated net sales for the year ended September 30, 2024	\$ 3,324,249
Aerospace volume	82,858
Industrial volume	(119,300)
Effects of changes in price	266,731
Effects of changes in foreign currency rates	12,526
Consolidated net sales for the year ended September 30, 2025	\$ 3,567,064

In the Aerospace segment, the increase in net sales for fiscal year 2025 as compared to fiscal year 2024 was primarily attributable to price realization and higher sales volumes.

In the Industrial segment, the decrease in net sales for fiscal year 2025 as compared to fiscal year 2024 was primarily attributable to lower sales volume and unfavorable mix, both related to reduced China on-highway demand, partially offset by price realization.

We have experienced significant sales and earnings decreases in our China on-highway natural gas truck business in fiscal year 2025 as compared to fiscal year 2024. Future demand remains uncertain due to the volatility of this business. We also continue to monitor the evolving trade policy between the U.S. and China.

2025 Costs and Expenses Compared to 2024

Cost of goods sold increased by \$163,002 to \$2,610,772 for fiscal year 2025, from \$2,447,770 for fiscal year 2024. Cost of goods sold as a percentage of net sales declined slightly to 73.2% for fiscal year 2025, compared to 73.6% for fiscal year 2024. The increase in cost of goods sold on an absolute basis in fiscal year 2025 compared to fiscal year 2024 is primarily due to net inflationary impacts on material and labor costs.

Gross margin (as measured by net sales less cost of goods sold, divided by net sales) was 26.8% for fiscal year 2025, compared to 26.4% for fiscal year 2024. Gross margin increased slightly for fiscal year 2025 as compared to fiscal year 2024, primarily due to price realization, partially offset by unfavorable mix.

Selling, general and administrative expenses increased by \$22,324, or 7.3%, to \$329,823 for fiscal year 2025, compared to \$307,499 for fiscal year 2024. Selling, general and administrative expenses as a percentage of net sales were 9.2% for fiscal year 2025 and 9.3% for fiscal year 2024. The increase in selling, general and administrative expenses on an absolute basis for fiscal year 2025 as compared to the prior fiscal year is primarily due to increased expenses relating to business development activities and higher project-related costs.

Research and development costs increased by \$6,892, or 4.9%, to \$147,568 for fiscal year 2025, as compared to \$140,676 for fiscal year 2024. The increase in research and development costs on an absolute basis for fiscal year 2025 as compared to the prior fiscal year is primarily due to variability in the timing of projects and expenses. Research and development costs as a percentage of net sales declined slightly to 4.1% for fiscal year 2025, as compared to 4.2% for fiscal year 2024. Our research and development activities extend across both our operating segments and almost all of our customer base, and we anticipate ongoing variability in research and development costs due to the timing of customer business needs on current and future programs.

Interest expense declined slightly to \$45,689, or 1.3% of net sales for fiscal year 2025, compared to \$47,959 or 1.4% of net sales for fiscal year 2024. This was primarily due to a lower long-term debt balance after we paid the full principal balance on a series of private placement notes in the current fiscal year.

Other income, net was \$84,010 for fiscal year 2025, compared to \$67,168 for fiscal year 2024. The increase in other income in fiscal year 2025 compared to fiscal year 2024 was primarily attributable to a one-time gain related to product rationalization activities that was recognized in the current fiscal year that did not occur in the prior fiscal year.

Income taxes were provided at an effective rate on earnings before income taxes of 15.2% for fiscal year 2025, compared to 17.8% for fiscal year 2024. The decrease in the effective tax rate for fiscal year 2025 compared to fiscal year 2024 is primarily attributable to a reduction in the German corporate tax rate and lower projected future withholding taxes on unremitted foreign earnings in the current fiscal year. These favorable items were partially offset by a reduced research and development credit, lower benefits related to foreign intangible income, and higher state income tax expense driven by increased U.S. earnings in the current fiscal year.

Segment Results

The following table presents sales by segment:

	Year Ended September 30,			
	2025		2024	
Net sales:				
Aerospace	\$ 2,312,806	64.8%	\$ 2,028,618	61.0%
Industrial	1,254,258	35.2%	1,295,631	39.0%
Consolidated net sales	<u>\$ 3,567,064</u>	<u>100%</u>	<u>\$ 3,324,249</u>	<u>100%</u>

The following table presents earnings by segment and reconciles segment earnings to consolidated net earnings:

	Year Ended September 30,	
	2025	2024
Aerospace	\$ 506,613	\$ 385,360
Industrial	182,524	229,857
Nonsegment expenses	(126,226)	(119,745)
Interest expense, net	(41,500)	(41,501)
Consolidated earnings before income taxes	521,411	453,971
Income tax expense	79,300	81,000
Consolidated net earnings	<u>\$ 442,111</u>	<u>\$ 372,971</u>

The following table presents segment earnings as a percent of segment net sales:

	Year Ended September 30,	
	2025	2024
Aerospace	21.9%	19.0%
Industrial	14.6%	17.7%

2025 Segment Results Compared to 2024

Aerospace

Aerospace segment net sales increased by \$284,188, or 14.0% to \$2,312,806 for fiscal year 2025, compared to \$2,028,618 for fiscal year 2024. Segment net sales increased for fiscal year 2025 as compared to fiscal year 2024 primarily due to price realization and higher sales volumes.

Commercial OEM sales decreased in fiscal year 2025 as compared to fiscal year 2024, primarily due to the Boeing work stoppage earlier in the year and our disciplined and measured production ramp that followed, along with inventory normalization by airframers that occurred in the second half of the year. We expect Commercial OEM sales to grow in fiscal year 2026. Commercial services sales increased in fiscal year 2025 as compared to fiscal year 2024 primarily due to favorable pricing and higher volume supported by sustained high aircraft utilization of legacy aircraft and improved throughput by the MRO rates. We believe a portion of the fiscal year 2025 growth in commercial services sales was influenced by certain customers making advanced purchases in the second half of the fiscal year to take advantage of a window of trade stability.

Defense OEM sales increased in fiscal year 2025 as compared to fiscal year 2024, primarily driven by increased demand for our smart defense products, as well as price increases on certain smart defense products that took effect during the fourth quarter of the fiscal year. Defense services sales decreased in fiscal year 2025 as compared to fiscal year 2024 due to unfavorable mix.

Aerospace segment earnings increased by \$121,253, or 31.5%, to \$506,613 for fiscal year 2025, compared to \$385,360 for fiscal year 2024.

The net increase in Aerospace segment earnings for fiscal year 2025 was due to the following:

Earnings for the period ended September 30, 2024	\$	385,360
Sales volume and mix		17,464
Price, inflation, and productivity		138,887
Manufacturing expenses		(40,953)
Other, net		5,855
Earnings for the period ended September 30, 2025	\$	<u>506,613</u>

Aerospace segment earnings as a percentage of segment net sales were 21.9% for fiscal year 2025 and 19.0% for fiscal year 2024.

The increase in Aerospace segment earnings for fiscal year 2025 as compared to fiscal year 2024 was primarily due to price realization and higher sales volumes, partially offset by strategic investments in manufacturing capabilities, unfavorable mix, and inflation.

Industrial

Industrial segment net sales decreased by \$41,373, or 3.2%, to \$1,254,258 for fiscal year 2025, compared to \$1,295,631 for fiscal year 2024. This decrease was largely a result of lower sales volume and unfavorable mix, both related to reduced China on-highway demand, partially offset by price realization.

Industrial segment earnings decreased by \$47,333, or 20.6%, to \$182,524 for fiscal year 2025, compared to \$229,857 for fiscal year 2024.

The net decrease in Industrial segment earnings for fiscal year 2025 was due to the following:

Earnings for the period ended September 30, 2024	\$	229,857
Sales volume and mix		(82,055)
Price, inflation, and productivity		55,414
Effects of changes in foreign currency rates		8,339
Other, net		(29,031)
Earnings for the period ended September 30, 2025	\$	<u>182,524</u>

Industrial segment earnings as a percentage of segment net sales were 14.6% for fiscal year 2025, compared to 17.7% for fiscal year 2024.

The decrease in Industrial segment earnings for fiscal year 2025 as compared to fiscal year 2024 was primarily a result of lower sales volume and unfavorable mix, partially offset by price realization.

We have experienced significant sales and earnings decreases in our China on-highway natural gas truck business in fiscal year 2025 as compared to fiscal year 2024. Future demand remains uncertain due to the volatility of this business. We also continue to monitor the evolving trade policy between the U.S. and China.

Nonsegment

Nonsegment expenses increased by \$6,481 to \$126,226 for fiscal year 2025, compared to \$119,745 for fiscal year 2024.

The significant items that impacted nonsegment expenses in the current fiscal year as compared to the prior fiscal year were:

	Year Ended September 30,	
	2025	2024
Nonsegment expenses	\$ (126,226)	\$ (119,745)
Product rationalization	(20,524)	—
Business development activities	7,310	5,902
Specific charge for excess and obsolete inventory	6,536	—
Non-recurring gain related to a previous acquisition	—	(4,803)
Non-recurring charge related to a previous acquisition	—	4,378
Certain non-restructuring separation costs	—	2,666
Nonsegment expenses excluding infrequent significant charges and gains	<u>\$ (132,904)</u>	<u>\$ (111,602)</u>

Excluding these charges in the above table, nonsegment expenses increased \$21,302 in fiscal year 2025 as compared to the prior fiscal year, primarily due to increased headcount and higher project-related costs.

LIQUIDITY AND CAPITAL RESOURCES

Historically, we have met working capital, capital expenditure, product development, and other liquidity needs through net cash provided by operating activities and borrowings under our credit facilities. We have supplemented liquidity by issuing debt as needed to fund acquisitions, refinance obligations, or repay other indebtedness. We expect that cash generated from our operating activities, together with borrowings under our revolving credit facility and other borrowing capacity, will be sufficient to fund our continuing operating needs for the next 12 months and the foreseeable future. However, we could be adversely affected if the financial institutions providing our capital refuse to honor their contractual commitments, cease lending, or declare bankruptcy. We believe the lending institutions participating in our credit arrangements are financially stable.

Our total cash and cash equivalents were \$327,431 at September 30, 2025 and \$282,270 at September 30, 2024, and our working capital was \$977,025 at September 30, 2025 and \$820,101 at September 30, 2024. Of the cash and cash equivalents held at September 30, 2025, \$324,617 was held by our foreign locations. We are not presently aware of any significant restrictions on the repatriation of these funds, although a portion is considered indefinitely reinvested in certain foreign subsidiaries. If these funds were needed to fund our operations or satisfy obligations in the United States, then they could be repatriated, and their repatriation into the United States may cause us to incur additional U.S. income taxes or foreign withholding taxes. Any additional U.S. taxes could be offset, in part or in whole, by foreign tax credits. The amount of such taxes and application of tax credits would be dependent on the income tax laws and other circumstances at the

time these amounts are repatriated. Based on these variables, it is impractical to determine the income tax liability that might be incurred if these funds were to be repatriated.

Our revolving credit facility, as amended, provides a borrowing capacity of up to \$1,000,000 with the option to increase total available borrowings to up to \$1,500,000, subject to lenders' participation. We can borrow against our revolving credit facility as long as we are in compliance with all of our debt covenants. We believe we were in compliance with all our debt covenants as of September 30, 2025. See Note 15, *Credit facilities, short-term borrowings, and long-term debt* in the Notes to the Consolidated Financial Statements in "Item 8 – Financial Statements and Supplemental Data," for more information about our covenants. Borrowings under the revolving credit facility can be made in U.S. dollars or in foreign currencies other than the U.S. dollar, provided that the U.S. dollar equivalent of any foreign currency borrowings and U.S. dollar borrowings does not, in total, exceed the borrowing capacity of the revolving credit facility. Historically, we have used borrowings under our revolving credit facilities to meet certain short-term working capital needs, as well as for strategic uses, including repurchases of our common stock, payments of dividends, acquisitions, and facility expansions.

In addition to our revolving credit facility, we have various foreign credit facilities, some of which are tied to net amounts on deposit at certain foreign financial institutions. These foreign credit facilities are reviewed annually for renewal. We use borrowings under these foreign credit facilities to finance certain local operations on a periodic basis. For further discussion of our revolving credit facility and our other credit facilities, see Note 15, *Credit facilities, short-term borrowings, and long-term debt* in the Notes to the Consolidated Financial Statements in Part II, Item 8 of this Form 10-K.

At September 30, 2025, we had total outstanding debt of \$702,202 consisting of various series of unsecured notes due between 2025 and 2033, and amounts borrowed under our revolving credit facility, and our finance leases. On November 17, 2025, Woodward paid the entire principal balance of \$75,000 on the Series I and L Notes using proceeds from borrowings under its existing revolving credit facility.

At September 30, 2025, we had additional borrowing availability of \$869,828 under our revolving credit facility, net of outstanding letters of credit, and additional borrowing availability of \$24,176 under various foreign credit facilities.

At September 30, 2025, we had \$122,300 outstanding amount borrowed under our revolving credit facility. Revolving credit facility and short-term borrowing activity during the fiscal year ended September 30, 2025 were as follows:

Maximum daily balance during the period	\$	359,100
Average daily balance during the period	\$	264,546
Weighted average interest rate on average daily balance		5.41%

Our ability to service our long-term debt, to remain in compliance with the various restrictions and covenants contained in our debt agreements, and to fund working capital, capital expenditures, and product development efforts will depend on our ability to generate cash from operating activities, which in turn is subject to, among other things, future operating performance as well as general economic, financial, competitive, legislative, regulatory, and other conditions, some of which may be beyond our control.

Capital Resources

The following table summarizes certain cash requirements for known contractual and other obligations as of September 30, 2025, and the estimated timing thereof.

	Current	Long-term	Total
Long-term debt, including finance leases	\$ 122,934	\$ 457,613	\$ 580,547
Pension and other post retirement	15,862	154,191	170,053
Purchase obligations	640,763	157,813	798,576

On September 16, 2025, we announced plans to build a precision manufacturing facility in Greer, South Carolina, in Spartanburg County. The new site is a strategic investment for us and will require significant capital investment in the upcoming fiscal years. The site is expected to become operational in 2027 and will progressively scale production and hiring in subsequent years to meet market demand.

Cash Flows

	Year Ended September 30,	
	2025	2024
Net cash provided by operating activities	\$ 471,294	\$ 439,089
Net cash used in investing activities	(119,553)	(89,217)
Net cash used in financing activities	(313,926)	(218,047)
Effect of exchange rate changes on cash and cash equivalents	7,346	12,998
Net change in cash and cash equivalents	45,161	144,823
Cash and cash equivalents at beginning of year	282,270	137,447
Cash and cash equivalents at end of year	<u>\$ 327,431</u>	<u>\$ 282,270</u>

2025 Cash Flows Compared to 2024

Net cash provided by operating activities for fiscal year 2025 was \$471,294, compared to \$439,089 for fiscal year 2024. The increase in net cash provided by operating activities in fiscal year 2025 compared to fiscal year 2024 was primarily attributable to increased earnings and the timing of certain tax payments, partially offset by working capital increases.

Net cash used in investing activities for fiscal year 2025 was \$119,553, compared to \$89,217 in fiscal year 2024. The increase in cash used in investing activities in fiscal year 2025 compared to fiscal year 2024 was primarily due to increased payments for property, plant, and equipment, as well as payments related to the business acquisition of the Safran Electronics & Defense electromechanical actuation business, all partially offset by proceeds received from certain business divestitures as part of our product rationalization efforts.

Net cash used in financing activities for fiscal year 2025 was \$313,926, compared to \$218,047 in fiscal year 2024. The increase in net cash flows used in financing activities in fiscal year 2025 compared to fiscal year 2024 was primarily attributable to the change from net debt borrowings to net debt payments, partially offset by decreases in repurchases of common stock. During fiscal year 2025, we had net debt payments in the amount of \$180,672, compared to net debt borrowings of \$141,183 in fiscal year 2024. During fiscal year 2025, we made \$172,857 of cash repurchases of common stock, compared to \$390,819 of cash repurchases of common stock during fiscal year 2024.

Non-U.S. GAAP Financial Measures

Adjusted net earnings, adjusted earnings per share, adjusted income tax expense, adjusted effective tax rate, EBIT, adjusted EBIT, EBITDA, adjusted EBITDA, and free cash flow are financial measures not prepared and presented in accordance with U.S. GAAP. However, we believe these non-U.S. GAAP financial measures provide additional information that enables readers to evaluate our business from the perspective of management.

Earnings based non-U.S. GAAP financial measures

Adjusted net earnings is defined by the Company as net earnings excluding, as applicable, (i) product rationalization, (ii) costs related to business development activities, (iii) a specific charge for excess and obsolete inventory, (iv) a non-recurring gain related to a previous acquisition, (v) a non-recurring charge related to a previous acquisition, (vi) certain non-restructuring separation costs, and (vii) the impact of a German corporate tax rate reduction. The product rationalization adjustment pertains to the elimination and divestiture of certain product lines. The specific charge for excess and obsolete inventory relates to the intended disposal of certain inventory in our Industrial segment due in part to an unexpected shift in sales patterns. This non-recurring charge is not related to product rationalization and reflects an isolated event. The Company believes that these excluded items are short-term in nature, not directly related to the ongoing operations of the business, and therefore, their exclusion illustrates more clearly how the underlying business of Woodward is performing.

Management uses adjusted net earnings, adjusted earnings per share, adjusted effective tax rate, and adjusted income tax expense to evaluate the Company's performance excluding these infrequent or unusual period expenses that are not necessarily indicative of the Company's operating performance for the period. Management defines adjusted earnings per share as adjusted net earnings, as defined above, divided by the weighted-average number of diluted shares of common stock outstanding for the period. Adjusted income tax expense is defined by the Company as income tax expense excluding, as applicable, (i) product rationalization, (ii) costs related to business development activities, (iii) a specific charge for excess and obsolete inventory, (iv) a non-recurring gain related to a previous acquisition, (v) a non-recurring charge related to a previous acquisition, (vi) certain non-restructuring separation costs, and (vii) the impact of a German corporate tax rate reduction. The product rationalization adjustment pertains to the elimination and divestiture of certain product

lines. The specific charge for excess and obsolete inventory relates to the intended disposal of certain inventory in our Industrial segment due in part to an unexpected shift in sales patterns. This non-recurring charge is not related to product rationalization and reflects an isolated event.

The reconciliation of net earnings and earnings per share to adjusted net earnings and adjusted earnings per share, respectively, for the fiscal years ended 2025 and 2024 and are shown in the table below:

	Year Ended September 30,			
	2025		2024	
	Net Earnings	Earnings Per Share	Net Earnings	Earnings Per Share
Net earnings (U.S. GAAP)	\$ 442,111	\$ 7.19	\$ 372,971	\$ 6.01
Non-U.S. GAAP adjustments, net of tax:				
Product rationalization ¹	(20,524)	(0.33)	—	—
Business development activities ²	7,310	0.12	5,902	0.10
Specific charge for excess and obsolete inventory ³	6,536	0.11	—	—
Non-recurring gain related to a previous acquisition ¹	—	—	(4,803)	(0.08)
Non-recurring charge related to a previous acquisition ²	—	—	4,378	0.07
Certain non-restructuring separation costs ²	—	—	2,666	0.04
Tax effect of Non-U.S. GAAP net earnings adjustments	1,512	0.02	(1,978)	(0.03)
Total non-U.S. GAAP adjustments	(5,166)	(0.08)	6,165	0.10
German corporate tax rate reduction impact ⁴	(13,392)	(0.22)	—	—
Adjusted net earnings (Non-U.S. GAAP)	\$ 423,553	\$ 6.89	\$ 379,136	\$ 6.11

- (1) Presented in the line item "Other income, net" in Woodward's Consolidated Statement of Earnings.
- (2) Presented in the line item "Selling, general and administrative expenses" in Woodward's Consolidated Statement of Earnings.
- (3) Presented in the line item "Cost of goods sold" in Woodward's Consolidated Statement of Earnings.
- (4) Presented in the line item "Income tax expense" in Woodward's Consolidated Statement of Earnings.

The reconciliation of income tax expense to adjusted income tax expense and the adjusted effective tax rate are shown in the table below:

	Year Ended September 30,	
	2025	2024
Income tax expense (U.S. GAAP)	\$ 79,300	\$ 81,000
Tax effect of Non-U.S. GAAP net income adjustments	11,880	1,978
Adjusted income tax expense (Non-U.S. GAAP)	\$ 91,180	\$ 82,978
Adjusted effective tax rate (Non-U.S. GAAP)	17.7%	18.0%

Management uses EBIT to evaluate our performance without financing and tax related considerations, as these elements may not fluctuate with operating results. Management uses EBITDA in evaluating our operating performance, making business decisions, including developing budgets, managing expenditures, forecasting future periods, and evaluating capital structure impacts of various strategic scenarios. Securities analysts, investors and others frequently use EBIT and EBITDA in their evaluation of companies, particularly those with significant property, plant, and equipment, and intangible assets subject to amortization. The Company believes that EBIT and EBITDA are useful measures to the investor when measuring operating performance as they eliminate the impact of financing and tax expenses, which are non-operating expenses and may be driven by factors outside of our operations, such as changes in tax laws or regulations, and, in the case of EBITDA, the noncash charges associated with depreciation and amortization. Further, as interest from financing, income taxes, depreciation, and amortization can vary dramatically between companies and between periods, management believes that the removal of these items can improve comparability.

Adjusted EBIT and adjusted EBITDA represent further non-U.S. GAAP adjustments to EBIT and EBITDA, in each case adjusted to exclude, as applicable, (i) product rationalization, (ii) costs related to business development activities, (iii) a specific charge for excess and obsolete inventory, (iv) a non-recurring gain related to a previous acquisition, (v) a non-recurring charge related to a previous acquisition, and (vi) certain non-restructuring separation costs. The product rationalization adjustment pertains to the elimination and divestiture of certain product lines. The specific charge for excess

and obsolete inventory relates to the intended disposal of certain inventory in our Industrial segment due in part to an unexpected shift in sales patterns. This non-recurring charge is not related to product rationalization and reflects an isolated event. As these charges are infrequent or unusual items that can be variable from period to period and do not fluctuate with operating results, management believes that by removing these gains and charges from EBIT and EBITDA it improves comparability of past, present, and future operating results and provides consistency when comparing EBIT and EBITDA between periods.

EBIT and adjusted EBIT reconciled to net earnings were as follows:

	Year Ended September 30,	
	2025	2024
Net earnings (U.S. GAAP)	\$ 442,111	\$ 372,971
Income tax expense	79,300	81,000
Interest expense	45,689	47,959
Interest income	(4,189)	(6,458)
EBIT (Non-U.S. GAAP)	<u>562,911</u>	<u>495,472</u>
Non-U.S. GAAP adjustments:		
Product rationalization	(20,524)	—
Business development activities	7,310	5,902
Specific charge for excess and obsolete inventory	6,536	—
Non-recurring gain related to a previous acquisition	—	(4,803)
Non-recurring charge related to a previous acquisition	—	4,378
Certain non-restructuring separation costs	—	2,666
Total non-U.S. GAAP adjustments	<u>(6,678)</u>	<u>8,143</u>
Adjusted EBIT (Non-U.S. GAAP)	<u>\$ 556,233</u>	<u>\$ 503,615</u>

EBITDA and adjusted EBITDA reconciled to net earnings were as follows:

	Year Ended September 30,	
	2025	2024
Net earnings (U.S. GAAP)	\$ 442,111	\$ 372,971
Income tax expense	79,300	81,000
Interest expense	45,689	47,959
Interest income	(4,189)	(6,458)
Amortization of intangible assets	28,224	33,592
Depreciation expense	85,054	82,578
EBITDA (Non-U.S. GAAP)	<u>676,189</u>	<u>611,642</u>
Non-U.S. GAAP adjustments:		
Product rationalization	(20,524)	—
Business development activities	7,310	5,902
Specific charge for excess and obsolete inventory	6,536	—
Non-recurring gain related to a previous acquisition	—	(4,803)
Non-recurring charge related to a previous acquisition	—	4,378
Certain non-restructuring separation costs	—	2,666
Total non-U.S. GAAP adjustments	<u>(6,678)</u>	<u>8,143</u>
Adjusted EBITDA (Non-U.S. GAAP)	<u>\$ 669,511</u>	<u>\$ 619,785</u>

The use of these non-U.S. GAAP financial measures is not intended to be considered in isolation of, or as a substitute for, the financial information prepared and presented in accordance with U.S. GAAP. As adjusted net earnings, adjusted net earnings per share, adjusted income tax expense, adjusted effective tax rate, EBIT, adjusted EBIT, EBITDA, and adjusted EBITDA exclude certain financial information compared with net earnings, the most comparable U.S. GAAP financial measure, users of this financial information should consider the information that is excluded. Our calculations of adjusted net earnings, adjusted earnings per share, adjusted income tax expense, adjusted effective tax rate, EBIT, adjusted EBIT, EBITDA, and adjusted EBITDA may differ from similarly titled measures used by other companies, limiting their usefulness as comparative measures.

Cash flow-based non-U.S. GAAP financial measures

Management uses free cash flow, which is defined as net cash flows provided by operating activities less payments for property, plant, and equipment, in reviewing the financial performance of and cash generation by the Company's various business groups and evaluating cash levels. We believe free cash flow is a useful measure for investors because it portrays our ability to grow organically and generate cash from our businesses for purposes such as paying interest on our indebtedness, repaying maturing debt, funding business acquisitions, investing in research and development, purchasing our common stock, and paying dividends. In addition, securities analysts, investors, and others frequently use free cash flow in their evaluation of companies.

The use of this non-U.S. GAAP financial measures is not intended to be considered in isolation of, or as substitutes for, the financial information prepared and presented in accordance with U.S. GAAP. Free cash flow does not necessarily represent funds available for discretionary use and is not necessarily a measure of our ability to fund our cash needs. Our calculation of free cash flow may differ from similarly titled measures used by other companies, limiting their usefulness as a comparative measure.

Free cash flow reconciled to net cash provided by operating activities was as follows:

	Year Ended September 30,	
	2025	2024
Net cash provided by operating activities (U.S. GAAP)	\$ 471,294	\$ 439,089
Payments for property, plant and equipment	(130,928)	(96,280)
Free cash flow (Non-U.S. GAAP)	\$ 340,366	\$ 342,809

CRITICAL ACCOUNTING ESTIMATES

The preparation of financial statements and related disclosures in conformity with U.S. GAAP requires us to make judgments, assumptions, and estimates that affect the amounts reported in the Consolidated Financial Statements and accompanying notes. Note 1, *Operations and summary of significant accounting policies*, to the Consolidated Financial Statements describes the significant accounting policies and methods used in the preparation of the Consolidated Financial Statements. The estimates and assumptions described below are those that we consider to be most critical to an understanding of our financial statements because they involve significant judgments and uncertainties. All these estimates reflect our best judgment about current, and for some estimates, future economic and market conditions, and their effects based on information available as of the date of these financial statements. As estimates are updated or actual amounts are known, our critical accounting estimates are revised, and operating results may be affected by the revised estimates. Actual results may differ from these estimates under different assumptions or conditions.

Our management has discussed the development and selection of these critical accounting estimates with the Audit Committee of our Board of Directors, and the Audit Committee has reviewed our disclosures in this Management's Discussion and Analysis.

Revenue recognition

Revenue is recognized on contracts with customers for arrangements in which quantities and pricing are fixed and/or determinable and are generally based on customer purchase orders, often within the framework of a long-term supply arrangement with the customer. We recognize revenue for performance obligations within a customer contract when control of the associated product or service is transferred to the customer. Some of our contracts with customers contain a single performance obligation, while other contracts contain multiple performance obligations. Each product within a contract generally represents a separate performance obligation as we do not provide significant installation and integration services, the products do not customize each other, and the products can function independently of each other.

A contract's transaction price is allocated to each performance obligation and recognized as revenue when, or as, the customer obtains control of the associated product or service. When there are multiple performance obligations within a contract, we generally use the observable standalone sales price for each distinct product or service within the contract to allocate the transaction price to the distinct products or services. In instances when a standalone sales price for each product or service is not observable within the contract, we allocate the transaction price to each performance obligation using an estimate of the standalone selling price for each product or service, which is generally based on incurred costs plus a reasonable margin, for each distinct product or service in the contract.

When determining the transaction price of each contract, we consider contractual consideration payable by the customer and variable consideration that may affect the total transaction price. Variable consideration, consisting of early

payment discounts, rebates, and other sources of price variability, are included in the estimated transaction price based on both customer-specific information as well as historical experience. We regularly review our estimates of variable consideration on the transaction price and recognize changes in estimates on a cumulative catch-up basis as if the most current estimate of the transaction price adjusted for variable consideration had been known as of the inception of the contract.

Point in time and over time revenue recognition

Control of the products generally transfers to the customer at a point in time, if the customer does not control the products as they are produced. We exercise judgment and consider the timing of right of payment, transfer of the risk and rewards, transfers of title, transfer of physical possession, and customer acceptance when determining when control of the product transfers to the customer, generally upon shipment of products. Performance obligations are satisfied and revenue is recognized over time if: (i) the customer receives the benefits as we perform work, (ii) if the customer controls the asset as it is being enhanced, or (iii) if the product being produced for the customer has no alternative use to us and we have an enforceable right to payment with a profit. When services are provided, revenue from those services is recognized over time because control is transferred continuously to customers as we perform the work.

For services that are not short-term in nature, MRO and sales of products that have no alternative use to us and an enforceable right to payment with a profit, we use an actual cost input measure to determine the extent of progress towards completion of the performance obligation. For these revenue streams, revenue is recognized over time as work is performed based on the relationship between actual costs incurred to-date for each contract and the total estimated costs for such contract at completion of the performance obligation (the cost-to-cost method). We have concluded that this measure of progress best depicts the transfer of assets to the customer, because incurred costs are integral to our completion of the performance obligation under the specific customer contract and correlate directly to the transfer of control to the customer. Contract costs include labor, material, and overhead. Contract cost estimates are based on various assumptions to project the outcome of future events. These assumptions include labor productivity, and availability; the complexity of the work to be performed; the cost and availability of materials; the performance of subcontractors; and the availability and timing of funding from the customer. Revenues, including estimated fees or profits, are recorded proportionally as costs are incurred.

Inventories

Inventories are valued at the lower of cost or net realizable value. Inventory cost is determined using methods that approximate the first-in, first-out basis. We include product costs, labor, and related fixed and variable overhead in the cost of inventories. Inventory net realizable values are determined by giving substantial consideration to the expected product selling price. We estimate expected selling prices based on our historical recovery rates, general economic, and market conditions, the expected channel of disposition, and current customer contracts and preferences. Actual results may differ from our estimates due to changes in resale or market value and the mix of these factors.

We monitor inventory for events or circumstances, such as negative margins, recent sales history suggesting lower sales value, or changes in customer preferences, which would indicate the net realizable value of inventory is less than the carrying value of inventory, and management records adjustments as necessary. When inventory is written down below cost, such reduced amount is considered the cost for subsequent accounting purposes. Our recording of inventory at the lower of cost or net realizable value has not historically required material adjustments once initially established.

The carrying value of inventory was \$654,608 at September 30, 2025 and \$609,092 at September 30, 2024. If economic conditions, customer product requirements, or other factors significantly reduce future customer demand for our products from forecast levels, then future adjustments to the carrying value of inventory may become necessary. We attempt to maintain inventory quantities at levels considered necessary to fill firm and expected orders in a reasonable time frame, which we believe mitigates our exposure to future inventory carrying cost adjustments.

Reviews for impairment of indefinite lived intangible assets

We have one indefinitely lived intangible asset consisting of the Woodward L'Orange trade name. At September 30, 2025, the carrying value of the Woodward L'Orange trade name intangible asset was \$68,010, representing approximately 1% of our total assets. The Woodward L'Orange trade name intangible asset is analyzed for impairment on an annual basis and more often if an event occurs or circumstances change that indicate the fair value of the Woodward L'Orange intangible asset may be below its carrying amount.

During the fourth quarter, we completed the annual impairment analysis, for the fiscal year ended September 30, 2025, of the Woodward L'Orange trade name intangible asset as of July 31, 2025. The results of the annual impairment analysis performed as of July 31, 2025 indicated the estimated fair value of the Woodward L'Orange trade name intangible asset was in excess of its carrying value, and accordingly, no impairment existed.

We test for impairment by performing a qualitative assessment or by using a quantitative assessment. In fiscal year 2025, we elected to perform a qualitative assessment and determined it was not more likely than not that our reporting units carrying value was more than its fair value, therefore the quantitative assessment was not performed. Using the qualitative assessment, qualitative factors may include, but are not limited to, economic conditions, industry and market considerations, cost factors, overall financial performance of the reporting unit and other entity and reporting unit specific events.

In fiscal year 2024, we performed a quantitative assessment using a combination of a discounted cash flow analysis and market multiples based upon historical and projected financial information.

The quantitative assessment consists of comparing the fair value of the Woodward L'Orange trade name intangible asset, determined using discounted cash flows based on the relief from royalty method under the income approach, with its carrying amount. If the carrying amount of the Woodward L'Orange trade name intangible asset exceeds its fair value, an impairment loss would be recognized to reduce the carrying amount to its fair value. We have not recorded any impairment charges associated with the indefinitely lived intangible asset since it was acquired.

As part of our ongoing monitoring efforts to assess the Woodward L'Orange trade name indefinite lived asset for possible indications of impairment, we will continue to consider a wide variety of factors, including but not limited to the global economic environment and its potential impact on our business.

Income taxes

We are subject to income taxes in the United States and numerous foreign jurisdictions. Significant judgment is required in evaluating our tax positions and determining our provision for income taxes.

During the ordinary course of business, there are many transactions and calculations for which the ultimate tax determination is uncertain. We establish reserves for tax-related uncertainties based on estimates of whether, and the extent to which, additional taxes will be due. The reserves are established when we believe that certain positions are likely to be challenged and may not be fully sustained on review by tax authorities. We adjust these reserves in light of changing facts and circumstances, such as the closing of a tax audit or refinement of an estimate. Although we believe our reserves are reasonable, no assurance can be given that the final outcome of these matters will be consistent with what is reflected in our historical income tax provisions and accruals. To the extent that the final tax outcome of these matters is different from the amounts recorded, such differences will impact the current provision for income taxes.

Significant judgment is also required in determining any valuation allowance recorded against deferred tax assets. The determination of the amount of valuation allowance to be provided on recorded deferred tax assets involves estimates regarding the timing and amount of the reversal of taxable temporary differences, expected future taxable income, and the impact of tax planning strategies. A valuation allowance is established to offset any deferred tax assets if, based upon the available evidence, it is more likely than not that some or all of the deferred tax asset will not be realized. In assessing the need for a valuation allowance, we consider all available evidence including past operating results, estimates of future taxable income, and the feasibility of tax planning strategies. Changes in the relevant facts can significantly impact the judgment or need for valuation allowances. In the event we change our determination as to the amount of deferred tax assets that can be realized, we will adjust our valuation allowance with a corresponding impact to the provision for income taxes in the period in which such determination is made.

Our provision for income taxes is subject to volatility and could be affected by earnings that are different than those anticipated in countries that have lower or higher tax rates; by transfer pricing adjustments; and/or changes in tax laws, regulations, and accounting principles, including accounting for uncertain tax positions, or interpretations thereof. There can be no assurance that these items will remain stable over time. Additionally, we record through income tax expense all future excess tax benefits and tax deficiencies from stock options exercised. This creates unpredictable volatility in the effective tax rate because the additional expense or benefit recognized each quarter is based on the timing of the member's election to exercise any vested stock options outstanding, which is outside our control, and the market price of our shares at the time of exercise, which is subject to market volatility.

Our effective tax rates differ from the U.S. statutory rate primarily due to the tax impact of foreign operations, adjustments of valuation allowances, research tax credits, state taxes, and tax audit settlements. In addition to potential local country tax law and policy changes that could impact the provision for income taxes, management’s judgment about and intentions concerning the repatriation of foreign earnings could also significantly impact the provision for income taxes. Management reassesses its judgment regularly, taking into consideration the potential tax impacts of these judgments, and intentions.

On July 4, 2025 “One Big Beautiful Bill Act” was signed into law. This new law made changes to various U.S. federal income tax items that have effective dates in fiscal years 2025, 2026, and 2027. Woodward is still assessing the impacts of this Act on our consolidated financial statements.

Item 7A. Quantitative and Qualitative Disclosures About Market Risk

In the normal course of business, we have exposures to interest rate risk from our long-term and short-term debt and our postretirement benefit plans, and foreign currency exchange rate risk related to our foreign operations and foreign currency transactions.

Foreign Currency Exchange Rate Risk, Interest Rate Risk, and Related Hedging Activities

We are impacted by changes in foreign currency exchange rates when we sell product in currencies different from the currency in which product and manufacturing costs were incurred. The functional currencies and our purchasing and sales activities primarily include USD, EUR, RMB, JPY, and GBP. We may also be impacted by changes in the relative buying power of our customers, which may impact sales volumes either positively or negatively. As these currencies fluctuate against each other, and other currencies, we are exposed to foreign currency exchange rate risk on sales, purchasing transactions, and labor. Foreign currency exchange rate risk is reduced through the maintenance of local production facilities in the markets we serve, which we believe creates a natural hedge to our foreign currency exchange rate exposure.

The percentages of our net sales denominated in a currency other than the USD were as follows:

	For the Year Ended September 30,	
	2025	2024
Functional currency:		
EUR	16.0%	14.1%
RMB	3.6%	8.7%
JPY	2.3%	2.3%
GBP	2.4%	2.0%
All other foreign currencies	2.9%	2.7%
	<u>27.2%</u>	<u>29.8%</u>

Currency exchange rates vary daily and often one currency strengthens against the USD while another currency weakens. Because of the complex interrelationship of our worldwide supply chains and distribution channels, it is difficult to quantify the impact of a particular change in exchange rates.

We use derivative and/or hedging instruments as risk management tools that involve complexity and are not used for trading or speculative purposes. From time to time, we will enter into a foreign currency exchange rate contract to hedge against changes in foreign currency exchange rates on liabilities expected to be settled at a future date. Market risk arises from the potential adverse effects on the value of derivative instruments that result from a change in foreign currency exchange rates. We minimize this market risk by establishing and monitoring parameters that limit the types of, and degree to which we enter into, derivative instruments. We enter into derivative instruments for risk management purposes only. We do not enter into or issue derivatives for trading or speculative purposes. As of September 30, 2025 and 2024, we had no open foreign currency exchange rate contracts and all previous exchange rate derivative instruments were settled or terminated.

For more information on derivative instruments, see Note 8, *Derivative instruments and hedging activities*, in the Notes to the Consolidated Financial Statements in “Item 8 – Financial Statements and Supplementary Data.”

Our reported financial results of operations, including the reported value of our assets and liabilities, are also impacted by changes in foreign currency exchange rates. The assets and liabilities of substantially all of our subsidiaries outside the United States are translated at period end rates of exchange for each reporting period. Earnings and cash flow statements are translated at weighted-average rates of exchange. Although these translation changes have no immediate cash impact, the translation changes may impact future borrowing capacity, debt covenants, and the overall value of our

net assets. In addition, we also have assets and liabilities, specifically accounts receivable, accounts payable, and current inter-company receivables and payables, whose carrying amounts approximate their fair value, which are denominated in currencies other than their relevant functional currencies. Foreign currency exchange rate risk is mitigated through several means, including the invoicing of customers in the same currency as the source of the products, and the prompt settlement of inter-company balances utilizing a global netting system.

Item 8. Financial Statements and Supplementary Data

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Stockholders and the Board of Directors of Woodward, Inc.

Opinions on the Financial Statements and Internal Control over Financial Reporting

We have audited the accompanying consolidated balance sheets of Woodward, Inc. and subsidiaries (the "Company") as of September 30, 2025 and 2024, the related consolidated statements of earnings, comprehensive earnings, cash flows, and stockholders' equity, for each of the three years in the period ended September 30, 2025, and the related notes (collectively referred to as the "financial statements"). We also have audited the Company's internal control over financial reporting as of September 30, 2025, based on criteria established in Internal Control — Integrated Framework (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO).

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Company as of September 30, 2025 and 2024, and the results of its operations and its cash flows for each of the three years in the period ended September 30, 2025, in conformity with accounting principles generally accepted in the United States of America. Also, in our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as of September 30, 2025, based on criteria established in Internal Control — Integrated Framework (2013) issued by COSO.

Basis for Opinions

The Company's management is responsible for these financial statements, for maintaining effective internal control over financial reporting, and for its assessment of the effectiveness of internal control over financial reporting, included in the accompanying Management's Annual Report on Internal Control over Financial Reporting. Our responsibility is to express an opinion on these financial statements and an opinion on the Company's internal control over financial reporting based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (PCAOB) and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud, and whether effective internal control over financial reporting was maintained in all material respects.

Our audits of the financial statements included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures to respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. Our audit of internal control over financial reporting included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. Our audits also included performing such other procedures as we considered necessary in the circumstances. We believe that our audits provide a reasonable basis for our opinions.

Definition and Limitations of Internal Control over Financial Reporting

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and

directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Critical Audit Matter

The critical audit matter communicated below is a matter arising from the current-period audit of the financial statements that was communicated or required to be communicated to the audit committee and that (1) relates to accounts or disclosures that are material to the financial statements and (2) involved our especially challenging, subjective, or complex judgments. The communication of critical audit matters does not alter in any way our opinion on the financial statements, taken as a whole, and we are not, by communicating the critical audit matter below, providing a separate opinion on the critical audit matter or on the accounts or disclosures to which it relates.

Point in time and over time revenue recognition and material rights and costs to fulfill a contract – Refer to Notes 1 and 3 to the financial statements

Critical Audit Matter Description

The Company recognizes revenue for performance obligations within a customer contract when control of the associated product or service is transferred to the customer. The Company also identifies and measures material rights associated with consideration it receives from customers for funded research and development activities related to long-term supply contracts.

- Performance obligations are satisfied and revenue is recognized over time if: (i) the customer receives the benefits as Woodward performs work, (ii) if the customer controls the asset as it is being enhanced, or (iii) if the product being produced for the customer has no alternative use to Woodward and Woodward has an enforceable right to payment with a profit. For products being produced for the customer that have no alternative use to Woodward and Woodward has an enforceable right to payment with a profit, and where the products are substantially the same and have the same pattern of transfer to the customer, revenue is recognized as a series of distinct products. Revenue is recognized at a point in time if the conditions above are not met. Revenue recognized over time and at a point in time was \$1,937,766 and \$1,629,298, respectively, for the year ended September 30, 2025.
- Customers sometimes pay consideration to Woodward for product engineering and development activities that do not result in the immediate transfer of distinct products or services to the customer. There is an implicit assumption that without the customer making such advance payments to Woodward, Woodward's future sales of products or services to the customer would be at a higher selling price; therefore, such payments create a "material right" to the customer that effectively gives the customer an option to acquire future products or services, at a discount, that are dependent upon the product engineering and development. Material rights are recorded as contract liabilities and will be recognized when control of the related products or services are transferred to the customer. Deferred revenue from material rights related to engineering and development funding as of September 30, 2025 were \$7,353 within Accrued liabilities and \$199,465 in Other liabilities.

We identified both the determination of whether to recognize revenue at a point in time or over time as well as the identification and measurement of material rights associated with funded research and development activities as a critical audit matter because of the significant judgments and assumptions management makes related to alternative use, the enforceable right to payment, and the identification and measurement of material rights. This required a high degree of auditor judgment and an increased extent of effort to evaluate the appropriateness of management's classification of revenue as point in time or over time and identification and measurement of material rights.

How the Critical Audit Matter Was Addressed in the Audit

Our audit procedures related to the classification of revenue and identification of material rights included the following, among others:

- We tested the effectiveness of controls over alternative use, enforceable right to payment, and the application of those conclusions to customer sales orders.
- We tested the effectiveness of controls over the identification and subsequent monitoring of material rights.
- We tested that alternative use and enforceable right to payment were appropriately applied to determine that revenue was classified properly.
- We tested balances identified as material rights by inspecting contracts, source documents, and payment support to determine that balances were appropriately measured, accounted for, and disclosed as material rights.

/s/ DELOITTE & TOUCHE LLP

Denver, Colorado

November 25, 2025

We have served as the Company's auditor since fiscal year 2008.

WOODWARD, INC.

CONSOLIDATED STATEMENTS OF EARNINGS

(In thousands, except per share amounts)

	Year Ended September 30,		
	2025	2024	2023
Net sales	\$ 3,567,064	\$ 3,324,249	\$ 2,914,566
Costs and expenses:			
Cost of goods sold	2,610,772	2,447,770	2,236,983
Selling, general and administrative expenses	329,823	307,499	269,692
Research and development costs	147,568	140,676	132,095
Restructuring activities	—	—	5,172
Interest expense	45,689	47,959	47,898
Interest income	(4,189)	(6,458)	(2,751)
Other income, net	(84,010)	(67,168)	(50,291)
Total costs and expenses	3,045,653	2,870,278	2,638,798
Earnings before income taxes	521,411	453,971	275,768
Income tax expense	79,300	81,000	43,400
Net earnings	\$ 442,111	\$ 372,971	\$ 232,368
Earnings per share:			
Basic earnings per share	\$ 7.42	\$ 6.21	\$ 3.88
Diluted earnings per share	\$ 7.19	\$ 6.01	\$ 3.78
Weighted Average Common Shares Outstanding:			
Basic	59,563	60,076	59,908
Diluted	61,464	62,084	61,482

See accompanying Notes to Consolidated Financial Statements

WOODWARD, INC.
CONSOLIDATED STATEMENTS OF COMPREHENSIVE EARNINGS
(In thousands)

	Year Ended September 30,		
	2025	2024	2023
Net earnings	\$ 442,111	\$ 372,971	\$ 232,368
Foreign currency related other comprehensive earnings:			
Foreign currency translation adjustments	19,041	30,311	21,180
Net (loss) on foreign currency transactions designated as hedges of net investments	(2,263)	(2,381)	(3,090)
Taxes on changes on foreign currency translation adjustments	3,401	334	1,011
Foreign currency translation and transactions adjustments, net of tax	20,179	28,264	19,101
Derivative related other comprehensive earnings:			
Unrealized (loss) on fair value adjustment of derivative instruments	(23,105)	(18,551)	(36,587)
Reclassification of net realized losses on derivatives to earnings	22,435	23,093	33,224
Taxes on changes on derivative transactions	—	—	(141)
Derivative adjustments, net of tax	(670)	4,542	(3,504)
Pension and postretirement medical liability other comprehensive earnings:			
Net gain arising during the period	3,227	7,826	9,401
Prior service cost arising during the period	—	(1,121)	—
Amortization of:			
Prior service cost	785	721	720
Net (gain)	(683)	(1,049)	(823)
Foreign currency exchange rate changes on pension and postretirement medical liabilities	509	110	247
Taxes on changes on pension and postretirement medical liability adjustments	(1,064)	(1,320)	(3,250)
	2,774	5,167	6,295
Total comprehensive earnings	\$ 464,394	\$ 410,944	\$ 254,260

See accompanying Notes to Consolidated Financial Statements

WOODWARD, INC.
CONSOLIDATED BALANCE SHEETS
(In thousands, except per share amounts)

	<u>September 30,</u> <u>2025</u>	<u>September 30,</u> <u>2024</u>
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 327,431	\$ 282,270
Accounts receivable, less allowance for uncollectible amounts of \$9,725 and \$7,738, respectively	831,116	770,066
Inventories	654,608	609,092
Income taxes receivable	1,553	22,016
Other current assets	69,706	60,167
Total current assets	1,884,414	1,743,611
Property, plant and equipment, net	986,623	940,715
Goodwill	832,288	806,643
Intangible assets, net	428,080	440,419
Deferred income tax assets	118,711	84,392
Other assets	380,027	353,135
Total assets	\$ 4,630,143	\$ 4,368,915
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Short-term debt	\$ 122,300	\$ 217,000
Current portion of long-term debt	122,934	85,719
Accounts payable	289,417	287,457
Income taxes payable	59,655	40,692
Accrued liabilities	313,083	292,642
Total current liabilities	907,389	923,510
Long-term debt, less current portion	456,968	569,751
Deferred income tax liabilities	107,669	121,858
Other liabilities	591,727	577,380
Total liabilities	2,063,753	2,192,499
Commitments and contingencies (Note 22)		
Stockholders' equity:		
Preferred stock, par value \$0.003 per share, 10,000 shares authorized, no shares issued	—	—
Common stock, par value \$0.001455 per share, 150,000 shares authorized, 72,960 shares issued	106	106
Additional paid-in capital	482,259	396,554
Accumulated other comprehensive losses	(10,415)	(32,698)
Deferred compensation	1,741	2,662
Retained earnings	3,600,395	3,223,259
	4,074,086	3,589,883
Treasury stock at cost, 13,060 shares and 13,787 shares, respectively	(1,505,955)	(1,410,805)
Treasury stock held for deferred compensation, at cost, 28 shares and 45 shares, respectively	(1,741)	(2,662)
Total stockholders' equity	2,566,390	2,176,416
Total liabilities and stockholders' equity	\$ 4,630,143	\$ 4,368,915

See accompanying Notes to Consolidated Financial Statements

WOODWARD, INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS
(In thousands)

	Year Ended September 30,		
	2025	2024	2023
Cash flows from operating activities:			
Net earnings	\$ 442,111	\$ 372,971	\$ 232,368
Adjustments to reconcile net earnings to net cash provided by operating activities:			
Depreciation and amortization	113,278	116,170	119,743
Net (gain) loss on sales of assets and businesses	(18,731)	(457)	1,491
Stock-based compensation	31,674	33,052	23,383
Deferred income taxes	(52,358)	(44,606)	(40,155)
Changes in operating assets and liabilities, net of the effect of acquisition:			
Trade accounts receivable	(11,475)	35,799	(113,119)
Unbilled receivables (contract assets)	(38,478)	(51,168)	(23,879)
Costs to fulfill a contract	(14,812)	(3,718)	(11,544)
Inventories	(49,624)	(84,944)	3,234
Accounts payable and accrued liabilities	56,818	63,655	67,447
Contract liabilities	(3,042)	31,538	20,115
Income taxes	31,992	(18,069)	(3,652)
Retirement benefit obligations	(3,406)	(1,837)	(909)
Other	(12,653)	(9,297)	34,020
Net cash provided by operating activities	471,294	439,089	308,543
Cash flows from investing activities:			
Payments for purchase of property, plant, and equipment	(130,928)	(96,280)	(76,500)
Proceeds from sale of assets	42	2,292	488
Proceeds from business divestiture	50,068	1,800	—
Payments for business acquisition, net of cash acquired	(41,678)	—	878
Proceeds from sales of short-term investments	2,943	9,738	7,692
Payments for purchases of short-term investments	—	(6,767)	(6,109)
Net cash used in investing activities	(119,553)	(89,217)	(73,551)
Cash flows from financing activities:			
Cash dividends paid	(64,975)	(58,286)	(51,027)
Proceeds from sales of treasury stock	104,578	89,875	50,749
Payments for repurchases of common stock	(172,857)	(390,819)	(126,380)
Borrowings on revolving lines of credit and short-term borrowings	2,285,900	2,962,800	2,323,500
Payments on revolving lines of credit and short-term borrowings	(2,380,600)	(2,745,800)	(2,390,300)
Payments of debt financing costs	—	—	(2,236)
Payments of long-term debt and finance lease obligations	(85,972)	(75,817)	(779)
Net cash used in financing activities	(313,926)	(218,047)	(196,473)
Effect of exchange rate changes on cash and cash equivalents	7,346	12,998	(8,916)
Net change in cash and cash equivalents	45,161	144,823	29,603
Cash and cash equivalents at beginning of year	282,270	137,447	107,844
Cash and cash equivalents at end of year	\$ 327,431	\$ 282,270	\$ 137,447

See accompanying Notes to Consolidated Financial Statements

WOODWARD, INC.

CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY

(In thousands, except per share amounts)

	Stockholders' equity										
	Common stock	Additional paid-in capital	Foreign currency translation adjustments	Unrealized derivative gains (losses)	Minimum retirement benefit liability adjustments	Total accumulated other comprehensive (loss) earnings	Deferred compensation	Retained earnings	Treasury stock at cost	Treasury stock held for deferred compensation	Total stockholders' equity
Balances as of September 30, 2022	\$ 106	\$ 293,540	\$ (86,494)	\$ (6,215)	\$ 146	\$ (92,563)	\$ 6,781	\$ 2,727,233	\$ (1,027,194)	\$ (6,781)	\$ 1,901,122
Net earnings	—	—	—	—	—	—	—	232,368	—	—	232,368
Other comprehensive income (loss), net of tax	—	—	19,101	(3,504)	6,295	21,892	—	—	—	—	21,892
Cash dividends paid (\$0.85 per share)	—	—	—	—	—	—	—	(51,027)	—	—	(51,027)
Purchases of treasury stock	—	(302)	—	—	—	—	—	—	(126,380)	—	(126,682)
Sales of treasury stock	—	377	—	—	—	—	—	—	50,090	—	50,467
Common shares issued for benefit plans	—	10,943	—	—	—	—	—	—	8,523	—	19,466
Stock-based compensation	—	23,383	—	—	—	—	—	—	—	—	23,383
Purchases of stock by deferred compensation	—	—	—	—	—	—	178	—	—	(178)	—
Distribution of stock from deferred compensation	—	—	—	—	—	—	(4,183)	—	—	4,183	—
Balances as of September 30, 2023	\$ 106	\$ 327,941	\$ (67,393)	\$ (9,719)	\$ 6,441	\$ (70,671)	\$ 2,776	\$ 2,908,574	\$ (1,094,961)	\$ (2,776)	\$ 2,070,989
Balances as of September 30, 2023	\$ 106	\$ 327,941	\$ (67,393)	\$ (9,719)	\$ 6,441	\$ (70,671)	\$ 2,776	\$ 2,908,574	\$ (1,094,961)	\$ (2,776)	\$ 2,070,989
Net earnings	—	—	—	—	—	—	—	372,971	—	—	372,971
Other comprehensive earnings (loss), net of tax	—	—	28,264	4,542	5,167	37,973	—	—	—	—	37,973
Cash dividends paid (\$0.97 per share)	—	—	—	—	—	—	—	(58,286)	—	—	(58,286)
Purchases of treasury stock	—	(2,774)	—	—	—	—	—	—	(390,819)	—	(393,593)
Sales of treasury stock	—	24,368	—	—	—	—	—	—	67,053	—	91,421
Common shares issued for benefit plans	—	13,967	—	—	—	—	—	—	7,922	—	21,889
Stock-based compensation	—	33,052	—	—	—	—	—	—	—	—	33,052
Purchases of stock by deferred compensation	—	—	—	—	—	—	173	—	—	(173)	—
Distribution of stock from deferred compensation	—	—	—	—	—	—	(287)	—	—	287	—
Balances as of September 30, 2024	\$ 106	\$ 396,554	\$ (39,129)	\$ (5,177)	\$ 11,608	\$ (32,698)	\$ 2,662	\$ 3,223,259	\$ (1,410,805)	\$ (2,662)	\$ 2,176,416
Balances as of September 30, 2024	\$ 106	\$ 396,554	\$ (39,129)	\$ (5,177)	\$ 11,608	\$ (32,698)	\$ 2,662	\$ 3,223,259	\$ (1,410,805)	\$ (2,662)	\$ 2,176,416
Net earnings	—	—	—	—	—	—	—	442,111	—	—	442,111
Other comprehensive earnings (loss), net of tax	—	—	20,179	(670)	2,774	22,283	—	—	—	—	22,283
Cash dividends paid (\$1.09 per share)	—	—	—	—	—	—	—	(64,975)	—	—	(64,975)
Purchases of treasury stock	—	(406)	—	—	—	—	—	—	(170,083)	—	(170,489)
Sales of treasury stock	—	36,059	—	—	—	—	—	—	68,399	—	104,458
Common shares issued for benefit plans	—	18,378	—	—	—	—	—	—	6,534	—	24,912
Stock-based compensation	—	31,674	—	—	—	—	—	—	—	—	31,674
Purchases of stock by deferred compensation	—	—	—	—	—	—	150	—	—	(150)	—
Distribution of stock from deferred compensation	—	—	—	—	—	—	(1,071)	—	—	1,071	—
Balances as of September 30, 2025	\$ 106	\$ 482,259	\$ (18,950)	\$ (5,847)	\$ 14,382	\$ (10,415)	\$ 1,741	\$ 3,600,395	\$ (1,505,955)	\$ (1,741)	\$ 2,566,390

See accompanying Notes to Consolidated Financial Statements

WOODWARD, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(In thousands, except per share amounts)

Note 1. Operations and summary of significant accounting policies

Basis of presentation

The Consolidated Financial Statements are prepared in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP") and include the accounts of Woodward, Inc. and its subsidiaries (collectively "Woodward" or "the Company").

Nature of operations

Woodward is an independent designer, manufacturer, and service provider of energy control and optimization solutions. Woodward designs, produces, and services reliable, efficient, low-emission, and high-performance energy control products for diverse applications in challenging environments. Woodward has significant production and assembly facilities primarily in the United States, Europe, and Asia, and promotes its products and services through its worldwide locations.

Woodward's strategic focus is providing energy control and optimization solutions for the aerospace and industrial markets. The precise and efficient control of energy, including motion, fluid, combustion, and electrical energy, is a growing requirement in the markets Woodward serves. Woodward's customers look to it to optimize the efficiency, emissions, and operation of power equipment in both commercial and defense operations. Woodward's core technologies leverage well across its markets and customer applications, enabling it to develop and integrate cost-effective and state-of-the-art fuel, combustion, fluid, actuation, and electronic systems. Woodward focuses its solutions and services primarily on serving original equipment manufacturers ("OEMs") and equipment packagers, partnering with them to bring superior component and system solutions to their demanding applications. Woodward also provides service repair, maintenance, replacement, and other service support for its installed products.

Woodward's components and integrated systems optimize performance of commercial aircraft, defense aircraft, military ground vehicles and other equipment, gas and steam turbines, industrial diesel, gas, biodiesel and dual-fuel reciprocating engines, and electrical power systems. Woodward's innovative motion, fluid, combustion, and electrical energy control systems help its customers offer more cost-effective, cleaner, and more reliable equipment.

Summary of significant accounting policies

Principles of consolidation: These Consolidated Financial Statements are prepared in accordance with U.S. GAAP and include the accounts of Woodward and its wholly and majority-owned subsidiaries. Transactions within and between these companies are eliminated.

Use of estimates: The preparation of the Consolidated Financial Statements requires management to make use of estimates and assumptions that affect the reported amount of assets and liabilities, at the date of the financial statements and the reported revenues and expenses recognized during the reporting period, and certain financial statement disclosures. Significant estimates include allowances for uncollectible amounts, net realizable value of inventories, customer rebates earned, useful lives of property and identifiable intangible assets, the evaluation of impairments of property, identifiable intangible assets and goodwill, the provision for income tax and related valuation reserves, the valuation of assets and liabilities acquired in business combinations, assumptions used in the determination of the funded status and annual expense of pension and postretirement employee benefit plans, the valuation of stock compensation instruments granted to members, and contingencies. Actual results could differ from those estimates.

Foreign currency exchange rates: The assets and liabilities of substantially all subsidiaries outside the United States are translated at fiscal year-end rates of exchange, and earnings and cash flow statements are translated at weighted-average rates of exchange. The exchange rate in effect at the time of the cash flow is used for significant or infrequent cash flows, such as payments for a business acquisition, for which the use of weighted-average rates of exchange could result in a substantially different cash flow. Translation adjustments are accumulated with other comprehensive (losses) earnings as a separate component of stockholders' equity and are presented net of tax effects in the Consolidated Statements of Stockholders' Equity. The effects of changes in foreign currency exchange rates on loans between consolidated subsidiaries that are considered permanent in nature are also accumulated with other comprehensive earnings, net of tax.

The Company is exposed to market risks related to fluctuations in foreign currency exchange rates because some sales transactions, and certain assets and liabilities of its domestic and foreign subsidiaries, are denominated in foreign currencies. Selling, general and administrative expenses include a net foreign currency loss of \$512 in fiscal year 2025, a net foreign currency loss of \$8,369 in fiscal year 2024, and a net foreign currency loss of \$1,020 in fiscal year 2023.

Revenue recognition: Revenue is recognized on contracts with customers for arrangements in which quantities and pricing are fixed and/or determinable and are generally based on customer purchase orders, often within the framework of a long-term supply arrangement with the customer. Woodward has determined that it is the principal in its sales transactions, as Woodward is primarily responsible for fulfilling the promised performance obligations, has discretion to establish the selling price, and generally assumes the inventory risk. Woodward recognizes revenue for performance obligations within a customer contract when control of the associated product or service is transferred to the customer. Some of Woodward's contracts with customers contain a single performance obligation, while other contracts contain multiple performance obligations. Each product within a contract generally represents a separate performance obligation as Woodward does not provide significant installation and integration services, the products do not customize each other, and the products can function independently of each other.

A contract's transaction price is allocated to each performance obligation and recognized as revenue when, or as, the customer obtains control of the associated product or service. When there are multiple performance obligations within a contract, Woodward generally uses the observable standalone sales price for each distinct product or service within the contract to allocate the transaction price to the distinct products or services. In instances when a standalone sales price for each product or service is not observable within the contract, Woodward allocates the transaction price to each performance obligation using an estimate of the standalone selling price for each product or service, which is generally based on incurred costs plus a reasonable margin, for each distinct product or service in the contract.

When determining the transaction price of each contract, Woodward considers contractual consideration payable by the customer and variable consideration that may affect the total transaction price. Variable consideration, consisting of early payment discounts, rebates, and other sources of price variability, are included in the estimated transaction price based on both customer-specific information as well as historical experience.

Customers sometimes trade in used products in exchange for new or refurbished products. In addition, Woodward's customers sometimes provide inventory to Woodward which will be integrated into final products sold to those customers. Woodward obtains control of these exchanged products and customer provided inventory, and therefore, both are forms of noncash consideration. Noncash consideration paid by customers on overall sales transactions is additive to the transaction price. Woodward's net sales and cost of goods sold include the value of such noncash consideration for the same amount, with no resulting impact to earnings before income taxes. Upon receipt of such inventory, Woodward recognizes an inventory asset and a contract liability.

Point in time and over time revenue recognition: Control of the products generally transfers to the customer at a point in time, if the customer does not control the products as they are produced. Performance obligations are satisfied and revenue is recognized over time if: (i) the customer receives the benefits as Woodward performs work, (ii) if the customer controls the asset as it is being enhanced, or (iii) if the product being produced for the customer has no alternative use to Woodward and Woodward has an enforceable right to payment with a profit. For products being produced for the customer that have no alternative use to Woodward and Woodward has an enforceable right to payment with a profit, and where the products are substantially the same and have the same pattern of transfer to the customer, revenue is recognized as a series of distinct products. As Woodward satisfies MRO performance obligations, revenue is recognized over time, as the customer, rather than Woodward, controls the asset being enhanced. When services are provided, revenue from those services is recognized over time because control is transferred continuously to customers as Woodward performs the work.

For services that are not short-term in nature, MRO, and sales of products that have no alternative use to Woodward and an enforceable right to payment with a profit, Woodward uses an actual cost input measure to determine the extent of progress towards completion of the performance obligation. For these revenue streams, revenue is recognized over time as work is performed based on the relationship between actual costs incurred to-date for each contract and the total estimated costs for such contract at completion of the performance obligation (the cost-to-cost method). Woodward has concluded that this measure of progress best depicts the transfer of assets to the customer because incurred costs are integral to Woodward's completion of the performance obligation under the specific customer contract and correlate directly to the transfer of control to the customer. Contract costs include labor, material, and overhead. Contract cost estimates are based on various assumptions to project the outcome of future events. These assumptions include labor

productivity, and availability; the complexity of the work to be performed; the cost and availability of materials; the performance of subcontractors; and the availability and timing of funding from the customer. Revenues, including estimated fees or profits, are recorded proportionally as costs are incurred.

If at any time the estimate of contract profitability indicates an anticipated loss on the contract, Woodward recognizes provisions for estimated losses on uncompleted contracts in the period in which such losses are determined. In situations where the creditworthiness of a customer becomes in doubt, Woodward ceases to recognize the over-time revenue on the associated customer contract.

Occasionally, Woodward sells maintenance or service arrangements, extended warranties, or other stand ready services. Woodward recognizes revenue from such arrangements as a series of performance obligations over the time period in which the services are available to the customer.

Material rights and costs to fulfill a contract: Customers sometimes pay consideration to Woodward for product engineering and development activities that do not result in the immediate transfer of distinct products or services to the customer. There is an implicit assumption that without the customer making such advance payments to Woodward, Woodward's future sales of products or services to the customer would be at a higher selling price; therefore, such payments create a "material right" to the customer that effectively gives the customer an option to acquire future products or services, at a discount, that are dependent upon the product engineering and development. Material rights are recorded as contract liabilities and will be recognized over time when control of the related products or services are transferred to the customer.

Woodward capitalizes costs of product engineering and development identified as material rights up to the amount of customer funding as costs to fulfill a contract are incurred because the costs incurred up to the amount of the customer funding commitment are recoverable. Product engineering and development costs in excess of contractual customer funding are expensed as incurred. Woodward recognizes the deferred material rights as revenue based on a percentage of actual sales to total estimated lifetime sales of the related developed products as the customers exercise their option to acquire additional products or services at a discount. Woodward amortizes the capitalized costs to fulfill a contract as cost of goods sold proportionally to the recognition of the associated deferred material rights. Estimated total lifetime sales are reviewed at least annually and more frequently when circumstances warrant a modification to the previous estimate.

Woodward does not capitalize incremental costs of obtaining a contract, as Woodward does not pay sales commissions or incur other incremental costs related to contracts with Woodward's customers for arrangements in which quantities and pricing are fixed and/or determinable.

Contract liabilities: Advance payments and billings in excess of revenue recognized represent contract liabilities and are recorded as deferred revenues when customers remit contractual cash payments in advance of Woodward satisfying performance obligations under contractual arrangements, including those with performance obligations satisfied over time. Woodward generally receives advance payments from customers related to maintenance or service arrangements, extended warranties, or other stand ready services, which it recognizes over the performance period. Contract liabilities are satisfied when revenue is recognized and the performance obligation is satisfied. Advance payments and billings in excess of revenue recognized are included in deferred revenue, which is classified as current or noncurrent based on the timing of when Woodward expects to recognize revenue.

Customer payments: Woodward occasionally agrees to make payments to certain customers in order to participate in anticipated sales activity. Payments made to customers are accounted for as a reduction of revenue unless they are made in exchange for identifiable goods or services with fair values that can be reasonably estimated. Reductions in revenue associated with these customer payments are recognized immediately to the extent that the payments cannot be attributed to anticipated future sales, and are recognized in future periods to the extent that the payments relate to anticipated future sales. Such determinations are based on the facts and circumstances underlying each payment.

Purchase accounting: Business combinations are accounted for using the purchase method of accounting. Under this method, assets and liabilities, including intangible assets, are recorded at their fair values as of the acquisition date. Acquisition costs in excess of amounts assigned to assets acquired and liabilities assumed are recorded as goodwill. Transaction-related costs associated with business combinations are expensed as incurred.

Stock-based compensation: Compensation cost relating to stock-based payment awards made to members and directors is recognized in the financial statements using a fair value method. Non-qualified stock option awards, restricted stock units, and performance restricted stock units are issued under Woodward's stock-based compensation plans. The cost of such awards, measured at the grant date, is based on the estimated fair value of the award.

Forfeitures are estimated at the time of each grant in order to estimate the portion of the award that will ultimately vest. The estimate is based on Woodward's historical rates of forfeitures and is updated periodically. The portion of the award that is ultimately expected to vest is recognized as expense over the requisite service periods, which is generally the vesting period of the awards.

Research and development costs: Company funded expenditures related to new product development and significant product enhancement and/or upgrade activities are expensed as incurred and are separately reported in the Consolidated Statements of Earnings.

Income taxes: Deferred income taxes are provided for the temporary differences between the financial reporting basis and the tax basis of Woodward's assets, liabilities, and certain unrecognized gains and losses recorded in accumulated other comprehensive (losses) earnings. Woodward provides for taxes that may be payable if undistributed earnings of overseas subsidiaries were to be remitted to the United States, except for those earnings that it considers to be indefinitely invested.

Cash equivalents: Highly liquid investments purchased with an original maturity of three months or less are considered to be cash equivalents.

Accounts receivable: Almost all of Woodward's sales are made on credit and result in accounts receivable, which are recorded at the amount invoiced and are generally not collateralized. In the normal course of business, not all accounts receivable are collected and, therefore, an allowance for uncollectible amounts is provided equal to the amount that Woodward believes ultimately will not be collected. In establishing the amount of the allowance related to the credit risk of accounts receivable, customer-specific information is considered related to delinquent accounts, past loss experience, bankruptcy filings, deterioration in the customer's operating results or financial position, current and forecasted economic conditions, and other relevant factors. Bad debt losses are deducted from the allowance, and the related accounts receivable balances are written off when the receivables are deemed uncollectible. Recoveries of accounts receivable previously written off are recognized when received. The allowance associated with anticipated other adjustments to the selling price or cash discounts is also established and is included in the allowance for uncollectible amounts. In establishing this amount, both customer-specific information as well as historical experience is considered.

In coordination with its customers and when terms are considered favorable to Woodward, Woodward from time-to-time transfers ownership to collect amounts due to Woodward for outstanding accounts receivable to third parties in exchange for cash. When the transfer of accounts receivable meets the criteria of Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC") Topic 860-10, "Transfers and Servicing," and are without recourse, it is recognized as a sale and the accounts receivable is derecognized.

Unbilled receivables (contract assets) arise when the timing of billing differs from the timing of revenue recognized, such as when contract provisions require revenue to be recognized over time rather than at a point in time. Unbilled receivables primarily relate to performance obligations satisfied over time when the cost-to-cost method is utilized and the revenue recognized exceeds the amount billed to the customer as there is not yet a right to payment in accordance with contractual terms. Unbilled receivables are recorded as a contract asset when the revenue associated with the contract is recognized prior to billing and derecognized when billed in accordance with the terms of the contract.

For composition of accounts receivable, see Note 3, *Revenue*.

Inventories: Inventories are valued at the lower of cost or net realizable value, with cost being determined using methods that approximate a first-in, first-out basis.

Short-term investments: From time to time, certain of Woodward's foreign subsidiaries will invest excess cash in short-term time deposits with a fixed maturity date of longer than three months but less than one year from the date of the deposit. Woodward believes that the investments are with creditworthy financial institutions. Amounts with maturities of less than 365 days are classified as "Other current assets."

Property, plant, and equipment: Property, plant, and equipment are recorded at cost and are depreciated over the estimated useful lives of the assets. Assets are generally depreciated using the straight-line method. Assets are tested for recoverability whenever events or circumstances indicate the carrying value may not be recoverable.

Estimated lives over which fixed assets are generally depreciated at September 30, 2025 were as follows:

Land improvements	10	–	20 years
Buildings and improvements	10	–	40 years
Leasehold improvements	1	–	10 years
Machinery and production equipment	3	–	25 years
Computer equipment and software	3	–	15 years
Office furniture and equipment	3	–	15 years
Other	3	–	5 years

Included in computer equipment and software are Woodward’s enterprise resource planning (“ERP”) systems, which have an estimated useful life of 15 years. All other computer equipment and software is generally depreciated over three years to five years.

Leases: Right-of-use (“ROU”) assets and lease liabilities are recognized at the lease commencement date based on the estimated present value of the remaining fixed lease payments over the lease term. In determining the estimated present value of lease payments, Woodward discounts the fixed lease payments using the rate implicit in the agreement or, if the implicit rate is not known, using the incremental borrowing rate. Woodward’s incremental borrowing rate is based on the information available at the lease commencement date, with consideration given to Woodward’s recent debt issuances as well as publicly available data for instruments with similar characteristics.

For operating leases, lease expense is recognized over the expected lease term and classified as cost of goods sold or selling, general and administrative expenses based on the nature of the underlying leased asset. For finance leases, the ROU asset is recognized over the shorter of the useful life of the asset, consistent with Woodward’s normal depreciation policy, or the lease term, and is classified as cost of goods sold, selling, general and administrative expense, or research and development expense, based on the nature and use of the underlying leased asset.

Certain of Woodward’s operating lease agreements include variable payments that are passed through by the landlord, such as insurance, taxes, and common area maintenance, payments based on the usage of the asset, and rental payments adjusted periodically for inflation. Pass-through charges, payments due to changes in usage of the asset, and payments due to changes in indexation are included within variable rent expense and are recognized in the period in which the variable obligation for the payments was incurred.

Goodwill: Woodward tests goodwill for impairment at the reporting unit level on an annual basis and more often if an event occurs or circumstances change that indicates the fair value of a reporting unit may be below its carrying amount. Based on the relevant U.S. GAAP authoritative guidance, Woodward aggregates components of a single operating segment into a reporting unit, if appropriate.

In fiscal year 2025, Woodward used the qualitative approach and was not required to conduct the quantitative analysis. Woodward applied its best judgment when assessing the reasonableness of the assumptions used to determine the fair value of the reporting unit.

In each of fiscal year 2024 and fiscal year 2023, Woodward performed the quantitative assessment consisting of comparing the implied fair value of each reporting unit with its carrying amount that includes goodwill. If the carrying amount of the reporting unit exceeds its implied fair value, Woodward compares the implied fair value of goodwill with the recorded carrying amount of goodwill. If the carrying amount of goodwill exceeds the implied fair value of goodwill, an impairment loss would be recognized to reduce the carrying amount to its implied fair value.

Based on the results of Woodward’s annual goodwill impairment testing, no impairment charges were recorded in the year ended September 30, 2025, 2024, or 2023 or since the goodwill was originally recorded.

Other intangibles: Other intangibles are recognized apart from goodwill whenever an acquired intangible asset arises from contractual or other legal rights, or whenever it is capable of being separated or divided from the acquired entity and sold, transferred, licensed, rented, or exchanged, either individually or in combination with a related contract, asset, or liability. Woodward amortizes the cost of other intangibles over their useful lives unless such lives are deemed indefinite. The cost of finite-lived other intangibles are amortized over their respective useful life using patterns that reflect the periods over which the economic benefits of the assets are expected to be realized. Amortization expense is allocated to cost of goods sold and selling, general and administrative expenses based on the nature of the intangible asset. Finite-lived other intangible assets are reviewed for impairment whenever an event occurs or circumstances change indicating that the related carrying amount of the other intangible asset may not be recoverable. Impairment losses are recognized if the carrying amount of an intangible is both not recoverable and exceeds its fair value.

Woodward has recorded no impairment charges related to its other intangibles in the year ended September 30, 2025, 2024, or 2023.

Estimated lives over which intangible assets are amortized at September 30, 2025 were as follows:

Customer relationships and contracts	11	–	30	years
Intellectual property			17	years
Process technology	10	–	30	years

Woodward has one indefinitely lived intangible asset consisting of the Woodward L'Orange trade name. The Woodward L'Orange trade name intangible asset is tested for impairment on an annual basis and more often if an event occurs or circumstances change that indicate the fair value of the Woodward L'Orange intangible asset may be below its carrying amount.

In fiscal year 2025, Woodward used the qualitative approach and was not required to conduct the quantitative assessment. Woodward applied its best judgment when assessing the reasonableness of the assumptions used to determine the fair value of the reporting unit. In each of fiscal year 2024 and fiscal year 2023, Woodward performed the quantitative assessment which consists of comparing the fair value of the Woodward L'Orange trade name intangible asset, determined using discounted cash flows based on the relief from royalty method under the income approach, with its carrying amount. If the carrying amount of the Woodward L'Orange trade name intangible asset exceeds its fair value, an impairment loss would be recognized to reduce the carrying amount to its fair value. Woodward has not recorded any impairment charges against the L'Orange trade name intangible asset since it was acquired.

Impairment of long-lived assets: Woodward reviews the carrying amount of its long-lived assets or asset groups to be used in operations whenever events or changes in circumstances indicate that the carrying amount of the assets might not be recoverable. Factors that would necessitate an impairment assessment include a significant adverse change in the extent or manner in which an asset is used, a significant adverse change in legal factors or the business climate that could affect the value of the asset, or a significant decline in the observable market value of an asset, among others.

If such facts indicate a potential impairment, the Company would assess the recoverability of an asset group by determining if the carrying amount of the asset group exceeds the sum of the projected undiscounted cash flows expected to result from the use and eventual disposition of the assets over the remaining economic life of the primary asset in the asset group. If the recoverability test indicates that the carrying amount of the asset group is not recoverable, the Company will estimate the fair value of the asset group using appropriate valuation methodologies, which would typically include an estimate of discounted cash flows. Any impairment would be measured as the difference between the asset group's carrying amount and its estimated fair value.

Investment in marketable equity securities: Woodward holds marketable equity securities. Based on Woodward's intentions regarding these instruments, marketable equity securities are classified as trading securities. The trading securities are reported at fair value, with realized gains and losses recognized in "Other income, net." The trading securities are included in "Other assets."

Investments in unconsolidated subsidiaries: Investments in, and operating results of, entities in which Woodward does not have a controlling financial interest or the ability to exercise significant influence over the operations are included in the financial statements using the cost method of accounting. Investments and operating results of entities in which Woodward does not have a controlling interest but does have the ability to exercise significant influence over operations are included in the financial statements using the equity method of accounting.

Deferred compensation: The Company maintains a deferred compensation program as part of its overall compensation package for certain members.

Deferred compensation obligations will be settled either by delivery of a fixed number of shares of Woodward's common stock (in accordance with certain eligible members' irrevocable elections) or in cash. Woodward has contributed shares of its common stock into a trust (the "rabbi trust") established for the future settlement of deferred compensation obligations that are payable in shares of Woodward's common stock. Common stock held by the trust is reflected in the Consolidated Balance Sheets as "Treasury stock held for deferred compensation" and the related deferred compensation obligation is reflected as a separate component of equity in amounts equal to the fair value of the common stock at the dates of contribution. Deferred compensation obligations that will be settled in cash are accounted for on an accrual basis in accordance with the terms of the underlying contract and are reflected in the Consolidated Balance Sheet as "Other liabilities."

Financial instruments: The Company's financial instruments include cash and cash equivalents, short-term investments, investments in the deferred compensation program, notes receivable from municipalities, investments in term deposits, cross-currency interest rate swaps, and debt. Because of their short-term maturity, the carrying amount of cash and cash equivalents and short-term debt approximate fair value. Financial assets and liabilities recorded at fair value in the Consolidated Balance Sheets are categorized based upon a fair value hierarchy established by U.S. GAAP, which prioritizes the inputs used to measure fair value into the following levels:

Level 1: Inputs based on quoted market prices in active markets for identical assets or liabilities at the measurement date.

Level 2: Quoted prices included in Level 1, such as quoted prices for similar assets or liabilities in active markets; quoted prices for identical or similar assets and liabilities in markets that are not active; or other inputs that are observable and can be corroborated by observable market data.

Level 3: Inputs reflect management's best estimates and assumptions of what market participants would use in pricing the asset or liability at the measurement date. The inputs are unobservable in the market and significant to the valuation of the instruments.

Further information on the fair value of financial instruments can be found at Note 7, *Financial instruments and fair value measurements*.

Derivatives: The Company is exposed to various global market risks, including the effect of changes in interest rates, foreign currency exchange rates, changes in certain commodity prices, and fluctuations in various producer indices. From time to time, Woodward enters into derivative instruments for risk management purposes only, including derivatives designated as accounting hedges and/or those utilized as economic hedges. Woodward uses interest rate related derivative instruments to manage its exposure to fluctuations of interest rates. Woodward does not enter into or issue derivatives for trading or speculative purposes.

By using derivative and/or hedging instruments to manage its risk exposure, Woodward is subject, from time to time, to credit risk and market risk on those derivative instruments. Credit risk arises from the potential failure of the counterparty to perform under the terms of the derivative and/or hedging instrument. When the fair value of a derivative contract is positive, the counterparty owes Woodward, which creates credit risk for Woodward. Woodward mitigates this credit risk by entering into transactions only with counterparties that are believed to be creditworthy. Market risk arises from the potential adverse effects on the value of derivative and/or hedging instruments that result from a change in interest rates, commodity prices, or foreign currency exchange rates. Woodward minimizes this market risk by establishing and monitoring parameters that limit the types and degree of market risk that may be undertaken.

From time to time, in order to hedge against foreign currency exposure, Woodward designates certain non-derivative financial instrument loans as net investment hedges. Foreign exchange gains or losses on these loans are recognized in foreign currency translation adjustments within total comprehensive (losses) earnings. Also, to hedge against the foreign currency exposure attributable to non-functional currency denominated intercompany loans, Woodward has entered into derivative instruments in fair value hedging relationships and cash flow hedging relationships.

Further information on net investment hedges and derivative instruments in fair value and cash flow hedging relationships, including the Company's policy in accounting for these derivatives, can be found at Note 8, *Derivative instruments and hedging activities*.

Postretirement benefits: The Company provides various benefits to certain current and former members through defined benefit pension and postretirement plans. For financial reporting purposes, net periodic benefits expense and related obligations are calculated using a number of significant actuarial assumptions. Changes in net periodic expense and funding status may occur in the future due to changes in these assumptions. The funded status of defined pension and postretirement plans recognized in the statement of financial position is measured as the difference between the fair market value of the plan assets and the benefit obligation. For a defined benefit pension plan, the benefit obligation is the projected benefit obligation; for any other defined benefit postretirement plan, such as a retiree health-care plan, the benefit obligation is the accumulated benefit obligation. Any over-funded status is recognized as an asset and any underfunded status is recognized as a liability.

Projected benefit obligation is the actuarial present value as of the measurement date of all benefits attributed by the plan benefit formula to employee service rendered before the measurement date using assumptions as to future compensation levels if the plan benefit formula is based on those future compensation levels. The accumulated benefit

obligation is the actuarial present value of benefits (whether vested or unvested) attributed by the plan benefit formula to employee service rendered before the measurement date and based on employee service and compensation, if applicable, prior to that date. The accumulated benefit obligation differs from the projected benefit obligation in that it includes no assumption about future compensation levels.

Note 2. New accounting standards

From time to time, the FASB or other standards setting bodies issue new accounting pronouncements. Updates to the ASC are communicated through issuance of an Accounting Standards Update ("ASU").

In December 2023, the FASB issued ASU 2023-09, "Improvements to Income Tax Disclosures." The purpose of ASU 2023-09 is to provide enhanced disclosures surrounding income taxes by requiring consistent categories and greater disaggregation of information in the rate reconciliation, the disaggregation of income taxes paid by jurisdiction, as well as several other changes to the income tax disclosure. The amendments in ASU 2023-09 are effective for fiscal years beginning after December 15, 2024 (fiscal year 2026 for Woodward), with early adoption permitted, and is required to be applied prospectively with the option of retrospective application. Woodward is currently assessing the impact on its income tax disclosures.

In November 2024, the FASB issued ASU 2024-03, "Disaggregation of Income Statement Expenses" the purpose of ASU 2024-03 is to provide enhanced disclosures about significant expenses on the Consolidated Statement of Earnings. The amendments in ASU 2024-03 are effective for fiscal years beginning after December 15, 2026 (fiscal year 2028 for Woodward), and interim periods within fiscal years beginning after December 15, 2027 (fiscal year 2029 for Woodward), with early adoption permitted, and are to be applied either on a prospective basis to financial statements issued for reporting periods after the effective date or on a retrospective basis to all periods presented. Woodward is currently assessing the impact on its Consolidated Statement of Earnings disclosures.

Note 3. Revenue

Sales of products

Woodward primarily generates revenue through the manufacture and sale of engineered aerospace and industrial products, including revenue derived from MRO performance obligations performed on products originally manufactured by Woodward and subsequently returned by OEM or other end-user customers. The majority of Woodward's costs incurred to satisfy MRO performance obligations are related to replacing and/or refurbishing component parts of the returned products to restore the units back to a condition generally comparable to that of the unit upon its initial sale to an OEM customer. Therefore, Woodward considers almost all of its revenue to be derived from product sales, including those related to MRO.

	Year Ended September 30,		
	2025	2024	2023
Manufactured products	81%	83%	84%
MRO	17%	15%	14%
Services	2%	2%	2%

Point in time and over time revenue recognition

The amount of revenue recognized as point in time or over time follows:

	For the Year Ended September 30,								
	2025			2024			2023		
	Aerospace	Industrial	Consolidated	Aerospace	Industrial	Consolidated	Aerospace	Industrial	Consolidated
Point in time	\$ 916,671	\$ 712,627	\$ 1,629,298	\$ 853,728	\$ 780,794	\$ 1,634,522	\$ 748,278	\$ 708,458	\$ 1,456,736
Over time	1,396,135	541,631	1,937,766	1,174,890	514,837	1,689,727	1,019,825	438,005	1,457,830
Total net sales	\$ 2,312,806	\$ 1,254,258	\$ 3,567,064	\$ 2,028,618	\$ 1,295,631	\$ 3,324,249	\$ 1,768,103	\$ 1,146,463	\$ 2,914,566

Material rights and costs to fulfill a contract

Amounts recognized related to changes in estimated total lifetime sales for material rights and costs to fulfill contracts with customers follows:

	Year Ended September 30,		
	2025	2024	2023
Revenue	\$ 1,462	\$ 17,154	\$ 1,460
Cost of goods sold	1,855	15,486	1,736

Amounts recognized related to amortization of costs to fulfill contracts and contract liabilities, which were not related to changes in estimate, follows:

	Year Ended September 30,		
	2025	2024	2023
Revenue	\$ 4,521	\$ 7,230	\$ 6,741
Cost of goods sold	3,717	3,112	5,559

As of September 30, 2025, "Other assets" on the Consolidated Balance Sheets included \$203,171 of capitalized costs to fulfill contracts with customers, compared to \$185,102 as of September 30, 2024.

Accounts receivable and contract assets

Customer receivables include amounts billed and currently due from customers as well as unbilled amounts (contract assets) and are included in "Accounts receivable" in Woodward's Consolidated Balance Sheets. Amounts are billed in accordance with contractual terms, which are generally tied to shipment of the products to the customer, or as work progresses in accordance with contractual terms. Billed accounts receivable are typically due within 60 days. Woodward's contracts with customers generally have no financing components.

Accounts receivable consisted of the following:

	September 30, 2025	September 30, 2024
Billed receivables		
Trade accounts receivable	\$ 477,217	\$ 455,831
Other (Chinese financial institutions)	104	1,403
Total billed receivables	477,321	457,234
Current unbilled receivables (contract assets)	363,520	320,570
Total accounts receivable	840,841	777,804
Less: Allowance for uncollectible amounts	(9,725)	(7,738)
Total accounts receivable, net	\$ 831,116	\$ 770,066

As of September 30, 2025, "Other assets" on the Consolidated Balance Sheets includes \$10,963 of unbilled receivables not expected to be invoiced and collected within a period of 12 months, compared to \$11,237 as of September 30, 2024. Unbilled receivables not expected to be invoiced and collected within a period of 12 months are primarily attributable to the timing of revenue recognized in excess of billings in the Aerospace segment.

Billed and unbilled accounts receivable from the U.S. Government were less than 10% of total billed and unbilled accounts receivable at September 30, 2025 and September 30, 2024.

The allowance for uncollectible amounts and change in expected credit losses for trade accounts receivable and unbilled receivables (contract assets) consisted of the following:

	Year Ended September 30,		
	2025	2024	2023
Balance, beginning	\$ 7,738	\$ 5,847	\$ 3,922
Changes in estimates	1,879	3,219	7,211
Write-offs	(347)	(586)	(5,305)
Other ¹	455	(742)	19
Balance, ending	\$ 9,725	\$ 7,738	\$ 5,847

(1) Includes effects of foreign exchange rate changes during the period.

Contract liabilities

Contract liabilities consisted of the following:

	September 30, 2025		September 30, 2024	
	Current	Noncurrent	Current	Noncurrent
Deferred revenue from material rights from JV formation	\$ 7,298	\$ 229,878	\$ 6,580	\$ 232,164
Deferred revenue from advanced invoicing and/or prepayments from customers	14,944	2,115	23,706	6,437
Liability related to customer supplied inventory	19,640	—	20,563	—
Deferred revenue from material rights related to engineering and development funding	7,353	199,465	5,942	186,008
Net contract liabilities	\$ 49,235	\$ 431,458	\$ 56,791	\$ 424,609

The current portion of contract liabilities is included in "Accrued liabilities" and the noncurrent portion is included in "Other liabilities" of Woodward's Consolidated Balance Sheets. Woodward recognized revenue of \$31,998 in the year ended September 30, 2025 from contract liabilities balances recorded as of September 30, 2024, compared to \$44,398 in the year ended September 30, 2024 from contract liabilities balances recorded as of September 30, 2023.

The amount of revenue recognized related to noncash consideration received from customers follows:

	For the Year Ended September 30,		
	2025	2024	2023
Aerospace	\$ 68,059	\$ 61,323	\$ 50,329
Industrial	3,089	4,974	1,939
Consolidated	\$ 71,148	\$ 66,297	\$ 52,268

Remaining performance obligations

Remaining performance obligations related to the aggregate amount of the total contract transaction price of firm orders for which the performance obligation has not yet been recognized in revenue as of September 30, 2025 was \$3,195,156, compared to \$2,932,793 as of September 30, 2024, the majority of which in both periods relate to Woodward's Aerospace segment. Woodward expects to recognize almost all of these remaining performance obligations within two years after September 30, 2025.

Remaining performance obligations related to material rights that have not yet been recognized in revenue as of September 30, 2025 was \$513,570, of which \$13,517 is expected to be recognized in fiscal year 2026, and the balance is expected to be recognized thereafter. Woodward expects to recognize revenue from performance obligations related to material rights over the life of the underlying programs, which may be as long as 40 years.

Disaggregation of revenue

Woodward designs, produces, and services reliable, efficient, low-emission, and high-performance energy control products for diverse applications in markets throughout the world. Woodward reports financial results for each of its Aerospace and Industrial reportable segments. Woodward further disaggregates its revenue from contracts with customers by primary market and by geographical area as Woodward believes this best depicts how the nature, amount, timing, and uncertainty of its revenue and cash flows are affected by economic factors.

Revenue by primary market for the Aerospace reportable segment was as follows:

	Year Ended September 30,		
	2025	2024	2023
Commercial OEM	\$ 690,962	\$ 738,394	\$ 651,275
Commercial services	823,547	640,823	547,625
Defense OEM	561,288	406,810	368,653
Defense services	237,009	242,591	200,550
Total Aerospace segment net sales	\$ 2,312,806	\$ 2,028,618	\$ 1,768,103

Revenue by primary market for the Industrial reportable segment was as follows:

	Year Ended September 30,		
	2025	2024	2023
Power generation	\$ 488,940	\$ 443,667	\$ 382,536
Transportation	507,376	624,762	527,498
Oil and gas	257,942	227,202	236,429
Total Industrial segment net sales	\$ 1,254,258	\$ 1,295,631	\$ 1,146,463

Based on changes in market dynamics, the Company has refined its Industrial end market presentation to better align certain sales within power generation, transportation, and oil and gas. Accordingly, sales for the years ended September 30, 2025 and 2024 have been reclassified for comparability. The reclassification had no impact on total Industrial or the consolidated financial results.

The customers who account for 10% or more of net sales of each of Woodward's reportable segments are as follows:

	For the Year Ended September 30,		
	2025	2024	2023
Aerospace	RTX Corporation, GE Aerospace, The Boeing Company	RTX Corporation, The Boeing Company	RTX Corporation, General Electric Company, The Boeing Company
Industrial	Rolls-Royce PLC, Caterpillar Inc., GE Vernova	Weichai Power, Rolls-Royce PLC	Rolls-Royce PLC, Caterpillar Inc., Weichai Power

Net sales by geographic area, as determined based on the location of the customer, were as follows:

	Year Ended September 30,								
	2025			2024			2023		
	Aerospace	Industrial	Consolidated	Aerospace	Industrial	Consolidated	Aerospace	Industrial	Consolidated
United States	\$ 1,585,173	\$ 329,108	\$ 1,914,281	\$ 1,404,223	\$ 294,033	\$ 1,698,256	\$ 1,254,954	\$ 283,121	\$ 1,538,075
Germany	72,883	202,539	275,422	72,583	196,775	269,358	80,450	193,392	273,842
Europe, excluding Germany	224,302	341,286	565,588	202,421	297,517	499,938	163,222	273,757	436,979
China	148,192	137,678	285,870	96,136	293,908	390,044	56,773	186,713	243,486
Asia, excluding China	61,965	187,240	249,205	59,103	163,603	222,706	37,107	162,922	200,029
Other countries	220,291	56,407	276,698	194,152	49,795	243,947	175,597	46,558	222,155
Total net sales	\$ 2,312,806	\$ 1,254,258	\$ 3,567,064	\$ 2,028,618	\$ 1,295,631	\$ 3,324,249	\$ 1,768,103	\$ 1,146,463	\$ 2,914,566

Note 4. Earnings per share

Basic earnings per share is computed by dividing net earnings available to common stockholders by the weighted-average number of shares of common stock outstanding for the period.

Diluted earnings per share reflects the weighted-average number of shares outstanding after consideration of the dilutive effect of stock options, restricted stock units, and performance stock units.

The following is a reconciliation of net earnings to basic earnings per share and diluted earnings per share:

	Year Ended September 30,		
	2025	2024	2023
Numerator:			
Net earnings	\$ 442,111	\$ 372,971	\$ 232,368
Denominator:			
Basic shares outstanding	59,563	60,076	59,908
Dilutive effect of stock options; restricted and performance stock units	1,901	2,008	1,574
Diluted shares outstanding	61,464	62,084	61,482
Income per common share:			
Basic earnings per share	\$ 7.42	\$ 6.21	\$ 3.88
Diluted earnings per share	\$ 7.19	\$ 6.01	\$ 3.78

The following stock option grants were outstanding but were excluded from the computation of diluted earnings per share because their inclusion would have been anti-dilutive:

	Year Ended September 30,		
	2025	2024	2023
Options	25	63	561
Weighted-average option price	\$ 186.19	\$ 135.26	\$ 114.88

The weighted-average shares of common stock outstanding for basic and diluted earnings per share included the weighted-average treasury stock shares held for deferred compensation obligations of the following:

	Year Ended September 30,		
	2025	2024	2023
Weighted-average treasury stock shares held for deferred compensation obligations	33	51	88

Note 5. Leases

Lessee arrangements

Woodward has entered into operating leases for certain facilities and equipment with terms in excess of one year under agreements that expire at various dates. Some leases require the payment of property taxes, insurance, maintenance costs, or other similar costs in addition to rental payments. Woodward has also entered into finance leases for equipment with terms in excess of one year under agreements that expire at various dates.

None of Woodward's lease agreements contain significant residual value guarantees, restrictions, or covenants. As of September 30, 2025, Woodward has not entered into any lease arrangements that have not yet commenced but would create significant rights and obligations. Woodward does not have any lease transactions between related parties.

Lease-related assets and liabilities follows:

	Classification on the Consolidated Balance Sheets	September 30, 2025	September 30, 2024
Assets:			
Operating lease assets	Other assets	\$ 25,274	\$ 27,135
Finance lease assets	Property, plant, and equipment, net	2,896	2,516
Total lease assets		<u>28,170</u>	<u>29,651</u>
Current liabilities:			
Operating lease liabilities	Accrued liabilities	5,465	5,029
Finance lease liabilities	Current portion of long-term debt	1,032	719
Noncurrent liabilities:			
Operating lease liabilities	Other liabilities	20,199	22,670
Finance lease liabilities	Long-term debt, less current portion	1,902	2,017
Total lease liabilities		<u>\$ 28,598</u>	<u>\$ 30,435</u>

Supplemental lease-related information was as follows:

	September 30, 2025	September 30, 2024
Weighted average remaining lease term		
Operating leases	7.3 years	8.1 years
Finance leases	3.0 years	3.8 years
Weighted average discount rate		
Operating leases	4.5%	4.4%
Finance leases	5.0%	4.6%

Lease-related expenses were as follows:

	Year Ended September 30,		
	2025	2024	2023
Operating lease expense	\$ 7,568	\$ 6,804	\$ 6,213
Amortization of financing lease assets	967	820	914
Interest on financing lease liabilities	162	138	157
Variable lease expense	1,200	1,299	917
Short-term lease expense	205	164	196
Total lease expense	<u>\$ 10,102</u>	<u>\$ 9,225</u>	<u>\$ 8,397</u>

Lease-related supplemental cash flow information was as follows:

	Year Ended September 30,		
	2025	2024	2023
Cash paid for amounts included in the measurement of lease liabilities:			
Operating cash flows for operating leases	\$ 6,044	\$ 5,375	\$ 5,151
Operating cash flows for finance leases	162	138	157
Financing cash flows for finance leases	971	818	779
Right-of-use assets obtained in exchange for recorded lease obligations:			
Operating leases	6,016	6,117	2,230
Finance leases	1,171	—	48

Maturities of lease liabilities were as follows:

Year Ending September 30:	Operating Leases	Finance Leases
2026	\$ 6,561	\$ 1,146
2027	5,435	1,143
2028	4,554	555
2029	3,406	204
2030	2,638	89
Thereafter	<u>7,612</u>	<u>—</u>
Total lease payments	30,206	3,137
Less: imputed interest	<u>(4,542)</u>	<u>(203)</u>
Total lease obligations	<u>\$ 25,664</u>	<u>\$ 2,934</u>

Lessor arrangements

Woodward has assessed its manufacturing contracts and concluded that certain of the contracts for the manufacture of customer products met the criteria to be considered a leasing arrangement (“embedded leases”) with Woodward as the lessor. The specific manufacturing contracts that met the criteria were those that utilized Woodward property, plant, and equipment and which is substantially (more than 90%) dedicated to the manufacturing of the product(s) for a single customer. Woodward has dedicated manufacturing lines with three of its customers representing embedded leases, all of which qualified as operating leases with undefined quantities of future customer purchase commitments.

Although Woodward expects to allocate some portion of future net sales to these customers to embedded lessor arrangements, it cannot provide expected future undiscounted lease payments from property, plant, and equipment leased to customers as of September 30, 2025. If, in the future, customers reduce purchases of related products from Woodward, the Company believes it will derive additional value from the underlying equipment by repurposing its use to support other customer arrangements.

Woodward recognizes revenue from the embedded lessor arrangements based on the value of the underlying dedicated property, plant, and equipment. There are no fixed payments that the customers under the embedded lessor arrangements are obligated to pay. Therefore, all the customer payments under the embedded lessor arrangements are considered variable with the associated leasing revenue recognized when the revenue from underlying product sale related to variable lease payment is recognized. Revenue from contracts with customers that included embedded operating leases, which is included in "Net sales" at the Consolidated Statements of Earnings, was \$3,947 for the fiscal year ended September 30, 2025, compared to \$5,486 for the fiscal year ended September 30, 2024 and \$5,030 for the fiscal year ended September 30, 2023.

The carrying amount of property, plant, and equipment leased to others through embedded leasing arrangements, included in "Property, plant, and equipment, net" at the Consolidated Balance Sheets, was as follows:

	September 30, 2025	September 30, 2024
Property, plant, and equipment	\$ 41,593	\$ 48,495
Less accumulated depreciation	(29,110)	(32,994)
Property, plant, and equipment, net	<u>\$ 12,483</u>	<u>\$ 15,501</u>

Note 6. Joint venture

In fiscal year 2016, Woodward and GE consummated the formation of a strategic joint venture (the "JV"). For purposes of the JV, GE has been acting through GE Aerospace since April 2024. The JV was formed to develop, manufacture, and support fuel systems for specified existing and all future GE commercial aircraft engines that produce thrust in excess of 50,000 pounds. Woodward is accounting for its 50% ownership interest in the JV using the equity method of accounting. The JV is a related party to Woodward, and transactions between Woodward and the JV are included in our Aerospace segment.

Unamortized deferred revenue from material rights in connection with the JV formation included:

	September 30, 2025	September 30, 2024
Accrued liabilities	\$ 7,298	\$ 6,580
Other liabilities	229,878	232,164

Amortization of the deferred revenue (material right) recognized as an increase to sales was \$6,462 for the fiscal year ended September 30, 2025, \$6,294 for the fiscal year ended September 30, 2024, and \$5,020 for the fiscal year ended September 30, 2023.

Other income related to Woodward's equity interest in the earnings of the JV were as follows:

	For the Year Ended September 30,		
	2025	2024	2023
Other income	\$ 45,850	\$ 41,191	\$ 36,846

As part of the JV formation, GE pays contingent consideration to Woodward consisting of 15 annual payments of \$4,894 per year, which began in the second quarter of fiscal year 2017, subject to certain claw-back conditions. Woodward received its annual payments of \$4,894 during the three months ended March 31, 2025, 2024, and 2023, which were recorded as deferred income and included in "Net cash provided by operating activities" on the Consolidated Statements of Cash Flows.

Cash distributions to Woodward from the JV, recognized in "Other, net" in Net cash provided by operating activities on the Consolidated Statements of Cash Flows, were as follows:

	Year Ended September 30,		
	2025	2024	2023
Cash distributions	\$ 42,000	\$ 38,000	\$ 29,000

Net sales to the JV were as follows:

	For the Year Ended September 30,		
	2025	2024	2023
Net sales	\$ 97,576	\$ 80,708	\$ 47,607

Woodward net sales include a reduction of \$71,030 for the fiscal year ended September 30, 2025, \$63,794 for the fiscal year ended September 30, 2024, and \$49,624 for the fiscal year ended September 30, 2023 related to royalties owed to the JV by Woodward on sales by Woodward directly to third-party commercial services customers.

The Consolidated Balance Sheets include “Accounts receivable” related to amounts the JV owed Woodward, “Accounts payable” related to amounts Woodward owed the JV, and “Other assets” related to Woodward’s net investment in the JV, as follows:

	September 30, 2025	September 30, 2024
Accounts receivable	\$ 5,377	\$ 5,205
Accounts payable	8,370	11,378
Other assets	23,069	19,219

Woodward records in “Other liabilities” amounts invoiced to the JV for support of the JV’s engineering and development projects as an increase to contract liabilities and records in “Other assets” related incurred expenditures as costs to fulfill a contract. Contract liabilities and costs to fulfill a contract were as follows:

	September 30, 2025	September 30, 2024
Contract liabilities	\$ 78,985	\$ 78,226
Costs to fulfill a contract	78,985	78,226

Woodward recognized revenue of \$1,488 in the fiscal year ended September 30, 2025, from contract liabilities, recorded as of September 30, 2024, compared to \$812 in the fiscal year ended September 30, 2024, from contract liabilities recorded as of September 30, 2023. Comparatively, Woodward recognized cost of goods sold of \$1,488 in the fiscal year ended September 30, 2025, from contract assets recorded as of September 30, 2024, compared to \$1,236 in the fiscal year ended September 30, 2024, from contract assets recorded as of September 30, 2023.

No reductions in costs to fulfill a contract or contract liabilities were recorded during the fiscal year ended September 30, 2025 as a result of the termination of joint venture engineering and development projects. In the fiscal year ended September 30, 2024, Woodward recognized a \$9,680 reduction in the contract liability and a \$9,680 reduction in costs to fulfill a contract related to the termination of a JV engineering and development project previously recognized as a material right.

Note 7. Financial instruments and fair value measurements

The table below presents information about Woodward’s financial assets and liabilities that are measured at fair value on a recurring basis and indicates the fair value hierarchy of the valuation techniques Woodward utilized to determine such fair value.

	At September 30, 2025				At September 30, 2024			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Financial assets:								
Investments in banks and financial institutions	\$ 30,256	\$ —	\$ —	\$ 30,256	\$ 23,128	\$ —	\$ —	\$ 23,128
Equity securities	37,846	—	—	37,846	30,782	—	—	30,782
Cross-currency interest rate swaps	—	—	—	—	—	—	—	—
Total financial assets	\$ 68,102	\$ —	\$ —	\$ 68,102	\$ 53,910	\$ —	\$ —	\$ 53,910
Financial liabilities:								
Cross-currency interest rate swaps	\$ —	\$ 27,406	\$ —	\$ 27,406	\$ —	\$ 12,004	\$ —	\$ 12,004
Total financial liabilities	\$ —	\$ 27,406	\$ —	\$ 27,406	\$ —	\$ 12,004	\$ —	\$ 12,004

Investments in banks and financial institutions: Woodward and its subsidiaries sometimes invest excess cash in various highly liquid financial instruments that Woodward believes are with creditworthy financial institutions. Such investments are reported in “Cash and cash equivalents” at fair value, with realized gains from interest income recognized in earnings. The carrying value of Woodward’s investments in banks and financial institutions are considered equal to the fair value given the highly liquid nature of the investments.

Equity securities: Woodward holds marketable equity securities, through investments in various mutual funds, related to its deferred compensation program. Based on Woodward’s intentions regarding these instruments, marketable equity

securities are classified as trading securities. The trading securities are reported at fair value, with realized gains and losses recognized in “Other income, net” on the Consolidated Statements of Earnings. The trading securities are included in “Other assets” in the Consolidated Balance Sheets. The fair values of Woodward’s trading securities are based on the quoted market prices for the net asset value of the various mutual funds.

Cross-currency interest rate swaps: Woodward holds cross-currency interest rate swaps, which are accounted for at fair value. The swaps in an asset position are included in “Other current assets” and “Other assets,” and swaps in a liability position are included in “Accrued liabilities” and “Other liabilities” in the Consolidated Balance Sheets. The fair values of Woodward’s cross-currency interest rate swaps are determined using a market approach that is based on observable inputs other than quoted market prices, including contract terms, interest rates, currency rates, and other market factors.

Cash, trade accounts receivable, accounts payable, and short-term borrowings are not remeasured to fair value, as the carrying cost of each approximates its respective fair value.

The estimated fair values and carrying costs of other financial instruments that are not required to be remeasured at fair value in the Consolidated Balance Sheets were as follows:

	Fair Value Hierarchy Level	At September 30, 2025		At September 30, 2024	
		Estimated Fair Value	Carrying Cost	Estimated Fair Value	Carrying Cost
Assets:					
Notes receivable from municipalities	2	\$ 5,444	\$ 5,392	\$ 6,961	\$ 6,514
Investments in short-term time deposits	2	67	66	3,064	3,064
Liabilities:					
Long-term debt	2	\$ 566,582	\$ 580,547	\$ 634,071	\$ 656,360

In connection with certain economic incentives related to Woodward’s development of a second campus in the greater-Rockford, Illinois area for its Aerospace segment and Woodward’s development of its corporate headquarters in Fort Collins, Colorado, Woodward received long-term notes from municipalities within the states of Illinois and Colorado. The fair value of the long-term notes was estimated based on a model that discounted future principal and interest payments received at an interest rate available to the Company at the end of the period for similarly rated municipal notes of similar maturity, which is a level 2 input as defined by the U.S. GAAP fair value hierarchy. The interest rates used to estimate the fair value of the long-term notes were 3.0% at September 30, 2025 and 2.7% at September 30, 2024.

From time to time, certain of Woodward’s foreign subsidiaries will invest excess cash in short-term time deposits with a fixed maturity date of longer than three months but less than one year from the date of the deposit. Woodward believes that the investments are with creditworthy financial institutions. The fair value of the investments in short-term time deposits was estimated based on a model that discounted future principal and interest payments to be received at an interest rate available to the foreign subsidiary entering into the investment for similar short-term time deposits of similar maturity. This was determined to be a level 2 input as defined by the U.S. GAAP fair value hierarchy. The interest rates used to estimate the fair value of the short-term time deposits was 5.3% at September 30, 2025 and 6.8% at September 30, 2024.

The fair value of long-term debt was estimated based on a model that discounted future principal and interest payments at interest rates available to the Company at the end of the period for similar debt of the same maturity, which is a level 2 input as defined by the U.S. GAAP fair value hierarchy. The weighted-average interest rates used to estimate the fair value of long-term debt were 4.2% at September 30, 2025 and 4.5% at September 30, 2024.

Note 8. Derivative instruments and hedging activities

Derivative instruments not designated or qualifying as hedging instruments

In May 2020, Woodward entered into a floating-rate cross-currency interest rate swap (the “2020 Floating-Rate Cross-Currency Swap”), with a notional value of \$45,000, and five fixed-rate cross-currency interest rate swap agreements (the “2020 Fixed-Rate Cross-Currency Swaps”), with an aggregate notional value of \$400,000, which effectively reduced the interest rates on the underlying fixed and floating-rate debt, respectively, under the 2018 Notes (as defined in Note 15, *Credit facilities, short-term borrowings and long-term debt*) and Woodward’s then existing revolving credit agreement.

The net interest income of the cross-currency interest rate swaps is recorded as a reduction to “Interest expense” in Woodward’s Consolidated Statements of Earnings. The 2020 Floating-Rate Cross-Currency Swap expired on May 31, 2023

and, as such, is no longer recorded on the Consolidated Balance Sheets. As of September 30, 2025, the total notional value of the 2020 Fixed-Rate Cross-Currency Swaps was \$315,000. See Note 7, *Financial instruments and fair value measurements*, for the related fair value of the derivative instruments as of September 30, 2025.

Derivatives instruments in fair value hedging relationships

In May 2020, Woodward entered into a U.S. dollar denominated intercompany loan payable with identical terms and notional value as the 2020 Floating-Rate Cross-Currency Swap, together with a reciprocal intercompany floating-rate cross-currency interest rate swap. The agreements were entered into by Woodward Barbados Euro Financing SRL ("Euro Barbados"), a wholly owned subsidiary of Woodward. The U.S. dollar denominated intercompany loan and reciprocal intercompany floating-rate cross-currency interest rate swap are designated as a fair value hedge under the criteria prescribed in ASC 815. The objective of the derivative instrument is to hedge against the foreign currency exchange risk attributable to the spot remeasurement of the U.S. dollar denominated intercompany loan, as Euro Barbados maintains a Euro functional currency.

For each floating-rate intercompany cross-currency interest rate swap, only the change in the fair value related to the cross-currency basis spread, or excluded component, of the derivative instrument is recognized in accumulated other comprehensive income ("OCI"). The remaining change in the fair value of the derivative instrument is recognized in foreign currency transaction gain or loss included in "Selling, general and administrative expenses" in Woodward's Consolidated Statements of Earnings. The change in the fair value of the derivative instrument in foreign currency transaction gain or loss offsets the change in the spot remeasurement of the intercompany Euro and U.S. dollar denominated loans. Hedge effectiveness is assessed based on the fair value changes of the derivative instrument, after excluding any fair value changes related to the cross-currency basis spread. The initial cost of the cross-currency basis spread is recorded in earnings each period through the swap accrual process. There are no credit-risk-related contingent features associated with the intercompany floating-rate cross-currency interest rate swap.

Derivative instruments in cash flow hedging relationships

In May 2020, Woodward entered into five U.S. dollar intercompany loans payable, with identical terms and notional values of each tranche of the 2020 Fixed-Rate Cross-Currency Swaps, together with reciprocal fixed-rate intercompany cross-currency interest rate swaps. The agreements were entered into by Euro Barbados and are designated as cash flow hedges under the criteria prescribed in ASC 815. The objective of these derivative instruments is to hedge the risk of variability in cash flows attributable to the foreign currency exchange risk of cash flows for future principal and interest payments associated with the U.S. dollar denominated intercompany loans over a 13-year period, as Euro Barbados maintains a Euro functional currency.

For each of the fixed-rate intercompany cross-currency interest rate swaps, changes in the fair values of the derivative instruments are recognized in accumulated OCI and reclassified to foreign currency transaction gain or loss included in "Selling, general and administrative expenses" in Woodward's Consolidated Statements of Earnings. Reclassifications out of accumulated OCI of the change in fair value occur each reporting period based upon changes in the spot rate remeasurement of the Euro and U.S. dollar denominated intercompany loans, including associated interest. Hedge effectiveness is assessed based on the fair value changes of the derivative instruments and such hedges are deemed to be highly effective in offsetting exposure to variability in foreign exchange rates. There are no credit-risk-related contingent features associated with these fixed-rate cross-currency interest rate swaps.

Derivatives instruments in net investment hedging relationships

On September 23, 2016, Woodward and Woodward International Holding B.V., a wholly owned subsidiary of Woodward organized under the laws of The Netherlands (the "BV Subsidiary"), each entered into a note purchase agreement (the "2016 Note Purchase Agreement") relating to the sale by Woodward and the BV Subsidiary of an aggregate principal amount of €160,000 of senior unsecured notes in a series of private placement transactions. Woodward issued €40,000 aggregate principal amount of Woodward's Series M Senior Notes due September 23, 2026 (the "Series M Notes"). Woodward designated the Series M Notes as a hedge of a foreign currency exposure of Woodward's net investment in its Euro denominated functional currency subsidiaries. Related to the Series M Notes, included in foreign currency translation adjustments within total comprehensive (losses) earnings are net foreign exchange losses of \$2,263 for the fiscal year ended September 30, 2025, compared to net foreign exchange losses of \$2,381 for the fiscal year ended September 30, 2024, and net foreign exchange losses of \$3,090 for the fiscal year ended September 30, 2023.

Impact of derivative instruments designated as qualifying hedging instruments

The following table discloses the amounts recognized in relation to the cash flow hedges designated as qualifying hedging instruments:

Derivatives in:	Location	Year Ended September 30,		
		2025	2024	2023
Loss reclassified from accumulated OCI into earnings	Selling, general and administrative expenses	\$ 22,435	\$ 23,093	\$ 32,285
Loss recognized in accumulated OCI	Selling, general and administrative expenses	23,105	18,551	35,712
		<u>\$ 45,540</u>	<u>\$ 41,644</u>	<u>\$ 67,997</u>

The following table discloses the amounts recognized in relation to the fair value hedges designated as qualifying hedging instruments:

Derivatives in:	Location	Year Ended September 30,		
		2025	2024	2023
Loss reclassified from accumulated OCI into earnings	Selling, general and administrative expenses	\$ —	\$ —	\$ 939
Loss recognized in accumulated OCI	Selling, general and administrative expenses	—	—	875
		<u>\$ —</u>	<u>\$ —</u>	<u>\$ 1,814</u>

The remaining unrecognized gains and losses in Woodward's Consolidated Balance Sheets associated with derivative instruments that were previously entered into by Woodward, which are classified in accumulated OCI were net losses of \$5,830 as of September 30, 2025 and \$5,160 as of September 30, 2024.

Note 9. Supplemental statement of cash flows information

	Year Ended September 30,		
	2025	2024	2023
Interest paid	\$ 34,725	\$ 36,700	\$ 35,306
Income taxes paid	105,427	152,049	92,509
Income tax refunds received	4,672	6,521	3,661
Non-cash activities:			
Purchases of property, plant and equipment on account	12,173	22,056	11,276
Common shares issued from treasury to settle benefit obligations	24,912	21,889	19,466
Receivables related to business divestitures	1,750	—	—

Note 10. Acquisitions and Divestitures

Acquisitions

On July 21, 2025, the Company acquired 100% of the outstanding equity interests of Safran Electronics and Defense Canada, Inc. and certain net assets of Safran's electro-mechanical actuation business in the United States and Mexico ("Safran Acquisition") for total consideration of \$41,678, net of cash acquired and subject to net working capital adjustments to be finalized in fiscal year 2026. The acquisition, included within the Aerospace reportable segment, expands the Company's electromechanical actuation portfolio and was financed through the use of cash on hand. The Company incurred acquisition-related costs of \$9,348 in fiscal year 2025 that were expensed as incurred and recorded in Selling, general and administrative expenses within the Consolidated Statement of Earnings.

The following table summarizes the preliminary determination of the fair value of the assets acquired and liabilities assumed that are included in the Consolidated Balance Sheet as of September 30, 2025:

	July 21, 2025	
Assets:		
Accounts Receivable	\$	8,032
Inventories		12,514
Other current assets		3,125
Property, plant, and equipment		6,945
Goodwill		18,389
Other assets		4,528
Total assets	\$	<u>53,533</u>
Liabilities:		
Accrued liabilities	\$	4,201
Accounts payable		2,981
Income tax payable		188
Other noncurrent liabilities		4,485
Total liabilities	\$	<u>11,855</u>

The majority of the goodwill is expected to be deductible for tax purposes and represents the estimated value of the acquired workforce, expanded sales opportunities on the next generation of aircraft, and other synergies expected from the integration of the Safran Acquisition with Woodward's Aerospace segment. As of September 30, 2025, the purchase accounting is subject to final adjustment, primarily for working capital adjustments, amounts allocated to goodwill, and tax balances.

We have not presented pro forma results because the Safran Acquisition was not deemed significant at the date of Closing.

Divestitures

The Company periodically reviews its business and from time to time may sell businesses, assets, or product lines as part of business rationalization. Any gain or loss recognized due to divestitures is recorded within the line item "Other income, net" in the Consolidated Statements of Earnings.

In connection with certain product rationalization activities, during the year ended September 30, 2025, the Company sold certain product lines and its heavy-duty gas turbine combustion parts product line, included in the Industrial segment, to third parties. The Company received cash proceeds of \$50,068 and receivables of \$1,750 included in "Other current assets" and "Other assets" in the Consolidated Balance Sheets and recognized a pretax gain of \$20,524.

The sale of the heavy-duty gas turbine combustion parts product line was completed on March 3, 2025. The carrying value of the assets and liabilities sold were as follows:

	March 3, 2025	
Assets:		
Inventories	\$	20,110
Property, plant, and equipment		2,904
Goodwill		5,772
Intangible assets		2,269
Other assets		2,608
Total assets	\$	<u>33,663</u>
Liabilities:		
Accrued liabilities	\$	1,566
Accounts payable		459
Other noncurrent liabilities		2,474
Total liabilities	\$	<u>4,499</u>

Note 11. Inventories

	September 30, 2025	September 30, 2024
Raw materials	\$ 192,373	\$ 161,734
Work in progress	163,275	147,676
Component parts ⁽¹⁾	382,650	376,456
Finished goods	102,746	91,787
Customer supplied inventory	19,640	20,563
On-hand inventory for which control has transferred to the customer	(206,076)	(189,124)
	<u>\$ 654,608</u>	<u>\$ 609,092</u>

(1) Component parts include items that can be sold separately as finished goods or included in the manufacture of other products.

Note 12. Property, plant, and equipment

	September 30, 2025	September 30, 2024
Land and land improvements	\$ 95,172	\$ 91,105
Buildings and building improvements	626,144	599,897
Leasehold improvements	15,900	22,022
Machinery and production equipment	885,473	849,595
Computer equipment and software	116,706	120,185
Office furniture and equipment	43,312	42,873
Other	33,591	33,392
Construction in progress	111,580	71,890
	<u>1,927,878</u>	<u>1,830,959</u>
Less accumulated depreciation	(941,255)	(890,244)
Property, plant, and equipment, net	<u>\$ 986,623</u>	<u>\$ 940,715</u>

Woodward had depreciation expense as follows:

	Year Ended September 30,		
	2025	2024	2023
Depreciation expense	\$ 85,054	\$ 82,578	\$ 82,154

Note 13. Goodwill

	September 30, 2024	Additions	Reduction from Divestiture	Effects of Foreign Currency Translation	September 30, 2025
Aerospace	\$ 455,423	\$ 18,389	\$ —	\$ (33)	\$ 473,779
Industrial	351,220	—	(5,772)	13,061	358,509
Consolidated	<u>\$ 806,643</u>	<u>\$ 18,389</u>	<u>\$ (5,772)</u>	<u>\$ 13,028</u>	<u>\$ 832,288</u>

	September 30, 2023	Additions	Reduction from Divestiture	Effects of Foreign Currency Translation	September 30, 2024
Aerospace	\$ 455,423	\$ —	\$ —	\$ —	\$ 455,423
Industrial	336,045	—	—	15,175	351,220
Consolidated	<u>\$ 791,468</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ 15,175</u>	<u>\$ 806,643</u>

On July 21, 2025, Woodward completed the Safran Acquisition (see Note 10, *Acquisitions and Divestitures*) which resulted in the recognition of \$18,389 in goodwill in the Company's Aerospace segment.

On March 3, 2025, the sale of the Industrial heavy-duty gas turbine combustion parts product line located in Greenville, South Carolina was completed (see Note 10, *Acquisitions and Divestitures*), which resulted in the removal of \$5,772 of goodwill in the Company's Industrial segment.

Woodward tests goodwill for impairment at the reporting unit level on an annual basis or at any time there is an

indication goodwill may be impaired, commonly referred to as triggering events. Woodward completed its annual goodwill impairment test as of July 31, 2025 during the quarter ended September 30, 2025. The results of Woodward's annual goodwill impairment test performed as of July 31, 2025 did not indicate impairment of any of Woodward's reporting units.

Note 14. Intangible assets, net

	September 30, 2025			September 30, 2024		
	Gross Carrying Value	Accumulated Amortization	Net Carrying Amount	Gross Carrying Value	Accumulated Amortization	Net Carrying Amount
Intangible assets with finite lives:						
Customer relationships and contracts:						
Aerospace	\$ 281,683	\$ (251,109)	\$ 30,574	\$ 281,683	\$ (246,152)	\$ 35,531
Industrial	401,778	(125,909)	275,869	399,030	(114,391)	284,639
Total	<u>\$ 683,461</u>	<u>\$ (377,018)</u>	<u>\$ 306,443</u>	<u>\$ 680,713</u>	<u>\$ (360,543)</u>	<u>\$ 320,170</u>
Intellectual property:						
Aerospace	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —
Industrial	3,139	(3,139)	—	3,139	(3,139)	—
Total	<u>\$ 3,139</u>	<u>\$ (3,139)</u>	<u>\$ —</u>	<u>\$ 3,139</u>	<u>\$ (3,139)</u>	<u>\$ —</u>
Process technology:						
Aerospace	\$ 44,570	\$ (40,973)	\$ 3,597	\$ 44,570	\$ (40,346)	\$ 4,224
Industrial	87,640	(37,610)	50,030	87,257	(35,983)	51,274
Total	<u>\$ 132,210</u>	<u>\$ (78,583)</u>	<u>\$ 53,627</u>	<u>\$ 131,827</u>	<u>\$ (76,329)</u>	<u>\$ 55,498</u>
Other intangibles:						
Aerospace	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —
Industrial	—	—	—	592	(592)	—
Total	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ 592</u>	<u>\$ (592)</u>	<u>\$ —</u>
Intangible asset with indefinite life:						
Trade name:						
Aerospace	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —
Industrial	68,010	—	68,010	64,751	—	64,751
Total	<u>\$ 68,010</u>	<u>\$ —</u>	<u>\$ 68,010</u>	<u>\$ 64,751</u>	<u>\$ —</u>	<u>\$ 64,751</u>
Total intangibles:						
Aerospace	\$ 326,253	\$ (292,082)	\$ 34,171	\$ 326,253	\$ (286,498)	\$ 39,755
Industrial	560,567	(166,658)	393,909	554,769	(154,105)	400,664
Consolidated Total	<u>\$ 886,820</u>	<u>\$ (458,740)</u>	<u>\$ 428,080</u>	<u>\$ 881,022</u>	<u>\$ (440,603)</u>	<u>\$ 440,419</u>

Indefinite lived intangible assets

The Woodward L'Orange trade name intangible asset is analyzed for impairment on an annual basis and more often if an event occurs or circumstances change that indicate the fair value of the Woodward L'Orange intangible asset may be below its carrying amount. During the fourth quarter, Woodward completed its annual impairment analysis of the Woodward L'Orange trade name intangible asset as of July 31, 2025 for the fiscal year ended September 30, 2025. The results of the annual impairment analysis performed as of July 31, 2025 indicated no impairment existed.

Finite-lived intangible assets

Woodward recorded amortization expense associated with intangibles of the following:

	Year Ended September 30,		
	2025	2024	2023
Amortization expense	<u>\$ 28,224</u>	<u>\$ 33,592</u>	<u>\$ 37,589</u>

Future amortization expense associated with intangibles is expected to be:

Year Ending September 30:

2026	\$	28,104
2027		28,035
2028		27,667
2029		26,761
2030		26,734
Thereafter		222,769
	\$	<u>360,070</u>

Note 15. Credit facilities, short-term borrowings, and long-term debt

As of September 30, 2025, Woodward's short-term borrowings and availability under its various short-term credit facilities follows:

	<u>Total availability</u>	<u>Outstanding letters of credit and guarantees</u>	<u>Banker acceptance notes issued</u>	<u>Outstanding borrowings</u>	<u>Remaining availability</u>
Revolving credit facility	\$ 1,000,000	\$ (7,872)	\$ —	\$ (122,300)	\$ 869,828
Lines of credit and overdraft facilities	25,000	—	(824)	—	24,176
Foreign performance guarantee facilities	88	(52)	—	—	36
	<u>\$ 1,025,088</u>	<u>\$ (7,924)</u>	<u>\$ (824)</u>	<u>\$ (122,300)</u>	<u>\$ 894,040</u>

Revolving credit facility

Woodward maintains a \$1,000,000 revolving credit facility established under a revolving credit agreement among Woodward, a syndicate of lenders and Wells Fargo Bank, National Association, as administrative agent, which provides for the option to increase available borrowings up to \$1,500,000, subject to lenders' participation (as amended in October 2022, the "Second Amended and Restated Revolving Credit Agreement"). Borrowings under the Second Amended and Restated Revolving Credit Agreement can be made by Woodward and certain of its foreign subsidiaries in U.S. dollars or in foreign currencies other than the U.S. dollar and generally bear interest at the Euro Interbank Offered Rate ("Euribor"), Sterling Overnight Index Average ("SONIA"), Tokyo Interbank Offered Rate ("TIBOR"), and Secured Overnight Financing Rate ("SOFR") base rates plus 0.875% to 1.75%. The Second Amended and Restated Revolving Credit Agreement matures on October 21, 2027. Under the Second Amended and Restated Revolving Credit Agreement, there were \$122,300 in principal borrowings outstanding as of September 30, 2025, at an effective interest rate of 5.41%, compared to \$217,000 borrowings outstanding as of September 30, 2024, at an effective interest rate of 5.82%

The Second Amended and Restated Revolving Credit Agreement contains certain covenants customary with such agreements, which are generally consistent with the covenants applicable to Woodward's long-term debt agreements, and contains customary events of default, including certain cross-default provisions related to Woodward's other outstanding material debt arrangements, the occurrence of which would permit the lenders to accelerate the amounts due thereunder. In addition, the Second Amended and Restated Revolving Credit Agreement includes the following financial covenants: (i) a maximum permitted leverage ratio of consolidated net debt to consolidated earnings before interest, taxes, depreciation, stock-based compensation, and amortization, plus any unusual non-cash charges to the extent deducted in computing net income and transaction costs associated with permitted acquisitions (incurred within six months of the permitted acquisition), minus any unusual non-cash gains to the extent added in computing net income ("Leverage Ratio") for Woodward and its consolidated subsidiaries of 3.5 to 1.0, which ratio, subject to certain restrictions, may increase to 4.0 to 1.0 for each period of four consecutive quarters during which a permitted acquisition occurs, and (ii) a minimum consolidated net worth of \$1,156,000 plus (a) 50% of Woodward's positive net income for the prior fiscal year and (b) 50% of Woodward's net cash proceeds resulting from certain issuances of stock, subject to certain adjustments.

The obligations of Woodward and from time-to-time certain of Woodward's foreign subsidiaries, under the Second Amended and Restated Revolving Credit Agreement are guaranteed by Woodward MPC, Inc., Woodward HRT, Inc., or in case of obligations with any foreign subsidiaries of Woodward that are borrowers thereunder, Woodward L'Orange GmbH, each of which is a wholly owned subsidiary of Woodward.

Short-term borrowings

Woodward has other foreign lines of credit and foreign overdraft facilities at various financial institutions, which are generally reviewed annually for renewal and are subject to the usual terms and conditions applied by the financial

institutions. Pursuant to the terms of the related facility agreements, Woodward's foreign performance guarantee facilities are limited in use to providing performance guarantees to third parties.

Consistent with common business practice in China, Woodward's Chinese subsidiaries have issued bankers' acceptance notes ("Bank drafts") to Chinese suppliers in settlement of certain customer accounts payable. Bank drafts are financial instruments issued by Chinese financial institutions as part of financing arrangements between the financial institution and a customer of the financial institution. Bank drafts represent a commitment by the issuing financial institution to pay a certain amount of money at a specified future maturity date to the legal owner of the bankers' acceptance note as of the maturity date. Woodward has elected to adopt the practical expedient to not adjust the promised amounts of consideration at contract inception as the financing component associated with issuing bank drafts has a duration of less than one year. There were no borrowings outstanding on Woodward's foreign lines of credit and foreign overdraft facilities as of both September 30, 2025 and September 30, 2024.

Long-term debt

	<u>September 30, 2025</u>	<u>September 30, 2024</u>
Series I notes – 4.18%, due November 15, 2025; unsecured	\$ 25,000	\$ 25,000
Series L notes – 4.18%, due November 15, 2025; unsecured	50,000	50,000
Series M notes – 1.12% due September 23, 2026; unsecured	46,903	44,656
Series N notes – 1.31% due September 23, 2028; unsecured	90,289	85,963
Series O notes – 1.57% due September 23, 2031; unsecured	50,421	48,005
Series P notes – 4.27% due May 30, 2025; unsecured	—	85,000
Series Q notes – 4.35% due May 30, 2027; unsecured	85,000	85,000
Series R notes – 4.41% due May 30, 2029; unsecured	75,000	75,000
Series S notes – 4.46% due May 30, 2030; unsecured	75,000	75,000
Series T notes – 4.61% due May 30, 2033; unsecured	80,000	80,000
Finance leases (Note 5)	2,934	2,736
Unamortized debt issuance costs	(645)	(890)
Total long-term debt	<u>579,902</u>	<u>655,470</u>
Less: Current portion of long-term debt	<u>122,934</u>	<u>85,719</u>
Long-term debt, less current portion	<u>\$ 456,968</u>	<u>\$ 569,751</u>

The Notes

On October 1, 2013, Woodward entered into a note purchase agreement relating to the sale by Woodward of an aggregate principal amount of \$250,000 of its senior unsecured notes in a series of private placement transactions. Woodward issued the Series I Notes (the "First Closing Notes") on October 1, 2013. Woodward issued the Series L Notes (the "Second Closing Notes" and with the First Closing Notes, collectively the "USD Notes") on November 15, 2013. On November 17, 2025, Woodward paid the entire principal balance of \$75,000 on the Series I and L Notes using proceeds from borrowings under its existing revolving credit facility.

On September 23, 2016, Woodward and the BV Subsidiary each entered into note purchase agreements (the "2016 Note Purchase Agreements") relating to the sale by Woodward and the BV Subsidiary of an aggregate principal amount of €160,000 of senior unsecured notes in a series of private placement transactions. Woodward issued €40,000 Series M Notes. The BV Subsidiary issued (a) €77,000 aggregate principal amount of the BV Subsidiary's Series N Senior Notes (the "Series N Notes") and (b) €43,000 aggregate principal amount of the BV Subsidiary's Series O Senior Notes (the "Series O Notes" and together with the Series M Notes and the Series N Notes, the "2016 Notes").

On May 31, 2018, Woodward entered into a note purchase agreement (the "2018 Note Purchase Agreement") relating to the sale by Woodward of an aggregate principal amount of \$400,000 of senior unsecured notes comprised of (a) \$85,000 aggregate principal amount of its Series P Senior Notes (the "Series P Notes"), (b) \$85,000 aggregate principal amount of its Series Q Senior Notes (the "Series Q Notes"), (c) \$75,000 aggregate principal amount of its Series R Senior Notes (the "Series R Notes"), (d) \$75,000 aggregate principal amount of its Series S Senior Notes (the "Series S Notes"), and (e) \$80,000 aggregate principal amount of its Series T Senior Notes (the "Series T Notes", and together with the Series P Notes, the Series Q Notes, the Series R Notes, and the Series S Notes, the "2018 Notes," and, together with the USD Notes and 2016 Notes, the "Notes"), in a series of private placement transactions.

In connection with the issuance of the 2018 Notes, the Company entered into cross-currency swap transactions in respect of each tranche of the 2018 Notes, which effectively reduced the interest rates on the Series P Notes to 1.82% per annum, the Series Q Notes to 2.15% per annum, the Series R Notes to 2.42% per annum, the Series S Notes to 2.55% per

annum and the Series T Notes to 2.90% per annum. The Company entered into the 2020 Floating-Rate Cross-Currency Swap and 2020 Fixed-Rate Cross-Currency Swaps, which effectively resulted in the interest rates on the Series P Notes being 3.44% per annum, the Series Q Notes to 3.44% per annum, the Series R Notes to 3.45% per annum, the Series S Notes to 3.50% per annum and the Series T Notes to 3.62% per annum (see Note 8, *Derivative instruments and hedging activities*).

Interest on the USD Notes are payable semi-annually on April 1 and October 1 of each year until all principal is paid. Interest on the 2016 Notes is payable semi-annually on March 23 and September 23 of each year, until all principal is paid.

On May 30, 2025, Woodward paid the entire principal balance of \$85,000 on the Series P Notes using proceeds from borrowings under its existing revolving credit facility.

None of the Notes were registered under the Securities Act of 1933, as amended, and they may not be offered or sold in the United States absent registration or an applicable exemption from registration requirements. Holders of the Notes do not have any registration rights. All of the issued Notes are held by multiple institutions.

Woodward's payment and performance obligations under the Notes, including without limitation the obligations for payment of all principal, interest, and any applicable prepayment compensation amount, are guaranteed by (i) Woodward FST, Inc., Woodward MPC, Inc., and Woodward HRT, Inc., each of which is a wholly owned subsidiary of Woodward, and (ii) in the case of the BV Subsidiary's Series N and O Notes, by Woodward. Woodward's obligations under the Notes rank equal in right of payment with all of Woodward's other unsecured unsubordinated debt, including its outstanding debt under its revolving credit facility.

The Notes contain restrictive covenants customary for such financings, including among other things, covenants that place limits on Woodward's ability to incur liens on assets, incur additional debt (including a leverage or coverage-based maintenance test), transfer or sell Woodward's assets, merge or consolidate with other persons and enter into material transactions with affiliates. Under the financial covenants contained in the note purchase agreement governing each series of the Notes as of fiscal year 2024, Woodward's priority debt may not exceed, at any time, 15% of its consolidated net worth. Woodward's Leverage Ratio cannot exceed 4.0 to 1.0 during any material acquisition period, or 3.5 to 1.0 at any other time on a rolling four quarter basis. In the event that Woodward's Leverage Ratio exceeds 3.5 to 1.0 during any material acquisition period, the interest rate on each series of Notes will increase. The minimum consolidated net worth, prior year positive net income, and net cash proceeds resulting from certain issuances of stock for satisfaction of Woodward's leverage ratio are consistent between the Notes and Second Amended and Restated Revolving Credit Agreement.

On October 23, 2025, Woodward and its subsidiaries entered into an amendment on the Notes to provide for changes to, among other things, replace a consolidated net worth covenant with an interest coverage covenant, such that the Company will not permit, as of the end of each fiscal quarter, beginning with the fiscal quarter ending September 30, 2025, the ratio of (a) EBITDA to (b) interest expense, in each case for the period of four consecutive fiscal quarters ending on the end of such fiscal quarter, to be less than 2.00 to 1.00.

Required future principal payments of the Notes and financing leases as of September 30, 2025 are as follows:

Year Ending September 30:

2026	\$	122,934
2027		86,143
2028		90,844
2029		75,204
2030		75,000
Thereafter		130,422
	\$	<u>580,547</u>

Certain financial and other covenants under Woodward's debt agreements contain customary restrictions on the operation of its business. Management believes that Woodward was in compliance with the covenants under the long-term debt agreements at September 30, 2025.

Debt Issuance Costs

In connection with the Second Amended and Restated Revolving Credit Agreement, Woodward incurred \$2,236 in debt issuance costs, which are deferred and are being amortized using the straight-line method over the life of the agreement. Amounts recognized as interest expense from the amortization of debt issuance costs were \$918 in fiscal year 2025, \$929 in fiscal year 2024, and \$963 in fiscal year 2023. Unamortized debt issuance costs associated with the Notes of

\$645 as of September 30, 2025 and \$890 as of September 30, 2024 were recorded as a reduction in "Long-term debt, less current portion" in the Consolidated Balance Sheets. Unamortized debt issuance costs associated with Woodward's Second Amended and Restated Revolving Credit Agreement of \$1,318 as of September 30, 2025 and \$1,977 as of September 30, 2024 were recorded as "Other assets" in the Consolidated Balance Sheets. Amortization of debt issuance costs is included in operating activities in the Consolidated Statements of Cash Flows.

Note 16. Accrued liabilities

	September 30, 2025	September 30, 2024
Salaries and other member benefits	\$ 175,110	\$ 151,921
Product warranties and related liabilities	25,504	18,844
Interest payable	10,211	12,163
Accrued retirement benefits	2,986	2,888
Net current contract liabilities	49,235	56,791
Taxes, other than income	15,367	15,884
Other	34,670	34,151
	<u>\$ 313,083</u>	<u>\$ 292,642</u>

Product warranties and related liabilities

Provisions of Woodward's sales agreements include product warranties customary to these types of agreements. Accruals are established for specifically identified warranty issues and related liabilities that are probable to result in future costs. Warranty costs are accrued as revenue is recognized on a non-specific basis whenever past experience indicates a normal and predictable pattern exists. Changes in accrued product warranties and related liabilities were as follows:

	Year Ended September 30,		
	2025	2024	2023
Beginning of period	\$ 18,844	\$ 18,162	\$ 40,042
Additions, net of recoveries	20,887	13,797	25,984
Reductions for settlement	(14,339)	(13,368)	(47,949)
Foreign currency exchange rate changes	112	253	85
End of period	<u>\$ 25,504</u>	<u>\$ 18,844</u>	<u>\$ 18,162</u>

Restructuring charges

During fiscal year 2023, the Company committed to a cost reduction plan ("Cost Reduction Plan") to better align the cost structure and recorded \$5,172 of restructuring charges. The charges recognized under the Cost Reduction Plan consist of workforce management costs primarily related to aligning the cost structure of the Company's Industrial segment with the current market conditions. All of the restructuring charges were recorded as nonsegment expenses and were paid as of September 30, 2023.

Note 17. Other liabilities

	September 30, 2025	September 30, 2024
Net accrued retirement benefits, less amounts recognized within accrued liabilities	\$ 88,112	\$ 83,094
Total unrecognized tax benefits	12,130	10,104
Noncurrent income taxes payable	—	5,894
Deferred economic incentives ⁽¹⁾	6,158	7,062
Noncurrent operating lease liabilities	20,199	22,670
Cross-currency swap derivative liability	27,406	10,562
Net noncurrent contract liabilities	431,458	424,609
Other	6,264	13,385
	<u>\$ 591,727</u>	<u>\$ 577,380</u>

- (1) Woodward receives certain economic incentives from various state and local authorities related to capital expansion projects. Such amounts are initially recorded as deferred credits and are being recognized as a reduction to pre-tax expense over the economic lives of the related capital expansion projects.

Note 18. Other income, net

	Year Ended September 30,		
	2025	2024	2023
Equity interest in the earnings of the JV	\$ (45,850)	\$ (41,191)	\$ (36,846)
Net (gain) loss on sales of assets and businesses	(18,731)	(457)	1,491
Gain on non-recurring matter related to a previous acquisition	—	(4,803)	—
Rent income	(355)	(347)	(360)
Net gain on investments in deferred compensation program	(4,151)	(6,571)	(3,265)
Other components of net periodic pension and other postretirement benefit, excluding service cost and interest expense	(13,375)	(11,764)	(10,547)
Other	(1,548)	(2,035)	(764)
	<u>\$ (84,010)</u>	<u>\$ (67,168)</u>	<u>\$ (50,291)</u>

Note 19. Income taxes

Income taxes consisted of the following:

	Year Ended September 30,		
	2025	2024	2023
Current:			
Federal	\$ 77,033	\$ 46,102	\$ 41,195
State	8,287	4,841	2,641
Foreign	46,338	74,663	39,719
Deferred:			
Federal	(27,268)	(18,888)	(38,136)
State	(6,361)	(7,341)	(10,006)
Foreign	(18,729)	(18,377)	7,987
	<u>\$ 79,300</u>	<u>\$ 81,000</u>	<u>\$ 43,400</u>

Earnings before income taxes by geographical area consisted of the following:

	Year Ended September 30,		
	2025	2024	2023
United States	\$ 366,744	\$ 244,320	\$ 122,389
Other countries	154,667	209,651	153,379
	<u>\$ 521,411</u>	<u>\$ 453,971</u>	<u>\$ 275,768</u>

Significant components of deferred income taxes presented in the Consolidated Balance Sheets are related to the following:

	September 30, 2025	September 30, 2024
Deferred tax assets:		
Defined benefit plans, other postretirement	\$ 3,453	\$ 3,695
Foreign net operating loss carryforwards	2,564	6,547
Inventory	81,241	77,013
Stock-based and other compensation	48,764	48,360
Deferred revenue net of unbilled receivables	45,144	43,400
Other reserves	11,841	7,850
Tax credits and incentives	32,171	30,886
Lease obligations	6,171	6,851
Other	6,668	4,622
Capitalized research and development costs	83,582	63,080
Valuation allowance	(4,080)	(5,983)
Total deferred tax assets, net of valuation allowance	<u>317,519</u>	<u>286,321</u>
Deferred tax liabilities:		
Goodwill and intangibles - net	(182,717)	(198,012)
Property, plant and equipment	(94,238)	(97,340)
Right of use assets	(6,037)	(6,691)
Defined benefit plans, pension	(15,657)	(13,133)
Other	(7,804)	(8,612)
Total deferred tax liabilities	<u>(306,453)</u>	<u>(323,788)</u>
Net deferred tax assets (liabilities)	<u>\$ 11,066</u>	<u>\$ (37,467)</u>

Woodward has recorded a net operating loss ("NOL") deferred tax asset of \$2,564 as of September 30, 2025 and \$6,547 as of September 30, 2024. The majority of the NOL carryforwards as of September 30, 2025 expire at various times beginning in fiscal years 2027 through 2045.

Woodward has recorded tax credits and incentives deferred tax assets of \$32,171 as of September 30, 2025 and \$30,886 as of September 30, 2024. The majority of the tax credit and incentive carryforwards as of September 30, 2025 expire at various times beginning in fiscal year 2027 through 2035.

Deferred tax assets are reduced by a valuation allowance when the realization of the deferred tax asset is less than 50 percent likely. Both positive and negative evidence are considered in forming Woodward's judgment as to whether a valuation allowance is appropriate, and more weight is given to evidence that can be objectively verified. Valuation allowances are reassessed whenever there are changes in circumstances that may cause a change in judgment.

The change in the valuation allowance was primarily the result of adjusting an existing valuation allowance for the utilization of foreign net operating losses.

At September 30, 2025, Woodward has not provided for taxes on undistributed foreign earnings of \$327,400 that it considered indefinitely reinvested. This balance has been reduced for foreign earnings that are considered distributable, which results in an associated cumulative net deferred tax liability of approximately \$6,040 as of September 30, 2025. These undistributed earnings could become subject to income taxes if they are remitted as dividends, are loaned to Woodward or any of Woodward's subsidiaries located in the United States, or if Woodward sells its stock in the foreign subsidiaries. Any additional U.S. taxes could be offset, in part or in whole, by foreign tax credits. The amount of such taxes and application of tax credits would be dependent on the income tax laws and other circumstances at the time these amounts are repatriated. Based on these variables, it is impractical to determine the income tax liability that might be incurred if these funds were to be repatriated.

The following is a reconciliation of the U.S. federal statutory tax rate of 21.0% in the fiscal years ended September 30, 2025, September 30, 2024, and September 30, 2023 to Woodward's effective income tax rate:

	Year Ended September 30,		
	2025	2024	2023
Percent of pretax earnings			
Statutory tax rate	21.0%	21.0%	21.0%
State income taxes, net of federal tax benefit	0.3	(0.4)	(1.6)
Taxes on international activities	0.4	(0.8)	(0.6)
Research credit	(1.2)	(2.1)	(3.9)
Net excess income tax benefit from stock-based compensation	(3.5)	(3.0)	(3.7)
Adjustments of prior period tax items	0.4	0.9	(1.3)
Compensation and benefits	0.3	0.8	0.6
Distributable foreign earnings	0.3	1.4	4.6
German tax rate change	(2.6)	—	—
Other items, net	(0.2)	—	0.6
Effective tax rate	<u>15.2%</u>	<u>17.8%</u>	<u>15.7%</u>

In determining the tax amounts in Woodward's financial statements, estimates are sometimes used that are subsequently adjusted in the actual filing of tax returns or by updated calculations. In addition, Woodward occasionally has resolutions of tax items with tax authorities related to prior years due to the conclusion of audits and the lapse of applicable statutes of limitations. Such adjustments are included in the "Adjustments of prior period tax items" line in the above table.

The decrease in the effective tax rate for fiscal year 2025 compared to fiscal year 2024 is primarily attributable to a reduction in the German corporate tax rate and lower projected future withholding taxes on unremitted foreign earnings in the current fiscal year. These favorable items were partially offset by a reduced research and development credit, lower benefits related to foreign intangible income, and higher state income tax expense driven by increased U.S. earnings in the current fiscal year.

A reconciliation of the beginning and ending amounts of gross unrecognized tax benefits follows:

	Year Ended September 30,		
	2025	2024	2023
Beginning balance	\$ 14,274	\$ 11,112	\$ 11,938
Additions to current year tax positions	4,982	5,673	3,933
Reductions to prior year tax positions	(231)	(99)	(141)
Additions to prior year tax positions	250	180	0
Lapse of applicable statute of limitations	(2,004)	(2,592)	(4,618)
Ending balance	<u>\$ 17,271</u>	<u>\$ 14,274</u>	<u>\$ 11,112</u>

Included in the balance of unrecognized tax benefits were \$8,858 as of September 30, 2025 and \$8,003 as of September 30, 2024 of tax benefits that, if recognized, would affect the effective tax rate. At this time, Woodward estimates that it is reasonably possible that the liability for unrecognized tax benefits will decrease by as much as \$1,076 in the next 12 months due to the completion of review by tax authorities, lapses of statutes, and the settlement of tax positions. Woodward accrues for potential interest and penalties related to unrecognized tax benefits and all other interest and penalties related to tax payments in tax expense.

Woodward's tax returns are subject to audits by U.S. federal, state, and foreign tax authorities, and these audits are at various stages of completion at any given time. Reviews of tax matters by authorities and lapses of the applicable statutes of limitation may result in changes to tax expense. Woodward's fiscal years remaining open to examination for U.S. federal income taxes include fiscal years 2022 and thereafter. Woodward's fiscal years remaining open to examination for significant U.S. state income tax jurisdictions include fiscal years 2018 and thereafter. Woodward's, fiscal years remaining open to examination in significant foreign jurisdictions include 2018 and thereafter.

Note 20. Retirement benefits

Woodward provides various retirement benefits to eligible members of the Company, including contributions to various defined contribution plans, pension benefits associated with defined benefit plans, postretirement medical

benefits, and postretirement life insurance benefits. Eligibility requirements and benefit levels vary depending on member location.

Defined contribution plans

Most of the Company's U.S. members are eligible to participate in the U.S. defined contribution plan. The U.S. defined contribution plan allows members to defer part of their annual income for income tax purposes into their personal 401(k) accounts. The Company makes matching contributions to eligible member accounts, which are also deferred for member personal income tax purposes. Certain non-U.S. members are also eligible to participate in similar non-U.S. plans.

Most of Woodward's U.S. members receive an annual contribution of Woodward stock, equal to 5% of their eligible prior year wages, to their personal Woodward Retirement Savings Plan accounts. In the second quarters of fiscal years 2025, 2024, and 2023, Woodward fulfilled its annual Woodward stock contribution obligation using shares held in treasury stock by issuing a total of 126 shares of common stock for a value of \$24,058 in fiscal year 2025, 159 total shares of common stock for a value of \$21,889 in fiscal year 2024, and 188 shares of common stock for a value of \$19,466 in fiscal year 2023. The Woodward Retirement Savings Plan (the "WRS Plan") held 2,085 shares of Woodward stock as of September 30, 2025 and 2,222 shares as of September 30, 2024. The shares held in the WRS Plan participate in dividends and are considered issued and outstanding for purposes of calculating basic and diluted earnings per share. Accrued liabilities included obligations to contribute shares of Woodward common stock to the WRS Plan in the amount of \$22,010 as of September 30, 2025 and \$19,532 as of September 30, 2024.

The amount of expense associated with defined contribution plans was as follows:

	Year Ended September 30,		
	2025	2024	2023
Company costs	\$ 55,611	\$ 51,148	\$ 44,202

Defined benefit plans

Woodward has defined benefit plans that provide pension benefits for certain retired members in the United States, the United Kingdom, Japan, and Germany. Woodward also provides other postretirement benefits to its members including postretirement medical benefits and life insurance benefits. Postretirement medical benefits are provided to certain current and retired members and their covered dependents and beneficiaries in the United States and the United Kingdom. Life insurance benefits are provided to certain retirees in the United States under frozen plans, which are no longer available to current members. A September 30 measurement date is utilized to value plan assets and obligations for all of Woodward's defined benefit pension and other postretirement benefit plans.

Excluding the Woodward HRT Plan, which is only partially frozen to salaried participants, the defined benefit plans in the United States were frozen in fiscal year 2007; no additional members may participate in the U.S. plans, and no additional service costs will be incurred.

Pension Plans

The actuarial assumptions used in measuring the net periodic benefit cost and plan obligations of retirement pension benefits were as follows:

	At September 30,		
	2025	2024	2023
United States:			
Weighted-average assumptions to determine benefit obligation:			
Discount rate	5.50%	5.05%	6.20%
Weighted-average assumptions to determine periodic benefit costs:			
Discount rate	5.05	6.20	5.70
Long-term rate of return on plan assets	6.28	6.03	5.53

The discount rate assumption is intended to reflect the rate at which the retirement benefits could be effectively settled based upon the assumed timing of the benefit payments.

In the United States, Woodward uses a bond portfolio matching analysis based on recently traded, non-callable bonds rated AA or better that have at least \$50 million outstanding to determine the benefit obligations at year end.

	At September 30,		
	2025	2024	2023
United Kingdom:			
Weighted-average assumptions to determine benefit obligation:			
Discount rate	4.90%	5.28%	5.85%
Rate of compensation increase	3.20	3.40	3.60
Weighted-average assumptions to determine periodic benefit costs:			
Discount rate - service cost	5.41	5.91	4.99
Discount rate - interest cost	5.13	5.84	5.71
Rate of compensation increase	3.40	3.60	4.00
Long-term rate of return on plan assets	4.70	4.90	4.80

	At September 30,		
	2025	2024	2023
Japan:			
Weighted-average assumptions to determine benefit obligation:			
Discount rate	2.90%	1.92%	2.01%
Rate of compensation increase	4.00	3.00	2.00
Weighted-average assumptions to determine periodic benefit costs:			
Discount rate - service cost	2.10	2.20	1.78
Discount rate - interest cost	1.53	1.58	1.17
Rate of compensation increase	3.00	2.00	2.00
Long-term rate of return on plan assets	3.75	3.25	2.75

	At September 30,		
	2025	2024	2023
Germany:			
Weighted-average assumptions to determine benefit obligation:			
Discount rate	4.05%	3.58%	4.27%
Rate of compensation increase	2.50	2.50	2.50
Weighted-average assumptions to determine periodic benefit costs:			
Discount rate - service cost	3.64	4.23	3.95
Discount rate - interest cost	3.47	4.29	3.91
Rate of compensation increase	2.50	2.50	2.50

In the United Kingdom, Germany, and Japan, Woodward uses a high-quality corporate bond yield curve matched with separate cash flows to develop a single rate to determine the single rate equivalent to settle the entire benefit obligations in each jurisdiction. For the fiscal years ended September 30, 2025 and 2024, the discount rate used to determine periodic service cost and interest cost components of the overall benefit costs was based on spot rates derived from the same high-quality corporate bond yield curve used to determine the September 30, 2024 and 2023 benefit obligation, respectively, matched with separate cash flows for each future year.

Compensation increase assumptions, where applicable, are based upon historical experience and anticipated future management actions.

In determining the long-term rate of return on plan assets, Woodward assumes that the historical long-term compound growth rates of equity and fixed-income securities will predict the future returns of similar investments in the plan portfolio. Investment management and other fees paid out of the plan assets are factored into the determination of asset return assumptions.

Mortality assumptions are based on published mortality studies developed primarily based on past experience of the broad population and modified for projected longevity trends. The projected benefit obligations in the United States as of September 30, 2025 and September 30, 2024 were based on the Society of Actuaries ("SOA") Pri-2012 Mortality Tables Report using the SOA's Mortality Improvement Scale MP-2019 ("MP-2019") and projected forward using a custom projection scale based on MP-2019 with a 5-year convergence period and a long-term rate of 0.75%.

As of September 30, 2025, mortality assumptions in Japan were based on the Standard rates 2025, compared to the Standard rates 2020 as of September 30, 2024. Mortality assumptions for the United Kingdom pension scheme were based on the self-administered pension scheme (“SAPS”) S3 “all” tables with a projected 1.5% annual improvement rate. As of September 30, 2025 and September 30, 2024, mortality assumptions in Germany were based on the Heubeck 2018G mortality tables.

Net periodic benefit costs consist of the following components reflected as expense in Woodward’s Consolidated Statement of Earnings:

	Year Ended September 30,								
	United States			Other Countries			Total		
	2025	2024	2023	2025	2024	2023	2025	2024	2023
Service cost	\$ 917	\$ 775	\$ 893	\$ 1,432	\$ 1,244	\$ 1,333	\$ 2,349	\$ 2,019	\$ 2,226
Interest cost	6,875	7,598	7,297	2,983	3,213	3,137	9,858	10,811	10,434
Expected return on plan assets	(10,992)	(9,084)	(8,297)	(2,496)	(2,406)	(2,300)	(13,488)	(11,490)	(10,597)
Amortization of:									
Net loss (gain)	171	226	292	(413)	(679)	(620)	(242)	(453)	(328)
Net prior service cost	762	698	698	23	23	22	785	721	720
Net periodic (benefit) cost	\$ (2,267)	\$ 213	\$ 883	\$ 1,529	\$ 1,395	\$ 1,572	\$ (738)	\$ 1,608	\$ 2,455

The following tables provide a reconciliation of the changes in the projected benefit obligation and fair value of assets for the defined benefit pension plans:

	At or for the Year Ended September 30,					
	United States		Other Countries		Total	
	2025	2024	2025	2024	2025	2024
Changes in projected benefit obligation:						
Projected benefit obligation at beginning of year	\$ 140,955	\$ 127,222	\$ 77,347	\$ 67,263	\$ 218,302	\$ 194,485
Plan amendment	—	1,121	—	—	—	1,121
Service cost	917	775	1,432	1,244	2,349	2,019
Interest cost	6,875	7,598	2,983	3,213	9,858	10,811
Net actuarial (gains) losses	(6,027)	13,249	(944)	4,128	(6,971)	17,377
Contribution by participants	—	—	12	12	12	12
Benefits paid	(9,112)	(9,010)	(3,818)	(3,647)	(12,930)	(12,657)
Foreign currency exchange rate changes	—	—	1,615	5,134	1,615	5,134
Projected benefit obligation at end of year	\$ 133,608	\$ 140,955	\$ 78,627	\$ 77,347	\$ 212,235	\$ 218,302
Changes in fair value of plan assets:						
Fair value of plan assets at beginning of year	\$ 179,917	\$ 155,370	\$ 57,476	\$ 50,775	\$ 237,393	\$ 206,145
Actual return on plan assets	7,778	33,382	1,687	3,866	9,465	37,248
Contributions by the Company	—	175	1,423	1,863	1,423	2,038
Contributions by plan participants	—	—	12	12	12	12
Benefits paid	(9,112)	(9,010)	(3,818)	(3,647)	(12,930)	(12,657)
Foreign currency exchange rate changes	—	—	(222)	4,607	(222)	4,607
Fair value of plan assets at end of year	\$ 178,583	\$ 179,917	\$ 56,558	\$ 57,476	\$ 235,141	\$ 237,393
Net over/(under) funded status at end of year	\$ 44,975	\$ 38,962	\$ (22,069)	\$ (19,871)	\$ 22,906	\$ 19,091

At September 30, 2025, the Company’s defined benefit pension plans in the United Kingdom, Japan, and Germany represented \$36,377, \$6,246, and \$36,004 of the total projected benefit obligation, respectively. At September 30, 2025, the United Kingdom and Japan pension plan assets represented \$47,208 and \$9,350 of the total fair value of all plan assets, respectively. The German pension plans are unfunded and have no plan assets.

The largest contributor to the net actuarial gains affecting the funded status for the defined benefit pension plans in the United States, United Kingdom, Japan, and Germany is due to an increase in the discount rates.

The accumulated benefit obligations of the Company’s defined benefit pension plans at September 30, 2025 was \$133,608 in the United States, \$35,912 in the United Kingdom, \$5,280 in Japan, and \$36,004 in Germany, and at September 30, 2024 was \$140,955 in the United States, \$33,766 in the United Kingdom, \$5,958 in Japan, and \$36,380 in Germany.

	Plans with accumulated benefit obligation in excess of plan assets		Plans with accumulated benefit obligation less than plan assets	
	At September 30,		At September 30,	
	2025	2024	2025	2024
Projected benefit obligation	\$ (36,197)	\$ (56,783)	\$ (176,038)	\$ (161,519)
Accumulated benefit obligation	(36,163)	(56,757)	(174,641)	(160,302)
Fair value of plan assets	—	20,053	235,141	217,340

The following tables provide the amounts recognized in the Consolidated Balance Sheets and accumulated other comprehensive (earnings) losses for the defined benefit pension plans:

	Year Ended September 30,					
	United States		Other Countries		Total	
	2025	2024	2025	2024	2025	2024
Amounts recognized in the Consolidated Balance Sheets consist of:						
Other non-current assets	\$ 44,975	\$ 39,148	\$ 14,129	\$ 16,673	\$ 59,104	\$ 55,821
Accrued liabilities	—	—	(1,372)	(1,166)	(1,372)	(1,166)
Other non-current liabilities	—	(186)	(34,826)	(35,378)	(34,826)	(35,564)
Net over/(under) funded status at end of year	\$ 44,975	\$ 38,962	\$ (22,069)	\$ (19,871)	\$ 22,906	\$ 19,091
Amounts recognized in accumulated other comprehensive (earnings) losses consist of:						
Unrecognized net prior service cost	\$ 2,437	\$ 3,200	\$ 488	\$ 509	\$ 2,925	\$ 3,709
Unrecognized net (gains) losses	(5,733)	(2,749)	(4,886)	(4,655)	(10,619)	(7,404)
Total amounts recognized	(3,296)	451	(4,398)	(4,146)	(7,694)	(3,695)
Deferred taxes	(2,557)	(3,499)	(27)	(191)	(2,584)	(3,690)
Amounts recognized in accumulated other comprehensive (earnings) losses	\$ (5,853)	\$ (3,048)	\$ (4,425)	\$ (4,337)	\$ (10,278)	\$ (7,385)

The following table reconciles the changes in accumulated other comprehensive (earnings) losses for the defined benefit pension plans:

	Year Ended September 30,					
	United States		Other Countries		Total	
	2025	2024	2025	2024	2025	2024
Beginning of year	\$ 451	\$ 11,304	\$ (4,146)	\$ (7,360)	\$ (3,695)	\$ 3,944
Net (gain) loss	(2,814)	(11,050)	(135)	2,668	(2,949)	(8,382)
Prior service cost	—	1,121	—	—	—	1,121
Amortization of:						
Net (loss) gain	(171)	(226)	413	679	242	453
Prior service cost	(762)	(698)	(23)	(23)	(785)	(721)
Foreign currency exchange rate changes	—	—	(507)	(110)	(507)	(110)
End of year	\$ (3,296)	\$ 451	\$ (4,398)	\$ (4,146)	\$ (7,694)	\$ (3,695)

Pension benefit payments are made from the assets of the pension plans. The German pension plans are unfunded; therefore, benefit payments are made from Company contributions into these plans as required to meet the payment obligations. Using foreign exchange rates as of September 30, 2025 and expected future service assumptions, it is anticipated that the future benefit payments will be as follows:

Year Ending September 30,	United States	Other Countries	Total
2026	\$ 9,790	\$ 3,693	\$ 13,483
2027	10,142	3,776	13,918
2028	10,410	4,057	14,467
2029	10,633	4,225	14,858
2030	10,759	4,888	15,647
2031-2035	53,000	24,718	77,718

Woodward expects its pension plan contributions in fiscal year 2026 will be \$305 in the United Kingdom, \$150 in Japan, \$1,386 in Germany, and \$433 in the United States.

Pension plan assets

The overall investment objective of the pension plan assets is to earn a rate of return over time that, when combined with Company contributions, satisfies the benefit obligations of the pension plans and maintains sufficient liquidity to pay benefits.

As the timing and nature of the plan obligations varies for each Company sponsored pension plan, investment strategies have been individually designed for each pension plan with a common focus on maintaining diversified investment portfolios that provide for long-term growth while minimizing the risk to principal associated with short-term market behavior. The strategy for each of the plans balances the requirements to generate returns, using investments expected to produce higher returns, such as equity securities, with the need to control risk within the pension plans using less volatile investment assets, such as debt securities. A strategy of more equity-oriented allocation is adopted for those plans that have a longer-term investment plan based on the timing of the associated benefit obligations.

Risks associated with the plan assets include interest rate fluctuation risk, market fluctuation risk, risk of default by debt issuers, and liquidity risk. To manage these risks, the assets are managed by established, professional investment firms and performance is evaluated regularly by the Company's investment committee against specific benchmarks and each plan's investment objectives. Liability management and asset class diversification are central to the Company's risk management approach and overall investment strategy.

The assets of the U.S. plans are invested in actively managed mutual funds. The assets of the plans in the United Kingdom and Japan are invested in actively managed pooled investment funds. Each individual mutual fund or pooled investment fund has been selected based on the investment strategy of the related plan, which mirrors a specific asset class within the associated target allocation. The plans in Germany are unfunded and have no plan assets. Pension plan assets at September 30, 2025 and 2024 do not include any direct investment in Woodward's common stock.

The asset allocations are monitored and rebalanced regularly by investment managers assigned to the individual pension plans. The actual allocations of pension plan assets and target allocation ranges by asset class are as follows:

	At September 30,							
	2025				2024			
	Percentage of Plan Assets	Target Allocation Ranges			Percentage of Plan Assets	Target Allocation Ranges		
United States:								
Asset Class								
Equity Securities	31.6%	2.1%	—	51.1%	30.5%	2.3%	—	51.1%
Debt Securities	67.2%	58.9%	—	96.8%	67.6%	58.9%	—	96.7%
Other	1.2%	0.0%			1.9%	0.0%		
	100.0%				100.0%			
United Kingdom:								
Asset Class								
Debt Securities	0.0%	0.0%			95.8%	90.0%	—	100.0%
Insurance Contract	76.2%	90.0%	—	100.0%	0.0%	0.0%		
Other	23.8%	0.0%	—	10.0%	4.2%	0.0%	—	10.0%
	100.0%				100.0%			
Japan:								
Asset Class								
Equity Securities	40.8%	36.0%	—	44.0%	39.7%	36.0%	—	44.0%
Debt Securities	58.3%	55.0%	—	63.0%	59.4%	55.0%	—	63.0%
Other	1.0%	0%	—	2.0%	0.9%	0.0%	—	2.0%
	100.0%				100.0%			

Actual allocations to each asset class can vary from target allocations due to periodic market value fluctuations, investment strategy changes, and the timing of benefit payments and contributions.

The following tables present Woodward's pension plan assets using the fair value hierarchy established by U.S. GAAP:

Asset Category:	At September 30, 2025							Total
	Level 1		Level 2		Level 3			
	United States	Other Countries	United States	Other Countries	United States	Other Countries		
Cash and cash equivalents	\$ 2,181	\$ 11,332	\$ —	\$ —	\$ —	\$ —	\$ 13,513	
Mutual funds:								
U.S. corporate bond fund	120,010	—	—	—	—	—	120,010	
U.S. equity large cap fund	35,001	—	—	—	—	—	35,001	
International equity large cap growth fund	21,391	—	—	—	—	—	21,391	
Pooled funds:								
Japanese equity securities	—	—	—	2,000	—	—	2,000	
International equity securities	—	—	—	1,818	—	—	1,818	
Japanese fixed income securities	—	—	—	4,046	—	—	4,046	
International fixed income securities	—	—	—	1,397	—	—	1,397	
Insurance Contracts:								
U.K. Insurance contract	—	—	—	—	—	35,965	35,965	
Total assets	\$ 178,583	\$ 11,332	\$ —	\$ 9,261	\$ —	\$ 35,965	\$ 235,141	

Asset Category:	At September 30, 2024							Total
	Level 1		Level 2		Level 3			
	United States	Other Countries	United States	Other Countries	United States	Other Countries		
Cash and cash equivalents	\$ 3,370	\$ 2,130	\$ —	\$ —	\$ —	\$ —	\$ 5,500	
Mutual funds:								
U.S. corporate bond fund	121,581	—	—	—	—	—	121,581	
U.S. equity large cap fund	33,454	—	—	—	—	—	33,454	
International equity large cap growth fund	21,512	—	—	—	—	—	21,512	
Pooled funds:								
Japanese equity securities	—	—	—	1,939	—	—	1,939	
International equity securities	—	—	—	1,786	—	—	1,786	
Japanese fixed income securities	—	—	—	4,157	—	—	4,157	
International fixed income securities	—	—	—	1,409	—	—	1,409	
Index linked U.K. corporate bonds fund	—	—	—	17,085	—	—	17,085	
Index linked U.K. government securities fund	—	—	—	12,049	—	—	12,049	
Index linked U.K. long-term government securities fund	—	—	—	14,924	—	—	14,924	
Index U.K. long-term government securities fund	—	—	—	1,997	—	—	1,997	
Total assets	\$ 179,917	\$ 2,130	\$ —	\$ 55,346	\$ —	\$ —	\$ 237,393	

Cash and cash equivalents: Cash and cash equivalents held by the Company's pension plans are held on deposit with creditworthy financial institutions. The fair value of the cash and cash equivalents are based on the quoted market price of the respective currency in which the cash is maintained.

Pension assets invested in mutual funds: The assets of the Company's U.S. pension plans are invested in various mutual funds, which invest in both equity and debt securities. The fair value of the mutual funds is determined based on the quoted market price of each fund.

Pension assets invested in pooled funds: The assets of the Company's Japan and United Kingdom pension plans are invested in pooled investment funds, which include both equity and debt securities. The assets of the United Kingdom pension plan are invested in index-linked pooled funds, which aim to replicate the movements of an underlying market index to which the fund is linked. Fair value of the pooled funds is based on the net asset value of shares held by the plan as reported by the fund sponsors. All pooled funds held by plans outside of the United States are considered to be invested in international equity and debt securities. Although the underlying securities may be largely domestic to the plan holding the investment assets, the underlying assets are considered international from the perspective of the Company.

Insurance contracts: In August 2025, the Trustee Board of the U.K. defined benefit pension plan entered into an agreement with an insurance company for a “buy-in” insurance contract, for its U.K. defined benefit pension plan to reduce retirement plan risk, while delivering promised benefits to plan participants. This transaction allows the Company to reduce volatility by removing investment, longevity, mortality, interest rate and inflation risk upon the transfer of substantially all of the pension plan assets to the insurer in exchange for the insurance contract. At this time the Company retains both the fair value of the contract within plan assets and the pension benefit obligations related to these participants. The fair value of the buy-in insurance contract is based on the calculated pension benefit obligations covered. The fair value of plan assets categorized as Level 3 during fiscal year 2025 are related to the purchase of the buy-in insurance contract. The Company anticipates an annuity purchase or a “buy-out” will likely occur within the next fiscal year or shortly thereafter, which will trigger a pension settlement that will result in all plan balances, including accumulated pension components within other comprehensive income, being charged to expense as a noncash settlement charge.

Other postretirement benefit plans

Woodward provides other postretirement benefits to its members, including postretirement medical benefits and life insurance benefits. Postretirement medical benefits are provided to certain current and retired members and their covered dependents and beneficiaries in the United States. Benefits include the option to elect company provided medical insurance coverage to age 65 and a Medicare supplemental plan after age 65. Life insurance benefits are also provided to certain retirees in the United States under frozen plans that are no longer available to current members. A September 30 measurement date is utilized to value plan assets and obligations for Woodward’s other postretirement benefit plans.

The postretirement medical benefit plans, other than the plan assumed in an acquisition in fiscal year 2009, were frozen in fiscal year 2006, and no additional members may participate in the plans. Generally, members who had attained age 55 and had rendered 10 or more years of service before the plans were frozen were eligible for these postretirement medical benefits.

Certain participating retirees are required to contribute to the plans in order to maintain coverage. The plans provide postretirement medical benefits for approximately three retired members and their covered dependents and beneficiaries and may provide future benefits to 304 active members and their covered dependents and beneficiaries, upon retirement, if the members elect to participate. All the postretirement medical plans are fully insured for retirees who have attained age 65.

The actuarial assumptions used in measuring the net periodic benefit cost and plan obligations of postretirement benefits were as follows:

	At September 30,		
	2025	2024	2023
Weighted-average discount rate used to determine benefit obligation	5.30%	5.00%	6.25%
Weighted-average discount rate used to determine net periodic benefit cost	5.00	6.25	5.70

The discount rate assumption is intended to reflect the rate at which the postretirement benefits could be effectively settled based upon the assumed timing of the benefit payments.

Woodward used a bond portfolio matching analysis based on recently traded, non-callable bonds rated AA or better that have at least \$50 million outstanding to determine the benefit obligations at year end.

Mortality assumptions are based on published mortality studies developed primarily based on past experience of the broad population and modified for projected longevity trends. The projected benefit obligations in the United States as of September 30, 2025 and September 30, 2024 were based on the SOA Pri-2012 Mortality Tables Report using the SOA’s MP-2019 and projected forward using a custom projection scale based on MP-2019 with a five-year convergence period and a long-term rate of 0.75%.

Assumed healthcare cost trend rates at September 30 were as follows:

	2025	2024
Health-care cost trend rate assumed for next year	7.00%	6.00%
Rate to which the cost trend rate is assumed to decline (the ultimate trend rate)	5.00%	5.00%
Year that the rate reaches the ultimate trend rate	2033	2030

Net periodic benefit costs consist of the following components reflected as expense in Woodward's Consolidated Statements of Earnings:

	Year Ended September 30,		
	2025	2024	2023
Service cost	\$ —	\$ —	\$ 1
Interest cost	717	902	904
Amortization of:			
Net gain	(441)	(555)	(495)
Net periodic cost	<u>\$ 276</u>	<u>\$ 347</u>	<u>\$ 410</u>

The following table provides a reconciliation of the changes in the accumulated postretirement benefit obligation and fair value of assets for the postretirement benefits:

	Year Ended September 30,	
	2025	2024
Changes in accumulated postretirement benefit obligation:		
Accumulated postretirement benefit obligation at beginning of year	\$ 15,203	\$ 15,336
Service cost	—	—
Interest cost	717	902
Premiums paid by plan participants	753	834
Net actuarial (gain) loss	(278)	597
Benefits paid	(2,202)	(2,466)
Accumulated postretirement benefit obligation at end of year	<u>\$ 14,193</u>	<u>\$ 15,203</u>
Changes in fair value of plan assets:		
Fair value of plan assets at beginning of year	\$ —	\$ —
Contributions by the company	1,449	1,632
Premiums paid by plan participants	753	834
Benefits paid	(2,202)	(2,466)
Fair value of plan assets at end of year	<u>\$ —</u>	<u>\$ —</u>
Funded status at end of year	<u>\$ (14,193)</u>	<u>\$ (15,203)</u>

The following tables provide the amounts recognized in the Consolidated Balance Sheets and accumulated other comprehensive (earnings) losses for the postretirement plans:

	Year Ended September 30,	
	2025	2024
Amounts recognized in Consolidated Balance Sheets consist of:		
Accrued liabilities	\$ (1,576)	\$ (1,668)
Other non-current liabilities	(12,617)	(13,535)
Funded status at end of year	<u>\$ (14,193)</u>	<u>\$ (15,203)</u>
Amounts recognized in accumulated other comprehensive income consist of:		
Unrecognized net prior service cost (benefit)	\$ —	\$ —
Unrecognized net gains	(5,097)	(5,260)
Total amounts recognized	(5,097)	(5,260)
Deferred taxes	968	1,009
Amounts recognized in accumulated other comprehensive (earnings)	<u>\$ (4,129)</u>	<u>\$ (4,251)</u>

Woodward pays plan benefits from its general funds; therefore, there are no segregated plan assets as of September 30, 2025 or September 30, 2024.

The accumulated benefit obligations of the Company's postretirement plans were \$14,193 at September 30, 2025 and \$15,203 at September 30, 2024. The largest contributor to the actuarial gain affecting the Company's postretirement plans accumulated benefit obligations was an increase in the discount rate.

The following table reconciles the changes in accumulated other comprehensive (earnings) losses for the other postretirement benefit plans:

	Year Ended September 30,	
	2025	2024
Beginning of year	\$ (5,260)	\$ (6,412)
Net (gain) loss	(278)	597
Amortization of:		
Net gain	441	555
End of year	\$ (5,097)	\$ (5,260)

Using expected future service, it is anticipated that the future Company contributions to pay benefits for other postretirement benefit plans, excluding participate contributions, will be as follows:

Year Ending September 30,	
2026	\$ 2,379
2027	2,318
2028	2,251
2029	2,176
2030	2,087
2031-2035	8,751

Note 21. Stockholders' equity

Common stock and treasury stock

Activity in common stock and treasury stock shares were as follows:

	Common Stock	Treasury Stock	Treasury stock held for deferred compensation
Balances as of September 30, 2022	72,960	(13,207)	(139)
Purchase of treasury stock	—	(1,060)	—
Sales of treasury stock	—	1,009	—
Common shares issued for benefit plans	—	188	—
Purchases of stock by deferred compensation	—	—	(2)
Distribution of stock from deferred compensation	—	—	86
Balances as of September 30, 2023	72,960	(13,070)	(55)
Balances as of September 30, 2023	72,960	(13,070)	(55)
Purchase of treasury stock	—	(2,236)	—
Sales of treasury stock	—	1,360	—
Common shares issued for benefit plans	—	159	—
Purchases of stock by deferred compensation	—	—	(1)
Distribution of stock from deferred compensation	—	—	11
Balances as of September 30, 2024	72,960	(13,787)	(45)
Balances as of September 30, 2024	72,960	(13,787)	(45)
Purchase of treasury stock	—	(864)	—
Sales of treasury stock	—	1,460	—
Common shares issued for benefit plans	—	131	—
Purchases of stock by deferred compensation	—	—	(1)
Distribution of stock from deferred compensation	—	—	18
Balances as of September 30, 2025	72,960	(13,060)	(28)

Stock repurchase program

In January 2022, the Board authorized a program for the repurchase of up to \$800,000 of Woodward's outstanding shares of common stock on the open market or in privately negotiated transactions over a two-year period ending in

January 2024 (the "2022 Authorization"). During fiscal year 2023, we repurchased 1,060 shares of our common stock for \$126,380 under the 2022 Authorization.

In January 2024, the Board terminated the 2022 Authorization, which was nearing expiration, and concurrently authorized a new program for the repurchase of up to \$600,000 of Woodward's outstanding shares of common stock on the open market or in privately negotiated transactions over a three-year period ending in January 2027 (the "2024 Authorization"). During fiscal year 2025, we repurchased 864 shares of our common stock for \$170,083 under the 2024 Authorization. During fiscal year 2024, we repurchased 2,236 shares of our common stock for \$390,819 under the 2024 Authorization.

On November 20, 2025, the Board approved a new \$1,800,000, three-year share repurchase authorization. The Company completed its prior \$600,000 authorization in November 2025. The shares may be repurchased from time to time using various methods, subject to market conditions and the Company's discretion. The new authorization does not obligate the Company to acquire a specific dollar amount or number of shares and may be modified, suspended or discontinued at any time.

Stock-based compensation

Provisions governing non-qualified stock option awards ("stock options" or "options"), restricted stock units ("RSUs"), and performance restricted stock units ("PSUs") are included in the 2017 Omnibus Incentive Plan, as amended from time to time (the "2017 Plan").

The 2017 Plan was approved by Woodward's stockholders in January 2017. The Board delegated authority to administer the 2017 Plan to the Human Capital & Compensation Committee of the Board, including, but not limited to, the power to determine the recipients of awards and the terms of those awards. Under the 2017 Plan, there were approximately 5,031 shares of Woodward's common stock available for future grants as of September 30, 2025.

Stock options

Stock option awards are granted with an exercise price equal to the market price of Woodward's stock at the date the grants are awarded, a 10-year term, and generally have a four-year vesting schedule at a rate of 25% per year.

The fair value of options granted is estimated as of the grant date using the Black-Scholes-Merton option-valuation model using the assumptions in the following table. Woodward calculates the expected term, which represents the average period of time that stock options granted are expected to be outstanding, based upon historical experience of plan participants. Expected volatility is based on historical volatility using daily stock price observations. The estimated dividend yield is based upon Woodward's historical dividend practice and the market value of its common stock. The risk-free rate is based on the U.S. treasury yield curve, for periods within the contractual life of the stock option, at the time of grant.

	Year Ended September 30,					
	2025		2024		2023	
Weighted-average exercise price per share	\$	191.45	\$	137.36	\$	84.84
Expected term (years)		6.6 - 8.7		6.6 - 8.7		6.6 - 8.8
Estimated volatility		35.2% - 38.2%		35.0% - 37.6%		34.7% - 37.6%
Estimated dividend yield		0.6% - 0.6%		0.7% - 0.7%		0.7% - 0.9%
Risk-free interest rate		3.8% - 4.4%		4.2% - 4.4%		3.4% - 4.4%

The weighted average grant date fair value of options granted follows:

	Year Ended September 30,		
	2025	2024	2023
Weighted-average grant date fair value of options	\$ 83.65	\$ 58.34	\$ 34.19

The following is a summary of the activity for stock option awards during the fiscal year ended September 30, 2025:

	Number of options	Weighted-Average Exercise Price Per Share
Balance at September 30, 2024	3,578	\$ 86.03
Granted	41	191.45
Exercised	(1,364)	80.49
Forfeited	(6)	103.52
Balance at September 30, 2025	2,249	\$ 91.25

Changes in non-vested stock options during the fiscal year ended September 30, 2025 were as follows:

	Number of options	Weighted-Average Grant Date Fair Value Per Share
Balance at September 30, 2024	898	\$ 37.30
Granted	41	83.65
Vested	(459)	35.08
Forfeited	(7)	40.97
Balance at September 30, 2025	473	\$ 43.40

Information about stock options that have vested, or are expected to vest, and are exercisable at September 30, 2025 was as follows:

	Number of options	Weighted-Average Exercise Price	Weighted-Average Remaining Life in Years	Aggregate Intrinsic Value
Options outstanding	2,249	\$ 91.25	5.0	\$ 363,126
Options vested and exercisable	1,776	86.74	4.4	294,766
Options vested and expected to vest	2,238	91.03	5.0	361,894

Other information follows:

	Year Ended September 30,		
	2025	2024	2023
Total fair value of stock options vested	\$ 16,006	\$ 18,527	\$ 24,388
Total intrinsic value of options exercised	167,121	115,198	67,203
Cash received from exercises of stock options	104,578	89,875	50,749
Excess tax benefit realized from exercise of stock options	22,950	17,939	12,595

Restricted stock units

The Company generally grants RSUs to eligible members under its form RSU agreement for employees and consultants (the "Standard Form RSU Agreement"). RSUs granted under the Standard Form RSU Agreement prior to November 14, 2023, generally have a four-year vesting schedule at a rate of 25% per year, and RSUs granted after November 14, 2023 have a three-year vesting schedule at a rate of 33.3% per year, in each case generally subject to continued employment. The fair value of RSUs granted are estimated using the closing price of the Company's stock on the grant date.

The Company has also granted RSUs to certain members under its form attraction and retention RSU agreement (the "Form Attraction and Retention RSU Agreement"), which has from time to time been used for new hires and specific retention purposes. RSUs granted under the Form Attraction and Retention RSU Agreement are generally scheduled to fully vest on the third or fourth anniversary of the respective grant dates, and in each case, subject to continued employment.

A summary of the activity for RSUs:

	Number of units	Weighted-Average Grant Date Fair Value
Balance at September 30, 2024	318	\$ 118.19
Granted	124	194.40
Vested	(123)	116.93
Forfeited	(10)	149.06
Balance at September 30, 2025	<u>309</u>	<u>\$ 148.31</u>

Performance restricted stock units

The Company grants PSUs to certain eligible members under the form PSU agreement that generally will vest subject to a market condition and a service condition through the performance period. The market condition associated with the awards is based on the Company's relative total shareholder return ("TSR") compared to the TSR generated by the other companies that comprise the S&P 400 Midcap Index over a three-year performance period. Performance at target will result in vesting and issuance of the number of PSUs granted, equal to 100% payout. Performance below or above target can result in an issuance of between 0% to 150% of the target number of PSUs granted. Expense is recognized based on the weighted average grant date fair value on a straight line basis over the service period, irrespective as to whether the market condition is achieved.

The fair value of the PSUs at the grant date was determined based upon a Monte Carlo valuation method. The assumptions used in the Monte Carlo method to value the PSUs granted, which includes the grant date fair value outcome from the Monte Carlo method, were as follows:

	September 30, 2025	September 30, 2024
Expected volatility	30.9%	30.2%
Risk free interest rate	4.1%	4.5%
Expected life	3 years	3 years
Grant date fair value	\$ 196.63	\$ 146.47

The PSUs granted receive dividend equivalent units; therefore, no discount was applied for Woodward's dividends.

A summary of the activity for PSUs:

	Number of units	Weighted-Average Grant Date Fair Value
Beginning balance	62	\$ 146.47
Granted	44	196.63
Forfeited	(2)	173.47
Ending balance	<u>104</u>	<u>\$ 167.17</u>

Stock-based compensation expense

Woodward recognizes stock-based compensation expense on a straight-line basis over the requisite service period. Pursuant to the form agreements used by the Company, with terms approved by the administrator of the applicable plan, the requisite service period can be less than the stated-vesting period based on grantee's retirement eligibility. As such, the recognition of stock-based compensation expense associated with some grants can be accelerated to a period of less than the stated vesting period, including immediate recognition of stock-based compensation expense on the date of grant.

Stock-based compensation expense recognized was as follows:

	Year Ended September 30,		
	2025	2024	2023
Stock-based compensation expense	<u>\$ 31,674</u>	<u>\$ 33,052</u>	<u>\$ 23,958</u>

In connection with executive separations and release agreements entered into by the Company, Woodward recognized an additional \$1,682 and \$1,265 of stock-based compensation expense, before tax, during fiscal year 2024 and fiscal year 2023, respectively.

At September 30, 2025, there was approximately \$32,896 of total unrecognized compensation expense related to non-vested stock-based compensation arrangements, including stock options, restricted stock units, and performance stock units. The pre-vesting forfeiture rates for purposes of determining stock-based compensation expense recognized were estimated to be 0.0% for members of Woodward's Board and 7.4% for all others. The remaining unrecognized compensation cost is expected to be recognized over a weighted-average period of approximately 1.54 years.

Note 22. Commitments and contingencies

Woodward enters into unconditional purchase obligation arrangements (i.e., issuance of purchase orders, obligations to transfer funds in the future for fixed or minimum quantities of goods or services at fixed or minimum prices, such as "take-or-pay" contracts) in the normal course of business to ensure that adequate levels of sourced product are available to Woodward. Future minimum unconditional purchase obligations are as follows:

Year Ending September 30:	
2026	\$ 640,763
2027	89,718
2028	3,302
2029	171
2030	64,620
Thereafter	<u>2</u>
Total	<u>\$ 798,576</u>

The U.S. Government, and other governments, may terminate any of Woodward's government contracts (and, in general, subcontracts) at their convenience, as well as for default based on specified performance measurements. If any of Woodward's government contracts were to be terminated for convenience, the Company generally would be entitled to receive payment for work completed and allowable termination or cancellation costs. If any of Woodward's government contracts were to be terminated for Woodward's default, the U.S. Government generally would pay only for the work accepted and could require Woodward to pay the difference between the original contract price and the cost to re-procure the contract items, net of the work accepted from the original contract. The U.S. Government could also hold Woodward liable for damages resulting from the default.

Woodward is currently involved in claims, pending or threatened litigation or other legal proceedings, investigations, and/or regulatory proceedings arising in the normal course of business, including, among others, those relating to product liability claims, employment matters, worker's compensation claims, contractual disputes, product warranty claims, and alleged violations of various laws and regulations. Woodward accrues for known individual matters using estimates of the most likely amount of loss where it believes that it is probable the matter will result in a loss when ultimately resolved and such loss is reasonably estimable. Legal costs are expensed as incurred and are classified in "Selling, general and administrative expenses" on the Consolidated Statements of Earnings.

Woodward is partially self-insured in the United States for healthcare and worker's compensation up to predetermined amounts, above which third-party insurance applies. Management regularly reviews the probable outcome of related claims and proceedings, the expenses expected to be incurred, the availability and limits of the insurance coverage, and the established accruals for liabilities.

While the outcome of pending claims, legal and regulatory proceedings, and investigations cannot be predicted with certainty, management believes that any liabilities that may result from these claims, proceedings, and investigations will not have a material effect on Woodward's liquidity, financial condition, or results of operations.

In the event of a change in control of Woodward, as defined in change-in-control agreements with its current corporate officers, Woodward may be required to pay termination benefits to any such officer if such officer's employment is terminated within two years following the change of control.

Note 23. Segment information

Woodward's segments are composed of similar product groupings that serve the same or similar end markets. Based on this approach, Woodward has two reportable segments that are also its operating segments: Aerospace and Industrial, as described below in further detail. Woodward uses segment information internally to manage its business, including the assessment of segment performance and decisions for the allocation of resources between segments.

Our Aerospace segment designs, manufactures, and services systems and products for the management of fuel, air, combustion, and motion control. These products include fuel pumps, metering units, actuators, air valves, specialty valves, fuel nozzles, and thrust reverser actuation systems for turbine engines and nacelles, as well as flight deck controls, actuators, servocontrols, motors, and sensors for aircraft. These products are used on commercial and private aircraft and rotorcraft, as well as on military fixed-wing aircraft and rotorcraft, guided weapons, and other defense systems.

Our Industrial segment designs, produces, and services systems and products for the management of energy in the form of fuel, air, fluids, gases, motion, combustion, and electricity. These products include actuators, valves, pumps, fuel injection systems, solenoids, ignition systems, control systems, electronics and software, and sensors. Our products are used on industrial gas turbines (including heavy frame, aeroderivative, and small industrial gas turbines), steam turbines, compressors, and reciprocating engines (including low speed, medium speed, and high-speed engines that operate on various fuels, including natural gas, diesel, heavy fuel oil, and new lower carbon alternative fuels in both single and dual-fuel applications). The equipment on which our products are found is used to: generate power; to extract, distribute, and refine energy sources; to mine other commodities; and to convert fuel to work in transportation and freight (both marine and locomotives), mobile, and industrial equipment applications.

Nonsegment expenses consist of corporate office expenses, including compensation, benefits, depreciation, and other administrative costs.

The accounting policies of the reportable segments are the same as those of the Company. The Aerospace and Industrial segments maintain separate financial information that is reviewed by the Chief Operating Decision Maker ("CODM"), who is the Company's Chief Executive Officer. The CODM uses forecast-to-actual variances and year-over-year variances on a monthly basis when assessing segment performance and forecasts in deciding how to allocate resources among the segments. The CODM evaluates the performance of the Company's segments based on reportable segment operating profit. In connection with that assessment, Woodward generally excludes matters such as certain charges for restructuring, interest income and expense, certain gains and losses from asset dispositions, or other unusual and/or non-operationally related expenses.

A summary of consolidated net sales and segment operating profit by segment follows:

	Year Ended September 30,		
	2025		
	Aerospace	Industrial	Total
Net sales	\$ 2,312,806	\$ 1,254,258	\$ 3,567,064
Cost of goods sold	1,687,214	914,520	2,601,734
Selling, general and administrative expenses	87,136	107,205	194,341
Research and development costs	87,302	53,850	141,152
Other segment items ¹	(55,459)	(3,841)	(59,300)
Reportable segment operating profit	<u>\$ 506,613</u>	<u>\$ 182,524</u>	<u>\$ 689,137</u>

	Year Ended September 30,		
	2024		
	Aerospace	Industrial	Total
Net sales	\$ 2,028,618	\$ 1,295,631	\$ 3,324,249
Cost of goods sold	1,517,239	923,953	2,441,192
Selling, general and administrative expenses	85,103	100,758	185,861
Research and development costs	90,138	44,759	134,897
Other segment items ¹	(49,222)	(3,696)	(52,918)
Reportable segment operating profit	<u>\$ 385,360</u>	<u>\$ 229,857</u>	<u>\$ 615,217</u>

	Year Ended September 30,		
	2023		
	Aerospace	Industrial	Total
Net sales	\$ 1,768,103	\$ 1,146,463	\$ 2,914,566
Cost of goods sold	1,362,124	855,900	2,218,024
Selling, general and administrative expenses	78,910	87,637	166,547
Research and development costs	80,825	44,296	125,121
Other segment items ¹	(43,860)	(2,992)	(46,852)
Reportable segment operating profit	<u>\$ 290,104</u>	<u>\$ 161,622</u>	<u>\$ 451,726</u>

- (1) Other segment items mainly includes our equity interest in the earnings of the JV, other components of net periodic pension and other postretirement benefit, excluding service cost and interest expense, and net gain/loss on sales of assets and businesses.

A summary of consolidated earnings before income taxes was as follows:

	Year Ended September 30,		
	2025	2024	2023
Reportable segment operating profit	\$ 689,137	\$ 615,217	\$ 451,726
Nonsegment expenses	(126,226)	(119,745)	(130,811)
Interest expense, net	(41,500)	(41,501)	(45,147)
Consolidated earnings before income taxes	<u>\$ 521,411</u>	<u>\$ 453,971</u>	<u>\$ 275,768</u>

Segment assets consist of accounts receivable, inventories, property, plant, and equipment, net, goodwill, and other intangibles, net. A summary of consolidated total assets, consolidated depreciation and amortization, and consolidated capital expenditures were as follows:

	Year Ended September 30,		
	2025	2024	2023
Segment assets:			
Aerospace	\$ 2,110,805	\$ 1,936,507	\$ 1,829,410
Industrial	1,501,503	1,509,495	1,490,341
Unallocated corporate property, plant and equipment, net	120,502	120,946	104,962
Other unallocated assets	897,333	801,967	585,490
Consolidated total assets	<u>\$ 4,630,143</u>	<u>\$ 4,368,915</u>	<u>\$ 4,010,203</u>
Segment depreciation and amortization:			
Aerospace	\$ 51,603	\$ 55,305	\$ 59,880
Industrial	49,480	49,779	51,167
Unallocated corporate amounts	12,195	11,086	8,696
Consolidated depreciation and amortization	<u>\$ 113,278</u>	<u>\$ 116,170</u>	<u>\$ 119,743</u>
Segment capital expenditures:			
Aerospace	\$ 62,892	\$ 55,989	\$ 56,913
Industrial	42,305	41,930	21,855
Unallocated corporate amounts	25,731	(1,639)	(2,268)
Consolidated capital expenditures	<u>\$ 130,928</u>	<u>\$ 96,280</u>	<u>\$ 76,500</u>

Property, plant, and equipment, net by geographical area, as determined by the physical location of the assets, were as follows:

	At September 30,	
	2025	2024
United States	\$ 841,528	\$ 827,242
Germany	109,403	87,970
Other countries	35,692	25,503
Consolidated property, plant and equipment, net	<u>\$ 986,623</u>	<u>\$ 940,715</u>

We had no customers who accounted for 10% or more of our consolidated net sales for the fiscal years ended September 30, 2025 and September 30, 2024. Sales to GE were 12% of our consolidated net sales, and sales to RTX Corporation were 10% of our consolidated net sales for the fiscal year ended September 30, 2023. Sales to GE were made by both of Woodward's operating segments, and sales to RTX Corporation were made by our Aerospace segment.

U.S. Government related sales from Woodward’s reportable segments were as follows:

	Direct U.S. Government Sales	Indirect U.S. Government Sales	Total U.S. Government Related Sales
Fiscal year ended September 30, 2025			
Aerospace	\$ 95,147	\$ 598,254	\$ 693,401
Industrial	6,903	17,305	24,208
Total net external sales	<u>\$ 102,050</u>	<u>\$ 615,559</u>	<u>\$ 717,609</u>
Percentage of total net sales	<u>3%</u>	<u>17%</u>	<u>20%</u>
Fiscal year ended September 30, 2024			
Aerospace	\$ 107,978	\$ 443,370	\$ 551,348
Industrial	9,039	10,273	19,312
Total net external sales	<u>\$ 117,017</u>	<u>\$ 453,643</u>	<u>\$ 570,660</u>
Percentage of total net sales	<u>3%</u>	<u>14%</u>	<u>17%</u>
Fiscal year ended September 30, 2023			
Aerospace	\$ 99,848	\$ 363,835	\$ 463,683
Industrial	7,524	14,840	22,364
Total net external sales	<u>\$ 107,372</u>	<u>\$ 378,675</u>	<u>\$ 486,047</u>
Percentage of total net sales	<u>4%</u>	<u>13%</u>	<u>17%</u>

Item 9. Changes in and Disagreements with Accountants on Accounting and Financial Disclosure

There have been no disagreements or any reportable events requiring disclosure under Item 304(b) of Regulation S-K.

Item 9A. Controls and Procedures

We have established disclosure controls and procedures, which are designed to ensure that information required to be disclosed in reports filed or submitted under the Exchange Act is recorded, processed, summarized, and reported within the time periods specified in the SEC’s rules and forms. These disclosure controls and procedures include, without limitation, controls and procedures designed to ensure that information required to be disclosed in the reports that we file or submit under the Exchange Act is accumulated and communicated to management, including our Principal Executive Officer (Charles Blankenship, Jr., Chairman of the Board and Chief Executive Officer) and Principal Financial and Accounting Officer (William Lacey, Chief Financial Officer), as appropriate, to allow timely decisions regarding required disclosures.

Charles Blankenship, Jr. and William Lacey evaluated the effectiveness of our disclosure controls and procedures as of the end of the period covered by this Form 10-K. Based on their evaluations, they concluded that our disclosure controls and procedures were effective as of September 30, 2025.

Management’s Annual Report on Internal Control Over Financial Reporting

Our management is responsible for establishing and maintaining adequate internal control over financial reporting (as defined in Rule 13a-15(f) of the Exchange Act) for the Company. Our management has evaluated the effectiveness of internal control over financial reporting using the criteria established in Internal Control - Integrated Framework (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission and, based on that evaluation, concluded that the Company’s internal control over financial reporting was effective at a reasonable assurance level as of September 30, 2025, the end of the Company’s most recent fiscal year.

Deloitte & Touche LLP (PCAOB ID No. 34), an independent registered public accounting firm, conducted an audit of Woodward’s internal control over financial reporting as of September 30, 2025 as stated in their attestation report included in “Item 8 – Financial Statements and Supplementary Data.”

Internal control over financial reporting is a process designed by, or under the supervision of, our principal executive and principal financial officers, or persons performing similar functions, and effected by our Board of Directors, management, and other personnel, to provide reasonable assurance regarding the reliability of our financial reporting and

the preparation of our financial statements for external purposes in accordance with generally accepted accounting principles. Internal control over financial reporting includes those policies and procedures that:

- Pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company;
- Provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorization of management and directors of the Company; and
- Provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

There have been no changes in our internal control over financial reporting during the fourth fiscal quarter ended September 30, 2025 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

Item 9B. Other Information

Amendment of Bylaws

On November 19, 2025, the Board approved and adopted amended and restated bylaws of the Company (the "Amended and Restated Bylaws"), effective as of such date, in order to, among other things: (i) enhance procedural mechanics and disclosure requirements in connection with stockholder nominations of directors and submissions of proposals regarding other business at stockholder meetings, including to clarify the scope of information required regarding proposing stockholders, proposed nominees and other related persons; (ii) add procedural and disclosure requirements for stockholder-requested special meetings; (iii) provide eligible stockholders access to include nominees in the Company's proxy statement for any annual meeting of stockholders, subject to certain requirements; (iv) clarify the powers of the chair of a stockholder meeting to regulate conduct at and to adjourn such meeting; (v) require director candidates to make themselves available for interviews with members of the Board; and (vi) make various other updates, including ministerial and conforming changes.

The foregoing description does not purport to be complete and is qualified in its entirety by reference to the complete text of the Amended and Restated Bylaws, a copy of which is attached hereto as Exhibit 3.1 and incorporated herein by reference.

Insider Trading Arrangements Intended to Satisfy the Affirmative Defense of Rule 10b5-1(c)

During the three months ended September 30, 2025, two officers of the Company entered into trading plans pursuant to Rule 10b5-1 of the Exchange Act intended to satisfy the affirmative defense of Rule 10b5-1(c) of the Exchange Act (each such trading plan, a "Plan"), as discussed below.

On July 30, 2025, Thomas Cromwell, Executive Vice President and Chief Operating Officer, entered into a Plan that provides for the exercise of up to 30,000 non-qualified stock options and sale of the net shares of common stock of the Company received upon exercise. Mr. Cromwell's plan terminates on June 1, 2026, for a duration of 306 days.

On September 3, 2025, Terence Voskuil, our then-incumbent Executive Vice President and President, Aerospace, entered into a Plan that provides for the exercise of up to 17,300 non-qualified stock options and sale of the net shares of common stock of the Company received upon exercise. Mr. Voskuil's Plan terminates on May 29, 2026, for a duration of 268 days. As of October 1, 2025, Mr. Voskuil transitioned into the role of Executive Vice President, Chief Technology Officer, Aerospace. Mr. Voskuil is no longer an officer of the Company, as defined in Rule 16a-1(f).

During the quarter ended September 30, 2025, no other directors or officers, as defined in Rule 16a-1(f), adopted or terminated a "Rule 10b5-1 trading arrangement" or a "non-Rule 10b5-1 trading arrangement," each as defined in Item 408 of Regulation S-K.

Item 9C. Disclosure Regarding Foreign Jurisdictions that Prevent Inspections

Not applicable.

PART III

The information required by Items 10, 11, 12, 13, and 14 of Part III of this Form 10-K, to the extent not set forth herein, is incorporated herein by reference from the registrant's definitive proxy statement relating to the annual meeting of stockholders to be held on January 28, 2026 which definitive proxy statement shall be filed with the Securities and Exchange Commission within 120 days after the end of the fiscal year to which this report relates.

Item 10. Directors, Executive Officers and Corporate Governance

Except as set forth below, the information required by this item is included under the captions "Proposal 1: Election of Directors," "Board Meetings and Committees – Audit Committee," "Executive Officers," "Executive Compensation - Compensation Policies and Practices," "Stock Ownership of Directors and Executive Officers," and, if applicable, "Delinquent Section 16(a) Reports" in our Proxy Statement related to the Annual Meeting of Stockholders to be held virtually on January 28, 2026 (the "Proxy Statement") and is incorporated herein by reference. There have been no material changes to the procedures by which security holders may recommend nominees to our Board.

Our Board has adopted a Code of Business Conduct and Ethics for directors, officers, and members. We have also adopted a Code of Ethics for Senior Financial Officers and Other Finance Members. These codes are posted on our website. The Internet address for our website is www.woodward.com, and the codes may be found from our main web page by clicking first on "Investors," then on "Governance" then on "Governance Documents" and then on "Woodward Codes of Business Conduct and Ethics."

We intend to satisfy any disclosure requirement under Item 5.05 of Form 8-K and the Nasdaq listing rules regarding an amendment to, or waiver from, a provision of this code of ethics by posting such information to our website, at the address and location specified above.

Item 11. Executive Compensation

Information required by this item is under the captions "Non-Employee Director Compensation," "Board Meetings and Committees – Human Capital & Compensation Committee – Human Capital & Compensation Committee Interlocks and Insider Participation," "Executive Compensation" and "Board Meetings and Committees – Human Capital & Compensation Committee – Risk Assessment" in our Proxy Statement, and is incorporated herein by reference, except the section captioned "Compensation Committee Report on Compensation Discussion and Analysis" is hereby "furnished" and not "filed" with this Form 10-K.

Item 12. Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters

Information required by this item is under the tables captioned "Stock Ownership of Directors & Executive Officers," "Persons Owning More Than 5% of Woodward Common Stock," and "Executive Compensation – Equity Compensation Plan Information" in our Proxy Statement, and is incorporated herein by reference.

Item 13. Certain Relationships and Related Transactions, and Director Independence

Information required by this item is under "Related Person Transaction Policies and Procedures" and "Proposal 1: Election of Directors" in our Proxy Statement and is incorporated herein by reference.

Item 14. Principal Accountant Fees and Services

Information required by this item is under the captions "Audit Committee Matters – Audit Committee's Pre-Approval Policy and Procedures" and "Audit Committee Matters – Fees Paid to Independent Registered Public Accounting Firm" in our Proxy Statement, and is incorporated herein by reference.

PART IV

Item 15. Exhibits and Financial Statement Schedules

	Page Number in Form 10-K
(a) (1) Consolidated Financial Statements:	
Report of Independent Registered Public Accounting Firm	42
Consolidated Statements of Earnings for the fiscal years ended September 30, 2025, 2024, and 2023	45
Consolidated Statements of Comprehensive Earnings for the fiscal years ended September 30, 2025, 2024, and 2023	46
Consolidated Balance Sheets at September 30, 2025 and 2024	47
Consolidated Statements of Cash Flows for the fiscal years ended September 30, 2025, 2024, and 2023	48
Consolidated Statements of Stockholders' Equity for the fiscal years ended September 30, 2025, 2024, and 2023	49
Notes to Consolidated Financial Statements	50

Financial statements and schedules other than those listed above are omitted for the reason that they are not applicable, are not required, or the information is included in the financial statements or the footnotes.

(a) (2) Exhibits Filed as Part of This Report:	
‡ 2.1 Share Purchase Agreement relating to the sale and purchase of all shares in L'Orange GmbH and Fluid Mechanics LLC dated April 8, 2018, filed as Exhibit 2.1 to Quarterly Report on Form 10-Q filed on August 8, 2018.	
* 3.1 Amended and Restated Bylaws, effective as of November 19, 2025	
‡ 3.2 Restated Certificate of Incorporation, as amended October 3, 2007, filed as Exhibit 3(i)(a) to Annual Report on Form 10-K filed November 20, 2008	
‡ 3.3 Certificate of Amendment of Certificate of Incorporation, dated January 23, 2008, filed as Exhibit 3(i)(b) to Annual Report on Form 10-K filed November 20, 2008	
‡ 3.4 Certificate of Amendment of the Restated Certificate of Incorporation, dated January 26, 2011, filed as Exhibit 3.1 to Current Report on Form 8-K filed January 28, 2011	
‡ 3.5 Certificate of Designation of Rights, Preferences and Privileges of Series B Preferred Stock, filed as Exhibit 3.1 to Current Report on Form 8-K filed April 6, 2020	
‡ 4.1 Form of Common Stock Certificate, filed as Exhibit 4.1 to Annual Report on Form 10-K filed on November 26, 2024	
‡ 4.2 Description of Capital Stock, filed as Exhibit 4.2 to Annual Report on Form 10-K filed on November 26, 2024	
‡‡ 10.1 2017 Omnibus Incentive Plan, as amended January 25, 2023, filed as Exhibit 99.1 to Current Report on Form 8-K filed January 31, 2023	
†*^ 10.2 Woodward, Inc. Enterprise Incentive Plan, dated November 18, 2025	
*† 10.3 Woodward Executive Benefit Plan, as amended and restated as of December 5, 2022	

- *† 10.4 [Woodward Retirement Savings Plan, as amended and restated effective as of January 1, 2024](#)
- †‡ 10.5 [Amended and Restated Executive Severance and Change in Control Agreement filed as Exhibit 10.29 to Annual Report on Form 10-K filed November 19, 2021](#)
- †‡ 10.6 [Thomas Cromwell employment offer letter dated January 30, 2019, filed as Exhibit 10.1 to Quarterly Report on Form 10-Q filed May 8, 2019](#)
- †‡ 10.7 [Charles Blankenship Jr. employment offer letter dated April 19th, 2022, filed as Exhibit 10.3 to Quarterly Report on Form 10-Q filed on May 6, 2022](#)
- †‡ 10.8 [William Lacey Offer Letter dated March 30, 2023, filed as Exhibit 10.2 to Quarterly Report on Form 10-Q filed August 4th, 2023](#)
- †‡ 10.9 [Randall Hobbs Offer Letter dated October 7, 2022, filed as Exhibit 10.1 to Quarterly Report on Form 10-Q, filed February 2, 2024](#)
- †‡ 10.10 [Separation Agreement dated March 14, 2024 by and between Woodward, Inc. and A. Christopher Fawzy, filed as Exhibit 10.1 to Quarterly Report on Form 10-Q filed May 3, 2024](#)
- ‡ 10.11 [Purchase and Sale Agreement between Woodward, Inc. and General Electric Company dated January 4, 2016 filed as Exhibit 2.1 to Current Report on Form 8-K filed January 8, 2016](#)
- ‡ 10.12 [Amended and Restated Limited Liability Company Agreement of Convergence Fuel Systems, LLC dated January 4, 2016, filed as Exhibit 10.1 to Current Report on Form 8-K filed January 8, 2016](#)
- ‡ 10.13 [Frame Development and Purchase Agreement between MTU Friedrichshafen GmbH and L'Orange GmbH, filed as Exhibit 10.1 to Quarterly Report on Form 10-Q filed August 8, 2018](#)
- * 10.14 [Conformed Note Purchase Agreement \(Series M\) dated September 23, 2016 and conformed as of October 23, 2025, by and among the Company and the purchasers named therein](#)
- * 10.15 [Conformed Note Purchase Agreement \(Series N and O\) dated September 23, 2016 and conformed as of October 23, 2025, by and among Woodward International Holding, B.V., the Company, and the purchasers named therein](#)
- * 10.16 [Conformed Note Purchase Agreement \(2018 Notes\) dated May 31, 2018 and conformed as of October 23, 2025, by and among the Company and the purchasers named therein](#)
- ‡ 10.17 [Second Amended and Restated Credit Agreement dated October 21, 2022, by and among the Company, certain foreign subsidiaries borrowers of the Company from time to time parties thereto, the institutions from time-to-time party thereto, as lenders, and Wells Fargo Bank, National Association, as administrative agent filed as Exhibit 10.31 to Annual Report on Form 10-K, filed on November 18, 2022](#)
- *† 10.18 [Outside Director Compensation Policy dated October 1, 2025](#)
- †‡ 10.19 [Form of Non-Qualified Stock Option Agreement for Non-Employee Directors dated November 14, 2023, filed as Exhibit 10.34 to Annual Report on Form 10-K, filed on November 17, 2023](#)
- †‡ 10.20 [Form RSU Agreement for Non-Employee Directors dated November 14, 2023, filed as Exhibit 10.36 to Annual Report on Form 10-K, filed on November 17, 2023](#)
- †‡ 10.21 [Form of Non-Qualified Stock Option Agreement for Non-Employee Directors, dated September 16, 2024, filed as Exhibit 10.40 to Annual Report on Form 10-K, filed on November 26, 2024](#)

†‡	10.22	Form of Restricted Stock Unit Agreement for Non-Employee Directors, dated September 16, 2024 filed as Exhibit 10.41 to Annual Report on Form 10-K, filed on November 26, 2024
†‡	10.23	Form of Non-Qualified Stock Option Agreement, filed as Exhibit 10.2 to Quarterly Report on Form 10-Q filed January 25, 2017
†‡	10.24	Form of Non-Qualified Stock Option Agreement, filed as Exhibit 10.40 to Annual Report on Form 10-K filed November 13, 2018
†‡	10.25	Form of Non-Qualified Stock Option Agreement for Employees and Consultants dated November 14, 2023, filed as Exhibit 10.33 to Annual Report on Form 10-K, filed on November 17, 2023
*†	10.26	Form of Non-Qualified Stock Option Agreement for Employees and Consultants, dated November 18, 2025
†‡	10.27	Form of Restricted Stock Unit Agreement, filed as Exhibit 10.39 to Annual Report on Form 10-K filed November 13, 2018
†‡	10.28	Form Restricted Stock Unit Agreement for Employees and Consultants dated November 14, 2023, filed as Exhibit 10.35 to Annual Report on Form 10-K filed on November 17, 2023
*†	10.29	Form of Restricted Stock Unit Agreement for Employees and Consultants dated November 18, 2025
†‡	10.30	Form Attraction and Retention RSU agreement, filed as Exhibit 10.2 to Quarterly Report on Form 10-Q filed May 6, 2022
†‡	10.31	Form of Relative TSR Performance Restricted Stock Unit Agreement dated November 14, 2023, filed as Exhibit 10.37 to Annual Report on Form 10-K filed on November 17, 2023
*†	10.32	Form of Relative TSR Performance Restricted Stock Unit Agreement dated November 18, 2025
*†	10.33	Form of Return on Invested Capital Performance Restricted Stock Unit Agreement dated November 18, 2025
‡	19.1	Trades of Woodward Stock (Insider Trading Policy), filed as Exhibit 19.1 to Annual Report on Form 10-K filed on November 26, 2024
*	21.1	Subsidiaries
*	23.1	Consent of Independent Registered Public Accounting Firm
*	31.1	Rule 13a-14(a)/15d-14(a) certification of Charles Blankenship, Jr.
*	31.2	Rule 13a-14(a)/15d-14(a) certification of William Lacey
*	32.1	Section 1350 certifications
‡	97.1	Clawback Policy, filed as Exhibit 97.1 to Annual Report on Form 10-K filed on November 26, 2024
*	101.INS	Inline XBRL Instance Document.
*	101.SCH	Inline XBRL Taxonomy Extension Schema Document
*	101.CAL	Inline XBRL Taxonomy Extension Calculation Linkbase Document
*	101.DEF	Inline XBRL Taxonomy Extension Definition Linkbase Document
*	101.LAB	Inline XBRL Taxonomy Extension Label Linkbase Document
*	101.PRE	Inline XBRL Taxonomy Extension Presentation Linkbase Document

* 104 Cover Page Interactive Data File (formatted as Inline XBRL and Contained in Exhibit 101)

Attached as Exhibit 101 to this report are the following materials from Woodward, Inc.'s Annual Report on Form 10-K for the year ended September 30, 2025 formatted in Inline XBRL (eXtensible Business Reporting Language): (i) the Consolidated Statements of Earnings, (ii) the Consolidated Statements of Comprehensive Earnings, (iii) the Consolidated Balance Sheets, (iv) the Consolidated Statements of Cash Flows, (v) the Consolidated Statements of Stockholders' Equity, and (vi) the Notes to the Consolidated Financial Statements.

† Management contract or compensatory plan or arrangement.

‡ Incorporated by reference as an exhibit to this Report (file number 001-39265, unless otherwise indicated).

* Filed as an exhibit to this Report.

^ Certain schedules and annexes have been omitted pursuant to Item 601(a)(5) of Regulation S-K and will be provided to the Securities and Exchange Commission upon request.

Exhibit 32.1 is being furnished solely to accompany the report pursuant to 18 U.S.C. 1350 and is not being filed for purposes of Section 18 of the Exchange Act, and is not to be incorporated by reference into any filing of the Company, whether made before or after the date hereof, regardless of any general incorporation language in such filing.

Item 16. Form 10-K Summary

Not applicable.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

Date: November 25, 2025	WOODWARD, INC. _____ /s/ Charles Blankenship, Jr. Charles Blankenship, Jr. <i>Chairman of the Board and Chief Executive Officer</i> <i>(Principal Executive Officer)</i>
Date: November 25, 2025	_____ /s/ William Lacey William Lacey <i>Chief Financial Officer</i> <i>(Principal Financial and Accounting Officer)</i>

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated.

Signature	Title	Date
_____ /s/ Charles Blankenship, Jr. Charles Blankenship, Jr.	Chairman of the Board and Director	November 25, 2025
_____ /s/ Rajeev Bhalla Rajeev Bhalla	Director	November 25, 2025
_____ /s/ John Cohn John Cohn	Director	November 25, 2025
_____ /s/ David Hess David Hess	Director	November 25, 2025
_____ /s/ Daniel Korte Daniel Korte	Director	November 25, 2025
_____ /s/ Eileen Paterson Eileen Paterson	Director	November 25, 2025
_____ /s/ Mary Petryszyn Mary Petryszyn	Director	November 25, 2025
_____ /s/ Gregg Sengstack Gregg Sengstack	Director	November 25, 2025
_____ /s/ Tana Utley Tana Utley	Director	November 25, 2025

**BYLAWS OF
WOODWARD, INC.**

AMENDED AND RESTATED ON NOVEMBER 19, 2025

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**BYLAWS
OF
WOODWARD, INC**

Amended and Restated on November 19, 2025

ARTICLE I
OFFICES

Section 1.1 Registered Office

The registered office of Woodward, Inc. (the “**Corporation**”) is in the City of Wilmington, County of New Castle, State of Delaware.

Section 1.2 Other Offices

The Corporation may also have offices at such other places, both within and without the State of Delaware, as the Board of Directors may from time to time determine.

ARTICLE II
MEETINGS OF STOCKHOLDERS

Section 2.1 Place of Meetings

Meetings of the stockholders of the Corporation must be held at such time and place, if any, either within or without the State of Delaware, as are designated from time to time by the Board of Directors and stated in the notice of the meeting or in a duly executed waiver of notice thereof. The Board of Directors may, in its sole discretion, determine that the meeting will not be held at any place, but may instead be held solely by means of remote communication as provided under the Delaware General Corporation Law (the “**DGCL**”). If a meeting of stockholders by remote communication is authorized by the Board of Directors, stockholders and proxy holders not physically present but attending by remote communication will be deemed present in person, subject to compliance with such guidelines and procedures as the Board of Directors may adopt.

Section 2.2 Annual Meetings

Annual meetings of stockholders for the election of directors must be held on such dates and at such times as are designated from time to time by the Board of Directors and stated in the notice of the meeting. At each annual meeting, the stockholders may vote for election, in accordance with Section 3.1 of these amended and restated bylaws of the Corporation (as may be amended, restated or amended and restated from time to time in accordance with the provisions hereof, these “**Bylaws**”), of those directors belonging to the class or classes of directors to be elected at such meeting, and may transact such other business as may properly be brought before the meeting in accordance with these Bylaws. The Board of Directors may postpone, reschedule or cancel any annual meeting of stockholders previously scheduled by the Board of Directors.

Section 2.3 Special Meetings

Exhibit 3.1

(a) Except as otherwise provided by law or by the certificate of incorporation of the Corporation, as amended (and as may be amended, restated or amended and restated from time to time, the “**Certificate of Incorporation**”), special meetings of stockholders, for any purpose or purposes, may be called only by the Secretary at the request (i) of the Board of Directors pursuant to a resolution adopted by a majority of the total number of authorized directors (whether or not there exist any vacancies in previously authorized directorships at the time any such resolution is presented to the Board of Directors for adoption) or (ii) in writing, of holders of at least two-thirds of the total voting power of all outstanding shares of Common Stock of the Corporation as of the date of the request (hereinafter, the “**Requisite Percentage**”); provided, however, that a special meeting requested pursuant to the foregoing clause (ii) (a “**Stockholder Requested Special Meeting**”) shall be called by the Secretary only if the stockholder(s) requesting such meeting comply with this Section 2.3 and applicable law. The Board of Directors may postpone, reschedule or cancel any special meeting of stockholders previously called by them.

(b) No business may be transacted at a special meeting of stockholders other than business that is either (i) proposed business stated in a valid Special Meeting Request (as defined below), (ii) specified in the notice of meeting (or any supplement thereto) given by, or at the direction of, the Board of Directors or (iii) otherwise properly brought before a special meeting by, or at the direction of, the Board of Directors or the chair of the meeting. Without qualification, a Stockholder Requested Special Meeting shall not be called unless one (1) or more stockholders owning the Requisite Percentage timely provide one (1) or more requests to call such special meeting in proper written form to the Secretary at the principal executive office of the Corporation. To be in proper written form for purposes of this Section 2.3(b), a stockholder’s request to call a special meeting shall include the signature and the date of signature by the stockholder submitting such request and set forth (A) if such stockholder is a stockholder of record, the name and address of such stockholder as they appear in the Corporation’s books and if such stockholder is not a stockholder of record, the name and address of such stockholder, (B) a brief description of the proposed business, (C) the text of the proposal with respect to the proposed business (including the complete text of any resolutions proposed for consideration and, in the event that such proposed business includes a proposal to amend the Certificate of Incorporation or these Bylaws, the language of the proposed amendment), (D) the reasons for conducting the proposed business at the special meeting and (E) unless such stockholder is a Solicited Stockholder (as defined below), as to each item of proposed business, each Calling Person (as defined below) and each Stockholder Associated Person (as defined in Section 2.11(f)(viii)(G) below but substituting “Calling Person” in all places where “Noticing Party” appears in such definition), the information required to be set forth in a notice under Section 2.11(c) of these Bylaws as if the proposed business were to be considered at an annual meeting of stockholders, except that for purposes of this Section 2.3(b), the term “Calling Person” shall be substituted for the term “Noticing Party” in all places it appears in Section 2.11(c) of these Bylaws. The Calling Person shall further comply with the procedures set forth in Section 2.11(f)(i) through (jii) with respect to the Special Meeting Request. For purposes hereof, a “**Calling Person**” means the stockholder of record submitting the request to call a special meeting, or if different from the stockholder of record, the beneficial owner or beneficial owners submitting such request or any Affiliate (as defined below) of such stockholder of record or beneficial owner(s); “**Solicited Stockholder**” means any stockholder that has provided a request to call a special meeting in response to a solicitation made pursuant to, and in accordance with, Section 14 of the Securities Exchange Act of 1934, as amended (such act, and

the rules and regulations promulgated thereunder, the “**Exchange Act**”) by way of a solicitation statement filed with the U.S. Securities and Exchange Commission under the Exchange Act; and “**Special Meeting Request**” refers to a request to call a special meeting that is delivered to the Secretary by a stockholder and otherwise complies with this Section 2.3.

(c) The Secretary shall not accept, and shall consider ineffective, any Special Meeting Request that (i) does not comply with this Section 2.3, (ii) relates to an item of business proposed to be transacted at the special meeting that is not a proper subject for stockholder action under applicable law, or (iii) otherwise does not comply with applicable law. If the Board of Directors determines that any Special Meeting Request was not properly made in accordance with this Section 2.3 or determines that the stockholders making the Special Meeting Request have not otherwise complied with this Section 2.3, then the Board of Directors shall not be required to fix a special meeting record date or to call and hold a special meeting. In addition to the requirements of this Section 2.3, each Calling Person and stockholder making a Special Meeting Request shall comply with all requirements of applicable law, including all requirements of the Exchange Act, with respect to any request to call a special meeting.

(d) A stockholder may revoke a Special Meeting Request by written revocation delivered to the Secretary at any time prior to the Stockholder Requested Special Meeting. If written revocation(s) of the Special Meeting Request have been delivered to the Secretary and the result is that (after giving effect to all revocations) stockholders holding less than the Requisite Percentage have delivered Special Meeting Requests to the Secretary: (i) if the notice of meeting has not already been mailed to stockholders, the Secretary shall refrain from mailing the notice of the Stockholder Requested Special Meeting or (ii) if the notice of meeting has already been mailed to stockholders, the Secretary shall revoke the notice of the Stockholder Requested Special Meeting. If, subsequent to the refraining from mailing of the notice of meeting pursuant to clause (i) of the immediately preceding sentence or subsequent to the revocation of the notice of meeting pursuant to clause (ii) of the immediately preceding sentence, as applicable, the Secretary has received Special Meeting Requests from stockholders holding the Requisite Percentage, then, at the option of the Board of Directors, either (A) the original record date and meeting date, time and location for the Stockholder Requested Special Meeting set in accordance with Section 2.3(e) below shall apply with respect to the Stockholder Requested Special Meeting or (B) the Board of Directors may disregard the original record date and meeting date, time and location for the Stockholder Requested Special Meeting from those originally set in accordance with Section 2.3(e) below and, within ten (10) days following the date on which the Secretary has received the Special Meeting Requests from stockholders holding the Requisite Percentage, set a new record date and meeting date, time and location for the Stockholder Requested Special Meeting (and, in such case, notice of the Stockholder Requested Special Meeting shall be given in accordance with Section 2.4 below).

(e) Subject to Section 2.3(d) above, within ten (10) days following the date on which the Secretary has received Special Meeting Requests in accordance with this Section 2.3 from stockholders holding the Requisite Percentage, the Board of Directors shall fix the record date and meeting date, time and location for the Stockholder Requested Special Meeting; provided, however, that the date of any such Stockholder Requested Special Meeting shall not be more than ninety (90) days after the date on which valid Special Meeting Requests from stockholders holding

the Requisite Percentage are delivered to the Secretary (and are not revoked). Notwithstanding anything in these Bylaws to the contrary, the Board of Directors may submit its own proposal or proposals for consideration at any Stockholder Requested Special Meeting. Subject to the foregoing provisions of this Section 2.3, the record date for the Stockholder Requested Special Meeting shall be fixed in accordance with Section 6.5 below, and the Board of Directors shall provide notice of the Stockholder Requested Special Meeting in accordance with Section 2.4 below.

(f) Notwithstanding the foregoing, a Stockholder Requested Special Meeting need not be held for an item of business if (i) the date that the valid Special Meeting Requests from stockholders holding the Requisite Percentage are received is during the period commencing ninety (90) days prior to the first anniversary of the date of the immediately preceding annual meeting and ending on the earlier of (A) the date of the next annual meeting and (B) thirty (30) days after the first anniversary of the date of the immediately preceding annual meeting or (ii) the Board of Directors determines that the solicitation of votes for the items of business to be brought before the Stockholder Requested Special Meeting was made in a manner that involved a violation of Regulation 14A under the Exchange Act or any other applicable law.

(g) Notwithstanding anything in these Bylaws to the contrary, the Board of Directors may submit its own proposal or proposals for consideration at a special meeting called pursuant to Section 2.3(a)(ii).

Section 2.4 Notice of Meetings

Except as otherwise provided by law, written notice of all meetings must be given stating the date, time and place, if any, of the meeting, the means of remote communication, if any, by which stockholders and proxy holders may be deemed to be present in person and vote at such meeting, and in the case of a special meeting, the purpose or purposes for which the meeting is called. Except as otherwise provided by law or the Certificate of Incorporation, the written notice of any meeting must be given either personally, by mail or by electronic transmission (as defined below) to each stockholder entitled to vote at that meeting not less than ten (10) nor more than sixty (60) days before the date of the meeting.

Section 2.5 Quorum

Except as otherwise provided by law, by the Certificate of Incorporation or by these Bylaws, a majority of the shares entitled to vote, present in person or represented by proxy, constitutes a quorum at all meetings of the stockholders. Withdrawal of any stockholders present or represented by proxy at any meeting of stockholders will not cause failure of a duly constituted quorum at that meeting. Shares of the Corporation's own stock belonging to the Corporation or to another corporation, if a majority of the shares entitled to vote in the election of directors of such other corporation is held, directly or indirectly, by the Corporation, are neither entitled to vote nor may they be counted for quorum purposes; provided, however, that the foregoing does not limit the right of any corporation to vote stock, including but not limited to its own stock, held by it in a fiduciary capacity. The chair of the meeting or the stockholders present in person or represented by proxy, by vote of a majority of the shares represented, may adjourn the meeting despite the absence of a quorum.

Section 2.6 Adjournments

Any meeting of stockholders, whether annual or special, may be adjourned or recessed from time to time either by the chair of the meeting or by the vote of a majority of the shares present in person or represented by proxy at the meeting. When a meeting is adjourned or recessed to another time or place, notice need not be given of the adjourned or recessed meeting if the time and the place thereof, and the means of remote communication, if any, by which stockholders and proxy holders may be deemed to be present in person and vote at such meeting, are (a) announced at the meeting at which the adjournment or recess is taken, (b) displayed during the time scheduled for the meeting, on the same electronic network used to enable stockholders and proxy holders to participate in the meeting by means of remote communication or (c) set forth in the notice of meeting given in accordance with these Bylaws. At the adjourned or recessed meeting, the Corporation may transact any business that might have been transacted at the original meeting. If the adjournment is for more than thirty (30) days, or if after the adjournment a new record date is fixed for the adjourned meeting, a notice of the adjourned meeting must be given to each stockholder of record entitled to vote at the meeting.

Section 2.7 Voting

(a) **Record Name.** Except as otherwise provided by law, only persons in whose names shares entitled to vote stand on the stock records of the Corporation on the record date for determining the stockholders entitled to vote at a meeting will be entitled to vote at such meeting.

(b) **Votes Per Share.** Unless otherwise provided by law or by the Certificate of Incorporation, each stockholder entitled to vote at any meeting of stockholders is entitled to one (1) vote for each share of stock held by such stockholder which has voting power upon the matter in question. In the election of directors, and for any other action, voting need not be by written ballot unless the holders of a majority of the outstanding shares of all classes of stock entitled to vote thereon present in person or by proxy at such meeting or the chair of the meeting so determine.

(c) **Vote Required - Election of Directors.**

(i) **Majority/Plurality.** Except as otherwise provided by these Bylaws, a nominee for director must be elected by a majority of the votes cast in person or by proxy with respect to such nominee's election at any meeting of the stockholders that includes the election of directors at which a quorum is present. For purposes of this Section 2.7(c), a majority of the votes cast means that the number of votes cast "for" a nominee's election exceeds the number of votes cast "against" that nominee's election. Notwithstanding the foregoing, a nominee for director will be elected by a plurality of the votes cast in person or by proxy at any meeting of the stockholders that includes the election of directors at which a quorum is present if, as of the tenth (10th) day preceding the date the Corporation first mails its notice of meeting for such meeting to the stockholders of the Corporation, the number of nominees exceeds the number of directors to be elected (a "**Contested Election**"), provided that with respect to any nominee proposed or nominated by a stockholder, the Secretary must have received notice under Section 2.11 of these Bylaws. For purposes of this Section 2.7(c), if plurality voting is applicable to the election of directors at any meeting, the nominees who receive the highest number of votes cast "for,"

Exhibit 3.1

without regard to votes cast “against” or “withhold,” will be elected as directors up to the total number of directors to be elected at that meeting. Abstentions and broker non-votes will not count as a vote cast with respect to any election of directors.

(ii) Resignations. In order for any incumbent director to become a nominee of the Board of Directors for further service on the Board of Directors, such person must submit an irrevocable resignation, contingent on (A) that person not receiving a majority of the votes cast in an election that is not a Contested Election, and (B) acceptance of that resignation by the Board of Directors in accordance with policies and procedures adopted by the Board of Directors for such purpose. If an incumbent director fails to receive a majority of votes cast in an election that is not a Contested Election, the Nominating and Governance Committee will, within sixty (60) days after the date of certification of the election results, recommend to the Board of Directors whether to accept or reject the resignation of such incumbent director, or whether other action should be taken. The Board of Directors will act on the resignation, taking into account the Nominating and Governance Committee’s recommendation, and within ninety (90) days after the date of certification of the election results, the Board of Directors will disclose its decision and rationale regarding whether to accept the resignation (or the reasons for rejecting the resignation, if applicable) in a press release, filing with the Securities and Exchange Commission or by other public announcement. Notwithstanding the foregoing, in the event that (1) the Nominating and Governance Committee fails to make a recommendation within sixty (60) days after the date of certification of the election results, or (2) a majority of the members of the Nominating and Governance Committee are nominees for director who did not receive a majority of the votes cast in an election that is not a Contested Election, the Board of Directors will make the determination to accept or reject the resignations without any recommendation from the Nominating and Governance Committee. The Nominating and Governance Committee and the Board of Directors may consider any factors and other information they deem appropriate and relevant in deciding whether to accept a director’s resignation.

(iii) Following Board Determination. If an incumbent director fails to receive the required vote for reelection in an election that is not a Contested Election and such director’s resignation is not accepted by the Board of Directors, such director will continue to serve until the expiration date of such director’s term in office or until such director’s earlier death, resignation, retirement, disqualification or removal from office. If such director’s resignation is accepted by the Board of Directors, or if a nominee for director is not elected and the nominee is not an incumbent director, then the Board of Directors may fill any resulting vacancy pursuant to Section 3.3 of these Bylaws or may decrease the size of the Board of Directors pursuant to Section 3.1 of these Bylaws.

(d) Vote Required - Other. Any matter brought before any meeting of stockholders of the Corporation, other than the election of directors, shall be decided by the affirmative vote of the holders of a majority of the outstanding shares of the Corporation’s Common Stock present in person or by proxy at the meeting and entitled to vote on such matter, unless the matter is one upon which, by express provision of law, the Certificate of Incorporation

or these Bylaws, a different vote is required, in which case such express provision shall govern and control the decision of such matter.

Section 2.8 Proxies

Each stockholder entitled to vote at a meeting of stockholders may authorize another person or persons to act for such stockholder by proxy, which proxy must be filed with the Secretary at or before the meeting at which it is to be used, but no such proxy may be voted or acted upon after three (3) years from its date, unless the proxy expressly provides for a longer period. A stockholder may execute a writing authorizing another person or persons to act for such stockholder as proxy. Execution may be accomplished by the stockholder or such stockholder's authorized officer, director, employee or agent signing such writing or causing such person's signature to be affixed to such writing by any reasonable means including, but not limited to, by facsimile signature. A stockholder may authorize another person or persons to act for such stockholder as proxy by transmitting or authorizing the transmission of a telegram, cablegram, or other means of electronic transmission to the person who will be the holder of the proxy or to a proxy solicitation firm, proxy support service organization or like agent duly authorized by the person who will be the holder of the proxy to receive such transmission, provided that any such telegram, cablegram or other means of electronic transmission must either set forth or be submitted with information from which it can be determined that the telegram, cablegram or other electronic transmission was authorized by the stockholder. If it is determined that such telegrams, cablegrams or other electronic transmissions are valid, the inspectors, or if there are no inspectors, such other persons making that determination must specify the information upon which they relied. Any copy, facsimile telecommunication or other reliable reproduction of the writing or transmission created pursuant to Section 212(c) of the DGCL may be substituted or used in lieu of the original writing or transmission for any and all purposes for which the original writing or transmission could be used, provided that such copy, facsimile telecommunication or other reproduction must be a complete reproduction of the entire original writing or transmission. A duly executed proxy is irrevocable if it states that it is irrevocable and if, and only so long as, it is coupled with an interest sufficient in law to support an irrevocable power. A stockholder may revoke any proxy, which is not irrevocable, by attending the meeting and voting in person or by filing with the Secretary an instrument in writing revoking the proxy or another duly executed proxy bearing a later date.

Section 2.9 List of Stockholders Entitled to Vote

The officer who has charge of the stock ledger must prepare and make, or cause to be prepared and made, at least ten (10) days before every meeting of stockholders, a complete list of the stockholders entitled to vote at the meeting, arranged in alphabetical order, and showing the address of each stockholder and the number of shares registered in the name of each stockholder. Nothing in this section requires the Corporation to include electronic mail addresses or other electronic contact information on that list. The list must be open to the examination of any stockholder, for any purpose germane to the meeting for a period of at least ten (10) days prior to the meeting: (a) on a reasonably accessible electronic network, provided that the information required to gain access to such list is provided with the notice of the meeting; or (b) during ordinary business hours, at the principal place of business of the Corporation. In the event that the Corporation determines to make the list available on an electronic network, the Corporation may

take reasonable steps to ensure that such information is available only to stockholders of the Corporation.

Section 2.10 Stock Ledger

The stock ledger of the Corporation is the only evidence as to who are the stockholders entitled to examine the stock ledger, the list of stockholders required by Section 2.9 or the books of the Corporation, or to vote in person or by proxy at any meeting of stockholders.

Section 2.11 Notice of Stockholder Nominations and Other Business

(a) Proper Business; Nominations at Annual Meetings. No business may be transacted at an annual meeting of stockholders, other than business that is: (i) specified in the notice of meeting (or any supplement thereto) given by or at the direction of the Board of Directors (or any duly authorized committee thereof); (ii) otherwise properly brought before the annual meeting by or at the direction of the Board of Directors (or any duly authorized committee thereof); or (iii) otherwise properly brought before the annual meeting by any stockholder who (A) is a stockholder of record on the date of the giving of the notice provided for in this Section 2.11 through the date of such annual meeting, (B) is entitled to vote at such annual meeting, and (C) complies with the notice procedures set forth in this Section 2.11. Such other business must be a proper matter for stockholder action under the DGCL. For the avoidance of doubt, compliance with the foregoing clause (iii), or with Section 2.12 of these Bylaws, in the case of director nominations, shall be the exclusive means for a stockholder to make nominations, or to propose any other business (other than a proposal included in the Corporation's proxy materials pursuant to and in compliance with Rule 14a-8 under Exchange Act), at an annual meeting of stockholders.

(b) Timeliness of Notice for Annual Meetings. In addition to any other applicable requirements, for nominations and other business to be properly brought before an annual meeting by a stockholder pursuant to Section 2.11(a)(iii) above, the stockholder must have given timely notice thereof in proper written form to the Secretary and, in the case of business other than nominations, such business must be a proper matter for stockholder action. To be timely, a stockholder's notice to the Secretary (other than a request for inclusion of a proposal in the Corporation's proxy statement pursuant to Rule 14a-8 under the Exchange Act) must be delivered to, or mailed and received at, the Corporation's principal executive offices (addressed to the attention of the Secretary) by the close of business not later than ninety (90) days nor earlier than one hundred twenty (120) days prior to the anniversary date of the immediately preceding annual meeting of stockholders. Provided, however, that in the event that the annual meeting is called for a date that is more than thirty (30) days before or more than sixty (60) days after such anniversary date or if no annual meeting was held in the preceding year, notice by the stockholder in order to be timely must be delivered to, or mailed and received at, the Corporation's principal executive offices not later than the close of business on the later of (i) the tenth (10th) day following the day on which public announcement of the date of the annual meeting was made and (ii) ninety (90) days prior to the annual meeting and not earlier than the close of business one hundred twenty (120) days prior to the annual meeting. In the event that the number of a class of directors to be elected is increased and there is no public announcement naming all of the nominees for director or specifying the size of the increased Board of Directors made by the Corporation at least one hundred (100) days prior to the first (1st) anniversary of the preceding year's annual meeting, a

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stockholder's notice required by this Section 2.11 will also be considered timely, but only with respect to nominees for any new positions created by such increase, if the notice is delivered to, or mailed and received at, the Corporation's principal executive offices (addressed to the attention of the Secretary) not later than ten (10) days following the day on which the Corporation makes such public announcement.

(c) Information Required. To be in proper written form, the notice of any stockholder of record giving notice pursuant to this Section 2.11 (each, a "**Noticing Party**") must include all of the following:

(i) as to each person whom the stockholder proposes to nominate for election or reelection as a director (each, a "**Proposed Nominee**"):

(A) the name, age, business address and residential address of such Proposed Nominee;

(B) the principal occupation and employment of such Proposed Nominee;

(C) a description of all direct and indirect compensation and other material monetary agreements, arrangements or understandings, written or oral, during the past three (3) years, and any other material relationships, between or among such Proposed Nominee, on the one hand, and any Noticing Party or any Stockholder Associated Person (other than such Proposed Nominee), on the other hand, or that such Proposed Nominee knows any of such Proposed Nominee's Associates (as defined below) has with any Noticing Party or any Stockholder Associated Person, including all information that would be required to be disclosed pursuant to Item 404 promulgated under Regulation S-K as if such Noticing Party and any Stockholder Associated Person (other than the Proposed Nominee) were the "registrant" for purposes of such rule and the Proposed Nominee were a director or executive officer of such registrant;

(D) a description of any business or personal interests that would reasonably be expected to place such Proposed Nominee in a potential conflict of interest with the Corporation or any of its subsidiaries;

(E) the date(s) of first contact between the Noticing Party or any Stockholder Associated Person, on the one hand, and the nominee, on the other hand, with respect to any proposed nomination(s) of any person(s) (including the Proposed Nominee) for election as a director of the Corporation;

(F) a written questionnaire with respect to the background and qualifications of such Proposed Nominee, completed by such Proposed Nominee in the form required by the Corporation (in the form to be provided by the Secretary within ten (10) days after receiving a written request therefor from any stockholder of record identified by name);

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(G) a written representation and agreement completed by such Proposed Nominee in the form required by the Corporation (in the form to be provided by the Secretary within ten (10) days after receiving a written request therefor from any stockholder of record identified by name) providing that such Proposed Nominee: (1) is not and will not become a party to any agreement, arrangement or understanding with, and has not given any commitment or assurance to, any person or entity as to how such Proposed Nominee, if elected as a director of the Corporation, will act or vote on any issue or question (a “**Voting Commitment**”) that has not been disclosed to the Corporation or any Voting Commitment that could limit or interfere with such Proposed Nominee’s ability to comply, if elected as a director of the Corporation, with such Proposed Nominee’s fiduciary duties under applicable law; (2) is not and will not become a party to any agreement, arrangement or understanding with any person or entity other than the Corporation with respect to any direct or indirect compensation, reimbursement or indemnification in connection with service or action as a director or nominee with respect to the Corporation that has not been disclosed to the Corporation; (3) will, if elected as a director of the Corporation, comply with all applicable rules of any securities exchanges upon which the Corporation’s securities are listed, the Certificate of Incorporation, these Bylaws, all applicable publicly disclosed corporate governance, ethics, conflict of interest, confidentiality, stock ownership and trading policies and all other guidelines and policies of the Corporation generally applicable to directors (which other guidelines and policies will be provided to such Proposed Nominee within five (5) business days after the Secretary receives any written request therefor from such Proposed Nominee), and all applicable fiduciary duties under state law; (4) consents to being named as a nominee in the Corporation’s proxy statement and form of proxy for the meeting and consents to the public disclosure of information regarding or relating to such Proposed Nominee provided to the Corporation by such Proposed Nominee or otherwise pursuant to these Bylaws; (5) intends to serve a full term as a director of the Corporation, if elected; and (6) will provide facts, statements and other information in all communications with the Corporation and its stockholders that are or will be true and correct in all material respects and that do not and will not omit to state any fact necessary in order to make the statements made, in light of the circumstances under which they are made, not misleading in any material respect; and

(H) all other information relating to such Proposed Nominee or such Proposed Nominee’s Associates that would be required to be disclosed in a proxy statement in connection with the solicitation of proxies by such Noticing Party or any Stockholder Associated Person for election of directors in an election contest or that is otherwise required, in each case pursuant to the Proxy Rules (as defined below);

(ii) as to any other business that the Noticing Party proposes to bring before the meeting:

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- (A) a brief description of the business desired to be brought before the meeting;
 - (B) the reasons for conducting such business at the meeting;
 - (C) the text of the proposal or business (including the complete text of any resolutions proposed for consideration and, in the event that such business includes a proposal to amend the Certificate of Incorporation or these Bylaws, the text of the proposed amendment); and
 - (D) all other information relating to such business that would be required to be disclosed in a proxy statement in connection with the solicitation of proxies by such Noticing Party or any Stockholder Associated Person in support of such proposed business pursuant to the Proxy Rules;
- (iii) as to such Noticing Party and each Stockholder Associated Person:
- (A) the name and address of such Noticing Party and each Stockholder Associated Person (including, as applicable, as they appear on the Corporation's books and records);
 - (B) the class, series and number of shares of capital stock (if any) of the Corporation that are, directly or indirectly, owned beneficially or of record (specifying the type of ownership) by such Noticing Party or any Stockholder Associated Person (including any right to acquire beneficial ownership at any time in the future, whether such right is exercisable immediately or only after the passage of time or the fulfillment of a condition) and the date or dates on which such shares were acquired;
 - (C) the name of each nominee holder for, and number of, any securities of the Corporation owned beneficially but not of record by such Noticing Party or any Stockholder Associated Person and any pledge by such Noticing Party or any Stockholder Associated Person with respect to any of such securities;
 - (D) (1) a description of all agreements, arrangements or understandings, written or oral, (including any derivative or short positions, profit interests, hedging transactions, forwards, futures, swaps, options, warrants, convertible securities, stock appreciation or similar rights, repurchase agreements or arrangements, borrowed or loaned shares and so-called "stock borrowing" agreements or arrangements) that have been entered into by, or on behalf of, such Noticing Party or any Stockholder Associated Person, the effect or intent of which is to mitigate loss, manage risk or benefit from changes in the price of any securities of the Corporation, or maintain, increase or decrease the voting power of such Noticing Party or any Stockholder Associated Person with respect to securities of the Corporation, whether or not such instrument or right shall be subject to settlement in underlying shares of capital stock of the Corporation (any of the foregoing, a "**Derivative Instrument**") and (2) all other information relating to

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Derivative Instruments that would be required to be disclosed in a proxy statement in connection with the solicitation of proxies by such Noticing Party or any Stockholder Associated Person in support of the business proposed by such Noticing Party, if any, or for the election of any Proposed Nominee in a contested election pursuant to the Proxy Rules if the creation, termination or modification of Derivative Instruments were treated the same as trading in the securities of the Corporation under the Proxy Rules;

(E) any substantial interest, direct or indirect (including any existing or prospective commercial, business or contractual relationship with the Corporation), of such Noticing Party or, to the knowledge of such Noticing Party (or the beneficial owner(s) on whose behalf such Noticing Party is submitting a notice to the Corporation), any Stockholder Associated Person in the Corporation or any Affiliate thereof or in the proposed business or nomination(s) to be brought before the meeting by such Noticing Party, other than an interest arising from the ownership of Corporation securities where such Noticing Party or such Stockholder Associated Person receives no extra or special benefit not shared on a *pro rata* basis by all other holders of the same class or series;

(F) a description of all agreements, arrangements or understandings, written or oral, (1) between or among such Noticing Party and any Stockholder Associated Person or (2) between or among such Noticing Party or, to the knowledge of such Noticing Party (or the beneficial owner(s) on whose behalf such Noticing Party is submitting a notice to the Corporation), any Stockholder Associated Person and any other person or entity (naming each such person or entity), in each case, relating to acquiring, holding, voting or disposing of any securities of the Corporation, including any proxy (other than any revocable proxy given in response to a solicitation made pursuant to, and in accordance with, the Proxy Rules by way of a solicitation statement filed on Schedule 14A);

(G) any rights to dividends on the shares of the Corporation owned beneficially by such Noticing Party or any Stockholder Associated Person that are separated or separable from the underlying shares of the Corporation;

(H) any proportionate interest in shares of the Corporation or Derivative Instruments held, directly or indirectly, by a general or limited partnership, limited liability company or similar entity in which such Noticing Party or any Stockholder Associated Person is (1) a general partner or, directly or indirectly, beneficially owns an interest in a general partner of such general or limited partnership or (2) the manager, managing member or, directly or indirectly, beneficially owns an interest in the manager or managing member of such limited liability company or similar entity;

(I) any direct or indirect interest (other than solely as a result of security ownership) of such Noticing Party or, to the knowledge of such Noticing Party (or the beneficial owner(s) on whose behalf such Noticing Party is submitting a notice to the Corporation), any Stockholder Associated Person in any agreement

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with the Corporation or any Affiliate of the Corporation (including any employment agreement, collective bargaining agreement or consulting agreement);

(J) a representation that (1) neither such Noticing Party nor any Stockholder Associated Person has breached any agreement, arrangement or understanding with the Corporation except as disclosed to the Corporation pursuant hereto and (2) such Noticing Party and each Stockholder Associated Person has complied, and will comply, with all applicable requirements of state law and the Exchange Act with respect to the matters set forth in this Section 2.11;

(K) all information that would be required to be set forth in a Schedule 13D filed pursuant to Rule 13d-1(a) under the Exchange Act or an amendment pursuant to Rule 13d-2(a) under the Exchange Act if such a statement were required to be filed under the Exchange Act by such Noticing Party or any Stockholder Associated Person with respect to the Corporation (regardless of whether such person or entity is actually required to file a Schedule 13D), including a description of any agreement, arrangement or understanding that would be required to be disclosed by such Noticing Party or any Stockholder Associated Person pursuant to Item 5 or Item 6 of Schedule 13D;

(L) a certification that such Noticing Party and each Stockholder Associated Person has complied with all applicable federal, state and other legal requirements in connection with such Noticing Party's or Stockholder Associated Person's acquisition of shares of capital stock or other securities of the Corporation and such Noticing Party's or Stockholder Associated Person's acts or omissions as a stockholder of the Corporation, if such Stockholder Associated Person is a stockholder of the Corporation; and

(M) all other information relating to such Noticing Party or any Stockholder Associated Person that would be required to be disclosed in a proxy statement in connection with the solicitation of proxies by such Noticing Party or any Stockholder Associated Person in support of the business proposed by such Noticing Party, if any, or for the election of any Proposed Nominee in a contested election pursuant to the Proxy Rules;

provided, however, that the disclosures described in the foregoing subclauses (A) through (M) shall not include any such disclosures with respect to the ordinary course business activities of any depository or any broker, dealer, commercial bank, trust company or other nominee who is a Noticing Party solely as a result of being the stockholder directed to prepare and submit the notice required by these Bylaws on behalf of a beneficial owner (any such entity, an "**Exempt Party**").

(iv) a representation that such Noticing Party intends to appear at the meeting or cause a Qualified Representative (as defined below) of such Noticing Party to appear at the meeting to bring such business before the meeting or nominate any Proposed Nominees, as applicable, and an acknowledgment that, if such Noticing Party (or a

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Qualified Representative of such Noticing Party) does not appear to present such business or Proposed Nominees, as applicable, at such meeting, the Corporation need not present such business or Proposed Nominees for a vote at such meeting, notwithstanding that proxies in respect of such vote may have been received by the Corporation;

(v) a description of any pending or, to the knowledge of such Noticing Party (or the beneficial owner(s) on whose behalf such Noticing Party is submitting a notice to the Corporation), threatened legal proceeding or investigation in which such Noticing Party or any Stockholder Associated Person is a party or participant directly involving or directly relating to the Corporation or, to the knowledge of such Noticing Party (or the beneficial owner(s) on whose behalf such Noticing Party is submitting a notice to the Corporation), any current or former officer, director or Affiliate of the Corporation;

(vi) identification of the names and addresses of other stockholders (including beneficial owners) known by such Noticing Party (or the beneficial owner(s) on whose behalf such Noticing Party is submitting a notice to the Corporation) to provide financial support of the nomination(s) or other business proposal(s) submitted by such Noticing Party and, to the extent known, the class and number of shares of the Corporation's capital stock owned beneficially or of record by such other stockholder(s) or other beneficial owner(s); and

(vii) a representation from such Noticing Party as to whether such Noticing Party or any Stockholder Associated Person intends or is part of a group (as such term is used in Rule 13d-5 under the Exchange Act) that intends to (A), in the case of a nomination, solicit proxies or votes in support of the Proposed Nominee(s) in accordance with Rule 14a-19 under the Exchange Act and (B) engage in a solicitation (within the meaning of Exchange Act Rule 14a-1(l)) with respect to the nomination of any Proposed Nominee(s) or proposed business to be considered at the meeting, as applicable, and if so, the name of each participant (as defined in Instruction 3 to Item 4 of Schedule 14A under the Exchange Act) in such solicitation.

(d) Additional Information. In addition to the information required pursuant to the foregoing provisions of this Section 2.11, the Corporation may require any Noticing Party to furnish such other information that would reasonably be expected to be material to a reasonable stockholder's understanding of (i) any item of business proposed by such Noticing Party under this Section 2.11, (ii) the solicitation of proxies from the Corporation's stockholders by the Noticing Party (or any Stockholder Associated Person) or (iii) the eligibility, suitability or qualifications of a Proposed Nominee to serve as a director of the Corporation or the independence, or lack thereof, of such Proposed Nominee, under the listing standards of each securities exchange upon which the Corporation's securities are listed, any applicable rules of the Securities and Exchange Commission, any publicly disclosed standards used by the Board of Directors in selecting nominees for election as a director and for determining and disclosing the independence of the Corporation's directors, including those applicable to a director's service on any of the committees of the Board of Directors, or the requirements of any other laws or regulations applicable to the Corporation. If requested by the Corporation, any supplemental information

required under this paragraph shall be provided by a Noticing Party within ten (10) days after it has been requested by the Corporation.

(e) **Special Meeting Nominations.** At any special meeting of the stockholders, only such business may be conducted as is brought before the meeting pursuant to the Corporation's notice of meeting (or any supplement thereto). In the event that a special meeting of the stockholders is called for the purpose of electing one (1) or more directors, nominations of a person or persons for election may be made (i) by or at the direction of the Board of Directors (or any duly authorized committee thereof) or (ii) by any stockholder of the Corporation who (A) is a stockholder of record on the date of the giving of the notice provided for in this Section 2.11(e) through the date of such special meeting, (B) is entitled to vote at such special meeting and upon such election and (C) complies with the notice procedures set forth in this Section 2.11. In addition to any other applicable requirements, for director nominations to be properly brought before a special meeting by a stockholder pursuant to the foregoing clause (ii), such stockholder must have given timely notice thereof in proper written form to the Secretary. To be timely, a stockholder's notice to the Secretary must be delivered to, or mailed and received at, the Corporation's principal executive offices (addressed to the attention of the Secretary) not later than the close of business on the later of (1) the tenth (10th) day following the day on which public announcement of the date of the special meeting was made and (2) ninety (90) days prior to the special meeting and not earlier than the close of business one hundred twenty (120) days prior to the special meeting. To be in proper written form, such notice shall include all information required pursuant to Section 2.11(c) above, and such stockholder and any Proposed Nominee shall comply with Section 2.11(d) above, as if such notice were being submitted in connection with an annual meeting of stockholders.

(f) **General.**

(i) A Noticing Party shall update such Noticing Party's notice provided under the foregoing provisions of this Section 2.11, if necessary, so that the information provided or required to be provided in such notice pursuant to this Section 2.11 is true and correct in all material respects as of the (A) record date for determining the stockholders entitled to receive notice of the meeting and (B) date that is ten (10) business days prior to the meeting or any adjournment, postponement or rescheduling thereof, and such update shall be delivered to, or mailed and received at, the Corporation's principal executive offices (addressed to the attention of the Secretary) (1) not later than five (5) business days after the record date for determining the stockholders entitled to receive notice of the annual meeting (in the case of an update required to be made under clause (A)) and (2) not later than the close of business seven (7) business days prior to the date of the meeting or, if practicable, any postponement, rescheduling or adjournment thereof (and, if not practicable, on the first practicable date prior to the date to which the meeting has been postponed, rescheduled or adjourned) (in the case of an update required to be made pursuant to clause (B)), (x) it shall be made only to the extent that information has changed since such Noticing Party's prior submission and (y) clearly identify the information that has changed in any material respect since such Noticing Party's prior submission. For the avoidance of doubt, any information provided pursuant to this Section 2.11(f)(i) shall not be deemed to cure any deficiencies or inaccuracies in a notice previously delivered

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pursuant to this Section 2.11 and shall not extend the time period for the delivery of notice pursuant to this Section 2.11. If a Noticing Party fails to provide any update in accordance with the foregoing provisions of this Section 2.11(f)(i), the information as to which such written update relates may be deemed not to have been provided in accordance with this Section 2.11.

(ii) If any information submitted pursuant to this Section 2.11 by any Noticing Party nominating individuals for election or reelection as a director or proposing business for consideration at a stockholder meeting shall be inaccurate in any material respect (as determined by the Board of Directors or a committee thereof), such information may be deemed not to have been provided in accordance with this Section 2.11. Any such Noticing Party shall notify the Secretary in writing of any material inaccuracy or change in any information submitted pursuant to this Section 2.11 (including if any Noticing Party or any Stockholder Associated Person no longer intends to solicit proxies in accordance with the representation made pursuant to Article II, Section 2.11(c)(vii)) within two (2) business days after becoming aware of such material inaccuracy or change, and any such notification shall clearly identify the inaccuracy or change, it being understood that no such notification may cure any deficiencies or inaccuracies with respect to any prior submission by such Noticing Party. Upon written request of the Secretary on behalf of the Board of Directors (or a duly authorized committee thereof), any such Noticing Party shall provide, within seven (7) business days after delivery of such request (or such other period as may reasonably be specified in such request), (A) written verification, reasonably satisfactory to the Board of Directors, any committee thereof or any authorized officer of the Corporation, to demonstrate the accuracy of any information submitted by such Noticing Party pursuant to this Section 2.11 and (B) a written affirmation of any information submitted by such Noticing Party pursuant to this Section 2.11 as of an earlier date. If a Noticing Party fails to provide such written verification or affirmation within such period, the information as to which written verification or affirmation was requested may be deemed not to have been provided in accordance with this Section 2.11.

(iii) Notwithstanding anything herein to the contrary, if (A) any Noticing Party or any Stockholder Associated Person provides notice pursuant to Rule 14a-19(b) under the Exchange Act with respect to any Proposed Nominee(s) and (B)(1) such Noticing Party or Stockholder Associated Person subsequently either (x) notifies the Corporation that such Noticing Party or Stockholder Associated Person no longer intends to solicit proxies in support of the election or reelection of such Proposed Nominee(s) in accordance with Rule 14a-19(b) under the Exchange Act or (y) fails to comply with the requirements of Rule 14a-19(a)(2) or Rule 14a-19(a)(3) under the Exchange Act (or fails to timely provide reasonable evidence sufficient to satisfy the Corporation that such Noticing Party or Stockholder Associated Person has met the requirements of Rule 14a-19(a)(3) under the Exchange Act in accordance with the following sentence) and (2) no other Noticing Party or Stockholder Associated Person that has provided notice pursuant to Rule 14a-19(b) under the Exchange Act with respect to such Proposed Nominee(s) (x) to the Corporation's knowledge based on information provided pursuant to Rule 14a-19 under the Exchange Act or these Bylaws, still intends to solicit proxies in support of the election or reelection of such Proposed Nominee(s) in accordance with Rule 14a-19(b) under the Exchange Act

and (y) has complied with the requirements of Rule 14a-19(a)(2) and Rule 14a-19(a)(3) under the Exchange Act and the requirements set forth in the following sentence, then the Corporation shall disregard any proxies or votes solicited for such Proposed Nominee(s) regardless of the person or entity who solicited such proxies (notwithstanding that proxies may have been received by the Corporation). Upon request by the Corporation, if any Noticing Party or any Stockholder Associated Person provides notice pursuant to Rule 14a-19(b) under the Exchange Act, such Noticing Party shall deliver to the Secretary, no later than five (5) business days prior to the applicable meeting date, reasonable evidence that the requirements of Rule 14a-19(a)(3) under the Exchange Act have been satisfied.

(iv) In addition to complying with the foregoing provisions of this Section 2.11, a Noticing Party shall also comply with all applicable requirements of state law and the Exchange Act with respect to the matters set forth in this Section 2.11. Nothing in these Bylaws is deemed to affect any rights of (A) stockholders to request inclusion of proposals in the Corporation's proxy statement pursuant to Rule 14a-8 of the Exchange Act or any successor rule, (B) stockholders to request inclusion of nominees in the Corporation's proxy statement pursuant to the Proxy Rules or (C) the holders of any series of preferred stock to elect directors pursuant to any applicable provisions of the Certificate of Incorporation.

(v) Only such persons who are nominated by the Board of Directors or by a stockholder in accordance with the procedures set forth in this Section 2.11 or Section 2.12 of these Bylaws will be eligible to serve as directors and only such business may be conducted at a meeting of stockholders as is brought before the meeting in accordance with the procedures set forth in this Section 2.11 or pursuant to Rule 14a-8 of the Exchange Act; provided, however, that once business has been properly brought before a meeting in accordance with such procedures, nothing in this Section 2.11 will be deemed to preclude discussion by any stockholder of any such business (subject to any rules for the orderly conduct of the meeting as may be adopted by the chair of the meeting or the Board of Directors). The number of Proposed Nominees a stockholder may include in a notice under this Section 2.11 may not exceed the number of directors to be elected at such meeting (based on public announcement by the Corporation prior to the date of such notice), and for the avoidance of doubt, no stockholder shall be entitled to identify any additional or substitute persons as Proposed Nominees following the expiration of the time periods set forth in Section 2.11(b) or Section 2.11(e), as applicable. Except as otherwise provided by law, the chair of the meeting and the Board of Directors each has the power and the duty to determine whether a nomination or any business proposed to be brought before the meeting was made in accordance with the procedures set forth in this Section 2.11 and, if the chair or the Board of Directors determines that any proposed nomination or business is not in compliance with this Section 2.11, to declare that such defective proposal be disregarded and not presented for stockholder action, and no vote shall be taken with respect to such nomination or proposed business, in each case, notwithstanding that proxies with respect to such vote may have been received by the Corporation. Notwithstanding the foregoing provisions of this Section 2.11, unless otherwise required by law, if the Noticing Party (or a Qualified Representative of the Noticing Party) proposing a nominee for director or business to be conducted at a meeting does not appear at the meeting of

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stockholders of the Corporation to present such nomination or propose such business, such proposed nomination shall be disregarded or such proposed business shall not be transacted, as applicable, and no vote shall be taken with respect to such nomination or proposed business, notwithstanding that proxies with respect to such vote may have been received by the Corporation.

(vi) In no event will the adjournment, recess, postponement, judicial stay or rescheduling of an annual or special meeting (or the public announcement thereof) commence a new time period (or extend any time period) for the giving of a stockholder's notice under this Section 2.11.

(vii) For purposes of this Section 2.11, delivery of a proxy statement or delivery of a form of a proxy includes sending a Notice of Internet Availability of Proxy Materials in accordance with Rule 14a-16 under the Exchange Act.

(viii) For purposes of these Bylaws:

(A) “**Affiliate**” and “**Associate**” each shall have the respective meanings set forth in Rule 12b-2 under the Exchange Act;

(B) “**beneficial owner**”, “**beneficial owner**” or “**beneficially owned**” shall have the meaning set forth for such terms in Section 13(d) of the Exchange Act;

(C) “**close of business**” shall mean 5:00 p.m. Eastern Time on any calendar day, whether or not the day is a business day;

(D) “**Proxy Rules**” shall mean Section 14 of the Exchange Act and the rules promulgated thereunder;

(E) “**public announcement**” includes disclosure in a press release issued to a national news service, in a document publicly filed by the Corporation with, or furnished on Form 8-K to, the Securities and Exchange Commission pursuant to the Exchange Act, or other method deemed to be a public announcement under the rules and regulations of the Securities and Exchange Commission;

(F) a “**Qualified Representative**” of a Noticing Party means (1) a duly authorized officer, manager or partner of such Noticing Party or (2) a person authorized by a writing executed by such Noticing Party (or a reliable reproduction or electronic transmission of the writing) delivered by such Noticing Party to the Corporation prior to the making of any nomination or proposal at a stockholder meeting stating that such person is authorized to act for such Noticing Party as proxy at the meeting of stockholders, which writing or electronic transmission, or a reliable reproduction of the writing or electronic transmission, must be produced at the meeting of stockholders; and

(G) “**Stockholder Associated Person**” shall mean, with respect to a Noticing Party and if different from such Noticing Party, any beneficial owner of shares of stock of the Corporation on whose behalf such Noticing Party is providing notice of any nomination or other business proposed: (1) any person or entity who is a member of a group (as such term is used in Rule 13d-5 under the Exchange Act) with such Noticing Party or such beneficial owner(s) with respect to acquiring, holding, voting or disposing of any securities of the Corporation, (2) any Affiliate or Associate of such Noticing Party (other than any Noticing Party that is an Exempt Party) or such beneficial owner(s), (3) any participant (as defined in Instruction 3 to Item 4 of Schedule 14A) with such Noticing Party or such beneficial owner(s) with respect to any proposed business or nomination, as applicable, under these Bylaws, (4) any beneficial owner of shares of stock of the Corporation owned of record by such Noticing Party (other than a Noticing Party that is an Exempt Party) and (5) any Proposed Nominee.

Section 2.12 Proxy Statement Access for Stockholder Director Nominees

(a) Proxy Access at Annual Meetings. Subject to the satisfaction of the requirements of this Section 2.12, if expressly requested in the relevant Nomination Notice (as defined below), the Corporation shall include in its proxy statement for any annual meeting of stockholders:

(i) the name of any Stockholder Nominee (as defined below), which shall also be included on the Corporation’s form of proxy and ballot;

(ii) disclosure about the Stockholder Nominee and the Nominating Stockholder (as defined below) required under the rules of the Securities and Exchange Commission or other applicable law, rule or regulation to be included in the proxy statement; and

(iii) a statement included by the Nominating Stockholder in the Nomination Notice for inclusion in the proxy statement in support of the Stockholder Nominee’s election to the Board of Directors (subject, without limitation, to Section 2.12(f)(iii)), but only if such statement does not exceed 500 words.

For the avoidance of doubt, the provisions of this Section 2.12 shall not apply to a special meeting of stockholders.

(b) Maximum Number of Stockholder Nominees.

(i) The Corporation shall not be required to include in the proxy statement for an annual meeting of stockholders more Stockholder Nominees than the Maximum Number (as defined below). In the event that one or more vacancies for any reason occurs on the Board of Directors after the deadline set forth in Section 2.12(d) but before the date of the annual meeting and the Board of Directors resolves to reduce the size of the Board of Directors in connection therewith, the Maximum Number shall be

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calculated based on the number of directors in office as so reduced. The Maximum Number for a particular annual meeting shall be reduced by:

(A) Stockholder Nominees whose nominations for election at such annual meeting are subsequently withdrawn;

(B) Stockholder Nominees whom the Board of Directors itself decides to nominate for election at such annual meeting;

(C) the number of incumbent directors or director candidates (including candidates who are not Stockholder Nominees) that in either case will be included in the Corporation's proxy materials for an annual meeting of stockholders as unopposed (by the Corporation) nominees pursuant to any agreement, arrangement or other understanding with any stockholder or group of stockholders; and

(D) the number of incumbent directors who were Stockholder Nominees with respect to any of the preceding two annual meetings of stockholders and whose reelection at the upcoming annual meeting is being recommended by the Board of Directors.

(ii) Any Nominating Stockholder submitting more than one (1) Stockholder Nominee for inclusion in the Corporation's proxy materials pursuant to this Section 2.12 shall rank such Stockholder Nominees based on the order that the Nominating Stockholder desires such Stockholder Nominees to be selected for inclusion in the Corporation's proxy materials. In the event that the number of Stockholder Nominees submitted by Nominating Stockholders pursuant to this Section 2.12 exceeds the Maximum Number, the highest ranking Stockholder Nominee who meets the requirements of this Section 2.12 from each Nominating Stockholder will be selected for inclusion in the Corporation's proxy materials until the Maximum Number is reached, going in order of the amount (largest to smallest) of the shares of common stock of the Corporation that each Nominating Stockholder disclosed as Owned (as defined below) in its respective Nomination Notice submitted to the Corporation. This selection process will continue with the next highest ranking Stockholder Nominees as many times as necessary, following the same order each time, until the Maximum Number is reached.

(c) Eligible Stockholders.

(i) An Eligible Stockholder (as defined below) or Nominating Group (as defined below) may submit a nomination in accordance with this Section 2.12 only if the Eligible Stockholder or Nominating Group (in the aggregate) has continuously Owned at least the Minimum Percentage (as defined below) of shares of common stock of the Corporation (as adjusted for any stock splits, stock dividends, subdivisions, combinations, reclassifications, recapitalizations or similar events) throughout the three (3) year period preceding and including the date of submission of the Nomination Notice, and continues to Own at least the Minimum Percentage of shares of common stock of the Corporation through the date of the annual meeting. No shares may be attributed to more than one

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Eligible Stockholder. The following shall be treated as one Eligible Stockholder or one member of a Nominating Group if such Eligible Stockholder or member of a Nominating Group shall provide together with the Nomination Notice documentation that demonstrates compliance with the following criteria: (A) funds under common management and investment control; (B) funds under common management and funded primarily by the same employer; or (C) a “family of investment companies” or a “group of investment companies” (each as defined in or under the Investment Company Act of 1940, as amended).

(ii) For the avoidance of doubt, in the event of a nomination by a Nominating Group, any and all requirements and obligations for a given Eligible Stockholder (including each and every fund or company that comprises the Nominating Group) that are set forth in this Section 2.12 including the minimum holding period, shall apply to each member of such Nominating Group; provided, however, that the Minimum Percentage of shares shall apply to the Ownership (as defined below) of the Nominating Group in the aggregate. In the event that any stockholder withdraws from a Nominating Group at any time prior to the annual meeting of stockholders, the Nominating Group shall only be deemed to Own the shares held by the remaining members of that Nominating Group. No stockholder shall be permitted to be in more than one (1) Nominating Group.

(d) **Timely Nomination Notice.** To be timely, a Nomination Notice must be delivered to, or mailed and received at, the Corporation’s principal executive offices (addressed to the attention of the Secretary) by the close of business not later than one hundred twenty (120) days nor earlier than one hundred fifty (150) days prior to the first anniversary of the date (as stated in the Corporation’s proxy materials relating to that annual meeting) on which the Corporation first mailed its proxy statement for the previous year’s annual meeting of stockholders of the Corporation, except where information or documents are required to be provided after the date the Nomination Notice is first submitted, as set forth in this Section 2.12; provided, however, that, in the event that no annual meeting was held in the previous year or the date of the annual meeting has been changed by more than thirty (30) days from the date of the previous year’s meeting, to be timely, the Nomination Notice must be received not later than the close of business on the tenth (10th) day following the day on which public announcement of the date of the annual meeting is first made. In no event shall the adjournment or postponement of an annual meeting, or the public announcement of such an adjournment or postponement, commence a new time period (or extend any time period) for the giving of a Nomination Notice.

(e) **Nomination Notice.** The Nomination Notice shall consist of, collectively, the following information, documents and agreements which shall, for the avoidance of doubt, be compiled, completed and submitted by the Nominating Stockholder or its representatives at its own cost:

(i) with respect to the Nominating Stockholder or, in the case of a Nominating Group, each member of the Nominating Group, documentary evidence in the form of one or more written statements from the record holder of the shares of common stock of the Corporation (and from each intermediary through which the shares are or have been held during the requisite three-year holding period, provided that each such

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intermediary must be a participant in the Depository Trust Company or an affiliate of a participant in the Depository Trust Company) and a representation from the Nominating Stockholder (or the Authorized Group Member (as defined below) on behalf of each member of a Nominating Group) verifying and certifying that, as of a date within seven (7) calendar days prior to the date of the Nomination Notice, the Nominating Stockholder (individually or collectively, in the case of a Nominating Group) Owns, and has continuously Owned for the preceding three (3) years, the Minimum Percentage of shares, and the Nominating Stockholder's agreement to provide, within five (5) business days after the record date for the annual meeting, documentary evidence in the form of written statements from each record holder and intermediary and a representation from the Nominating Stockholder (or the Authorized Group Member on behalf of each member of a Nominating Group) verifying and certifying the Nominating Stockholder's continuous Ownership (individually or collectively, in the case of a Nominating Group) of the Minimum Percentage of shares through the record date;

(ii) an undertaking to provide immediate notice if the Nominating Stockholder ceases to Own the Minimum Percentage of shares prior to the date of the annual meeting;

(iii) a copy of the Schedule 14N (or any successor form) relating to the Stockholder Nominee, completed and filed with the Securities and Exchange Commission by the Nominating Stockholder as applicable, in accordance with the rules of the Securities and Exchange Commission;

(iv) the written consent of each Stockholder Nominee to being named in the Corporation's proxy statement, form of proxy and ballot as a nominee and to serving as a director, if elected;

(v) a written notice of the nomination of such Stockholder Nominee that includes the following additional information, agreements, representations and warranties by the Nominating Stockholder (including, for the avoidance of doubt, each member of a Nominating Group):

(A) the information and other deliverables that would be required to be set forth in a stockholder's notice of nomination pursuant to Section 2.11 of these Bylaws, as if the Nominating Stockholder were the Noticing Party under that section;

(B) to the extent not included in the response to paragraph (A) above, a detailed description of all material relationships, between or among the Nominating Stockholder, on the one hand, and each Stockholder Nominee, on the other hand, including all information that would be required to be disclosed pursuant to Item 404 of Regulation S-K (or its successor Item) if the Nominating Stockholder were the "registrant" for purposes of such item and the Stockholder Nominee were a director or executive officer of such registrant;

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(C) the details of any relationship that existed within the past three (3) years and that would have been described pursuant to Item 6(e) of Schedule 14N (or any successor item) if it existed on the date of submission of the Schedule 14N;

(D) a representation and warranty that the Nominating Stockholder did not acquire, and is not holding, securities of the Corporation for the purpose or with the effect of influencing or changing control of the Corporation;

(E) a representation and warranty that the Nominating Stockholder has not nominated and an agreement that it will not nominate for election to the Board of Directors at the annual meeting any person other than such Nominating Stockholder's Stockholder Nominee(s);

(F) a representation and warranty that the Nominating Stockholder has not engaged in and an agreement that it will not engage in a "solicitation" within the meaning of Rule 14a-1(l) under the Exchange Act with respect to the annual meeting, other than with respect to such Nominating Stockholder's Stockholder Nominee(s) or any nominee of the Board of Directors;

(G) an agreement that the Nominating Stockholder will not use or distribute any proxy card other than the Corporation's proxy card in soliciting stockholders in connection with the election of a Stockholder Nominee at the annual meeting;

(H) a representation and warranty that the Stockholder Nominee's candidacy or, if elected, membership on the Board of Directors would not violate applicable state or federal law or Stock Exchange Rules (as defined below);

(I) a representation and warranty that the Stockholder Nominee: (1) qualifies as independent under the Stock Exchange Rules and any publicly disclosed standards used by the Board of Directors in determining and disclosing the independence of the directors; and (2) is not and has not been subject to any event specified in Rule 506(d)(1) of Regulation D (or any successor rule) under the Securities Act of 1933, as amended, or Item 401(f) of Regulation S-K (or any successor rule), without reference to whether the event is material to an evaluation of the ability or integrity of the Stockholder Nominee;

(J) a representation and warranty that the Nominating Stockholder satisfies the eligibility requirements set forth in Section 2.12(c);

(K) an agreement that the Nominating Stockholder will continue to satisfy the eligibility requirements described in Section 2.12(c) through the date of the annual meeting;

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(L) the details of any position of the Stockholder Nominee as an officer or director of any competitor (i.e., any entity that provides products or services that compete with or are alternatives to the principal products produced or services provided by the Corporation or its affiliates) of the Corporation, within the three (3) years preceding the submission of the Nomination Notice;

(M) if desired by the Nominating Stockholder and subject to Section 2.12(f)(ii), a statement for inclusion in the proxy statement in support of the Stockholder Nominee's election to the Board of Directors. Any such statement shall not exceed 500 words and shall fully comply with Section 14 of the Exchange Act and the rules and regulations thereunder; and

(N) in the case of a nomination by a Nominating Group, the designation by all group members of one Authorized Group Member.

(vi) an executed agreement (which form of agreement shall be provided by the Secretary upon written request), which must be submitted within ten (10) days after the date on which the Secretary provides the form of agreement, pursuant to which the Nominating Stockholder (including each member of a Nominating Group) agrees:

(A) to comply with all applicable laws, rules and regulations in connection with the nomination, solicitation and election;

(B) to file any written solicitation or other communication with the Corporation's stockholders relating to one (1) or more of the Corporation's directors or director nominees or any Stockholder Nominee with the Securities and Exchange Commission, regardless of whether any such filing is required under any rule or regulation or whether any exemption from filing is available for such materials under any rule or regulation;

(C) to assume all liability stemming from any action, suit or proceeding concerning any actual or alleged legal or regulatory violation arising out of any communication by the Nominating Stockholder or the Stockholder Nominee nominated by such Nominating Stockholder with the Corporation, its stockholders or any other person, including the Nomination Notice;

(D) to indemnify and hold harmless (jointly with all other members of a Nominating Group, if applicable) the Corporation and each of its directors, officers and employees individually against any liability, loss, damages, expenses or other costs (including attorneys' fees) incurred in connection with any action, suit or proceeding (whether threatened, pending or completed), whether legal, judicial, administrative or investigative, against the Corporation or any of its directors, officers or employees arising out of or relating to a failure or alleged failure of the Nominating Stockholder or Stockholder Nominee to comply with, or any breach or alleged breach of, its, or his or her, as applicable, obligations, agreements or representations under or pursuant to this Section 2.12;

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(E) to promptly (and in any event within 48 hours of discovering such misstatement or omission) notify the Corporation if any information included in the Nomination Notice, or in any other communication by the Nominating Stockholder (including with respect to any member of a Nominating Group) with the Corporation, its stockholders or any other person in connection with the nomination or election, ceases to be true and accurate in all material respects (or omits a material fact necessary to make the statements made not misleading), and promptly notify the Corporation of the information that is required to correct the misstatement or omission; and

(F) in the event that the Nominating Stockholder (including any member of a Nominating Group) has failed to continue to satisfy the eligibility requirements described in Section 2.12(c), to promptly notify the Corporation.

(vii) an executed questionnaire and representation and agreement pursuant to Section 2.12(g) (which forms of questionnaire and representation and agreement shall be provided by the Secretary promptly upon written request), which must be submitted within ten (10) days after the date on which the Secretary provides the Nominating Stockholder (or the Authorized Group Member, in the case of a Nominating Group) the forms of questionnaire and representation and agreement.

The information and documents required by this Section 2.12(e) shall be provided with respect to and executed by the Nominating Stockholder (and each member of a Nominating Group) and provided with respect to the persons specified in Instructions 1 and 2 to Items 6(c) and (d) of Schedule 14N (or any successor item). The Nomination Notice shall be deemed submitted on the date on which all of the information and documents referred to in this Section 2.12(e) (other than such information and documents required to be provided after the date the Nomination Notice is first submitted) have been delivered to or, if sent by mail, received by the Secretary.

(f) Exclusion or Disqualification of Stockholder Nominees.

(i) If, after the deadline for submitting a Nomination Notice as set forth in Section 2.12(d), a Nominating Stockholder becomes ineligible or withdraws its nomination or a Stockholder Nominee becomes ineligible or unwilling to serve on the Board of Directors, whether before or after the mailing of the Corporation's definitive proxy statement, the Corporation shall not be required to include in its proxy statement or on any ballot or form of proxy the Stockholder Nominee or any successor or replacement nominee proposed by the Nominating Stockholder or by any other Nominating Stockholder.

(ii) Notwithstanding anything to the contrary contained in this Section 2.12, the Corporation may omit from its proxy materials any Stockholder Nominee, and any information concerning such Stockholder Nominee (including a Nominating Stockholder's statement in support), and communicate to its stockholders that such Stockholder Nominee will not be eligible for election at the annual meeting or that no vote will be held or occur as to such Stockholder Nominee, if:

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(A) the Corporation receives a notice (whether or not subsequently withdrawn) that a stockholder intends to nominate any candidate for election to the Board of Directors at the annual meeting pursuant to the advance notice requirements for stockholder nominees set forth in Section 2.11 of these Bylaws;

(B) the Nominating Stockholder has engaged in a “solicitation” within the meaning of Rule 14a-1(l) under the Exchange Act with respect to the annual meeting, other than with respect to such Nominating Stockholder’s Stockholder Nominee(s) or any nominee of the Board of Directors;

(C) the Nominating Stockholder or the Authorized Group Member, as applicable, or any qualified representative thereof, does not appear at the annual meeting to present the nomination submitted in accordance with this Section 2.12;

(D) the Board of Directors, acting in good faith, determines that such Stockholder Nominee’s nomination or election to the Board of Directors would result in the Corporation violating or failing to be in compliance with these Bylaws or the Certificate of Incorporation or any applicable law, rule or regulation to which the Corporation is subject, including the Stock Exchange Rules;

(E) the Stockholder Nominee is not independent under the Stock Exchange Rules and any publicly disclosed standards used by the Board of Directors in determining and disclosing the independence of the directors, in each case as determined by the Board of Directors;

(F) the Stockholder Nominee was nominated for election to the Board of Directors pursuant to this Section 2.12 at one of the Corporation’s two (2) preceding annual meetings of stockholders and either withdrew from or became ineligible or unavailable for election at such annual meeting or received a vote of less than twenty percent (20%) of the shares of common stock of the Corporation entitled to vote for such Stockholder Nominee;

(G) the Stockholder Nominee has been, within the past three (3) years, an officer or director of a competitor, as defined for purposes of Section 8 of the Clayton Antitrust Act of 1914, as amended; and

(H) the Nominating Stockholder has failed to continue to satisfy the eligibility requirements described in Section 2.12(c), any of the representations and warranties made in the Nomination Notice ceases to be true and accurate in all material respects (or omits a material fact necessary to make the statement made not misleading), the Stockholder Nominee becomes unwilling or unable to serve on the Board of Directors or any violation or breach occurs of any of the obligations, agreements, representations or warranties of the Nominating Stockholder or the Stockholder Nominee under or pursuant to this Section 2.12;

and in such case such nomination shall be disregarded and no vote on such Stockholder Nominee will occur (notwithstanding that proxies in respect of such vote may have been received by the Corporation), and the Nominating Stockholder may not, after the last day on which a Nomination Notice would be timely, cure in any way any defect preventing the nomination of the Stockholder Nominee.

(iii) Notwithstanding anything to the contrary contained in this Section 2.12, the Corporation may omit from its proxy statement, or may supplement or correct, any information, including all or any portion of the statement in support of the Stockholder Nominee included in the Nomination Notice, if:

(A) such information is not true in all material respects or omits a material statement necessary to make the statements made not misleading;

(B) such information directly or indirectly impugns the character, integrity or personal reputation of, or directly or indirectly makes charges concerning improper, illegal or immoral conduct or associations, without factual foundation, with respect to, any individual, corporation, partnership, association or other entity, organization or governmental authority; or

(C) the inclusion of such information in the proxy statement would otherwise violate the Proxy Rules or any other applicable law, rule or regulation.

(iv) The Corporation may solicit against and include in the proxy statement its own statement in opposition to the nomination of the Stockholder Nominee and any other statement or information that the Corporation or the Board of Directors determines in its discretion to include in the proxy statement relating to the Stockholder Nominee.

(g) Submission of Questionnaire, Representation and Agreement. To be eligible to be a nominee for election as a director of the Corporation, the person proposed to be nominated must deliver or mail (in accordance with the time periods prescribed for delivery of notice under this Section 2.12 to the Secretary):

(i) an executed questionnaire (in the form available from the Secretary) with respect to the background and qualification of such person to serve as a director of the Corporation and the background of any other person or entity on whose behalf the nomination is being made and an executed representation and agreement (in the form available from the Secretary) that such person:

(A) is not and will not become a party to (1) any Voting Commitment that has not been disclosed to the Corporation or (2) any Voting Commitment that could limit or interfere with such person's ability to comply, if elected as a director of the Corporation, with such person's fiduciary duties under applicable law;

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(B) is not and will not become a party to any Compensation Arrangement (as defined below) that has not been disclosed to the Corporation;

(C) if elected as a director of the Corporation, will comply with all informational and similar requirements of applicable insurance policies and laws and regulations in connection with service or action as a director of the Corporation;

(D) if elected as a director of the Corporation, will comply with all publicly disclosed stock ownership requirements and corporate governance, conflict of interest, confidentiality and trading policies and guidelines of the Corporation;

(E) if elected as a director of the Corporation, will act in the best interests of the Corporation and its stockholders and not in the interests of individual constituencies; and

(F) will promptly provide to the Corporation such other information as it may reasonably request.

(h) Definitions. For purposes of this Section 2.12:

(i) “**Authorized Group Member**” shall mean, with respect to any nomination by a Nominating Group, the member of that Nominating Group that is authorized to act on behalf of all members of that Nominating Group with respect to matters relating to the nomination, including withdrawal of the nomination.

(ii) “**Compensation Arrangement**” shall mean any direct or indirect compensatory, payment or other financial agreement, arrangement or understanding with any person or entity other than the Corporation, including any agreement, arrangement or understanding with respect to any direct or indirect compensation, reimbursement or indemnification in connection with candidacy, nomination, service or action as a nominee or as a director of the Corporation.

(iii) “**Eligible Stockholder**” shall mean a person who has either (A) been a record holder of shares of common stock of the Corporation used to satisfy the eligibility requirements in Section 2.12(c) continuously for the required three-year period or (B) provides to the Secretary, within the time period referred to in Section 2.12(d), evidence of continuous Ownership of such shares for such three-year period from one or more securities intermediaries.

(iv) “**Maximum Number**” shall mean that number of directors constituting the greater of (A) two (2) or (B) twenty percent (20%) of the number of directors of the Corporation which, at such time, the holders of common stock of the Corporation are entitled to elect, on the last day on which a Nomination Notice may be submitted pursuant to this Section 2.12 (rounded down to the nearest whole number), which number shall be reduced as set forth in Section 2.12(b)(i).

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(v) “**Minimum Percentage**” shall mean three percent (3%) of the number of outstanding shares of common stock of the Corporation as provided in the most recent Exchange Act filing made by the Corporation with the Securities and Exchange Commission immediately prior to the submission of the Nomination Notice.

(vi) “**Nominating Stockholder**” shall mean any Eligible Stockholder or group of no more than twenty (20) stockholders (a “**Nominating Group**”) that, individually and collectively, in the case of a Nominating Group, satisfies the requirements to qualify as an Eligible Stockholder and that (A) has (individually and collectively, in the case of a Nominating Group) satisfied all applicable conditions and complied with all applicable procedures set forth in this Section 2.12 (including the timely submission of a Nomination Notice that meets the requirements set forth in this Section 2.12) and (B) has nominated a Stockholder Nominee.

(vii) “**Nomination Notice**” shall mean all information and documents that a Nominating Stockholder is required to submit to the Secretary pursuant to Section 2.12(e).

(viii) “**Own**” shall mean possession, with respect to those outstanding shares of common stock of the Corporation entitled to vote generally for the election of directors of the Corporation, of both: (A) the full voting and investment rights pertaining to such shares; and (B) the full economic and financial interest in (including the full and complete opportunity for profit and risk of loss on) such shares; provided, however, that the number of shares calculated in accordance with clauses (A) and (B) shall not include any shares: (1) sold by such stockholder or any of its Affiliates in any transaction that has not been settled or closed, including any short sale; (2) borrowed by such stockholder or any of its Affiliates for any purposes or purchased by such stockholder or any of its affiliates pursuant to an agreement to resell; or (3) subject to any option, warrant, forward contract, swap, contract of sale or other derivative or similar agreement entered into by such stockholder or any of its Affiliates, whether any such instrument or agreement is to be settled with shares or with cash based on the notional amount or value of outstanding shares of stock of the Corporation, in any such case which instrument or agreement has, or is intended to have, or if exercised by either party thereto would have, the purpose or effect of (x) reducing in any manner, to any extent or at any time in the future, such stockholder’s or Affiliate’s full right to vote or direct the voting of any such shares or (y) hedging, offsetting or altering to any degree any gain or loss arising from the full economic Ownership of such shares by such stockholder or Affiliate, other than any such arrangements solely involving a national or multi-national multi-industry market index. A stockholder shall “Own” shares held in the name of a nominee or other intermediary so long as the stockholder retains the right to instruct how the shares are voted with respect to the election of directors and the right to direct the disposition thereof and possesses the full economic interest in the shares. A stockholder’s Ownership of shares shall be deemed to continue during any period in which (I) the stockholder has loaned such shares, provided that the stockholder has the power to recall such loaned shares on five (5) business days’ notice or less, or (II) the stockholder has delegated any voting power over such shares by means of a proxy, power of attorney or other instrument or arrangement which is revocable

at any time by the stockholder. The terms “**Owned**,” “**Owning**,” “**Ownership**” and other variations of the word “Own” shall have correlative meanings.

(ix) “**Stock Exchange Rules**” shall mean the rules of any stock exchange on which the Corporation’s securities are traded.

(x) “**Stockholder Nominee**” shall mean any person nominated for election pursuant to this Section 2.12.

Section 2.13 Inspectors of Election

Before any meeting of stockholders, the Board of Directors must appoint one (1) or more inspectors to act at the meeting and make a written report of the meeting. The Board of Directors may designate one (1) or more persons as alternate inspectors to replace any inspector who fails to act. If no inspector or alternate is able to act at a meeting of stockholders, the chair of the meeting shall appoint one (1) or more inspectors to act at the meeting. Unless otherwise required by applicable law, inspectors may be officers, employees or agents of the Corporation. No nominee for the office of director may be appointed inspector. Each inspector, before entering upon the discharge of the duties of inspector, must take and sign an oath faithfully to execute the duties of inspector with strict impartiality and according to the best of such inspector’s ability. The duties of these inspectors are as follows:

- (a) Ascertain the number of shares outstanding and the voting power of each;
- (b) Determine the shares represented at a meeting and the validity of proxies and ballots;
- (c) Count all votes and ballots;
- (d) Determine and retain for a reasonable period a record of the disposition of any challenges made to any determination by the inspectors; and
- (e) Certify their determination of the number of shares represented at the meeting, and their count of all votes and ballots.

The inspector(s) may appoint or retain other persons or entities to assist the inspectors in the performance of the duties of the inspectors.

Section 2.14 Action without Meeting

In accordance with the Certificate of Incorporation, and except as otherwise expressly provided by the terms of any series of preferred stock permitting the holders of such series of preferred stock to act by written consent, no action may be taken by the stockholders except at a duly called annual or special meeting of stockholders called in accordance with these Bylaws, and no action may be taken by the stockholders by written consent.

Section 2.15 Organization

Exhibit 3.1

(a) Chair and Secretary of Meeting. Except as otherwise determined by the Board of Directors, at every meeting of stockholders, the Chair of the Board of Directors shall act as chair of such meeting. The Board of Directors may designate any director or officer of the Corporation to act as chair of any meeting in the absence of the Chair of the Board of Directors, and only the Board of Directors may further provide for determining who shall act as chair of any meeting of stockholders in the absence of the Chair of the Board of Directors. The Secretary, or, if the Secretary is absent, an Assistant Secretary or other person directed to do so by the chair of the meeting, acts as secretary of the meeting.

(b) Stockholder Meeting Rules. The Board of Directors of the Corporation is entitled to make such rules or regulations for the conduct of meetings of stockholders as it deems necessary, appropriate or convenient. Subject to such rules and regulations of the Board of Directors, if any, the chair of the meeting has the right and authority to prescribe such rules, regulations and procedures and to do all such acts as, in the judgment of such chair, are necessary, appropriate or convenient for the proper conduct of the meeting, including, without limitation, establishing an agenda or order of business for the meeting, the determination of when the polls shall open and close for any given matter to be voted on at the meeting, rules and procedures for maintaining order at the meeting and the safety of those present, limitations on attendance at or participation in such meeting to stockholders of record of the Corporation and their duly authorized and constituted proxies and such other persons as the chair may permit, restrictions on entry to the meeting after the time fixed for the commencement thereof, limitations on the time allotted to questions or comments by participants, removal of any stockholder or any other individual who refuses to comply with meeting rules, regulations or procedures, the conclusion, recess or adjournment of the meeting, regardless of whether a quorum is present, to a later date and time and at a place, if any, announced at the meeting, restrictions on the use of audio and video recording devices, cell phones and other electronic devices, rules, regulations or procedures for compliance with any state or local laws or regulations including those concerning safety, health and security, procedures (if any) requiring attendees to provide the Corporation advance notice of their intent to attend the meeting, any rules, regulations or procedures as the chair may deem appropriate regarding the participation by means of remote communication of stockholders and proxyholders not physically present at a meeting, whether such meeting is to be held at a designated place or solely by means of remote communication, and regulation of the opening and closing of the polls for balloting on matters which are to be voted on by ballot. The Board of Directors or the chair of a stockholder meeting, in addition to making any other determinations that may be appropriate regarding the conduct of the meeting, shall determine and declare to the meeting that a matter of business was not properly brought before the meeting, and, if the chair (or the Board of Directors) should so determine, the chair (or the Board of Directors) shall so declare to the meeting and any such matter of business not properly brought before the meeting shall not be transacted or considered. The date and time of the opening and closing of the polls for each matter upon which the stockholders will vote at the meeting must be announced at the meeting. Unless and to the extent determined by the Board of Directors or the chair of the meeting, meetings of stockholders are not required to be held in accordance with rules of parliamentary procedure.

ARTICLE III DIRECTORS

Section 3.1 Number and Term of Office

The Board of Directors is divided into three (3) classes, designated Class I, Class II and Class III. Each class must be as nearly equal in number as possible. The number of directors which constitutes the whole Board of Directors must not be less than six (6), the exact number of directors and the exact number of directors in each class to be determined from time to time by resolution of the Board of Directors. At each annual meeting, successors to the class of directors whose term expired at that annual meeting are elected for a three (3)-year term. If the number of directors has changed, any increase or decrease must be apportioned among the classes so as to maintain the number of directors in each class as nearly equal as possible, and any additional director of any class elected to fill a vacancy resulting from an increase in such class holds office for a term that coincides with the remaining term of that class, but in no case will a decrease in the number of directors shorten the term of any incumbent director. A director holds office until the annual meeting of stockholders for the year in which his or her term expires and until his or her successor is elected and qualified, subject, however, to prior death, resignation, retirement, disqualification or removal from office. Notwithstanding the foregoing, whenever the holders of any one (1) or more classes or series of preferred stock issued by the Corporation, if any, have the right, voting separately by class or series, to elect directors at an annual or special meeting of stockholders, the election, term of office, filling of vacancies and other features of such directorships is governed by the terms of the Certificate of Incorporation applicable thereto, and such directors so elected will not be divided into classes pursuant to this Section 3.1 unless expressly provided by such terms. No person shall be eligible for election or appointment as a director unless such person has, within ten (10) days following any reasonable request therefor from the Board of Directors or any committee thereof, made himself or herself available to be interviewed by the Board of Directors (or any committee or other subset thereof) with respect to such person's qualifications to serve as a director or any other matter reasonably related to such person's candidacy or service as a director of the Corporation.

Section 3.2 [Reserved]

Section 3.3 Vacancies

Vacancies in the Board of Directors and newly created directorships resulting from any increase in the authorized number of directors may be filled by a majority of the directors then in office, although less than a quorum, or by the sole remaining director. Any director elected to fill a vacancy holds office for the remaining term of the class in which the vacancy occurs or is created.

Section 3.4 Removal

Any director or the entire Board of Directors may be removed from office at any time, but only for cause and only by the affirmative vote of the holders of two-thirds of the outstanding shares of Common Stock of the Corporation.

Section 3.5 Resignation

Any director may resign at any time by delivering his or her notice in writing or by electronic transmission to the Secretary, such resignation to specify whether it will be effective at a particular

time, upon receipt by the Secretary or at the pleasure of the Board of Directors. If no such specification is made, it is deemed effective at the pleasure of the Board of Directors. A resignation that is conditioned upon the director failing to receive a specified vote for reelection as a director may provide that it is irrevocable. When one (1) or more directors resigns from the Board of Directors, effective at a future date, a majority of the directors then in office, including those who have so resigned, may fill such vacancy or vacancies, the vote thereon to take effect when such resignation or resignations become effective.

Section 3.6 Duties and Powers

The business and affairs of the Corporation are managed by or under the direction of the Board of Directors which may exercise all such powers of the Corporation and do all such lawful acts and things as are not by statute or by the Certificate of Incorporation or by these Bylaws directed or required to be exercised or done by the stockholders.

Section 3.7 Meetings

The Board of Directors may hold meetings, both regular and special, either within or without the State of Delaware. Regular meetings of the Board of Directors may be held without call or notice at such time and at such place as may from time to time be determined by the Board of Directors. Special meetings of the Board of Directors may be called by the Chair or any two (2) directors. Notice thereof stating the place, date and hour of the meeting must be given to each director either by mail not less than forty-eight (48) hours before the date of the meeting, by telephone (including a voice messaging or other system or technology designed to record and communicate messages), electronic mail or other electronic means, facsimile or telegram on twenty-four (24) hours' notice, or such shorter notice as the person or persons calling such meeting may deem necessary or appropriate under the circumstances.

Section 3.8 Quorum

Except as may be otherwise specifically provided by law, the Certificate of Incorporation or these Bylaws, at all meetings of the Board of Directors a majority of the exact number of directors fixed from time to time by the Board of Directors in accordance with the Certificate of Incorporation and these Bylaws constitutes a quorum for the transaction of business, and the act of a majority of the directors present at any meeting at which there is a quorum is the act of the Board of Directors. If a quorum is not present at any meeting of the Board of Directors, the directors present thereat may adjourn the meeting from time to time, without notice other than announcement at the meeting, until a quorum is present.

Section 3.9 Actions without Meeting

Unless otherwise provided by the Certificate of Incorporation or these Bylaws, any action required or permitted to be taken at any meeting of the Board of Directors or of any committee thereof may be taken without a meeting if all members of the Board of Directors or committee, as the case may be, consent thereto in writing or by electronic transmission, and the writing or writings or electronic transmission or electronic transmissions are filed with the minutes of proceedings of the Board of Directors or such committee thereof. Such filing must be in paper form if the minutes are

maintained in paper form and must be in electronic form if the minutes are maintained in electronic form.

Section 3.10 Meetings by Electronic Communications Equipment

Unless otherwise provided by the Certificate of Incorporation or these Bylaws, members of the Board of Directors, or any committee designated by the Board of Directors, may participate in a meeting of the Board of Directors or such committee by means of a conference telephone or similar communications equipment by means of which all persons participating in the meeting can hear each other, and participation in a meeting pursuant to this Section 3.10 constitutes presence in person at such meeting.

Section 3.11 Conduct of Meetings

The Chair of the Board of Directors or in his or her absence a chair chosen by a majority at the meeting presides at meetings of the Board of Directors. The Secretary acts as secretary of the meeting, but in his or her absence, the chair of the meeting may appoint any person to act as secretary of the meeting.

Section 3.12 Remuneration

The directors may be paid such remuneration, if any, as the Board of Directors may from time to time determine. Any remuneration so payable to a director who is also an officer or employee of the Corporation or who is counsel or solicitor to the Corporation or otherwise serves it in a professional capacity must, unless the Board of Directors otherwise determines, be in addition to such director's salary as such officer or employee or to his or her professional fees, as the case may be. In addition, the Board of Directors may by resolution from time to time award special remuneration out of the funds of the Corporation to any director who performs any special work or service for, or undertakes any special mission on behalf of, the Corporation outside of the work or service ordinarily required of a director of the Corporation. The directors may also be paid such sums in respect of their out-of-pocket expenses incurred in attending meetings of the Board of Directors or otherwise in respect of the performance by them of their duties as the Board of Directors may from time to time determine. Confirmation by the stockholders of any such remuneration or payment is not required.

Section 3.13 Interested Directors

No contract or transaction between the Corporation and one (1) or more of its directors or officers, or between the Corporation and any other corporation, partnership, association or other organization in which one (1) or more of its directors or officers are directors or officers, or have a financial interest, is void or voidable solely for this reason, or solely because the director or officer is present at or participates in the meeting of the Board of Directors or committee thereof which authorizes the contract or transaction, or solely because his or her vote is counted for such purpose if: (a) the material facts as to his or her relationship or interest and as to the contract or transaction are disclosed or are known to the Board of Directors or the committee, and the Board of Directors or committee in good faith authorizes the contract or transaction by the affirmative votes of a majority of the disinterested directors, even though the disinterested directors be less

than a quorum; (b) the material facts as to his or her relationship or interest and as to the contract or transaction are disclosed or are known to the stockholders entitled to vote thereon, and the contract or transaction is specifically approved in good faith by vote of the stockholders; or (c) the contract or transaction is fair as to the Corporation as of the time it is authorized, approved or ratified by the Board of Directors, a committee thereof or the stockholders. Common or interested directors may be counted in determining the presence of a quorum at a meeting of the Board of Directors or of a committee, which authorizes the contract or transaction.

Section 3.14 Committees

(a) **Executive Committee.** The Board of Directors may appoint an Executive Committee to consist of one (1) or more of the directors of the Corporation. The Executive Committee, to the extent permitted by law, these Bylaws, the Executive Committee Charter or other resolutions of the Board of Directors will have and may exercise, when the Board of Directors is not in session, all the powers and authority of the Board of Directors in the management of the business and affairs of the Corporation, including, without limitation, the power to declare a dividend or to authorize the issuance of stock, and may authorize the seal of the Corporation to be affixed to all papers which may require it; but such committee will not have the power or authority to (i) approve or adopt, or recommend to the stockholders, any action or matter expressly required by the DGCL to be submitted to stockholders for approval, or (ii) adopt, amend or repeal any bylaw of the Corporation.

(b) **Other Committees.** The Board of Directors may, from time to time, appoint such other committees as may be permitted by law. Such other committees appointed by the Board of Directors must consist of one (1) or more of the directors of the Corporation and will have such powers and perform such duties as may be prescribed by the resolution or resolutions creating such committees, but in no event will any such committee have the powers denied to the Executive Committee in these Bylaws.

(c) **Term.** The Board of Directors may at any time increase or decrease the number of members of a committee or terminate the existence of a committee. The membership of a committee member will terminate on the date of his or her death or voluntary resignation from the committee or from the Board of Directors. The Board of Directors may at any time for any reason remove any individual committee member and the Board of Directors may fill any committee vacancy created by death, resignation, removal or increase in the number of members of the committee. The Board of Directors may designate one (1) or more directors as alternate members of any committee, who may replace any absent or disqualified member at any meeting of the committee.

(d) **Meetings.** Unless the Board of Directors otherwise provides, each committee designated by the Board may make, alter and repeal rules of the conduct of its business. In the absence of such rules, each committee must conduct its business in the same manner as the Board of Directors conducts its business pursuant to these Bylaws.

ARTICLE IV
OFFICERS

Section 4.1 General

(a) Board Elected Officers. The officers of the Corporation elected by the Board of Directors are a Chief Executive Officer, a President, a Chief Financial Officer, a Secretary, one (1) or more Vice Presidents and such other officers as the Board of Directors may deem expedient, and those officers are to be elected in such manner and hold their offices for such terms as the Board of Directors may prescribe. The Board of Directors may elect the Chair of the Board of Directors as an officer of the Corporation, provided that the Chair will not be regarded as an officer of the Corporation unless the Board of Directors so determines at the time of election in accordance with these Bylaws. The same person may hold any number of offices, unless otherwise prohibited by law, the Certificate of Incorporation or these Bylaws. The officers of the Corporation need not be stockholders of the Corporation nor, except in the case of the Chair of the Board, need such officers be directors of the Corporation. The Board of Directors may from time to time, in its discretion, assign titles, powers, duties and reporting arrangements for any elected officer. The salaries and other compensation of the officers of the Corporation may be fixed by or in the manner designated by the Board of Directors.

(b) Other Officers. In addition to the officers elected by the Board of Directors in accordance with Section 4.1(a), the Corporation may have one (1) or more appointed Vice Presidents, Assistant Secretaries or other officers, who will also be officers of the Corporation (each an “**Appointed Officer**”). Appointed Officers are appointed by the Chief Executive Officer. The Chief Executive Officer may from time to time, in his or her discretion, assign titles, powers, duties, scope of job responsibilities and reporting arrangements for any Appointed Officer, consistent with Section 4.2 below.

Section 4.2 Tenure and Duties of Officers

(a) Tenure. All officers hold office at the pleasure of the Board of Directors and until their successors are duly elected and qualified, unless sooner removed. Any officer elected by the Board of Directors may be removed at any time by the Board of Directors. If the office of any elected officer becomes vacant for any reason, the vacancy may be left vacant or be filled by the Board of Directors. Any Appointed Officer may be removed at any time by the Board of Directors or the Chief Executive Officer. If the office of any Appointed Officer becomes vacant for any reason, the vacancy may be left vacant or be filled by the Chief Executive Officer. Nothing in these Bylaws is to be construed as creating any kind of contractual right to employment with the Corporation.

(b) Duties. The officer(s) bearing the titles set forth below will have the powers and duties set forth below unless otherwise determined by the Board of Directors.

(i) Chair of the Board of Directors. The Chair of the Board of Directors presides at all meetings of the stockholders and the Board of Directors, unless the Board of Directors determines otherwise. The Chair of the Board of Directors must perform such other duties and will have such other powers as the Board of Directors designates from time to time.

Exhibit 3.1

(ii) Chief Executive Officer. The Chief Executive Officer has, subject to the oversight of the Board of Directors, general supervision, direction and control of the business and the officers, employees and agents of the Corporation. In the absence of the Chair of the Board, the Chief Executive Officer, if such officer is a director, presides at all meetings of the Board of Directors, unless the Board of Directors determines otherwise. The Chief Executive Officer must perform such other duties and will have such other powers as the Board of Directors designates from time to time.

(iii) President. Subject to the oversight of the Board of Directors and the supervision, control and authority of the Chief Executive Officer, the President has general supervision, direction and control of the business and the officers, employees and agents of the Corporation. The President must perform such other duties and will have such other powers as the Board of Directors designates from time to time.

(iv) Vice Presidents. The Vice Presidents (however designated and whether elected by the Board of Directors or appointed by the Chief Executive Officer) have the powers and must perform the duties that pertain to, or relate to, such Vice President's designated job or business function and will have such other powers and must perform such other duties as the Board of Directors or the Chief Executive Officer designates from time to time.

(v) Secretary. The Secretary must keep, or cause to be kept, a book of minutes of all meetings of directors, committees of directors and stockholders. The Secretary must give, or cause to be given, notice of all meetings of the stockholders and special meetings of the Board of Directors, and must perform such other duties and will have such other powers as the Board of Directors designates from time to time. If the Secretary is unable, or refuses, to cause to be given notice of all meetings of the stockholders and special meetings of the Board of Directors, and if there is no Assistant Secretary, then either the Board of Directors or the Chair of the Board may choose another officer to cause such notice to be given. The Secretary has custody of the seal of the Corporation, and the Secretary or any Assistant Secretary, if there is one, has the authority to affix the same to any instrument requiring it and, when so affixed, such seal may be attested by the signature of the Secretary or by the signature of any Assistant Secretary. The Board of Directors may give general authority to any other officer to affix the seal of the Corporation and to attest the affixing of his or her signature. The Secretary must see that all books, reports, statements, certificates or other documents and records required by law to be kept or filed are properly kept or filed, as the case may be. It is the duty of the Assistant Secretaries to assist the Secretary in the performance of the Secretary's powers and duties and generally to have such other powers and perform such other duties as may be delegated to them by the Board of Directors or the Chief Executive Officer.

(vi) Chief Financial Officer and Treasurer. Each of the Chief Financial Officer and the Treasurer controls, audits and arranges the financial affairs of the Corporation, consistent with the responsibilities delegated to each of them by the Corporation's Chief Executive Officer or President. The Chief Financial Officer or Treasurer, as the case may be, receives and deposits all monies belonging to the

Corporation and pays out the same only in such manner as the Board of Directors may from time to time determine, and will have such other powers and must perform such other duties as the Board of Directors may require.

(c) Resignation. Any officer may resign at any time by giving written notice to the Board of Directors, the Chair of the Board, the Chief Executive Officer, the President or the Secretary. Any such resignation will take effect on the date of receipt of such notice or at any later time specified therein; and unless otherwise specified therein, the acceptance of such resignation is not necessary to make it effective. Any such resignation is without prejudice to the rights, if any, of the Corporation under any contract to which the officer is a party.

ARTICLE V

EXECUTION OF CORPORATE INSTRUMENTS AND VOTING OF SECURITIES OWNED BY THE CORPORATION

Section 5.1 Execution of Corporate Instruments

(a) Determination by Board. The Board of Directors may, in its discretion, determine the method and designate the signatory officer or officers, or other person or persons, to execute on behalf of the Corporation any corporate instrument or document, or to sign on behalf of the Corporation the corporate name without limitation, or to enter into contracts on behalf of the Corporation, except where otherwise provided by law or these Bylaws, and such execution or signature will be binding upon the Corporation.

(b) Absence of Board Determination. Unless otherwise specifically determined by the Board of Directors or otherwise required by law or these Bylaws, formal contracts of the Corporation, promissory notes, deeds of trust, mortgages and other evidences of indebtedness of the Corporation and other corporate instruments or documents must be executed, signed or endorsed by the Chief Executive Officer, the President, the Chief Financial Officer, Treasurer or the Secretary, or by any Vice President (only with regard to such corporate instruments that pertain to or relate to such Vice President's job or business function).

(c) Checks and Drafts. All checks and drafts drawn on banks or other depositories on funds to the credit of the Corporation or in special accounts of the Corporation must be signed by such person or persons as are authorized by the Board of Directors.

(d) No Authority. Unless authorized or ratified by the Board of Directors or within the agency power of an officer, no officer, agent or employee has any power or authority to bind the Corporation by any contract or engagement or to pledge its credit or to render it liable for any purpose or for any amount.

Section 5.2 Voting Securities Owned by the Corporation

Powers of attorney, proxies, waivers of notice of meeting, consents and other instruments relating to securities owned by the Corporation may be executed in the name of and on behalf of the Corporation by the Chief Executive Officer, the President or the Chief Financial Officer and any such officer may, in the name of and on behalf of the Corporation, take all such action as any such

officer may deem advisable to vote in person or by proxy at any meeting of security holders of any corporation in which the Corporation may own securities and at any such meeting possess and may exercise any and all rights and powers incident to the ownership of such securities and which, as the owner thereof, the Corporation might have exercised and possessed if present. The Board of Directors may, by resolution, from time to time confer like powers upon any other person or persons.

ARTICLE VI
SHARES OF STOCK

Section 6.1 Form and Execution of Certificates

The shares of the Corporation will be represented by certificates, provided that the Board of Directors may provide by resolution or resolutions that some or all of any or all classes or series of the Corporation's stock may be uncertificated. Certificates for the shares of stock of the Corporation, if any, are to be in such form as is consistent with the Certificate of Incorporation and applicable law. Every holder of stock in the Corporation represented by certificate is entitled to have a certificate signed by or in the name of the Corporation by the Chair of the Board of Directors, the President or any Vice President, and by the Treasurer or Assistant Treasurer or the Secretary or Assistant Secretary, certifying the number of shares owned by such holder in the Corporation. Any or all of the signatures on the certificate may be a facsimile. In case any officer, transfer agent or registrar who has signed or whose facsimile signature has been placed upon a certificate ceases to be such officer, transfer agent or registrar before such certificate is issued, it may be issued by the Corporation with the same effect as if he or she were such officer, transfer agent or registrar at the date of issue. Any certificate may also contain such legend or other statement as may be required by law or by any agreement between the Corporation and the issuee thereof.

Section 6.2 Lost Certificates

A new certificate or uncertificated shares may be issued in place of any certificate or certificates theretofore issued by the Corporation alleged to have been lost, stolen or destroyed, upon the making of an affidavit of that fact by the person claiming the certificate of stock to be lost, stolen or destroyed. The Corporation may require, as a condition precedent to the issuance of a new certificate or uncertificated shares, the owner of such lost, stolen or destroyed certificate or certificates, or the owner's legal representative, to agree to indemnify the Corporation in such manner as it requires or to give the Corporation a surety bond in such form and amount as it may direct as indemnity against any claim that may be made against the Corporation with respect to the certificate alleged to have been lost, stolen or destroyed.

Section 6.3 Transfer Agents and Registrars

The Board of Directors may from time to time appoint one (1) or more transfer agents and registrars in one (1) or more cities; may require all certificates evidencing shares of stock of the Corporation to bear the signature of a transfer agent and registrar; and may provide that such certificates may be transferable in more than one city.

Section 6.4 Transfers

Transfers of record of shares of stock of the Corporation may be made only upon its books by the holders thereof, in person or by attorney duly authorized, and, in the case of stock represented by certificate, upon the surrender of a properly endorsed certificate or certificates for a like number of shares. The Corporation has the power to enter into and perform any agreement with any number of stockholders of any one (1) or more classes of stock of the Corporation to restrict the transfer of shares of stock of the Corporation of any one (1) or more classes owned by such stockholders in any manner not prohibited by the DGCL.

Section 6.5 Fixing Record Dates

(a) For Notice and Meetings. In order that the Corporation may determine the stockholders entitled to notice of or to vote at any meeting of stockholders or any adjournment thereof, the Board of Directors may fix, in advance, a record date, which record date must not precede the date upon which the resolution fixing the record date is adopted by the Board of Directors, and which record date must, subject to applicable law, not be more than sixty (60) nor less than ten (10) days before the date of such meeting. If no record date is fixed by the Board of Directors, the record date for determining stockholders entitled to notice of or to vote at a meeting of stockholders must be at the close of business on the day next preceding the day on which notice is given, or if notice is waived, at the close of business on the day next preceding the day on which the meeting is held. A determination of stockholders of record entitled to notice of or to vote at a meeting of stockholders applies to any adjournment of the meeting; provided, however, that the Board of Directors may fix a new record date for the adjourned meeting.

(b) For Other Purposes. In order that the Corporation may determine the stockholders entitled to receive payment of any dividend or other distribution or allotment of any rights or the stockholders entitled to exercise any rights in respect of any change, conversion or exchange of stock, or for the purpose of any other lawful action, the Board of Directors may fix, in advance, a record date, which record date must not precede the date upon which the resolution fixing the record date is adopted, and which record date must be not more than sixty (60) days prior to such action. If no record date is fixed, the record date for determining stockholders for any such purpose must be at the close of business on the day on which the Board of Directors adopts the resolution relating thereto.

Section 6.6 Registered Stockholders

The Corporation is entitled to recognize the exclusive right of a person registered on its books as the owner of shares to receive dividends, and to vote as such owner, and is not bound to recognize any equitable or other claim to or interest in such share or shares on the part of any other person whether or not it has express or other notice thereof, except as otherwise provided by the laws of Delaware.

ARTICLE VII
NOTICES

Section 7.1 Written Notice

Whenever written notice is required by law, the Certificate of Incorporation or these Bylaws, to be given to any director, member of a committee or stockholder, such notice may be given by mail, addressed to such director, member of a committee or stockholder, at his or her address as it appears on the records of the Corporation, with postage thereon prepaid, and such notice is deemed to be given at the time when the same is deposited in the United States mail.

Section 7.2 Notice by Electronic Transmission to Stockholders

Without limiting the manner by which notice otherwise may be given effectively to stockholders, any notice to stockholders given by the Corporation under any provision of the DGCL, the Certificate of Incorporation, or these Bylaws is effective if given by a form of electronic transmission consented to by the stockholder to whom the notice is given. Any such consent is revocable by the stockholder by written notice to the Corporation. Any such consent is deemed revoked if (a) the Corporation is unable to deliver by electronic transmission two (2) consecutive notices given by the Corporation in accordance with such consent and (b) such inability becomes known to the Secretary or an Assistant Secretary of the Corporation or to the transfer agent, or other person responsible for the giving of notice; provided, however, the inadvertent failure to treat such inability as a revocation will not invalidate any meeting or other action. Notice given pursuant to this section is deemed given: (i) if by facsimile telecommunication, when directed to a number at which the stockholder has consented to receive notice; (ii) if by electronic mail, when directed to an electronic mail address at which the stockholder has consented to receive notice; (iii) if by a posting on an electronic network together with separate notice to the stockholder of such specific posting, upon the later of (A) such posting and (B) the giving of such separate notice; and (iv) if by any other form of electronic transmission, when directed to the stockholder. An affidavit of the Secretary or an Assistant Secretary or of the transfer agent or the agent of the Corporation that the notice has been given by a form of electronic transmission is, in the absence of fraud, prima facie evidence of the facts stated therein. For purposes of these Bylaws, “electronic transmission” means any form of communication, not directly involving the physical transmission of paper, that creates a record that may be retained, retrieved and reviewed by a recipient thereof, and that may be directly reproduced in paper form by such a recipient through an automated process.

Section 7.3 Notice to Stockholders Sharing an Address

Without limiting the manner by which notice otherwise may be given effectively to stockholders, any notice to stockholders given by the Corporation is effective if given by a single written notice to stockholders who share an address if consented to by the stockholders at that address to whom notice is given. Any consent is revocable by the stockholder by written notice to the Corporation. A stockholder who fails to object in writing to the Corporation, within sixty (60) days of having been given written notice by the Corporation of its intention to send the single notice, will be deemed to have consented to receiving the single notice.

Section 7.4 Waiver

Whenever any notice is required by the DGCL, the Certificate of Incorporation or these Bylaws, a written waiver, signed by the person entitled to notice, or a waiver by electronic transmission by the person entitled to notice, whether before or after the time stated therein, is deemed equivalent to notice. Attendance of a person at a meeting constitutes a waiver of notice of that meeting, except

when the person attends a meeting for the express purpose of objecting, and does so object, at the beginning of the meeting, to the transaction of any business because the meeting is not lawfully called or convened. Neither the business to be transacted at, nor the purpose of, any regular or special meeting of the stockholders, directors or members of a committee of directors need be specified in any written waiver of notice or any waiver by electronic transmission unless so required by the certificate of incorporation.

ARTICLE VIII
GENERAL PROVISIONS

Section 8.1 Dividends

Dividends upon the capital stock of the Corporation, subject to the provisions of the Certificate of Incorporation and applicable law, if any, may be declared by the Board of Directors at any regular or special meeting, and may be paid in cash, in property, or in shares of the capital stock. Before payment of any dividend, there may be set aside out of any funds of the Corporation available for dividends such sum or sums as the Board of Directors from time to time, in its absolute discretion, deems proper as a reserve or reserves to meet contingencies, or for equalizing dividends, or for repairing or maintaining any property of the Corporation, or for any proper purpose, and the Board of Directors may modify or abolish any such reserve.

Section 8.2 Fiscal Year

The fiscal year of the Corporation must be fixed by resolution of the Board of Directors.

Section 8.3 Corporate Seal

The corporate seal, if any, must have inscribed thereon the name of the Corporation and is to be in such form as may be approved from time to time by the Board of Directors.

Section 8.4 Forum for Adjudication of Certain Disputes

Unless the Corporation consents in writing to the selection of an alternative forum, the sole and exclusive forum for (a) any derivative action or proceeding brought on behalf of the Corporation; (b) any action asserting a claim for or based on a breach of a fiduciary duty owed by any current or former director, officer, employee or agent of the Corporation to the Corporation or to the Corporation's stockholders, including a claim alleging the aiding and abetting of such a breach of fiduciary duty; (c) any action asserting a claim against the Corporation or any current or former director, officer, employee or agent of the Corporation arising pursuant to any provision of the DGCL or the Certificate of Incorporation or these Bylaws (as either may be amended from time to time); (d) any action asserting a claim related to or involving the Corporation that is governed by the internal affairs doctrine; or (e) any action asserting an "internal corporate claim" as that term is defined in Section 115 of the DGCL, shall be a state court located within the State of Delaware (or, if no state court located within the State of Delaware has jurisdiction, the federal court for the District of Delaware).

ARTICLE IX
INDEMNIFICATION

Section 9.1 Power to Indemnify in Actions, Suits or Proceedings Other Than Those by or in the Right of the Corporation

Subject to Section 9.3, the Corporation must indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending or completed action, suit or proceeding whether civil, criminal, administrative or investigative (other than an action by or in the right of the Corporation) by reason of the fact that such person is or was a director or officer of the Corporation, or is or was serving at the request of the Corporation as a director, officer, employee, fiduciary or agent of another corporation, partnership, joint venture, trust, employee benefit plan or other enterprise, against costs, charges (including attorneys' fees), judgments, fines and amounts paid in settlement actually and reasonably incurred by him or her in connection with such action, suit or proceeding if he or she acted in good faith and in a manner he or she reasonably believed to be in or not opposed to the best interests of the Corporation, and, with respect to any criminal action or proceeding, had no reasonable cause to believe his or her conduct was unlawful. The termination of any action, suit or proceeding by judgment, order, settlement, conviction, or upon a plea of nolo contendere or its equivalent, will not, of itself, create a presumption that the person did not act in good faith and in a manner which he or she reasonably believed to be in or not opposed to the best interests of the Corporation, and, with respect to any criminal action or proceeding, had reasonable cause to believe that his or her conduct was unlawful.

Section 9.2 Power to Indemnify in Actions, Suits or Proceedings by or in the Right of the Corporation

Subject to Section 9.3, the Corporation must indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending or completed action or suit by or in the right of the Corporation to procure a judgment in its favor by reason of the fact that such person is or was a director or officer of the Corporation, or is or was serving at the request of the Corporation as a director, officer, employee, fiduciary or agent of another corporation, partnership, joint venture, trust, employee benefit plan or other enterprise, against costs, charges, expenses, judgments, fines and amounts paid in settlement actually and reasonably incurred by him or her (including attorneys' fees) in connection with such action, suit or proceeding if he or she acted in good faith and in a manner he or she reasonably believed to be in or not opposed to the best interests of the Corporation; except that no indemnification may be made in respect of any claim, issue or matter as to which such person is adjudged to be liable for gross negligence or misconduct in the performance of his or her duty to the Corporation unless and only to the extent that the Delaware Court of Chancery or the court in which such action or suit was brought determines upon application that, despite the adjudication of such liability but in view of all the circumstances of the case, such person is fairly and reasonably entitled to indemnity for such costs which the Delaware Court of Chancery or such other court deems proper.

Section 9.3 Authorization of Indemnification

Any indemnification under this Article IX (unless ordered by a court) may be made by the Corporation only as authorized in the specific case upon a determination that indemnification of

the present or former director or officer is proper in the circumstances because such director or officer has met the applicable standard of conduct set forth in Sections 9.1 or 9.2, as the case may be. Such determination must be made with respect to a person who is a director or officer at the time of such determination: (a) by a majority vote of the directors who were not parties to such action, suit or proceeding, even though less than a quorum; (b) by a committee of such directors designated by majority vote of such directors, even though less than a quorum; (c) if there are no such directors, or if such directors so direct, by independent legal counsel in a written opinion; or (d) by the stockholders. To the extent, however, that a present or former director or officer of the Corporation has been successful on the merits or otherwise in defense of any action, suit or proceeding described above, or in defense of any claim, issue or matter therein, he or she must be indemnified against expenses (including attorneys' fees) actually and reasonably incurred by him or her in connection therewith, without the necessity of authorization in the specific case.

Section 9.4 Good Faith Defined

For purposes of any determination under Section 9.3, a person is deemed to have acted in good faith and in a manner such person reasonably believed to be in or not opposed to the best interests of the Corporation, or, with respect to any criminal action or proceeding, to have had no reasonable cause to believe his or her conduct was unlawful, if such person's action is based on the records or books of account of the Corporation or another enterprise, or on information supplied to him or her by the officers of the Corporation or another enterprise in the course of their duties, or on the advice of legal counsel for the Corporation or another enterprise or on information or records given or reports made to the Corporation or another enterprise by an independent certified public accountant or by an appraiser or other expert selected with reasonable care by the Corporation or another enterprise. The term "another enterprise" as used in this Section 9.4 means any other corporation or any partnership, joint venture, trust, employee benefit plan or other enterprise of which such person is or was serving at the request of the Corporation as a director, officer, employee or agent. The provisions of this Section 9.4 are not exclusive nor do they limit in any way the circumstances in which a person may be deemed to have met the applicable standard of conduct set forth in Sections 9.1 or 9.2, as the case may be.

Section 9.5 Indemnification by a Court

Notwithstanding any contrary determination in the specific case under Section 9.3, and notwithstanding the absence of any determination thereunder, any present or former director or officer may apply to any court of competent jurisdiction in the State of Delaware for indemnification to the extent otherwise permissible under Sections 9.1 and 9.2. The basis of such indemnification by a court shall be a determination by such court that indemnification of the director or officer is proper in the circumstances because such director or officer has met the applicable standards of conduct set forth in Sections 9.1 or 9.2, as the case may be. Neither a contrary determination in the specific case under Section 9.3 nor the absence of any determination thereunder shall be a defense to such application or create a presumption that the director or officer seeking indemnification has not met any applicable standard of conduct. Notice of any application for indemnification pursuant to this Section 9.5 must be given to the Corporation promptly upon the filing of such application. If successful, in whole or in part, the director or officer seeking indemnification will also be entitled to be paid the expense of prosecuting such application.

Section 9.6 Expenses Payable in Advance

Expenses (including attorneys' fees) incurred by a director or officer in defending any civil, criminal, administrative or investigative action, suit or proceeding must be paid by the Corporation in advance of the final disposition of such action, suit or proceeding upon receipt of an undertaking by or on behalf of such director or officer to repay such amount if it is ultimately determined that such director or officer is not entitled to be indemnified by the Corporation as authorized in this Article IX. Such expenses (including attorneys' fees) incurred by former directors and officers or other employees and agents may be so paid upon such terms and conditions, if any, as the Corporation deems appropriate.

Section 9.7 Nonexclusivity of Indemnification and Advancement of Expenses

The indemnification and advancement of expenses provided by or granted pursuant to this Article IX are not exclusive of any other rights to which those seeking indemnification or advancement of expenses may be entitled under any Bylaw, agreement, contract, vote of stockholders or disinterested directors or pursuant to the direction (howsoever embodied) of any court of competent jurisdiction or otherwise, both as to action in his or her official capacity and as to action in another capacity while holding such office, it being the policy of the Corporation that indemnification of the persons specified in Sections 9.1 and 9.2 must be made to the fullest extent permitted by law. The provisions of this Article IX do not preclude the indemnification of any person who is not specified in Sections 9.1 or 9.2 but whom the Corporation has the power or obligation to indemnify under the provisions of the DGCL, or otherwise.

Section 9.8 Insurance

The Corporation may purchase and maintain insurance on behalf of any person who is or was a director, officer, employee or agent of the Corporation, or is or was serving at the request of the Corporation as a director, officer, employee, fiduciary or agent of another corporation, partnership, joint venture, trust, employee benefit plan or other enterprise, against any liability asserted against such person and incurred by such person in any such capacity, or arising out of such person's status as such, whether or not the Corporation would have the power or the obligation to indemnify such person against such liability under the provisions of this Article IX.

Section 9.9 Certain Definitions

For purposes of this Article IX, references to "the Corporation" include, in addition to the resulting corporation, any constituent corporation (including any constituent of a constituent) absorbed in a consolidation or merger which, if its separate existence had continued, would have had power and authority to indemnify its directors and officers, so that any person who is or was a director or officer of such constituent corporation, or is or was serving at the request of such constituent corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust, employee benefit plan or other enterprise, will stand in the same position under the provisions of this Article IX with respect to the resulting or surviving corporation as he or she would have with respect to such constituent corporation if its separate existence had continued. For purposes of this Article IX, references to "fines" include any excise taxes assessed on a person with respect to an employee benefit plan; and references to "serving at the request of the

Corporation” include any service as a director, officer, employee or agent of the Corporation which imposes duties on, or involves services by, such director, officer, employee or agent with respect to an employee benefit plan, its participants or beneficiaries; and a person who acted in good faith and in a manner he or she reasonably believed to be in the interest of the participants and beneficiaries of an employee benefit plan will be deemed to have acted in a manner “not opposed to the best interests of the Corporation” as referred to in this Article IX.

Section 9.10 Survival of Indemnification and Advancement of Expenses

The indemnification and advancement of expenses provided by, or granted pursuant to, this Article IX will, unless otherwise provided when authorized or ratified, continue as to a person who has ceased to be a director, officer, employee or agent of the Corporation and inure to the benefit of the heirs, executors and administrators of such a person.

Section 9.11 Limitation on Indemnification

Notwithstanding anything contained in this Article IX to the contrary, except for proceedings to enforce rights to indemnification (which will be governed by Section 9.5), the Corporation is not obligated to indemnify any present or former director or officer in connection with a proceeding (or part thereof) initiated by such person unless such proceeding (or part thereof) was authorized or consented to by the Board of Directors of the Corporation.

Section 9.12 Indemnification of Employees and Agents

The Corporation may, to the extent authorized from time to time by the Board of Directors, provide rights to indemnification and to the advancement of expenses to employees and agents of the Corporation similar to those conferred in this Article IX to directors and officers of the Corporation.

Section 9.13 Enforceability

The provisions of this Article IX are applicable to all actions, suits or proceedings pending at the time or commenced after the adoption of this Article IX, whether arising from acts or omissions to act occurring, or based on claims asserted, before or after the adoption of this Article IX. If this Article IX or any portion hereof is invalidated on any ground by a court of competent jurisdiction, then the Corporation must nevertheless indemnify each director or officer of the Corporation as to costs, charges and expenses (including attorneys’ fees), judgments, fines and amounts paid in any judgment or settlement with respect to any action, suit or proceeding, whether civil, criminal, administrative or investigative, including any action by or in the right of the Corporation, to the full extent permitted by any applicable portion of this Article IX that is not invalidated and to the full extent permitted by applicable law.

ARTICLE X
AMENDMENTS

Section 10.1 Bylaw Amendments

Exhibit 3.1

The Board of Directors has the concurrent power with the stockholders to adopt, amend or repeal these Bylaws; provided, however, that (a) these Bylaws may not be adopted, amended or repealed by the stockholders except as provided for by the Certificate of Incorporation; and (b) no Bylaw may be adopted by the stockholders which impairs or impedes the power of the Board of Directors under paragraph A of Article SEVENTH of the Certificate of Incorporation of the Corporation.

WOODWARD, INC.

ENTERPRISE INCENTIVE PLAN

Section 1. *Purpose.* The purpose of the Woodward, Inc. Enterprise Incentive Plan (as amended from time to time, the “**Plan**”) is to provide to certain employees of the Company incentive compensation based upon the achievement of financial, business, and other performance goals. Wherefore, pursuant to the authority set forth in Section 13.1 of the Omnibus Plan, the Company establishes the Plan as of the Effective Date and as set forth below.

Section 2. *Definitions.* As used in the Plan, the following terms shall have the meanings set forth below unless modified by the Localization Appendix in Appendix A.

(a) “**Administrator**” means the Committee and to the extent the Committee has delegated its authority, Management.

(b) “**Award**” means the payment that may be paid to a Participant under the Plan.

(c) “**Beneficiary**” means a person entitled to receive payments that are available under the Plan in the event of the Participant’s death (e.g., the Participant’s estate).

(d) “**Board**” means the Board of Directors of the Company, or its delegate.

(e) “**Cause**” means the occurrence, prior to any termination of a Participant’s status as an Employee, of any one or more of the following: (i) the Participant’s willful and continued failure to substantially perform the Participant’s duties with the Company (other than any such failure resulting from the incapacity due to physical or mental illness), after a written demand for substantial performance is delivered to the Participant that specifically identifies the manner in which the Company (or in the case of the Company’s officers, the Committee) believes that the Participant has not substantially performed the Participant’s duties, and the Participant has failed to remedy the situation within fifteen (15) business days of such written notice from the Committee, (ii) the Participant’s commission of an act materially and demonstrably detrimental to the financial condition and/or goodwill of the Company, which act constitutes gross negligence or willful misconduct by the Participant in the performance of the Participant’s material duties to the Company, (iii) the Participant’s commission of any material act of dishonesty or breach of trust resulting or intended to result in material personal gain or enrichment of the Participant at the expense of the Company; or (iv) the Participant’s conviction of a felony involving moral turpitude, but specifically excluding any conviction based entirely on vicarious liability. No act or failure to act will be considered “willful” unless it is done, or omitted to be done, by the Participant in bad faith or without reasonable belief that the Participant’s action or omission was in the best interests of the Company.

(f) “**Change in Control**” has the meaning defined in the Omnibus Plan.

(g) “**Code**” means the U.S. Internal Revenue Code of 1986, as amended. Any reference to a specific section of the Code will include such section and any valid regulation or other applicable guidance that has been promulgated under such section and is in effect.

(h) “**Committee**” means the Human Capital & Compensation Committee of the Board, or such successor or replacement committee thereto.

(i) “**Company**” means Woodward, Inc., a Delaware corporation, or any successors thereto. “Company” also includes any applicable “Subsidiary” or “Affiliate” as those terms are defined in the Omnibus Plan.

(j) “**Disability**” means (a) being unable to engage in any substantial gainful activity by reason of any medically determinable physical or mental impairment that can be expected to result in death or can be expected to last for a continuous period of not less than 12 months or (b) receiving income replacement benefits for a period of not less than three months under an accident and health plan covering employees of the Company by reason of any medically determinable physical or mental impairment that can be expected to result in death or can be expected to last for a continuous period of not less than 12 months.

(k) “**Effective Date**” means the date on which this Plan is effective, October 1, 2025.

(l) “**Eligible Earnings**” means elements of compensation used in calculating the Award as established from time to time in Appendix B, and that are paid during a given Performance Period. See Appendix B.

(m) “**Eligible Employee**” means an Employee, other than an individual (i) who participates in the Woodward Operations Incentive Plan, or (ii) whose employment is governed by the terms of a collective bargaining agreement.

(n) “**Eligible Job**” means the job codes that are eligible to participate in the Plan. See Appendix C.

(o) “**Eligible Location**” means the locations that are eligible to participate in the Plan. See Appendix D.

(p) “**Employee**” means an individual employed by the Company who is classified by the Company as a permanent full-time member or a part-time member on the Company’s payroll. An Employee shall not include any individual during any period he is classified or treated by the Company as an independent contractor, a consultant, an intern, a student or any employee of an employment, consulting, leasing or temporary agency or any other entity other than the Company, without regard to whether such individual is subsequently determined to have been, or is subsequently retroactively reclassified as, a common-law employee of the Company during such Performance Period.

(q) “**Management**” means the Company personnel who are responsible for exercising the Committee-delegated authority to design, implement and administer the Plan pursuant to the “Approval of Delegations of Authority for Enterprise Incentive Plan”, as further set forth in this Plan. See Appendix E.

(r) “**Omnibus Plan**” means the Woodward, Inc. 2017 Omnibus Incentive Plan, as amended.

(s) **“Participant”** means any Eligible Employee who (a) is employed in an Eligible Job, and (b) is employed at an Eligible Location.

(t) **“Performance Measures”** means any one or more performance measures (including but not limited to, any financial measures, financial “grids,” operational measures, goals, objectives and/or KPIs), as determined by the Committee in its sole discretion on an annual basis. If the Committee determines that a change in the business, operations, corporate structure or capital structure of the Company, or the manner in which the Company conducts its business, or other events or circumstances render the performance objectives unsuitable, the Committee may modify the performance objectives in whole or in part, as the Committee deems appropriate and equitable. Performance Measures may vary from Performance Period to Performance Period and from Participant to Participant, and may be established on a stand-alone basis, in tandem or in the alternative. The Committee may provide that Performance Measures may be subject to adjustment, as contemplated by Section 6 and as set forth in the Award funding formulas for the applicable Performance Period.

(u) **“Performance Percentage”** means the calculated percentage achievement of the Performance Measures by the Company at the end of the applicable Performance Period as determined under the Plan, as may be adjusted for certain Participants based on individual performance, as described herein.

(v) **“Performance Period”** means each Plan Year.

(w) **“Plan Year”** means the Woodward fiscal year from October 1 through September 30.

(x) **“Retirement Eligible”** means a Participant who has (i) attained at least 55 years of age and completed a period of continuous service of at least ten (10) years; or (ii) attained at least sixty-five (65) years of age.

(y) **“Separation from Service”** means the cessation of services by the Employee for the Company when the Company and the Employee reasonably anticipate that the Employee will provide no further services or the level of services provided will permanently be reduced to no more than 20% of the services provided during the preceding 36-month period. This provision shall be interpreted in accordance with the meaning of such phrase as defined under Section 409A of the Code.

(z) **“Target”** means the amount that a Participant may earn if Performance Measures are achieved at target. The Targets are denominated as a percentage of Eligible Earnings paid.

Section 3. *Eligibility.* Any Eligible Employee working at an Eligible Location in an Eligible Job shall be a Participant in this Plan. Notwithstanding any provision of the Plan, the Administrator may designate specific groups as either eligible or ineligible to participate in the Plan.

Section 4. *Administration.*

(a) Unless provided otherwise by the Board or otherwise delegated, the Administrator shall administer the Plan with respect to all Participants.

(b) The Administrator's administration, decisions, determinations and interpretations with respect to the Plan will be final and binding on all Participants and will be given the maximum possible deference permitted by law.

(c) As the Administrator carries out any actions that require approval of the Board under applicable regulations, the Administrator shall obtain approval of the Board. The Administrator may exercise discretion in seeking Board approval in circumstances where Board approval is not required by regulations but may be desirable in the given situation or circumstance. To the extent permitted by applicable law, the Administrator may delegate to one or more members of Management the applicable authority within any limits established by the Board.

(d) Subject to the terms of the Plan and applicable law, the Administrator shall have full discretion and authority to: (i) design, implement and administer the Plan; (ii) the authority to implement and adopt any Plan governing documents; (iii) determine Participant eligibility; (iv) determine Performance Periods and payout schedules; (v) determine Performance Measures and measure performance against them; (vi) determine Performance Percentages and payout curves; (vii) determine the terms and conditions of any Award; (viii) approve cash payouts to Participants; (ix) determine whether, to what extent and under what circumstances amounts payable with respect to an Award under the Plan shall be deferred either automatically or at the election of the Participant or of the Administrator; (x) interpret and administer the Plan and any instrument or agreement relating to, or Award made under, the Plan; (xi) establish, amend, suspend or waive such rules and regulations as it shall deem appropriate for the proper administration of the Plan and due compliance with applicable law, accounting or tax rules, and regulations; (xii) make any other determination and take any other action that the Administrator in its sole discretion deems necessary or desirable for the administration of the Plan and due compliance with applicable law, accounting or tax rules, and regulations; (xiii) correct any defect, supply any omission, and reconcile any inconsistency in the Plan or any Award in the manner and to the extent it shall deem desirable to carry the Plan into effect; and (xiv) construe, interpret and apply the provisions of this Plan.

Section 5. *Establishment of Award Terms.* Subject to the provisions set forth in Section 8, unless otherwise determined by the Administrator, the Administrator shall establish: (i) the terms of each Award; (ii) the Eligible Jobs in which Participants are employed for the applicable Performance Period; (iii) the Target for each Participant or group of Participants (including any minimum and/or maximum amount); (iv) the applicable Performance Measures and any other additional goals, formulas or performance-based measures; (v) targeted achievement levels (including any minimum and/or maximum achievement levels, subject to the provisions set forth in Section 7) relating to such Performance Measures or other goals; and (vi) the formula or methodology that will be applied to determine the extent to which Awards have been earned and any other terms that will be applicable to the Awards, including the payment date. The Award funding formulas for each Performance Period are set forth in Appendix F. Notwithstanding anything to the contrary, the Administrator has sole and absolute discretion at any time to change any aspect of an Award or payment thereof, including determining that no payment shall be made under an Award.

Section 6. *Adjustments to Performance Measures, Goals and Formulas.* The Administrator may adjust, in whole or in part, any Performance Measures or any other applicable goals, formulas, or performance-based measures; the targeted achievement levels (including any minimum or maximum achievement levels) relating to such Performance Measures, goals, formulas, or performance-based measures; and the formula or methodology to be applied against the Performance Measures goals,

formulas, or performance-based measures, as the Administrator may deem appropriate and equitable and to avoid undue harm or enrichment to account for any of the following events that occur during a Performance Period:

- (a) the effects of currency fluctuations;
- (b) any adjustments used to derive non-GAAP (Generally Accepted Accounting Principles (“GAAP”)) financial performance measures;
- (c) asset write-downs, write-offs, impairments and losses, and the positive impact on depreciation and amortization expenses as a result of the impairment for the period commencing on the date of the impairment and ending on the last day of the Performance Period;
- (d) gains or losses (or amortization thereof) resulting from any newly enacted law or regulation, litigation and regulatory claims, charges, judgments or settlements, including legal fees;
- (e) the effect of changes in tax law, accounting principles, regulatory pronouncements or other such laws or provisions affecting reported results;
- (f) reorganization and restructuring programs, capital return strategies or financings or refinancings;
- (g) accelerated amortization or write-off of deferred financing and debt discount costs as a result of debt repayments or refinancings;
- (h) gains or losses that are the direct result of a major casualty or natural disaster;
- (i) the effect of events that are non-recurring, infrequent, or unusual in occurrence as deemed appropriate by the Administrator in good faith to avoid undue harm or enrichment;
- (j) effect of any acquisition or divestiture on financial statements, including pre-and post-transition, alignment, purchase accounting adjustments, restructuring charges and integration costs;
- (k) any errors in calculating projected financial results used as the basis for determining a Performance Measure or goal;
- (l) the tax effects of any of the above adjustments; or
- (m) any other events, as determined by the Administrator.

In the event of an acquisition or divestiture of the type described in subsection (j) above, adjustments to performance measures, goals, and formulas shall be made as reasonably determined by the Administrator. In making this determination, the Administrator may rely on, among other things, the Company’s operating plan, as presented to the Board in connection with approving the Quarterly budget or other planning models, including any analyses or valuations

prepared in connection with or underlying the information contained in such Board plan, budget, or other planning model and presented to or relied on by the Board or senior management in connection with approving the acquisition or divestiture, as applicable.

Section 7. *Determination of Awards.*

(a) As soon as practicable after the end of each Performance Period, the Administrator shall determine the Performance Percentages based on actual performance and if any other goals, formulas, or performance-based measures applicable to each Award have been satisfied. The minimum Performance Percentage shall be zero percent (0%) and the maximum Performance Percentage shall be two hundred percent (200%). Participants who are not members of Management may have their respective Performance Percentages increased or decreased based on the Participant's personal performance during the Performance Period, as evaluated by their manager and as approved by the Administrator in its sole discretion, but in no event shall such Performance Percentage exceed the two hundred percent (200%) maximum Performance Percentage.

(b) For a given Performance Period, the Administrator shall determine the Award due to each member. Except as otherwise permitted by the Plan or as set forth in the applicable Performance Period appendix, each Award will be determined as follows:

$$\text{Performance Period Eligible Earnings Paid} \times \text{Target} \times \text{Performance Percentage (as modified to reflect individual performance, as applicable)} = \text{Award}$$

(c) If the Participant's Target changes during a Performance Period (e.g., as a result of a job change in the middle of a Performance Period) to a position that is has a different Target or to a position with a different eligibility status (e.g., to a position that is or is not an Eligible Position), the calculation described in Section 7(b) will be prorated to consider the change in Target. If the Participant's position or location changes such that the Participant's eligibility changes, the amount payable to the Participant pursuant to the calculation described in Section 7(b) will be prorated according to the procedure determined by the Administrator in its sole discretion.

(d) The Administrator may, in its sole discretion, adjust (upward or downward) the Award of any Participant or group of Participants as it determines necessary or appropriate.

(e) The Administrator shall determine the Award for any Participant, in each case, after applying any adjustments described in this Section 7 and subject to the provisions set forth in Section 8.

(f) The Administrator shall comply with regulatory requirements in determining the Award for any Participant, particularly the treatment of Participants who took qualifying military leaves, as defined by applicable law, during the Plan Year.

Section 8. *Payment of Awards.* Subject to Section 9, payment of the Awards for an Award Period shall be made in a lump sum cash payment, subject to applicable withholding, within ninety (90) days following the Performance Period to which it relates, but in no event later than March 15th of the year following the year that includes the final day of the Performance Period.

Section 9. *Effect of a Separation from Service.*

(a) Upon the Participant's Separation from Service prior to the end of an applicable Performance Period for any reason other than set forth below in Section 9(b), subject to Section 5, any unpaid Award shall be forfeited.

(b) The Participant shall not forfeit an unpaid Award if the Participant is separated from employment for one of the following reasons: (i) the Participant voluntarily terminates the Participant's employment with the Company while Retirement Eligible, (ii) the Company separates the Participant from employment for a reason other than for Cause while the Participant is Retirement Eligible, (iii) by reason of death, or (iv) by reason of Disability. When the Participant separates from employment for one of the reasons set forth in this Section 9(b), the payment of the Award will be calculated as described in Section 7 based on Eligible Earnings paid to the Participant during the Performance Period.

Section 10. *General Provisions Applicable to Awards.*

(a) Except pursuant to Section 10(b) or the laws of descent, no Award and no right under any Award may be voluntarily or involuntarily assigned, alienated, sold or transferred, including as between spouses or pursuant to a domestic relations order in connection with dissolution of marriage, or by operation of law other than the laws of descent.

(b) Any designation of a Beneficiary to receive all or part of any Award will be governed by local law. To make a Beneficiary designation, the Participant must coordinate with his or her personal tax or estate planning representative. Any Award (or portion thereof) that becomes payable upon the Participant's death will be distributed to his or her estate in accordance with local law. The Administrator shall not maintain records of Beneficiary designations impacting potential Award paid under the Plan.

(c) The entire expense of offering and administering the Plan shall be borne by the Company and its affiliates.

(d) No Employee, Participant, or other person shall have any claim to be paid any Award under the Plan, and there is no obligation for uniformity of treatment of Employees, Participants, or Beneficiaries under the Plan. The terms and conditions of Awards need not be the same with respect to each Participant. Any Award paid under the Plan shall be a one-time Award that does not constitute a promise of future payments.

(e) The eligibility to participate in the Plan shall not be construed as giving a Participant the right to be retained in the employ of, or to continue to provide services to, the Company. Further, the Company or the applicable affiliate may at any time dismiss a Participant, free from any liability, or any claim under the Plan, unless otherwise expressly provided in the Plan.

(f) Nothing contained in the Plan shall prevent the Company from creating or implementing plans, policies, and arrangements for incentives and other compensation to Employees of the Company or adopting or continuing in effect other or additional compensation arrangements, and such arrangements may be either generally applicable or applicable only in specific cases.

(g) The Company shall be authorized to withhold from any payment due with respect to any Award the amount of applicable withholding taxes due as may be necessary in the opinion of the Company to satisfy all obligations for the payment of such taxes. The Company shall have the right to offset from any amount payable hereunder any amount that the Participant owes to the Company or to any affiliate without the consent of the Participant (or Beneficiary, in the event of the Participant's death).

(h) If any provision of the Plan is or becomes or is deemed to be invalid, illegal or unenforceable in any jurisdiction, or as to any person or Award, or would disqualify the Plan or any Award under any law deemed applicable by the Administrator, such provision shall be construed or deemed amended to conform to applicable laws, or if it cannot be so construed or deemed amended without, in the determination of the Administrator, materially altering the intent of the Plan, such provision shall be stricken as to such jurisdiction, Participant or Award, and the remainder of the Plan shall remain in full force and effect.

(i) This Plan is unfunded and unsecured. Nothing in this Plan shall be construed to create a trust or to establish or evidence any Participant's claim of any right to payment of an Award other than as an unsecured general creditor with respect to any payment to which he or she may be entitled.

(j) Amounts payable pursuant to this Plan (i) may be subject to deferral pursuant to the terms and conditions of the Company's qualified and nonqualified retirement plans as may be in effect from time to time, and (ii) are subject to the Woodward, Inc. Clawback Policy and any other compensation recovery policy adopted by the Company.

Section 11. *Amendment, Modification, Suspension and Termination of the Plan; Rescissions and Corrections.* Except to the extent prohibited by applicable law, the Board, the Committee and, to the extent that authority has been delegated, Management, may amend, alter, suspend, discontinue, or terminate the Plan or any portion thereof at any time. The Administrator may correct any defect, supply any omission, or reconcile any inconsistency in the Plan or any Award in the manner and to the extent it shall deem desirable to carry the Plan into effect.

Section 12. *Section 409A of the Code.* With respect to any Award subject to Section 409A of the Code, the Plan is intended to comply with the requirements of, or the exemptions from (e.g., short-term deferral exemption), Section 409A of the Code, and the provisions of the Plan shall be interpreted in a manner that satisfies that intent, and the Plan shall be operated accordingly. If any provision of the Plan or any term or condition of any Award would otherwise frustrate or conflict with this intent, the provision, term or condition will be interpreted and, to the extent necessary, deemed amended so as to avoid this conflict. If an amount payable under an Award as a result of the Participant's termination of employment (other than due to death) occurring while the Participant is a "specified employee" under Section 409A of the Code constitutes a deferral of compensation subject to Section 409A of the Code, then payment of such amount shall not occur until six months and one day after the date of the Participant's Separation from Service, except as permitted under Section 409A of the Code. Notwithstanding any of the foregoing,

the Company makes no representations or warranty and shall have no liability to the Participant or any other person if any provisions or payments, compensation or other benefits under the Plan are determined to constitute nonqualified deferred compensation subject to Section 409A of the Code but do not satisfy the provisions thereof.

Section 13. *Governing Law.* The Plan shall be governed by the laws of the State of Colorado, without application of the conflicts of law principles thereof.

WOODWARD EXECUTIVE BENEFIT PLAN

(Amended and Restated Effective December 5, 2022)

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WOODWARD EXECUTIVE BENEFIT PLAN

I PURPOSE AND EFFECTIVE DATE.

- 1.1. **Purpose.** The Woodward Executive Benefit Plan (the “Plan”) has been established by Woodward, Inc. (the “Company”) to attract and retain certain key members by:
- (a) providing a tax-deferred capital accumulation vehicle to supplement such members’ individual retirement contributions, thereby encouraging savings for retirement,
 - (b) supplementing certain members’ retirement income available under the Woodward Retirement Savings Plan (the “RSP”), which is otherwise limited pursuant to the rules and regulations of the Internal Revenue Code of 1986, as amended (the “Code”); and
 - (c) permitting the Company to credit Company contributions to certain members’ Plan accounts, as set forth herein.
- 1.2. **Effective Date.** The Plan was originally effective January 1, 2001 and was subsequently amended and restated effective January 1, 2007, January 1, 2009, September 18, 2013, and June 1, 2018. The Plan is hereby again amended and restated effective as of December 5, 2022. The Plan shall remain in effect until terminated in accordance with Article X.
- 1.3. **History.** The Woodward Governor Company Amended and Restated Unfunded Deferred Compensation Plan No. 1 (the “DC Plan No. 1”) and the Woodward Governor Company Unfunded Deferred Compensation Plan No. 2 (the “DC Plan No. 2”) were merged with and into this Plan effective January 1, 2001. The Plan is intended to be an amendment, restatement and continuation of such plans for periods following the merger date. As of January 26, 2011, the Company changed its name to “Woodward, Inc.” In connection with the change of the Company’s name, on and after January 26, 2011, this Plan shall be known as the “Woodward Executive Benefit Plan.”
- 1.4. **Code Section 409A.** This Plan is intended to be a nonqualified deferred compensation plan within the meaning of Section 409A of the Code. The provisions of this Plan shall be interpreted, construed and administered in a manner necessary to comply with the requirements of Code Section 409A and applicable regulations and other guidance issued thereunder.

II DEFINITIONS.

When used in the Plan and initially capitalized, the following words and phrases shall have the meanings indicated:

- 2.1. **“Account”** means the recordkeeping account established for each Participant in the Plan for purposes of accounting for the amount of the Participant’s:
- (a) Deferral Contribution Amounts deferred and credited in accordance with Article IV each year, if any,
 - (b) Supplemental Benefit Amount(s) determined and credited in accordance with Section 5.1 each year, if any,
 - (c) Company Contribution Amount(s) determined and credited in accordance with Section 5.2, if any, and
 - (d) account balance, if any, under the prior DC Plan No. 1 and/or prior DC Plan No. 2 on the day immediately preceding the original effective date of this Plan,
- all adjusted periodically to reflect the hypothetical investment return on such amounts in accordance with Article VI and distributions in accordance with Article VII.
- 2.2. **“Administrator”** means the Compensation Committee of the Board or such other individual or committee appointed and delegated by the Board to administer the Plan in accordance with Article IX. To the extent so delegated, the term “Administrator” hereunder shall be deemed to refer to such individual or committee. The Compensation Committee shall take such actions it deems necessary or desirable to ensure that such individual or committee has sufficient and appropriate authority for carrying out the intent and purpose of the Plan.
- 2.3. **“Affiliate”** means any corporation, partnership, joint venture, trust, association or other business enterprise which is a member of the same controlled group of corporations, trades or businesses as the Company within the meaning of Code Section 414(b) or (c); provided, however, that for purposes only of the term “Affiliate” when used in the definition of “Separation from Service” below, in applying Code Section 1563(a)(1), (2), and (3) in determining a controlled group of corporations under Code Section 414(b), the language “at least 50 percent” shall be used instead of “at least 80 percent” each place it appears in Code Section 1563(a)(1), (2), and (3), and in applying Treasury Reg. § 1.414(c)-2 for purposes of determining trades or businesses (whether or not incorporated) that are under common control for purposes of Code Section 414(c), “at least 50 percent” shall be used instead of “at least 80 percent” each place it appears in Treasury Reg. § 1.414(c)-2.
- 2.4. **“Base Salary”** means a Participant’s base salary in effect for a given Plan Year as reflected in the personnel records of the Company.
- 2.5. **“Beneficiary”** means the person or entity designated by the Participant to receive the Participant’s Plan benefits in the event of the Participant’s death. If the Participant does not designate a Beneficiary, or if the Participant’s designated

Beneficiary predeceases the Participant, the Participant's estate shall be the Beneficiary under the Plan.

- 2.6. **“Board”** means the Board of Directors of the Company.
- 2.7. **“Bonus”** means for a given Plan Year any incentive compensation awarded and payable to a Participant in the Plan Year for performance over one or more fiscal-year performance periods under the Woodward Variable Incentive Plan, the Woodward Long Term Incentive Plan, and/or any other bonus or incentive compensation plan designated by the Administrator from time to time for inclusion within this definition for deferral purposes.
- 2.8 **“Change in Control”** shall be deemed to have occurred if:
- (a) any “person” (as defined in Section 13(d) and 14(d) of the Exchange Act) (excluding for this purpose the Company or any subsidiary of the Company, or any employee benefit plan of the Company or any subsidiary of the Company, or any person or entity organized, appointed or established by the Company for or pursuant to the terms of such plan which acquires beneficial ownership of voting securities of the Company) is or becomes the “beneficial owner” (as defined in Rule 13d-3 under the Exchange Act) directly or indirectly of securities of the Company representing fifteen percent (15%) or more of the combined voting power of the Company's then outstanding securities; provided, however, that no Change in Control shall be deemed to have occurred:
 - (i) as the result of an acquisition of securities of the Company by the Company which, by reducing the number of voting securities outstanding, increases the direct or indirect beneficial ownership interest of any person to fifteen percent (15%) or more of the combined voting power of the Company's then outstanding securities, but any subsequent increase in the direct or indirect beneficial ownership interest of such a person in the Company shall be deemed a Change in Control; or
 - (ii) as a result of the acquisition directly from the Company of securities of the Company representing less than fifty percent (50%) of the voting power of the Company; or
 - (iii) if the Board determines in good faith that a person who has become the beneficial owner directly or indirectly of securities of the Company representing fifteen percent (15%) or more of the combined voting power of the Company's then outstanding securities has inadvertently reached that level of ownership interest, and if such person divests as promptly as practicable a sufficient amount of securities of the Company so that the person no longer has a direct or indirect beneficial ownership interest in fifteen

percent (15%) or more of the combined voting power of the Company's then outstanding securities; or

- (b) during any period of two (2) consecutive years (not including any period prior to the original effective date (as set forth in Section 1.2 above) of the Plan), individuals who at the beginning of such two-year period constitute the Board and any new director or directors (except for any director designated by a person who has entered into an agreement with the Company to effect a transaction described in paragraph (a) above or paragraph (c) below) whose election by the Board or nomination for election by the Company's shareholders was approved by a vote of at least two-thirds of the directors then still in office who either were directors at the beginning of the period or whose election or nomination for election was previously so approved, cease for any reason to constitute at least a majority of the Board (such individuals and any such new directors being referred to as the "Incumbent Board"); or
- (c) approval by the shareholders of the Company of a complete liquidation or dissolution of the Company; or
- (d) consummation of:
 - (i) an agreement for the sale or disposition of the Company or all or substantially all of the Company's assets,
 - (ii) a plan of merger or consolidation of the Company with any other corporation, or
 - (iii) a similar transaction or series of transactions involving the Company (any transaction described in subparagraphs (i) and (ii) of this paragraph (d) being referred to as a "Business Combination"), in each case unless after such a Business Combination:
 - (a) the shareholders of the Company immediately prior to the Business Combination continue to own, directly or indirectly, more than fifty-one percent (51%) of the combined voting power of the then outstanding voting securities entitled to vote generally in the election of directors of the new (or continued) entity (including, but not by way of limitation, an entity which as a result of such transaction owns the Company or all or substantially all of the Company's former assets either directly or through one or more subsidiaries) immediately after such Business Combination, in substantially the same proportion as their ownership in the Company immediately prior to such Business Combination, and

(b) at least a majority of the members of the board of directors of the entity resulting from such Business Combination were members of the Incumbent Board at the time of the execution of the initial agreement, or of the action of the Board, providing for such Business Combination.

2.9. “**Code**” means the Internal Revenue Code of 1986, as amended.

2.10. “**Company**” means Woodward, Inc. and any successor thereto.

2.11. “**Company Contribution Amount**” means the amount credited to an Eligible Member’s Account in accordance with Section 5.2, if any.

2.12. “**Deferral Contribution Amounts**” means the amounts of Base Salary, Director Compensation and/or Bonus (as applicable) deferred by a Participant, if any, and credited to his or her Account in accordance with Article IV but such amounts specifically and expressly do not include any Prior Account Balance of such Participant.

2.13. “**Deferral Election**” means the election made in writing (or any other format approved by the Administrator) by an Eligible Member to defer such Eligible Member’s Base Salary, Director Compensation and/or Bonus (as applicable) otherwise payable for any given Plan Year in accordance with Article IV.

2.14. “**Director Compensation**” means any and all (i) retainer or committee fees, (ii) attendance fees, (iii) chairman or lead director fees, and (iv) other cash compensation directly pertaining to the provision of services on the Board or a committee thereof, and in each case prior to any reduction therein, payable in cash to a Participant who is a non-employee director of the Board for services as a member of the Board.

2.15. “**Disability**” means that the Participant is, by reason of any medically determinable physical or mental impairment which can be expected to result in death or can be expected to last for a continuous period of not less than 12 months, receiving disability benefits under the Company’s long-term disability plan for a period of not less than three months. If a Participant does not participate in such a long term disability plan, then Disability shall mean that the Participant is unable to engage in any substantial gainful activity by reason of any medically determinable physical or mental impairment which can be expected to result in death or can be expected to last for a continuous period of not less than 12 months, as determined in the sole discretion of the Administrator.

2.16. “**Distribution Election**” means the election made by a Participant in writing (or any other format approved by the Administrator) for a Plan Year regarding the timing and form of payment of his or her Deferral Contribution Amounts under Article IV or Supplemental Benefit Amounts under Section 5.2 with respect to such Plan Year or, where applicable, made under prior DC Plan No. 1 or prior DC Plan

No. 2 in respect of the timing and form of payment of his or her Prior Account Balance.

- 2.17. **“Early Retirement Date”** means the date on which any Participant incurs a Separation from Service on or after he has attained age 55 but before he has attained age 65.
- 2.18. **“Election Period”** means the period(s) specified by the Administrator during which a Deferral Election may be made with respect to a Participant’s Base Salary, Director Compensation and/or Bonus (as applicable) otherwise payable for a Plan Year, or a Distribution Election may be made with respect to payment of Deferral Compensation Amounts or Supplemental Benefit Amounts credited for such Plan Year.
- 2.19. **“Eligible Member”** means a member of the Company or an Affiliate or a non-employee member of the Board who has been selected by the Administrator to participate in the Plan in accordance with Article III.
- 2.20. **“Exchange Act”** means the Securities and Exchange Act of 1934.
- 2.21. **“FICA”** means the employment tax imposed on a member’s income under the Federal Insurance Contributions Act (Chapter 21 of the Code) which is comprised of Old-Age, Survivors and Disability Insurance and Hospital Insurance.
- 2.22. **“Investment Fund or Funds”** means the investment funds designated by the Administrator as the basis for determining the hypothetical investment return to be credited in accordance with Article VI to Participants’ Accounts. As of the effective date of this amendment and restatement of the Plan, the Investment Funds shall mirror the investment funds available under the RSP, including the investment in Woodward, Inc. Common Stock under the Company Stock Component under the RSP. The Administrator, in its sole discretion, may change the Investment Funds at such times as it deems appropriate. Any Investment Fund alternatives that are different than those offered under the RSP shall be described in an Appendix to the Plan.
- 2.23. **“Normal Retirement Date”** means the date on which any Participant incurs a Separation from Service on or after he has attained age 65.
- 2.24. **“Participant”** means an Eligible Member who has:
- (a) been notified by the Administrator of his eligibility to participate in the Plan, and
 - (b) either:
 - (i) completed and submitted a Deferral Election in accordance with Section 4.2, or

- (ii) had credited to his Account, by the Company, Supplemental Benefit Amounts in accordance with Section 5.1, or
- (iii) had credited to his Account, by the Company, Company Contribution Amount(s) in accordance with Section 5.2, or
- (iv) had an account balance under the prior DC Plan No. 1 and/or the prior DC Plan No. 2 on the day immediately preceding the original effective date of this Plan.

2.25. **“Plan”** means the Woodward Executive Benefit Plan, as amended from time to time.

2.26. **“Plan Year”** means the 12 consecutive month period beginning each January 1.

2.27. **“Prior Account Balance”** means an Eligible Member’s account balance(s), if any, under the prior DC Plan No. 1 and/or prior DC Plan No. 2 which were transferred to this Plan by the Company and credited to his Account pursuant to Section 3.1.

2.28. **“Retirement”** means Separation from Service by a Participant on his Early Retirement Date or Normal Retirement Date.

2.29. **“Separation from Service”** means, in respect of a Participant, any termination of employment with the Company and all its Affiliates, or in the case of a non-employee director, any termination of service on the Board, due to Retirement, death, or other reason; provided, however, that for Participants who are employees of the Company or any of its Affiliates, no Separation from Service for reasons other than death shall be deemed to occur for purposes of the Plan while the Participant is on military leave, sick leave, or other bona fide leave of absence that does not exceed six months or, if longer, the period during which the Participant’s right to reemployment with the Company or its Affiliates is provided either under applicable statute or by contract; and provided further that, if the period of leave exceeds six months and the Participant does not retain a right to reemployment under an applicable statute or by contract, a Separation from Service will be deemed to have occurred on the first day following such six-month period. Whether or when a Separation from Service has occurred for purposes of the Plan shall be determined based on the meaning of “separation from service” under Code Section 409A and the regulations promulgated thereunder and, accordingly, shall be based on whether the facts and circumstances indicate that the Company and its Affiliates and the Participant reasonably anticipate that no further services will be performed after a certain date or that the level of bona fide services the Participant will perform after such date (whether as an employee, an independent contractor or a non-employee director) will permanently decrease to no more than 20% of the average level of bona fide services performed (whether as an employee, an independent contractor or a non-employee director) over the immediately preceding 36-month period (or the full period of services to the Company and its Affiliates if the Participant has been providing services to the Company and its Affiliates less than

36 months). A Participant shall be presumed for this purpose to have a Separation from Service where the level of bona fide services decreases to a level equal to 20% or less of such average level of services.

- 2.30. **“Specified Employee”** means a Participant who is a key employee (as defined in Code Section 416(i) without regard to Code Section 416(i)(5)) of the Company or an Affiliate. For purposes of this definition, a Participant is a key employee if the Participant meets the requirements of Code Section 416(i)(1)(A)(i), (ii) or (iii) (applied in accordance with the regulations thereunder and disregarding Code Section 416(i)(5)) at any time during the 12-month period ending on any December 31st. If a Participant is a key employee as of any December 31st, that Participant is treated as a Specified Employee for the 12-month period beginning on the April 1st following the relevant December 31st. Notwithstanding the foregoing, a Participant who otherwise would be a Specified Employee under the preceding sentence shall not be a Specified Employee for purposes of the Plan unless, as of the date of the Participant’s Separation from Service, stock of such Company or an Affiliate thereof is publicly traded on an established securities market or otherwise.
- 2.31. **“Supplemental Benefit Amount”** means the amount computed on behalf of the Participant, if any, and credited to his or her Account in accordance with Section 5.1.
- 2.32. **“Valuation Date”** means a date on which the Investment Funds are valued and the Participant’s Account is adjusted for any resulting gains or losses. The Valuation Date shall be each day the New York Stock Exchange is open for business, or such other date(s) occurring at least once every calendar year as the Administrator shall determine; provided, however, that for purposes of Articles VII and VIII and Section 11.4 only, Valuation Date shall mean the 15th day of each calendar month or, if it is not a day the New York Stock Exchange is open for business, the next succeeding day the New York Stock Exchange is open for business.

III PARTICIPATION.

- 3.1. **Participation.** The Administrator shall select those members eligible to participate in the Plan. In selecting Eligible Members, the Administrator shall take into consideration such factors as it deems relevant in connection with accomplishing the purposes of the Plan. An Eligible Member shall become a Participant in the Plan when (A) he is notified in writing by the Administrator (or in any other format approved by the Administrator) that he is eligible to participate in the Plan, and (B) he has either (1) completed and submitted a Deferral Election to the Administrator in accordance with Article IV, or (2) had credited to his Account, by the Company, Supplemental Benefit Amounts in accordance with Section 5.2, or (3) had credited to his Account, by the Company, Company Contribution Amount(s) in accordance with Section 5.2, or (4) had credited to his Account, by the Company, his account balance, if any, under the prior DC Plan No. 1 and/or the prior DC Plan No. 2 on the day immediately preceding the original effective date of this Plan.

- 3.2. **ERISA Exemption.** It is the intent of the Company that the Plan be exempt from Parts 2, 3 and 4 of Subtitle B of Title I of the Employee Retirement Income Security Act of 1974, as amended (“ERISA”), as an unfunded plan that is maintained by the Company primarily for the purpose of providing deferred compensation for a select group of management of highly compensated employees and non-employee directors serving on the Board (the “ERISA Exemption”). Notwithstanding anything to the contrary in Section 3.1 or in any other provision of the Plan, the Administrator may in its sole discretion exclude any one or more members from eligibility to participate or from participation in the Plan, may exclude any Participant from continued participation in the Plan, and may take any further action it considers necessary or appropriate if the Administrator reasonably determines in good faith that such exclusion or further action is necessary in order for the Plan to qualify for, or to continue to qualify for, the ERISA Exemption.

IV DEFERRAL CONTRIBUTION AMOUNTS.

- 4.1. **Permissible Deferrals under the Plan.** An Eligible Member may, by filing a Deferral Election in accordance with Section 4.2 below, elect to defer (as applicable):
- (a) **Deferral of Base Salary:** up to 50% of his or her Base Salary for a Plan Year, in increments of 1%;
 - (b) **Deferral of Specified Bonus(es):** up to 100% of his or her specified Bonus for a Plan Year, in increments of 5%, or, in the alternative, a specific dollar amount of \$1,000 or more (with separate Deferral Elections being made available for each type of Bonus, as applicable); and
 - (c) **Deferral of Director Compensation:** up to 100% of his or her Director Compensation for a Plan Year, in increments of 1%.
- 4.2. **Deferral Elections.** A Participant’s Deferral Election shall be in writing (or in any other form approved by the Administrator), and shall be filed with the Administrator at such time and in such manner as the Administrator shall provide, subject to the following:
- (a) A Deferral Election pertaining to Base Salary or Director Compensation shall be made during the Election Period established by the Administrator which shall end no later than December 31 preceding the first day of the Plan Year in which the services in respect of which such Base Salary or Director Compensation would otherwise be payable are performed. A Deferral Election pertaining to a Bonus for a Plan Year shall be made during the Election Period established by the Administrator which shall end no later than the last day of the Company’s fiscal year next preceding the fiscal year which contains the first day of the performance period (which shall consist of one or more consecutive fiscal years of the Company) to which such Bonus relates and after the end of which such Bonus, absent the

Deferral Election, would be paid. Notwithstanding the foregoing, with respect to any portion of a Bonus which constitutes “performance-based compensation,” as defined under Code Section 409A, such Deferral Election shall be made within the Election Period prescribed by the Administrator which shall end no later than the date that is six months before the end of the applicable fiscal year performance period(s) with respect to which the Bonus is payable but in no event after the Bonus amount has become readily ascertainable; provided, however, that any such Deferral Election may only be made during an Election Period established under this sentence if the Participant has performed services continuously from the later of the beginning of such performance period(s) or the date the performance criteria is established through the date the Deferral Election is made.

- (b) At the discretion of the Administrator, a Deferral Election may be made by
 - (i) newly-hired or newly-elected (as applicable) Eligible Members for the Plan Year in which they commence employment or service on the Board, or
 - (ii) a member who otherwise becomes an Eligible Member after the beginning of a Plan Year for the Plan Year in which he or she first becomes an Eligible Member (as determined consistent with Code Section 409A and the regulations thereunder).

Notwithstanding the preceding sentence or Section 4.2(a), such Deferral Elections must be made within thirty (30) days of the Eligible Member’s date of hire or date of election (as applicable), or the date the member becomes an Eligible Member, whichever applies. However, such Deferral Elections shall be prospective and shall apply only to Base Salary or Director Compensation that would otherwise be paid to the Eligible Member with respect to services performed after the Deferral Election is made and only to a portion of a Bonus (if applicable) for the applicable performance period(s) that shall not exceed the total Bonus amount prorated for the number of days remaining in the relevant performance period(s) after the Deferral Election is made relative to the total number of days in the performance period(s).

- (c) Once made, Deferral Elections for Base Salary, Director Compensation or Bonus (as applicable) shall remain in effect only for the Plan Year for which each such election is made.

Notwithstanding any provision herein to the contrary, Deferral Elections with respect to a given Plan Year shall be irrevocable on the date filed with the Administrator, except if the Administrator, in its sole discretion, determines that the Participant has suffered an unforeseeable emergency as provided in Section 7.5 or, before the end of the Election Period in which

the Deferral Election was made, revokes the election because a bona fide administrative mistake was made. If a Deferral Election is cancelled in accordance with Section 7.5, the Participant may not make a new Deferral Election until the Election Period established by the Administrator in accordance with Section 4.2(a) for making deferrals for the Plan Year commencing at least 12 months after the unforeseeable emergency.

- (d) At the time a Deferral Election is made with respect to Base Salary, Director Compensation or Bonus (as applicable) for a Plan Year, the Participant shall also make a Distribution Election with respect to such Plan Year deferrals in accordance with Article VII.

4.3. **Crediting of Deferral Elections.** The amount of Base Salary, Director Compensation or Bonus (as applicable) that a Participant elects to defer under the Plan shall be credited by the Company to the Participant's Account as Deferral Contribution Amounts as of the date such Base Salary, Director Compensation or such Bonus would have been paid to the Participant absent the Deferral Election.

4.4. **Vesting.** A Participant's Deferral Contribution Amounts for each Plan Year shall be fully vested at the time credited to such Participant's Account.

4.5. **Deferral Contribution Amounts Subject to FICA at Time of Deferral.** Except with respect to deferrals of Director Compensation, a Participant's Deferral Contribution Amounts are subject to FICA at the time the amounts are contributed to the Plan for deferral. The gross amount of the Participant's Base Salary deferral and Bonus deferral will be contributed to the Participant's Account and the corresponding FICA tax due will be deducted from that portion of the Participant's Base Salary or Bonus not deferred, as the case may be. Notwithstanding the foregoing, if a Participant has elected to defer a percentage of his or her Bonus such that contribution of the gross amount of the Bonus deferred would leave insufficient funds to remit the applicable FICA tax to the government, then the applicable Bonus amount contributed to the Participant's Account shall be made net of the smallest amount of FICA tax needed to satisfy such liability which cannot be covered from the portion of Bonus not deferred.

V COMPANY CONTRIBUTIONS.

5.1. **Supplemental Benefit Amount.**

- (a) **General.** An Eligible Member designated by the Administrator for participation under the Plan, other than an Eligible Member who is a non-employee director serving on the Board, shall be entitled to a Supplemental Benefit Amount for each Plan Year that he is an Eligible Member equal to:
 - (i) the excess, if any, of the amount of contributions the Participant otherwise would have been entitled to have credited to a separate account for his benefit as Company Matching Contributions, Grandfathered Contributions and Company Stock Component

Contributions under the RSP for a given year if such contribution amounts were calculated without regard to the following:

- (A) Code Section 415,
 - (B) Code Section 401(a)(17),
 - (C) Code Section 401(k)(3),
 - (D) Code Section 401(m)(2),
 - (E) Code Section 402(g), and
 - (F) any Deferral Election made by the Participant for such given year under Article IV of this Plan, **over**
- (ii) the actual amount of such contributions which the Participant is entitled to have credited to a separate account for his benefit for such given year under the RSP.

Notwithstanding the foregoing, if after the beginning of a Plan Year, a Participant changes his or her deferral/contribution elections under the RSP in a manner that would affect the amount of Supplemental Benefit Amount credits based on Company Matching Contributions under the RSP for such Plan Year, the Supplemental Benefit Amount credits to be credited for such Plan Year shall be appropriately reduced or increased, as the case may be, provided that the aggregate Supplemental Benefit Amount for such Plan Year based on Company Matching Contributions under the RSP does not exceed 100% of the matching contributions that would have been provided under the RSP for such Plan Year absent any plan-based restrictions that reflect limits on qualified plan contributions under the Code.

- (b) **Vesting.** A Participant's Supplemental Benefit Amounts calculated by the Company for each Plan Year shall be fully vested at the time credited to such Participant's Account.
- (c) **Crediting of Supplemental Benefit Amount.** The Supplemental Benefit Amounts computed in paragraph (a) above for each Plan Year shall be credited by the Company to the Participant's Account as soon as reasonably practicable.
- (d) **Distribution Elections.** During the Election Period pertaining to the deferral of Base Salary for each Plan Year, a Participant shall also make a Distribution Election in accordance with Article VII with respect to the distribution of any Supplemental Benefit Amount to be credited to his or her Account for such Plan Year.

5.2. **Company Contribution Amount.**

- (a) **General.** If the Company is required to credit a Company contribution amount to an Eligible Member's Account in accordance with the terms of an employment or other agreement entered into between such individual and the Company (the "Employment Agreement"), such Company Contribution Amount shall be credited to his Account on the date specified by the Employment Agreement. If, however, the Employment Agreement does not specify the crediting date of such Company Contribution Amount, then such amount shall be credited to the Participant's Account on the date specified by the Administrator in its discretion.
- (b) **Vesting.** A Participant shall be vested in the portion of his Account attributable to the Company Contribution Amount credited thereto pursuant to paragraph (a) above, as adjusted under Article VI to reflect the hypothetical investment returns of the investments in which such portion of the Account is deemed invested (the "Applicable Company Contribution Portion"), in accordance with the vesting schedule set forth in the Employment Agreement that required such Company Contribution Amount. If, however, the Employment Agreement does not specify such vesting schedule, then the Applicable Company Contribution Portion shall vest in accordance with the vesting schedule specified by the Administrator in its discretion.

VI ACCOUNTS AND INVESTMENTS.6.1. **Valuation of Accounts.** The Administrator shall establish an Account for each Participant who:

- (a) has filed a Deferral Election to defer Base Salary, Director Compensation or Bonus (as applicable); or
- (b) has been credited with a Supplemental Benefit Amount; or
- (c) has been credited with a Company Contribution Amount; or
- (d) has a Prior Account Balance on the effective date of this Plan.

Such Account shall be credited with a Participant's Deferral Contribution Amounts as set forth in Section 4.3, if any, Supplemental Benefit Amounts as set forth in Section 5.1, if any, Company Contribution Amount(s) as set forth in Section 5.2, if any, and Prior Account Balance, if any. As of each Valuation Date, the Participant's Account shall be adjusted upward or downward to reflect:

- (i) the investment return to be credited as of such Valuation Date pursuant to Section 6.3 below; and

(ii) the amount of distributions, if any, to be debited as of that Valuation Date under Article VII.

Each Participant will receive a statement of his or her Account balance at least annually.

6.2. **Hypothetical Investment Funds.** Each Participant generally may direct the manner in which his or her Account shall be deemed invested in and among the Investment Funds; provided, however, that each investment election made by a Participant who is not subject to the Woodward Officer/Director Stock Ownership Guidelines, as in effect from time to time (the “Guidelines”), shall, notwithstanding anything to the contrary in the Plan, be strictly subject to the consent of the Administrator which, in its sole discretion, may elect to honor the Participant’s request or have the Account deemed invested in another manner. Such deemed investment election shall be made in accordance with such procedures as the Administrator may establish and any such election shall be made in whole percentages. The investment authority shall remain at all times with the Administrator. The selection of Investment Funds by a Participant shall be for the sole purpose of determining the rate of return to be credited to his or her Account and shall not be treated or interpreted in any manner whatsoever as a requirement or direction to actually invest assets in any Investment Fund or any other investment media.

Notwithstanding any provision of the Plan to the contrary, a Participant who is subject to the Guidelines may revoke an Investment Fund election (including an election for the Investment Fund based on Woodward, Inc. Company Common Stock (“Company Common Stock”)) at any time in accordance with such procedures as the Administrator may establish; provided, however, that if a Participant who is not subject to the Guidelines is granted permission to make an investment election for the Investment Fund based on Company Common Stock, the Participant may only revoke such Investment Fund election with the prior approval of the Administrator. Any such revocation shall only be effective with respect to future deferrals and credits. Any portion of the Participant’s Account deemed invested in Company Common Stock shall continue to be deemed to be invested in Company Common Stock and may not be transferred to any other hypothetical Investment Fund. The applicable value of Company Common Stock as of any Valuation Date shall be equal to the closing price of such common stock on NASDAQ quoted by the Wall Street Journal for the applicable Valuation Date. Notwithstanding the foregoing, no portion of any Participant’s Account attributable to any Supplemental Benefit Amounts credited on or after June 1, 2018 may initially be deemed invested in Company Common Stock and no portion of any Participant’s Account attributable to any Company Contribution Amount may be deemed invested in Company Common Stock.

6.3. **Crediting of Investment Return.** Each Participant’s Account shall be credited on each Valuation Date with his or her allocable share of investment gains or losses of each Investment Fund in which his or her Account is hypothetically invested. The

Administrator shall adopt a protocol for allocating the deemed investment gains and losses similar to that used in the RSP. Notwithstanding any provision herein to the contrary, if a Participant elects to invest in the hypothetical Investment Fund for Company Common Stock, such Participant's Account shall also be credited with any deemed dividends paid during the period beginning with the immediately preceding Valuation Date and ending with the current Valuation Date.

- 6.4. **Changing Investment Fund Options.** Subject to the provisions of this Article VI, a Participant may, on a daily basis, make a new election with respect to the hypothetical Investments Funds in which his or her Account shall be deemed invested in the future. Any such election shall be made in the form specified by the Administrator.
- 6.5. **Investment Alternatives After Death.** For periods after the Valuation Date coincident with or next following a Participant's death and pursuant to procedures established by the Administrator, the Participant's vested Account balance pertaining to Deferral Contribution Amounts, Supplemental Benefit Amounts, if any, Company Contribution Amounts, if any, and/or Prior Account Balance, if any, shall be reallocated and reinvested among the Investment Funds in accordance with the Beneficiary's hypothetical investment direction.

VII PAYMENT OF BENEFITS.

- 7.1. **Distribution of Applicable Amount at Specific Future Date.** During the Election Period(s) specified by the Administrator for making a Deferral Election for a Plan Year, an Eligible Member may elect one or more future Valuation Dates (which must be one or more specific dates) as of which all or a portion of his or her Deferral Contribution Amounts to be deferred and any Supplemental Benefit Amounts to be credited for such Plan Year, and earnings thereon, shall be distributed. Participants who participated prior to January 1, 2001 in prior DC Plan No. 1 or prior DC Plan No. 2 also had the opportunity to make such an election(s) under such plans with respect to all or a portion of their Prior Account Balances and earnings thereon, which elections shall continue in effect under this Section 7.1 of the Plan. Any distribution of an amount described above (an "Applicable Amount") as of a specific future date made to a Participant pursuant to any such elections shall be paid in a single lump-sum payment or substantially equal annual, quarterly or monthly installments for a specified period up to but not exceeding 10 years, as provided in such election. Any such specific future date shall be a Valuation Date in a specific future year which is at least five Plan Years after the Plan Year for which the Deferral Contribution Amounts or Supplemental Benefit Amounts are credited to such Participant's Account; provided, however, that only one distribution date per Plan Year may be elected under this Section 7.1. If the Participant elects a distribution to be made or commenced at one or more specific future dates and incurs a Separation from Service or a Disability prior to any such date, such election shall be without further effect and distribution shall commence pursuant to Section 7.2, 7.4 or 8.1, as applicable. The amount of each installment payment to be made under any installment payment election shall be equal to the

quotient obtained by dividing the balance in the portion of the Participant's Account subject to the election as of the Valuation Date as of which the installment payment is to be made by the number of installment payments remaining to be made at the time of such calculation. A Distribution Election under this Section 7.1 may be changed to a Valuation Date (which must be a specific date) in a future Plan Year or changed to a different form of payment if the following requirements are satisfied: (i) the new Distribution Election must be made at least 12 months in advance of the originally scheduled distribution or distribution commencement date and may not take effect for at least 12 months after the date the new Distribution Election is made; (ii) the new Distribution Election must require a revised distribution or distribution commencement date of at least five Plan Years from the date such payment would otherwise have been made or commenced; and (iii) the new Distribution Election shall not accelerate the schedule of any payment, except as permitted under the regulations under Code Section 409A. Notwithstanding the foregoing, any amounts distributable under this Section 7.1 shall be paid or commenced, as the case may be, on or as soon as practicable following the Valuation Date elected and must be made or commenced within the same taxable year of the elected Valuation Date or, if later and provided the Participant is not permitted, directly or indirectly, to designate the taxable year of payment, the 15th day of the third calendar month following the elected Valuation Date.

7.2. **Distribution of Applicable Amount Upon Retirement or Disability.** Subject to Sections 7.8 and 7.9 and the provisions of this Section 7.2, if a Participant incurs a Separation from Service by reason of Retirement or incurs a Disability, distribution of Applicable Amounts (excluding any portion thereof then being paid in installments pursuant to Section 7.1) shall be made or commenced on the Valuation Date of the calendar month beginning next following the date such Participant incurs the Separation from Service or Disability or as soon thereafter as is practicable. Distribution of an Applicable Amount under this Section 7.2 shall be made:

- (a) in a lump sum; or
- (b) in substantially equal annual, quarterly or monthly installments for a specified period up to but not exceeding 10 years,

as elected by the Participant on the related Distribution Election. The amount of each installment payment to be made under any installment payment election shall be equal to the quotient obtained by dividing the balance in the portion of the Participant's Account subject to the election as of the Valuation Date as of which the installment payment is to be made by the number of installment payments remaining to be made at the time of such calculation. A Distribution Election under this Section 7.2 may be changed to another time and/or form of payment if the following requirements are satisfied: (i) the new Distribution Election must be made at least 12 months in advance of the originally scheduled distribution or distribution commencement date and may not take effect for at least 12 months after the date the new Distribution Election is made; (ii) the new Distribution

Election must require a revised distribution or distribution commencement date of at least five Plan Years from the date such payment would otherwise have been made or commenced; and (iii) the new Distribution Election shall not accelerate the schedule of any payment, except as permitted under the regulations under Code Section 409A. A Participant cannot alter or change his Distribution Election once he has begun to receive payments under this Section 7.2 of the Plan. If the Participant does not have in effect a valid Distribution Election with respect to an Applicable Amount on file with the Administrator at the time of Retirement or Disability, such amount not covered by a valid Distribution Election shall be paid in a single sum under paragraph (a) above. Notwithstanding any provision in the Plan to the contrary, distributions made under this Section 7.2 must be made or commenced within 90 days following the Participant's Separation from Service or Disability, as the case may be, and the Participant shall not have any right to designate the year of payment.

7.3. **Distribution of Company Contribution Amount.**

(a) **Specific Future Date.** If timely elected in writing (which may be by electronic means) by the Administrator or, if permitted by the Administrator, the Eligible Member, distribution of an Applicable Company Contribution Portion shall, if then vested, be made or commenced on a specific future Valuation Date in a specific future Plan Year that is at least five Plan Years after the Plan Year in which the Company Contribution Amount subject to the election is credited to the Participant's Account. Such distribution election, if any, shall be made in the form specified by the Administrator and no later than by the time required by Code Section 409A. Any distribution as of a specific future Valuation Date made to a Participant pursuant to such election shall be made in a single lump-sum payment or substantially equal annual, quarterly or monthly installments for a specified period up to but not exceeding 10 years, as provided in the election. The amount of each installment payment to be made under any such installment payment election shall be equal to the quotient obtained by dividing the vested Applicable Company Contribution Portion as of the Valuation Date as of which the installment payment is to be made by the number of installment payments remaining to be made at the time of such calculation. A distribution election made under this paragraph (a) may be changed by the Participant to a specific future Valuation Date in a future Plan Year or changed to a different form of payment otherwise permitted above if the following requirements are satisfied: (i) the new distribution election must be made at least 12 months in advance of the originally scheduled distribution or distribution commencement date and may not take effect for at least 12 months after the date the new distribution election is made; (ii) the new distribution election must require a revised distribution or distribution commencement date of at least five Plan Years from the date such payment would otherwise have been made or commenced; (iii) the new distribution election shall not accelerate the schedule of any payment, except as permitted under the regulations under Code Section 409A; and (iv) the new distribution election must be made in the form specified by the Administrator. Notwithstanding the foregoing, if the Participant incurs a Separation from Service or a Disability prior to the Valuation Date elected above,

then the election shall be without further effect and distribution shall be made or commenced pursuant to paragraph (b) below, Section 7.4 or Section 8.1, as applicable. In addition, any amount distributable under this paragraph (a) shall be paid or commenced, as the case may be, on or as soon as practicable following the Valuation Date elected and must be made or commenced within the same taxable year of the elected Valuation Date or, if later and provided the Participant is not permitted, directly or indirectly, to designate the taxable year of payment, the 15th day of the third calendar month following the elected Valuation Date.

(b) **Upon Retirement or Disability.** Subject to Sections 7.8 and 7.9 and the provisions of this paragraph (b), if a Participant incurs a Separation from Service by reason of Retirement or incurs a Disability, distribution of an Applicable Company Contribution Portion shall, if then vested, be made or commenced on the Valuation Date of the calendar month beginning next following the date the Participant incurs the Separation from Service or Disability, as applicable, or as soon thereafter as is practicable. Distribution of such vested amount shall be made in a single lump-sum payment unless the Administrator or, if permitted by the Administrator, the Eligible Member, timely elects in writing (which may be by electronic means) that such amount instead shall be payable in substantially equal annual, quarterly or monthly installments for a specified period up to but not exceeding 10 years, as provided in such election. Such installment payment election, if any, shall be made in the form specified by the Administrator and no later than by the time required by Code Section 409A. The amount of each installment payment to be made under such election shall be equal to the quotient obtained by dividing the vested Applicable Company Contribution Portion as of which the installment payment is to be made by the number of installment payments remaining to be made at the time of such calculation. Notwithstanding any provision in the Plan to the contrary, any distribution made under this paragraph (b) must be made or commenced within 90 days following the Participant's Separation from Service or Disability, as the case may be, and the Participant shall not have any right to designate the year of payment.

7.4. **Distribution On Other Termination of Service.** Subject to Sections 7.8 and 7.9 and the provisions of this Section 7.4, if a Participant incurs a Separation from Service for any reason other than Retirement or death and the Participant has not incurred a Disability prior thereto, the Participant's vested Account balance (excluding any portion thereof then being paid in installments under Section 7.1 or 7.3(a)) shall be paid in a lump sum payment as of the Valuation Date of the calendar month beginning next following such Separation from Service or as soon thereafter as is practicable. Notwithstanding any provision in the Plan to the contrary, distributions made under this Section 7.4 must be made within 90 days following the Participant's Separation from Service and the Participant shall not have any right to designate the year of payment.

7.5 **Unforeseeable Emergency.** Prior to the distribution date otherwise scheduled under the Plan as of which payment is to be made or commenced, upon showing an unforeseeable emergency, a Participant may request that the Administrator

accelerate payment of all or a portion of his or her vested Account balance in an amount not exceeding the amount necessary to meet the unforeseeable emergency, plus amounts necessary to pay taxes reasonably anticipated as a result of the distribution, after taking into account the extent to which such unforeseeable emergency is or may be relieved through reimbursement or compensation by insurance or otherwise or by liquidation of the Participant's assets (to the extent the liquidation of such assets would not itself cause severe financial hardship). For purposes of the Plan, an unforeseeable emergency means a severe financial hardship to the Participant resulting from an illness or accident of the Participant, the Participant's spouse, or a dependent of the Participant (as specified in Code Section 409A), loss of the Participant's property due to casualty, or other similar extraordinary and unforeseeable circumstances arising as a result of events beyond the control of the Participant. The determination of an unforeseeable emergency shall be made by the Administrator in its sole discretion, based on such information as the Administrator shall deem to be necessary and relevant and the requirements of Section 409A of the Code, and such decision shall be final and binding on all parties. If the Administrator authorizes a withdrawal due to an unforeseeable emergency pursuant to this Section 7.5, the Participant shall not be eligible to file a new Deferral Election until the Election Period established by the Administrator in accordance with Section 4.2(a) for the Plan Year commencing at least 12 months after such withdrawal, and the Participant's Deferral Election(s) for the Plan Year in which the withdrawal is made shall be cancelled. Notwithstanding any provision in the Plan to the contrary, distributions made under this Section 7.5 must be made as of a Valuation Date within 90 days following the Administrator's determination of an unforeseeable emergency and the Participant shall not have any right to designate the year of payment.

- 7.6. **Time and Form of Elections.** Subject to the provisions of Section 4.2(d) and 5.1(d), all Distribution Elections under this Article VII shall be made at the time and in the form established by the Administrator and shall be subject to such other rules and limitations that the Administrator, in its sole discretion, may establish to the extent permissible under and consistent with Code Section 409A.
- 7.7. **Form of Payment and Withholding.** All payments under the Plan shall be made in cash and are subject to the withholding of all applicable federal, state and local and foreign governmental taxes; provided, however, any payment under the Plan that is attributable to the portion of a Participant's Account deemed invested in Company Common Stock shall be made in whole shares of Company Common Stock, with fractional shares paid in cash.
- 7.8. **Exception for Specified Employees.** Notwithstanding any provision to the contrary in this Article VII of the Plan, if a Participant is a Specified Employee at the time when his or her Separation from Service occurs for any reason other than death, such Participant's distribution or distribution commencement date in accordance with Section 7.2, Section 7.3(b) or Section 7.4 on account of such Separation from Service shall be adjusted to instead occur on the date that is six (6) months following the relevant distribution or distribution commencement date.

- 7.9. **Timing of Payments.** Notwithstanding any provision of the Plan to the contrary, until paid, any amount distributable from a Participant's Account shall continue to be adjusted under Article VI to reflect the hypothetical investment returns of the investments in which the Account is deemed invested, and the amount distributable shall be valued as of the Valuation Date coincident with or next preceding the date payment is made. In addition, if calculation of the amount of a payment is not administratively practicable due to events beyond the control of the Participant or his or her Beneficiary, a payment will be treated as made on the specified date for purposes of Code Section 409A if the payment is made during the first calendar year in which the calculation of the amount of the payment is administratively practicable.

XIII DEATH BENEFITS.

- 8.1. **Death Prior to Commencement of Benefits.** If a Participant dies prior to commencement of payment of his or her vested Account under Section 7.2, 7.3(b) or 7.4, the Participant's Beneficiary shall receive a survivor benefit in an amount equal to the Participant's vested Account balance (including the amount of any unpaid installments that had commenced pursuant to Section 7.1 or 7.3(a)) to be paid in a single lump sum as soon as practicable following the Participant's death. Distributions made under this Section 8.1 must be made on a Valuation Date within 90 days following the Participant's death, and the Beneficiary shall not have any right to designate the year of payment.
- 8.2. **Death After Commencement of Benefits.** If a Participant incurs a Separation from Service or incurs a Disability prior to a Separation from Service, has commenced payments in installments, and dies prior to the time his or her vested Account balance has been fully distributed, the Participant's Beneficiary shall receive the remaining portion of the Participant's vested Account at the regularly-scheduled date of payment for any remaining installment payments of the Participant's vested Account balance.

IX ADMINISTRATION.

- 9.1. **Authority of Administrator.** The Administrator shall have full power and authority to carry out the terms of the Plan, including, subject to the provisions of Section 1.4, the discretionary authority to construe and interpret the Plan, make factual findings, decide all questions of eligibility and determine the amount, manner and time of payment of any benefits hereunder. The Administrator may establish such rules and regulations as it may consider necessary or desirable for the effective and efficient administration of the Plan. The Administrator's interpretation, construction and administration of the Plan, including any adjustment of the amount or recipient of the payments to be made, shall be binding and conclusive on all persons for all purposes. Neither the Company, including its officers, members or directors, nor the Administrator or the Board or any member thereof, shall be liable to any person for any action taken or omitted in connection with the interpretation, construction and administration of the Plan.

- 9.2. **Participant's Duty to Furnish Information.** Each Participant shall furnish to the Administrator such information as it may from time to time request for the purpose of the proper administration of this Plan.
- 9.3. **Interested Member of Administrator.** If a member of the Administrator is also a Participant in the Plan, he or she may not decide or determine any matter or question concerning his or her benefits unless such decision or determination could be made by him or her under the Plan if he or she were not a member of the Administrator.
- 9.4. **Indemnification.** No person (including any present or former member of the Administrator, and any present or former officer or member of the Company or any Affiliate) shall be personally liable for any act done or omitted to be done in good faith in the administration of the Plan. Each present or former officer or member of the Company or any Affiliate to whom the Administrator has delegated any portion of its responsibilities under the Plan and each present or former member of the Administrator shall be indemnified and saved harmless by the Company (to the extent not indemnified or saved harmless under any liability insurance or other indemnification arrangement with respect to the Plan) from and against any and all claims of liability to which they are subjected by reason of any act done or omitted to be done in good faith in connection with the administration of the Plan, including all expenses reasonably incurred in their defense if the Company fails to provide such defense. No member of the Administrator shall be liable for any act or omission of any other member of the Administrator, nor for any act or omission upon his own part, excepting his own willful misconduct or gross neglect.
- 9.5. **Claims Procedure.** If a Participant or Beneficiary ("Claimant") is denied all or a portion of an expected benefit under this Plan for any reason, he or she (or his or her representative who is authorized in writing by the Claimant to act on his or her behalf) may file a claim with the Administrator or its delegate ("Claims Administrator") in the form and manner prescribed by the Administrator. The Claims Administrator shall notify the Claimant of its decision within 90 days of receipt of the claim, unless the Claimant receives written or electronic notice from the Claims Administrator prior to the end of the 90-day period stating that special circumstances require an extension (of up to 90 additional days) of the time for decision. The extension notice shall indicate those special circumstances and the date by which the Claims Administrator expects to render its decision. The notice of the decision shall be in writing and sent by mail to Claimant's last known address (or sent electronically).
- (a) If the claim is denied, a notice of a denial of the claim shall contain the following information: (i) the specific reasons for the denial; (ii) reference to specific provisions of the Plan on which the denial is based; (iii) if applicable, a description of any additional information or material necessary to perfect the claim and an explanation of why such information or material is necessary; and (iv) an explanation of the claims review procedure including the time limits applicable to such procedures; and (v) a statement

of the Claimant's right to bring an action under Section 502(a) of ERISA following a final adverse benefit determination.

- (b) A Claimant (or his or her representative who is authorized in writing by the Claimant to act on his or her behalf) is entitled to request a review of any denial of his or her claim by the Board or its delegate ("Appeals Administrator"). The request for review must be submitted no later than by the 60th day following receipt of the denial or such later date as may be prescribed by ERISA and in the form and manner prescribed by the Appeals Administrator. The Claimant shall be entitled to submit comments, documents, records and other information orally and in writing. The Appeals Administrator's review shall take into account all comments, documents, records and other information submitted by the Claimant relating to the claim, without regard to whether such information was submitted or considered in the initial benefit determination. The Claimant shall be provided, upon request and free of charge, reasonable access to, or copies of, all documents, records and other information relevant to Claimant's claim. The Appeals Administrator shall render a review decision within 60 days after receipt of a request for a review, provided that, in special circumstances the Appeals Administrator may extend the time for decision by not more than 60 days upon notice to the Claimant. The extension notice shall indicate those special circumstances and the date by which the Appeals Administrator expects to render its review decision. The Claimant shall receive written or electronic notice of the Appeals Administrator's review decision.
- (c) If the claim is denied on review, the notice of the denial shall contain the following: (i) the specific reasons for the decision; (ii) reference to the specific provisions of the Plan on which the denial is based; (iii) a statement that the Claimant shall be provided, upon request and free of charge, reasonable access to, and copies of, all documents, records and other information relevant to the Claimant's claim; and (iv) a statement of the Claimant's right to bring an action under Section 502(a) of ERISA.

9.6. **Special Procedure for Disability Claims.** Notwithstanding Section 9.5, to the extent a claim for benefits due to a Disability requires the Claims Administrator or the Appeals Administrator, as applicable, to make a determination of Disability under the terms of the Plan, then any such claim (a "Disability Claim") shall be subject to all of the rules described in Section 9.5, except as expressly modified by this Section 9.6.

- (a) An initial decision on a Disability Claim shall be made within 45 days of the Plan's receipt of such claim, unless matters beyond the control of the Claims Administrator require additional time, in which case the Claims Administrator shall notify the Claimant before the end of the initial 45-day period of an extension of up to 30 days. If necessary due to matters beyond the control of the Claims Administrator, the Claims Administrator may

notify the Claimant, prior to the end of the initial 30-day extension period, of a second extension of up to 30 days. If an extension is required due to the Claimant's failure to supply the necessary information, then the notice of extension shall describe the additional information required and the Claimant shall have 45 days to provide such additional information. Moreover, the period for making the determination shall be tolled from the date the notification of extension was sent out until the Claimant responds to the request for additional information. No additional extensions may be made, except with the Claimant's voluntary consent. The extension notice shall indicate the reason(s) requiring the extension of time and the date by which the Claims Administrator expects to render its decision.

- (b) The Claims Administrator shall provide notice of any denial of the Disability Claim, in a culturally and linguistically appropriate manner consistent with Department of Labor Regulation Section 2560.503-1(o). Such notice shall contain the information described in Section 9.5(a), subject to the following:
 - (i) The denial notice shall include any internal rule, guideline, protocol, standard or other similar criterion relied upon in making the adverse determination or, alternatively, shall state that such criterion does not exist.
 - (ii) The denial notice shall include a discussion of the Claims Administrator's decision, including an explanation of the Claims Administrator's basis for disagreeing with or not following:
 - (A) The views presented by the Claimant to the Plan of health care professionals treating the Claimant and vocational professionals who evaluated the Claimant;
 - (B) The views of medical or vocational experts whose advice was obtained on behalf of the Plan in connection with a Claimant's denial without regard to whether the advice was relied upon in making the benefit determination; and
 - (C) A disability determination regarding the Claimant presented by the Claimant to the Plan made by the Social Security Administration.
 - (iii) The denial notice also shall include a statement that the Claimant shall be provided, upon request and free of charge, reasonable access to, and copies of, all documents, records and other information relevant to the Disability Claim.
 - (iv) If the denial was based on a medical necessity or experimental treatment or similar exclusion or limit, the denial notice also shall include either an explanation of the scientific or clinical judgement

for the determination, applying the terms of the Plan to the Claimant's medical circumstances, or a statement that such explanation will be provided free of charge upon request.

- (c) Any Claimant whose Disability Claim is denied in whole or in part, may appeal the denial by submitting to the Appeals Administrator a request for a review of the denial no later than by the 180th day following receipt of the notice of the denial or such later date as may be prescribed by ERISA. Any individual appointed to review the claim shall consider the appeal de novo, without any deference to the initial benefit denial. The review shall not include any person who participated in the initial benefit denial or who is the subordinate of a person who participated in the initial benefit denial.
- (d) If the initial denial was based in whole or in part on a medical judgment, then the Appeals Administrator shall consult with a health care professional who has appropriate training and experience in the field of medicine involved in the medical judgment, and who was neither consulted in connection with the initial benefit determination nor is the subordinate of any person who was consulted in connection with that determination.
- (e) A decision on review shall be made no later than 45 days after receipt of a timely request for review, unless special circumstances require an extension of time for processing. If an extension is required, the Claimant shall be notified before the end of the initial 45-day period. The extension notice shall indicate those special circumstances and the date by which the Appeals Administrator expects to render its decision. A decision shall be given as soon as possible, but not later than 90 days after receipt of the request for review. Notwithstanding the foregoing:
 - (i) Before any denial on review may be issued, the Appeals Administrator shall provide the Claimant, free of charge, with any new or additional evidence considered, relied upon, or generated in connection with the Disability Claim; and
 - (ii) Before any denial on review based on a new or additional rationale may be issued, the Appeals Administrator shall provide the Claimant, free of charge, with the additional rationale.

Any evidence or rationale required to be provided pursuant to subparagraphs (i) or (ii) of this paragraph (e), must be provided as soon as possible and sufficiently in advance of the date on which the denial notice is required to be provided under this Section 9.6(e) to give the Claimant a reasonable opportunity to respond prior to that date.

- (f) The Appeals Administrator shall provide a notice of any denial of the Disability Claim on review, in a culturally and linguistically appropriate manner consistent with Department of Labor Regulation Section

2560.503-1(o). Such notice shall contain the information described in Section 9.5(c), subject to the following:

- (i) Any denial notice on review shall include the specific internal rule, guideline, protocol, standard or other similar criterion relied upon in making the adverse determination or, alternatively, shall state that such criterion does not exist.
- (ii) Any denial notice on review also shall include a discussion, including an explanation of the Appeals Administrator's basis for disagreeing with or not following:
 - (A) The views presented by the Claimant to the Plan of health care professionals treating the Claimant and vocational professionals who evaluated the Claimant;
 - (B) The views of medical or vocational experts whose advice was obtained on behalf of the Plan in connection with a Claimant's denial, without regard to whether the advice was relied upon in making the benefit determination; and
 - (C) A disability determination regarding the Claimant presented by the Claimant to the Plan made by the Social Security Administration.
- (iii) The statement of the Claimant's right to bring an action under Section 502(a) of ERISA described in Section 9.5(c)(iv) shall also describe any contractual limitations period that applies to the Claimant's right to bring such an action, including the calendar date on which the contractual limitations period expires for the Disability Claim.
- (iv) If the denial on review was based on a medical necessity or experimental treatment or similar exclusion or limit, the denial notice also shall include either an explanation of the scientific or clinical judgement for the determination, applying the terms of the Plan to the Claimant's medical circumstances, or a statement that such explanation will be provided free of charge upon request.
- (g) The Appeals Administrator also shall identify any medical or vocational expert whose advice was obtained on behalf of the Appeals Administrator in connection with the denial, without regard to whether the advice was relied upon in making the benefit determination.
- (h) If the Plan fails to strictly adhere to all of the requirements of Section 9.5 or 9.6 with respect to any Disability Claim, the Claimant will be deemed to have exhausted the Plan's claims and review procedure for purposes of Section 9.6(i). If the Claimant chooses to pursue remedies available under

Section 502(a) of ERISA under such circumstances, the Disability Claim is deemed denied on review without the exercise of discretion by an appropriate fiduciary. Notwithstanding the foregoing, the Plan's claims and review procedure will not be deemed exhausted based on de minimis violations that do not cause, and are not likely to cause, prejudice or harm to the Claimant, provided that the violations (i) were for good cause or due to matters beyond the Plan's control, (ii) occurred in the context of an ongoing, good faith exchange of information between the Plan and the Claimant, and (iii) were not part of a pattern or practice of Plan violations. The Claimant may request a written explanation of such violations from the Plan, and within 10 days of the Claimant's request, the Plan shall provide such explanation, including a specific description of the bases, if any, for asserting that the violations should not cause the Plan's claims and review procedure to be deemed exhausted. If a court rejects the Claimant's request for immediate review on the basis of exhaustion under this Section 9.6(h), the Disability Claim shall be considered as re-filed for review upon the Plan's receipt of the court's decision. Within a reasonable time after the receipt of the court's decision, the Plan shall provide the Claimant with notice of the resubmission.

- (i) No action in law or equity may be brought with respect to any Disability Claim unless and until the applicable claims and review procedures under the Plan have been exhausted.

X AMENDMENT AND TERMINATION.

The Board may amend or terminate the Plan at any time. Upon termination of the Plan, Participant Account balances shall remain in the Plan until the Participant becomes eligible for benefit payments as provided in Article VII or VIII, as applicable. Notwithstanding the foregoing, the Administrator, in its discretion, may elect to distribute Participants' Account balances following termination of the Plan, in which case the entire vested Account balances of all Participants shall be distributed, notwithstanding any installment payment elections made by Participants, to the extent acceleration of the time and form of payment is permitted under Code Section 409A and the regulations and guidance issued thereunder.

XI MISCELLANEOUS.

- 11.1. **No Implied Rights; Rights on Termination of Service.** Neither the establishment of the Plan nor any amendment thereof shall be construed as giving any Participant, Beneficiary or any other person, individually or as a member of a group, any legal or equitable right unless such right shall be specifically provided for in the Plan or conferred by specific action of the Board or the Administrator in accordance with the terms and provisions of the Plan. Except as expressly provided in this Plan, neither the Company nor any of its Affiliates shall be required or be liable to make any payment under the Plan.

- 11.2. **No Right to Continued Service.** Nothing herein shall constitute a contract of employment or of continuing service or in any manner obligate the Company or any Affiliate to continue the services of any Participant, or obligate any Participant to continue in the service of the Company or Affiliates, or as a limitation of the right of the Company or Affiliates to discharge any of their members, with or without cause.
- 11.3. **Nature of the Plan.**
- (a) **Unfunded Plan.** Nothing herein contained shall require or be deemed to require the Company to segregate, earmark or otherwise set aside any funds or other assets to provide for any payments made hereunder. Benefits hereunder shall be paid from assets which shall continue, for all purposes, to be part of the general, unrestricted assets of the Company and its Affiliates. The obligations of the Company hereunder shall be an unfunded and unsecured promise to pay money in the future. However, the Company may establish one or more trusts to assist in meeting its obligations under the Plan, the assets of which shall be subject to the claims of the Company's general creditors. No current or former Participant, Beneficiary or other person, individually or as a member of a group, shall have any right, title or interest in any account, fund, grantor trust, or any asset that may be acquired by the Company in respect of its obligations under the Plan (other than as a general creditor of the Company with an unsecured claim against its general assets).
- (b) **Exception for Change in Control.** Notwithstanding the provisions of paragraph (a) of this Section 11.3, the Company shall create a rabbi trust to hold funds to be used in payment of the obligations of the Company under the Plan, which trust shall not be funded except as provided in the following sentence. In the event of a Change in Control (or prior thereto in the sole discretion of the Company), the Company shall fund such trust in an amount equal to not less than the total value of the Participants' Accounts under the Plan as of the Valuation Date immediately preceding the Change in Control, provided that: (i) any funds contained therein shall remain subject to the claims of the Company's general creditors; and (ii) such action will not result in the imposition of additional tax under Section 409A(b)(5) of the Code. In addition, upon a Change in Control, the trust by its terms shall become irrevocable.
- 11.4. **Nontransferability.** Prior to payment thereof, no benefit under the Plan shall be assignable or subject to any manner of alienation, sale, transfer, claims of creditors, pledge, attachment or encumbrances of any kind, except pursuant to a domestic relations order awarding benefits to an "alternate payee" (within the meaning of Code Section 414(p)(8)) that the Administrator determines satisfies the criteria set forth in paragraphs (1), (2) and (3) of Code Section 414(p) (a "DRO"). Notwithstanding any provision of the Plan to the contrary, to the extent required by the DRO the vested Plan benefits awarded to an alternate payee under a DRO may

be paid in a single lump sum to the alternate payee on the Valuation Date as soon as administratively practicable following the date the Administrator determines the order is a DRO, and such amounts, as adjusted for earnings, gains and losses, will be deducted from the Participant's Account as of such Valuation Date.

- 11.5. **Successors and Assigns.** The rights, privileges, benefits and obligations under the Plan are intended to be, and shall be treated as legal obligations of and binding upon the Company, its successors and assigns, including successors by merger, consolidation, reorganization or otherwise.
- 11.6. **Payment with Respect to Incapacitated Persons.** Any amounts payable hereunder to any person who is a minor or under a legal disability, as determined under applicable state law, or who is unable to manage properly his or her financial affairs may be paid (a) to the legal representative of such person, (b) to anyone acting as the person's agent under a durable power of attorney, (c) to an adult relative or friend of the person or (d) to anyone with whom the person is residing. Any payment of a benefit made in accordance with the provisions of this section shall be a complete discharge of any liability for the making of such payment under the Plan. The Administrator's reliance on the written power of attorney or other instrument of agency governing a relationship between the person entitled to benefit the person to whom the Administrator directs payment of the benefit shall be fully protected at least to the same extent as though the Administrator had dealt directly with the person entitled to the benefit as a fully competent person. In the absence of actual knowledge to the contrary, the Administrator may assume that the instrument of agency was validly executed, that the person was competent at the time of execution and that at the time of reliance, the agency had not been terminated or amended.
- 11.7. **Arbitration.** Any controversy or claim arising out of or relating to this Plan (other than a Disability Claim), or breach hereof, shall be settled by arbitration in the City of Chicago in accordance with the laws of the State of Illinois with an arbitrator appointed by the Company; provided, however, that with respect to any claim subject to Section 9.5, the individual must have exhausted the claims and review procedure set forth in such Section 9.5 before submitting the claim to arbitration under this Section 11.7. The arbitration shall be conducted in accordance with the rules of the American Arbitration Association, except with respect to the selection of an arbitrator. The arbitrator's determination shall be final and binding upon all parties and judgment upon the award rendered by the arbitrator may be entered in any court having jurisdiction thereof.
- 11.8. **Gender and Number.** Except when otherwise indicated by the context, words in the masculine gender shall include the feminine and neuter genders, the plural shall include the singular, and the singular shall include the plural.
- 11.9. **Headings.** The headings of the various Articles and Sections in the Plan are solely for convenience and shall not be relied upon in construing any provisions hereof.

Any reference to a Section shall refer to a Section of the Plan unless specified otherwise.

- 11.10. **Severability.** Whenever possible, each provision of the Plan shall be interpreted in such manner as to be effective and valid under applicable law, but if any provision of the Plan is held to be invalid, illegal or unenforceable in any respect under any applicable law or rule in any jurisdiction, such invalidity, illegality or unenforceability shall not affect any other provision or any other jurisdiction, and the Plan shall be reformed, construed and enforced in such jurisdiction so as to best give effect to the intent of the Company under the Plan.
- 11.11. **Effect on Other Employee Benefit Plans.** Any benefit paid or payable under this Plan shall not be included in a Participant's compensation for purposes of computing benefits under any employee benefit plan maintained or contributed by the Company or any Affiliate except as may otherwise be required under the specific terms of such employee benefit plan.
- 11.12. **Non-U.S. Participants.** With respect to any Participant who resides outside the United States and provides services to any Affiliate, and notwithstanding anything herein to the contrary, the Administrator may, in its sole discretion, amend the terms of the Plan in order to conform such terms with the requirements of local law or to meet the objectives of the Plan, and may, where appropriate, establish one or more sub-plans to reflect such amended provisions.
- 11.13. **Applicable Law.** The Plan is established under and will be construed according to the laws of the State of Illinois, to the extent not preempted by the laws of the United States.

* * *

IN WITNESS WHEREOF, the undersigned has caused this Plan to be executed on December ____, 2022.

WOODWARD, INC.

By:

Title: _____

**WOODWARD RETIREMENT
SAVINGS PLAN**

Original Effective Date: September 30, 1952

Restatement Effective Date: January 1, 2024 (except as otherwise specified herein)

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ARTICLE I

GENERAL

The Woodward Governor Company Member Investment and Stock Ownership Plan (the “**MISOP**”) was first established by Woodward, Inc., formerly Woodward Governor Company (the “**Company**”) effective as of September 30, 1952.

The Woodward Governor Company Retirement Income Plan (the “**Retirement Income Plan**”) was first established by the Company, effective as of September 30, 1952. Effective as of December 31, 2002, the Retirement Income Plan was merged into the MISOP and all assets and liabilities under the Retirement Income Plan were transferred to the MISOP as of that date. Also effective as of that date, the MISOP was renamed the “Woodward Governor Company Retirement Savings Plan” (the “**Plan**”). In connection with the change of the Company’s name to “Woodward, Inc.”, on and after January 26, 2011, the Plan became known as the “Woodward Retirement Savings Plan.”

The Company amended and restated the Plan in its entirety, most recently effective as of January 1, 2024, except as otherwise specified therein. The Company again amends and restates the Plan in its entirety, effective as of January 1, 2024 (the “**Effective Date**”), except as otherwise specified herein, to incorporate additional changes to the Plan approved by the Company.

The combined Plan consists of a profit sharing plan component (“**Profit Sharing Component**”) intended to satisfy Section 401(a) of the Internal Revenue Code of 1986, as amended (the “**Code**”), a cash or deferred arrangement component (“**Member Investment Component**”) intended to satisfy Sections 401(a) and 401(k) of the Code, and an employee stock ownership plan (“**ESOP**”) component (“**Company Stock Component**”), which is intended to satisfy Sections 401(a), 409 and 4975 of the Code.

The purpose of the Plan is to promote the mutual interests of the Company, its shareholders, eligible employees of the Company and eligible employees of Related Companies that become participating companies in the Plan, subject to the terms of the Plan (“**Worker Members**”) (i) by providing such Worker Members with a systematic savings program to supplement their retirement incomes, and an opportunity to acquire an equity interest in the Company and to exercise shareholder rights with respect thereto, as applicable, (ii) by causing the Plan to be a long-term investor in common stock of the Company, as applicable, and (iii) by providing the Company and Worker Members with the tax benefits and other benefits provided under applicable laws to qualified retirement plans in general and ESOPs in particular, as applicable. The provisions of the Plan as applied to any group of Worker Members may be modified or supplemented from time to time, with the consent of the Company, by the adoption of one or more Supplements. Each such Supplement shall form a part of the Plan as of the Supplement’s effective date.

ARTICLE II

DEFINED TERMS

- Section 2.1 “*Account*” shall mean the separate account(s) maintained for a Participant under the Plan.
- Section 2.2 “*Accounting Date*” shall mean each day the New York Stock Exchange is open for business.
- Section 2.3 “*Administrative Committee*” shall mean the Administrative Committee described in ARTICLE XVI.
- Section 2.4 “*Automatic Contribution Arrangement*” shall mean an arrangement under which a Worker Member is deemed to have agreed to reduce his or her Eligible Pay and the Company or Related Company, as applicable, agrees to contribute to the Trust the amount by which the Worker Member’s Eligible Pay is so reduced as Payroll Deferrals.
- Section 2.5 “*Beneficiary*” shall mean a person described in Section 14.9.
- Section 2.6 “*Board of Directors*” shall mean the Board of Directors of the Company, as from time to time constituted, except that any action that can be taken by the Board of Directors hereunder also may be taken by a duly authorized committee of the Board of Directors (or an authorized delegate of such committee) or any other authorized delegate of the Board of Directors.
- Section 2.7 “*Code*” shall have the same meaning as is given to such term in ARTICLE I. Any reference to a specific section of the Code shall include such section, any valid regulation or other applicable guidance that has been promulgated under such section and is in effect, and any comparable provision of any future legislation amending, supplementing or superseding such section.
- Section 2.8 “*Company*” shall mean Woodward, Inc. (before January 26, 2011, Woodward Governor Company) or any successor thereto.
- Section 2.9 “*Company Matching Contribution*” shall have the same meaning as is given to such term in Section 7.2.
- Section 2.10 “*Company Stock*” shall mean common stock of the Company that constitutes “qualifying employer securities” within the meaning of Section 409(l) of the Code.
- Section 2.11 “*Company Stock Component*” shall mean the Company Stock Component of the Plan, as described in Article XI of the Plan. The Company Stock Component is commonly referred to as the “*Woodward Stock Component*” or “*Company Stock Fund*”.
- Section 2.12 “*Company Stock Component Account*” shall mean a Participant’s Account to which any Company Stock Component Contributions are allocated pursuant to Section 11.3.

Section 2.13 “*Company Stock Component Contribution*” shall have the same meaning as is given to such term in Section 11.3.

Section 2.14 “*Date of Hire*” shall mean the first day on which a Worker Member renders an Hour of Service; *provided, however,* that if a Worker Member shall in any Plan Year terminate his service, which termination continues through the close of said Plan Year, then it shall refer to the first day subsequent to said Plan Year on which the Worker Member shall render an Hour of Service.

Section 2.15 “*Deferral Contribution*” shall have the same meaning as is given to such term in Section 6.6.

Section 2.16 “*Disability*” shall mean a physical or mental condition which renders the Worker Member eligible for disability payments under the Social Security Act or under the Company’s long term disability policy, as applicable.

Section 2.17 “*Effective Date*” shall have the same meaning as is given to such term in ARTICLE I.

Section 2.18 “*Eligible Pay*” shall mean, for each payroll period, a Worker Member’s base wages, salary, overtime pay, shift premium, sick pay, holiday pay and vacation pay in lieu of worked hours. Eligible Pay shall include pay continuation payments to a Worker Member who does not currently perform services for the Company or a Related Company by reason of qualified military service (as that term is used in section 414(u)(5)). Eligible Pay taken into account shall not exceed \$345,000 (in 2024), as adjusted by the Internal Revenue Service in accordance with Code Section 401(a)(17). For the avoidance of doubt, any payouts of unused accrued vacation shall not constitute Eligible Pay, and if a Worker Member becomes eligible to participate in a particular component of the Plan on any date after the first day of the applicable determination period, Eligible Pay shall include only that Eligible Pay that is payable to the Worker Member during the portion of the determination period in which they were eligible to participate in that component.

Section 2.19 “*Eligible Wages*” shall include only the total amount reported as wages for a Worker Member for up to 80 hours in a bi-weekly period, regular pay for all hours (worked and paid time off) up to 80 hours in a bi-weekly period, shift 2 premium for all hours (worked and paid time off) up to 80 hours in a bi-weekly period, shift 3 premium for all hours (worked and paid time off) up to 80 hours in a bi-weekly period, including pay for bereavement, holiday, sick pay and vacation pay in lieu of worked hours, and amounts deferred under the Plan or a cafeteria plan, but excluding reimbursement of medical expenses, premiums on insurance policies, cafeteria subsidies, bonuses and contributions to any nonqualified deferred compensation plan. For the avoidance of doubt, any payouts of unused accrued vacation shall not constitute Eligible Wages, and if a Worker Member becomes eligible to participate in a particular component of the Plan on any date after the first day of the applicable determination period, Eligible Wages shall include only those Eligible Wages that are payable to the Worker Member during the portion of the determination period in which they were eligible to participate in that component.

With respect to any period during which a Worker Member is in qualified military service (within the meaning of Code Section 414(u)(5)), the Worker Member's Eligible Wages for such period shall be deemed to equal the amount the Worker Member would have earned as Eligible Wages during such period had the Worker Member been performing services for the Company or Related Company, as determined by the Administrative Committee in accordance with this paragraph.

For purposes of the Plan, Eligible Wages shall not exceed \$345,000 (in 2024), as adjusted by the Internal Revenue Service in accordance with Code Section 401(a)(17).

Section 2.20 "*ERISA*" shall mean the Employee Retirement Income Security Act of 1974, as amended. Any reference to a specific section of ERISA shall include such section, any valid regulation or other applicable guidance that has been promulgated under such section and is in effect, and any comparable provision of any future legislation amending, supplementing or superseding such section.

Section 2.21 "*Grandfathered Contribution*" shall mean the contribution made by the Company or Related Company, as applicable, to a qualifying Grandfathered Contribution Eligible Participant's Account in accordance with Section 7.3(a) of the Plan and that was formerly made under the Retirement Income Plan.

Section 2.22 "*Highly Compensated Worker Member*" shall have the same meaning as is given to such term in Section 12.6.

Section 2.23 "*Hour of Service*" shall have the same meaning as is given to such term in Section 5.2.

Section 2.24 "*Independent Fiduciary*" shall mean, with respect to the Company Stock Component, the sole "investment manager" (within the meaning of Section 3(38) of ERISA) thereof, as appointed by the Investment Committee pursuant to Section 17.3 of the Plan.

Section 2.25 "*Initial Period of Service*" shall mean the completion of two 12-month periods during which 1,000 Hours of Service are completed during each of such 12-month periods. The 12-month periods shall begin on the Worker Member's Date of Hire and the first anniversary thereof; *provided* that if a Worker Member shall not complete 1,000 Hours of Service in either of such 12-month periods commencing on his Date of Hire, or anniversary thereof, all subsequent 12-month periods shall be calculated based on the Plan Year, the first of which shall commence in the 12-month period during which the Worker Member failed to complete 1,000 Hours of Service. In the event of a termination of employment with the Company and all Related Companies after completion of one 12-month period with 1,000 Hours of Service, but before completion of an Initial Period of Service, the Worker Member shall receive credit for the 12-month period so completed; and if he shall be reemployed as a Worker Member, he shall commence the computation of his second period on his most recent Date of Hire; *provided* that if he shall not complete 1,000 Hours of Service in such 12-month period, his computation period shall be based on the Plan Year the first of which shall commence next following this most recent Date of Hire.

Section 2.26 “*Investment Fund*” or “*Investment Funds*” shall mean, collectively or singly as the context requires, the investment funds selected by the Investment Committee in accordance with Sections 10.1 and 17.1 of the Plan.

Section 2.27 “*Investment Committee*” shall mean the Investment Committee described in Article XVII.

Section 2.28 “*Normal Retirement Age*” shall mean age 65.

Section 2.29 “*Participant*” shall have the same meaning as is given to such term in Section 4.1.

Section 2.30 “*Payroll Deferrals*” shall mean an amount by which a Worker Member elects to reduce his Eligible Pay pursuant to Section 6.1, either as Pre-Tax Deferral Contributions or Roth Deferral Contributions, or is deemed to have elected to reduce his Eligible Pay under an Automatic Contribution Arrangement pursuant to Section 6.7, as the case may be, and have such amount contributed to the Plan on his behalf.

Section 2.31 “*Plan*” shall mean the Woodward Retirement Savings Plan, as set forth herein, and as amended from time to time.

Section 2.32 “*Plan Year*” shall mean the 12-month period beginning on each January 1 and ending on the following December 31.

Section 2.33 “*Related Companies*” or “*Related Company*” shall mean any corporation or trade or business during any period that it is, along with the Company, a member of a controlled group of corporations or a controlled group of trades or businesses (as described in Code Sections 414(b) and 414(c)), any organization which is part of an affiliated service group under Code Section 414(m), or any entity required to be aggregated with the Company under Code Section 414(o) and, if so designated by the Company, any other corporation during any period that 50% or more of its voting stock is owned directly or indirectly by the Company. A Related Company will become a participating company in the Plan by authorization of the Company. A participating company shall be bound by all the terms of the Plan, Trust agreement and other agreements, practices and policies related to the Plan.

Section 2.34 “*Retires*” shall mean a Worker Member’s termination of employment with the Company and all Related Companies on or after the Worker Member’s attainment of Normal Retirement Age or on or after the Worker Member’s attainment of age 55 with at least ten (10) Years of Service.

Section 2.35 “*Retirement Income Plan*” shall mean the Woodward Governor Company Retirement Income Plan as amended from time to time, and as merged into the Plan effective December 31, 2002.

Section 2.36 “*Rollover Contribution*” shall have the same meaning as is given to such term in Section 8.1.

Section 2.37 “*Transition Benefit*” shall mean the transition benefit provided by the Company or Related Company, as applicable, to a qualifying HRT Eligible Participant’s Account in accordance with Section 7.3(b) of the Plan.

Section 2.38 “*Trust*” shall mean the separate Trust created under the Plan by and between the Company and the Trustee.

Section 2.39 “*Trustee*” shall mean the corporation or individual or individuals acting as Trustee under the Trust at any time of reference.

Section 2.40 “*Worker Member*” shall have the same meaning as is given to such term in ARTICLE I.

Section 2.41 “*Year of Service*” shall have the same meaning as is given to such term in Section 5.1.

Section 2.42 *Additional Defined Terms*. The following additional defined terms are used in the Plan, not including terms used only in Supplement A or B.

<u>Term</u>	<u>Section</u>
Annual Additions	Section 12.1(b)
Applicable Contributions	Section 9.2
Catch-up Contributions	Section 6.5
Claimant	Section 16.11(a)
Claims Administrator	Section 16.11(a)
Compensation	Section 12.1(b)
Contribution Percentage	Section 12.4(c)
Deferral Percentage	Section 12.3(c)
Direct Rollover	Section 14.4(b)(ii)
Distributee	Section 14.4(b)(i)
ESOP Eligible Participant	Section 11.3
Excess Company Matching Contributions	Section 12.4(d)
Excess Contribution	Section 12.3(d)(ii)
Excess Deferrals	Section 12.2(b)
Fair Market Value	Section 11.6
FEMA	Section 13.2(a)(vii)
five-year rule	Section 14.2(c)(i)
Grandfathered Contribution Eligible Participant	Section 7.3(a)
Hardship	Section 13.2
Highly Compensated Group Contribution Percentage	Section 12.4(b)
Highly Compensated Group Deferral Percentage	Section 12.3(b)

<u>Term</u>	<u>Section</u>
HRT Eligible Participant	Section 7.3(b)
Leased Worker Member	Section 5.4
Loan Applicant	Section 13.3
Member Investment Component	ARTICLE I
Non-highly Compensated Group Contribution Percentage	Section 12.4(b)
Non-highly Compensated Group Deferral Percentage	Section 12.3(b)
One-Year Break-in-Service	Section 5.3
permissive aggregation group	Section 12.1(b)
Plan Administrator	Section 3.1
Pre-Tax Deferral Contributions	Section 6.2
Pre-Tax Rollover Account	Section 8.1(c)
Prior Transferred Amounts	Section 12.1(b)
Profit Sharing Component	ARTICLE I
Qualifying Match Participant	Section 7.2
Related Defined Contribution Plan	Section 12.1(b)
Related Plan	Section 8.2
Roth Deferral Contribution Account	Section 9.3
Roth Deferral Contributions	Section 6.2
Roth Rollover Account	Section 8.1(c)
Section 415 Affiliate	Section 12.1(b)
60 Percent Test	Section 19.1
2009 RMDs	Section 14.2(d)(i)
USERRA	Section 3.9

ARTICLE III

MISCELLANEOUS

Section 3.1 *Plan Administration in General; Trust Agreement*. The authority to administer the Plan shall be vested in the Plan Administrator (as defined below) and the Administrative Committee, as described in ARTICLE XVI. Subject to the provisions of the Plan (including, without limitation, Sections 11.1 and 11.2) regarding the Company Stock Component, the authority to control the investment policy of the Plan shall be vested in the Investment Committee, as described in ARTICLE XVII. The Company shall be the “**Plan Administrator**” of the Plan, and, as such, shall (a) have the rights, duties and obligations of an “administrator” as that term is defined in Section 3(16)(A) of ERISA and of a “plan administrator” as that term is defined in Section 414(g) of the Code, and (b) be the “named fiduciary” for purposes of Section 402(a)(1) of ERISA with respect to the administration and operation of the Plan as described herein. Each of the Administrative Committee and the Investment Committee shall have discretionary authority to make factual determinations and

construe the Plan's terms applicable to their respective duties and responsibilities under the Plan. All contributions made under the Plan will be held, managed and controlled by one or more Trustees acting under one or more Trusts which form a part of the Plan and, to the extent provided by the Investment Committee, by one or more investment managers. The terms of each Trust shall be set forth in a Trust agreement between the Trustee and the Company. Copies of the Trust agreement and the Plan are on file at the principal offices of the Company, where they may be examined by any Participant. The provisions of and benefits under the Plan are subject to the terms and provisions of the Trust agreement.

Section 3.2 *Applicable Laws*. The Plan shall be construed and administered according to the internal laws of the State of Illinois to the extent that such laws are not preempted by the laws of the United States of America, including, but not limited to, ERISA.

Section 3.3 *Gender and Number*. Where the context admits, words in any gender shall include all other genders, words in the singular shall include the plural and the plural shall include the singular.

Section 3.4 *Notices*. Except as otherwise provided, any notice or document required to be filed with the Plan Administrator, the Administrative Committee or Investment Committee will be properly filed if delivered or mailed by registered mail, postage prepaid, to such entity, in care of the Company either at its principal business offices or, if filed in person, at the payroll, member benefits, human resources or other office, as designated by the Company. Any notice required under the Plan may be waived by the person or entity entitled to notice.

Section 3.5 *Evidence*. Evidence required of anyone under the Plan may be by certificate, affidavit, document or other information which the person acting on it considers pertinent and reliable, and signed, made or presented by the proper parties.

Section 3.6 *Action by the Company*. Any action required or permitted to be taken by the Company under the Plan shall be by resolution of the Board of Directors or the authorized delegate(s) of the Board of Directors.

Section 3.7 *Reversion to the Company*. Except as otherwise specifically provided by the provisions of the Trust, no part of the corpus or income of the Trust Fund shall revert to the Company or Related Company, as applicable, or be used for, or diverted to, purposes other than for the exclusive benefit of Participants and other persons entitled to benefits under the Plan, and for defraying reasonable administrative expenses of the Plan.

Section 3.8 *Restrictions on Participant Elections*. Any election by a Participant under the Plan to vary or suspend Payroll Deferrals, to make transfers to or from the Plan or any Investment Fund under the Plan or to make a withdrawal or receive a loan or distribution shall be subject to such limitations as may be reasonably required from time to time for the administration of the Plan.

Section 3.9 *Military Service*. Notwithstanding any provision of this Plan to the contrary, contributions, benefits, and service credit with respect to qualified military service will be provided in accordance with Code Section 414(u) effective December 12, 1994, as amended, and the Department of Labor Regulations issued under the Uniformed Services Employment and

Reemployment Rights Act of 1994 (“*USERRA*”). In addition, notwithstanding any provision of the Plan to the contrary, death benefits will be provided in the case of a Participant who dies while performing qualified military service as required in accordance with Section 401(a)(37) of the Code.

Section 3.10 *Suspension of Plan Transactions*. Notwithstanding any provision of the Plan to the contrary:

(a) The Administrative Committee, in its sole and absolute discretion, may temporarily suspend, in whole or in part, certain Plan transactions, including, without limitation, the right to receive a distribution or withdrawal from an Account, in the event of any conversion, change in Plan recordkeeper or Trustee or Plan merger or spin-off.

(b) The Administrative Committee, in its sole and absolute discretion, may suspend, in whole or in part, temporarily or permanently, Plan transactions dealing with investments, including without limitation, the right of a Participant to change investment elections or reallocate Account balances in the event of any conversion, change in Plan recordkeeper or Trustee, change in Investment Funds or Plan merger or spin-off.

(c) In the event of a change in Investment Funds or a Plan merger or spin-off, the Administrative Committee, in its sole and absolute discretion, may decide to reallocate investments from a Participant’s prior Investment Fund elections to the then available Investment Funds under the Plan. In the event that investments are reallocated in this manner, the Participant shall be permitted to reallocate funds among the Investment Funds (in accordance with the terms of the Plan and any relevant rules and procedures adopted for this purpose) after the suspension period described in subsection (b) above (if any) is lifted.

(d) The Investment Funds shall be subject to, and governed by, all applicable legal rules and restrictions and the rules specified by the Investment Fund providers in the fund prospectus(es) or other governing documents thereof (to the extent such rules and procedures are imposed and enforced by the Investment Fund provider against the Plan or a particular Worker Member). Such rules, procedures and restrictions may limit the ability of a Worker Member to make transfers into or out of a particular Investment Fund and may result in additional transaction fees or other costs relating to such transfers. In furtherance of, but without limiting the foregoing, the Trustee, Plan recordkeeper, the Administrative Committee, or the Investment Fund provider (or their delegate, as applicable) may decline to implement any investment election or instruction where it deems appropriate.

Section 3.11 *Electronic Media*. Notwithstanding any provision of the Plan, the Administrative Committee may establish procedures for the use of electronic media in communications and transactions between the Plan, the Plan Administrator, the Administrative Committee or a delegate of either and Participants and Beneficiaries, including, without limitation, for purposes of providing notices or other communications or making elections, or submitting or accepting forms under the Plan. Electronic media may include, but are not limited to, e-mail, the Internet, intranet systems and telephone response systems. For purposes of the

Plan, any requirement herein that a notice, form or election must be completed, furnished or filed in writing shall include the procedure prescribed by the Administrative Committee or its delegate for furnishing, completing, signing, or filing the form, election or notice electronically.

ARTICLE IV
PARTICIPATION

Section 4.1 *Participation*. Except as otherwise provided in any Supplement, the “*Participants*” in the Plan shall be as follows:

- (a) Each Worker Member who was a Participant in the Plan immediately prior to the Effective Date shall continue as such on and after that date, subject to the conditions and limitations of the Plan; and
- (b) Each Worker Member who was not a Participant in the Plan immediately prior to the Effective Date shall, unless specifically provided otherwise in the Plan, become eligible for contributions:
 - (i) under Sections 7.1 and 7.2 of the Plan as soon as administratively practicable after the Worker Member files the appropriate written election to make Deferral Contributions with the Plan Administrator (or makes such election in any other form approved by the Administrative Committee),
 - (ii) under Section 11.3 of the Plan if the Worker Member is an ESOP Eligible Participant under Section 11.3 of the Plan,
 - (iii) under Section 7.3(a) of the Plan if the Worker Member is a Grandfathered Contribution Eligible Participant, as defined in Section 7.3(a) of the Plan.
 - (iv) under Section 7.3(b) of the Plan for the period from January 1, 2015 through December 31, 2024 if the Worker Member is an HRT Eligible Participant, as defined in Section 7.3(b) of the Plan.
- (c) Each Beneficiary, alternate payee and former Worker Member for whom an Account is maintained under the Plan.
- (d) If an individual is excluded from participation in the Plan as an independent contractor, and is later reclassified as an employee for wage and hour purposes, such Worker Member shall be eligible as of the date of the reclassification to become a Participant, upon completion of the requirements of ARTICLE IV.
- (e) Notwithstanding any provision of the Plan, any Worker Member whose Date of Hire occurs on or after June 1, 2011 and who is not otherwise excluded from participation in the Plan but who has not affirmatively elected to become a Participant pursuant to Section 4.1(b)(i), shall be deemed to have elected to participate in the Plan pursuant to an Automatic Contribution Agreement and shall become a Participant for

purposes of making contributions under Section 7.1 of the Plan as of the 60th day following the Worker Member's Date of Hire (or, if later, as of the date such individual becomes an eligible Worker Member), *provided* that by such date he has not made an affirmative written election, in accordance with the procedures established by the Administrative Committee, to make Payroll Deferrals to the Plan or not to have any Payroll Deferrals made to the Plan on his behalf.

(f) Notwithstanding anything in the Plan to the contrary, employees who reside outside the United States and are not United States citizens shall not be Worker Members and be eligible to participate in the Plan unless specifically permitted by the Plan.

Section 4.2 *Participation upon Reemployment.* A Participant whose employment terminates, and who is subsequently reemployed as an eligible Worker Member, shall re-enter the Plan as a Participant on the date of his reemployment. In the event that a Worker Member satisfies the eligibility requirements set forth in Section 4.1 above, his employment terminates prior to becoming a Participant and he is subsequently reemployed, such Worker Member shall be deemed to have met the eligibility requirements as of the date of his reemployment and shall become a Participant on the date of his reemployment; *provided, however*, that if he is reemployed prior to the date he would have become a Participant if his employment had not terminated, he shall become a Participant as of the date he would have become a Participant if his employment had not terminated. Notwithstanding any provision of the Plan, a Participant or a Worker Member who terminates employment with the Company and Related Companies or otherwise becomes ineligible to participate in the Plan and is later reemployed or otherwise becomes a Worker Member on or after June 1, 2011, shall be deemed to have elected to resume participation in the Plan for purposes of Section 7.1 pursuant to an Automatic Contribution Arrangement as of the 60th day following the date he again becomes an eligible Worker Member; *provided, however*, that by such date he has not made an affirmative written election, in accordance with the procedures established by the Administrative Committee, to make Deferral Contributions to the Plan or not to have any Deferral Contributions made to the Plan on his behalf. Any other Worker Member whose employment terminates and who is subsequently reemployed shall become a Participant in accordance with the provisions of Section 4.1. Notwithstanding the foregoing, a Worker Member who terminated service on or before September 30, 1976, shall not receive credit for any prior service under the Plan and shall be treated as a new Worker Member. Notwithstanding the foregoing and any other provision in the Plan to the contrary, with respect to Section 7.3 of the Plan, any Worker Member who terminates employment subsequent to December 31, 2002 and is later reemployed shall no longer be eligible for a Grandfathered Contribution under Section 7.3(a) of the Plan.

Section 4.3 *Participation Not Contract of Employment.* The Plan does not constitute a contract of employment, and participation in the Plan will not give any Worker Member the right to be retained in the employ of the Company or a Related Company nor any right or claim to any benefit under the terms of the Plan unless such right or claim is specifically accrued under the terms of the Plan.

ARTICLE V

SERVICE

Section 5.1 *Year of Service*. The term “*Year of Service*” means, with respect to any Worker Member, any Plan Year during which he completes at least 1,000 Hours of Service (as defined in Section 5.2 below); *provided* that the twelve-consecutive-month period commencing on the date on which the Worker Member first completes an Hour of Service shall be deemed to be a Year of Service if he completes at least 1,000 Hours of Service during such twelve-consecutive-month period.

Notwithstanding the above, for periods before December 31, 2002: (i) a Worker Member in the Woodward Governor Company Recruit Program is credited for one Year of Service if he completed at least 250 Hours of Service and not more than 999 Hours of Service in each of four Plan Years; and (ii) a Worker Member who was a student in the Irl C. Martin Academy of Industrial Science for a period of six months or more during any Plan Year (or during his first twelve months of employment and successive periods commencing on the anniversary of the date he was hired) is credited for a Year of Service if he did not otherwise receive credit during such period.

Notwithstanding any other provisions of this Section 5.1, a Worker Member is credited with one Year of Service for the Plan Year ending December 31, 1995, if he completed 1,000 Hours of Service during the twelve-consecutive-month period ending on December 31, 1995. Effective October 1, 1999, Worker Members who are employed by the Company or a Related Company outside of the United States and are transferred to employment by the Company or a Related Company in the United States are credited with service for all periods of such employment outside of the United States.

Notwithstanding any other provision of this Section 5.1, Worker Members who were employees of Synchro-Start Products, Inc. immediately prior to May 30, 2003 and who became Worker Members of the Company as of such date shall be credited with service for all periods of employment with Synchro-Start Products, Inc. for purposes of determining whether such Worker Members are eligible to participate in various components of the Plan in accordance with Section 4.1. However, in no event shall such Worker Members be eligible for Grandfathered Contributions under Section 7.3(a) of the Plan.

Notwithstanding any other provision of this Section 5.1, Worker Members who were employees of the Barber-Colman Dyna Products Division of Invensys Building Systems Inc. immediately prior to August 28, 2003 and who became Worker Members of the Company as of such date shall be credited with service for all periods of employment with the Barber-Colman Dyna Products Division of Invensys Building Systems Inc. for purposes of determining whether such Worker Members are eligible to participate in various components of the Plan in accordance with Section 4.1. However, in no event shall such Worker Members be eligible for Grandfathered Contributions under Section 7.3(a) of the Plan.

Section 5.2 *Hour of Service*. The term “*Hour of Service*” means, for any Worker Member, each hour for which he is paid or entitled to payment for the performance of duties for

the Company or a Related Company or for which back pay, irrespective of mitigation of damages, has been awarded to the Worker Member or agreed to by the Company or a Related Company, subject to the following:

(a) A Worker Member shall be credited with 8 Hours of Service per day (to a maximum of 40 Hours of Service per week) for any period during which he performs no duties for the Company or a Related Company by reason of a vacation, holiday, illness, incapacity (including disability), layoff, jury duty, military duty or leave of absence but for which he is directly or indirectly paid or entitled to payment by the Company or a Related Company; *provided, however*, that a Worker Member shall not be credited with more than 501 Hours of Service under this subsection (a) for any single continuous period during which he performs no duties for the Company or a Related Company. Payments considered for purposes of the foregoing sentence shall include payments unrelated to the length of the period during which no duties are performed, but shall not include payments made solely as reimbursement for medically related expenses or solely for the purpose of complying with the applicable worker's compensation, unemployment compensation or disability insurance laws. For the purpose of determining a Worker Member's Hours of Service, in the case of a Worker Member who has a qualified military leave (as defined under the USERRA), in no event shall such Worker Member be credited with fewer Hours of Service than such Worker Member would be entitled to receive under Code Section 414(u).

(b) Solely for purposes of determining whether a Worker Member has incurred a One-Year Break-in-Service (as defined in Section 5.3), the Worker Member or Participant shall be credited, to the extent not otherwise credited in accordance with the foregoing provisions of this Section 5.2, with 8 Hours of Service for each day (to a maximum of 40 Hours of Service for each calendar week) for any period during which a Worker Member is absent from active employment with the Company or Related Company by reason of the Worker Member's pregnancy, the birth of a child of the Worker Member, or the placement of a child with the Worker Member in connection with the Worker Member's adoption of such child, and, in each case, the care of such child immediately after its birth or placement; *provided* that in no event shall more than 501 Hours of Service be credited under this subsection (b). Hours of Service credited in accordance with the foregoing sentence shall be credited for the Plan Year during which the absence begins to the extent that such crediting would prevent the Worker Member from incurring a One-Year Break-in-Service during that year and, in each other case, shall be credited in the immediately following Plan Year.

(c) Solely for purposes of determining whether he has incurred a One-Year Break-in-Service, a Worker Member shall be credited, to the extent not credited in accordance with the foregoing provisions of this Section 5.2, with 8 Hours of Service per day (to a maximum of 40 Hours of Service per week) that he is absent from active employment with the Company or a Related Company by reason of a leave of absence approved or granted by the Company or the Related Company in accordance with rules uniformly applied by it.

Section 5.3 *One-Year Break-in-Service*. The term “*One-Year Break-in-Service*” means, with respect to any Worker Member, any Plan Year during which he completes less than 501 Hours of Service. Notwithstanding any other provisions of the Plan, a Worker Member shall not incur any One-Year Break-in-Service during the period beginning October 1, 1995, and ending December 31, 1995, if the Worker Member completed more than 125 Hours of Service during such period, but will incur a One-Year Break-in-Service for that period if he completes less than 125 Hours of Service during such period.

Section 5.4 *Leased Worker Members*. If pursuant to one or more agreements between the Company or a Related Company and one or more leasing organizations (within the meaning of Section 414(n) of the Code), a person provides services to the Company or a Related Company in a capacity other than as a Worker Member, on a substantially full-time basis for a period of at least one year, and such services are performed under the primary direction or control of the Company or a Related Company, such person shall be a “*Leased Worker Member*.” Leased Worker Members shall not be eligible to participate in this Plan or in any other plan maintained by the Company or a Related Company that is qualified under Section 401(a) of the Code (including during the initial one-year period). A Leased Worker Member shall be treated as if the services performed by him in such capacity (including service performed during such initial one-year period) were performed by him as a Worker Member of a Related Company which has not become a participating company in the Plan; *provided, however*, that no such service shall be credited:

(a) for any period during which less than 20% of the work force of the Company and the Related Companies consists of Leased Worker Members and the Leased Worker Member is a participant in a money purchase pension plan maintained by the leasing organization which (i) provides for a nonintegrated employer contribution of at least 10 percent (10%) of compensation, (ii) provides for full and immediate vesting, and (iii) covers all employees of the leasing organization (beginning with the date they become employees), other than those employees excluded under Section 414(n) (5) of the Code; or

(b) for any other period unless the Leased Worker Member provides satisfactory evidence to the Company or Related Company that he meets all of the conditions of this Section 5.4 and applicable law required for treatment as a Leased Worker Member.

ARTICLE VI

DEFERRAL CONTRIBUTIONS

Section 6.1 *Payroll Deferral Contributions*. A Participant may authorize payroll deferral contributions (“*Payroll Deferrals*”) for any payroll period of not less than 1% of his Eligible Pay (in multiples of 1%) up to a maximum of 50%. Payroll Deferral authorizations may be made at such times and in such manner as the Administrative Committee may determine. To the extent that it is necessary or appropriate to conform the operations of the Plan to the limitations set forth in ARTICLE XII, uniform limitations on Payroll Deferrals may be

established from time to time, and, in accordance with such limitations, any Payroll Deferral authorized by a Participant may be reduced.

Section 6.2 *Pre-Tax Deferral Contributions and/or Roth Deferral Contributions.* A Participant, pursuant to a written instrument in a form prescribed by the Administrative Committee, or by any other method authorized by the Administrative Committee, must irrevocably designate his Payroll Deferrals as “**Pre-Tax Deferral Contributions**” and/or as “**Roth Deferral Contributions.**”

(a) Amounts designated as Pre-Tax Deferral Contributions may not later be reclassified as Roth Deferral Contributions, and amounts designated as Roth Deferral Contributions may not later be reclassified as Pre-Tax Deferral Contributions.

(b) Roth Deferral Contributions will be treated as includible in the Participant’s income at the time the Participant would have received that amount in cash if the Participant had not made a cash or deferral election.

(c) A Participant’s Roth Deferral Contributions will be allocated to a separate Account maintained for such contributions by the Trustee as described in ARTICLE IX and will be credited to the Member Investment Component of the Plan in accordance with ARTICLE X.

Section 6.3 *Adjustments and Payment of Payroll Deferrals.* A Participant’s Eligible Pay shall be reduced by the amount, if any, of his Payroll Deferrals for that period and the Company shall deposit that amount in the Plan in accordance with Section 7.1.

Section 6.4 *Election to Vary, Suspend or Change Payroll Deferrals.* Subject to such conditions, requirements and limitations as may be established from time to time, a Participant may elect to vary within the limits set forth in Section 6.1 or to suspend Payroll Deferrals. Any modification or suspension of Payroll Deferrals shall be effective the first day of the first full payroll period following the execution of such modification or as soon as administratively practicable thereafter.

A Worker Member returning to active employment with the Company or Related Company from a qualified military leave (as defined under the USERRA), may file a written election with the Plan Administrator authorizing the Company or Related Company, as applicable, to make deductions for each payroll period from his Eligible Pay for deposit with the Trustee in the Participant’s Deferral Contribution Account in an amount equal to the contribution rate that he would have contributed under this ARTICLE VI had the Participant not been on a qualified military leave; *provided, however*, that this amount shall be reduced by any contributions made under this ARTICLE VI during such qualified military leave. To make such contributions, a Participant must affirmatively make this qualified military leave election on a form approved by the Plan Administrator for this purpose and must make such contributions during the period beginning with the payroll period on or immediately following his reemployment date and ending on the earlier of five years or the period of the Participant’s qualified military service multiplied by three. Amounts contributed pursuant to this ARTICLE shall be eligible for Company Matching Contributions in accordance with Section 7.2.

Section 6.5 *Catch-Up Contributions*. In addition to the ability to make Payroll Deferrals under Section 6.1 of the Plan, all Worker Members who have attained age 50 before the close of the taxable year shall be eligible to make “*Catch-up Contributions*” in accordance with and subject to the limitations of Code Section 414(v). Such Catch-up Contributions shall not be taken into account for purposes of the limitation on the maximum amount of such Worker Member’s Payroll Deferrals for a Plan Year under Section 402(g) of the Code or the limitation on contributions for a Plan Year under Section 415(c) of the Code. Further, by allowing such Catch-up Contributions, the Plan shall not be treated as failing to satisfy the provisions of the Plan implementing the requirements of Code Sections 401(k)(3), 401(k)(11), 401(k)(12), 410(b) or 416, as applicable. Catch-up Contributions made in accordance with this Section 6.5 shall be eligible for Company Matching Contributions under Section 7.2 of the Plan. Catch-up Contributions shall be permitted to be made on a payroll-by-payroll basis; *provided, however*, that Payroll Deferrals may only be characterized as Catch-up Contributions on a Plan Year basis.

Section 6.6 *Treatment as Deferral Contribution*. Payroll Deferrals and Catch-up Contributions, unless otherwise specified, shall be treated as and collectively referred to as “*Deferral Contributions*.”

Section 6.7 *Automatic Contribution Arrangement*.

(a) A Worker Member who becomes a Participant pursuant to an Automatic Contribution Arrangement as provided in Section 4.1 or 4.2 shall be deemed to have elected to contribute to the Plan as Pre-Tax Deferral Contributions an amount equal to 6% of his Eligible Pay per payroll period, commencing as of the first day of the payroll period that begins as soon as administratively practicable after the date the Worker Member becomes a Participant pursuant to an Automatic Contribution Arrangement.

(b) At least 30 but not more than 90 days prior to the first day of each Plan Year, the Administrative Committee will provide each Worker Member who has satisfied the eligibility requirements of Section 4.1 and to whom the provisions of an Automatic Contribution Arrangement apply a notice of the Worker Member’s rights and obligations under an Automatic Contribution Arrangement. In the case of a Worker Member who does not receive the notice because the Worker Member has satisfied the requirements of Section 4.1 or whose eligibility resumed pursuant to Section 4.2, as the case may be, after the 90th day before the beginning of the Plan Year, the notice shall be provided at least 30 but no more than 90 days prior to the date the Worker Member would be deemed to become a Participant as provided in Section 4.1 or 4.2 (as applicable) pursuant to an Automatic Contribution Arrangement.

(c) Such notice will be written in a manner calculated to be understood by an average Worker Member and will describe: (i) the level of Pre-Tax Deferral Contributions which will be made on the Worker Member’s behalf if the Worker Member does not make an affirmative written election to participate, (ii) the Worker Member’s right to reject such deemed participation and elect to make Payroll Deferrals as provided in Section 6.1 or to elect not to have Payroll Deferrals made on his behalf, and (iii) the Investment Fund in which the Worker Member’s automatic Pre-Tax Deferral Contributions shall be invested in the absence of any investment election.

(d) An Automatic Contribution Arrangement shall not become effective for any Worker Member who files, in accordance with the procedures established by the Administrative Committee and not later than the date he or she would otherwise be deemed to have elected to participate in the Plan pursuant to an Automatic Contribution Arrangement (as provided in Section 4.1 or 4.2), an affirmative written election to make Payroll Deferrals pursuant to Section 6.1 or an affirmative written election not to have Payroll Deferrals made to the Plan on his behalf. Pre-Tax Deferral Contributions being made on behalf of a Worker Member pursuant to an Automatic Contribution Arrangement will cease, and an Automatic Contribution Arrangement shall cease to apply to the Worker Member, as soon as administratively practicable after the Worker Member makes an affirmative written election to have a different percentage of his Eligible Pay contributed to the Plan as Payroll Deferrals or not to have Payroll Deferrals made to the Plan on his behalf.

ARTICLE VII

CONTRIBUTIONS

Section 7.1 *Deferral Contributions*. Subject to the provisions of ARTICLE XII, as of the earliest date on which such amounts can reasonably be segregated from the Company's or, as applicable, Related Company's general assets (but in no event later than the 15th business day after the end of the calendar month in which such amounts were withheld from the Participant), the Company or Related Company shall deposit with the Trustee on behalf of each Participant, an amount equal to the amount of the Participant's Payroll Deferrals (Pre-Tax Deferral Contributions and Roth Deferral Contributions) and Catch-up Contributions for each payroll period, which amount shall be credited to the Member Investment Component of the Plan in accordance with ARTICLE X below.

Section 7.2 *Company Matching Contribution*. Subject to the provisions of ARTICLE XII, as soon as practicable, and in no event later than the time prescribed by law (including extensions thereof) for filing the Company's Federal income tax return for its taxable year, the Company or Related Company, as applicable, shall deposit with the Trustee on behalf of each of its Participants a Company Matching Contribution for Plan Years beginning on or after January 1, 2003, an amount equal to one hundred percent (100%) of the Participant's Payroll Deferrals and Catch-Up Contributions made pursuant to Sections 6.1 and Section 6.2 on up to three percent (3%) of the Participant's Eligible Pay and fifty percent (50%) of the Participant's Payroll Deferrals and Catch-Up Contributions made pursuant to Sections 6.1 and Section 6.2 on amounts in excess of three percent (3%) of the Participant's Eligible Pay but excluding Payroll Deferrals and Catch-Up Contributions in excess of six percent (6%) of the Participant's Eligible Pay.

Effective for each Plan Year beginning on or after January 1, 2016, the Company or Related Company shall deposit with the Trustee an additional Company Matching Contribution amount, if any, on behalf of each of its Participants who, as of the end of the Plan Year, is employed by the Company or Related Company (a "*Qualifying Match Participant*"), equal to:

(a) The maximum Company Matching Contribution the Participant could have received under this Section 7.2 for the Plan Year had his or her Deferral

Contributions been contributed ratably from the beginning of the Plan Year through the end of such Plan Year, minus

(b) The amount of Company Matching Contributions previously made on behalf of the Participant pursuant to the first paragraph of this Section 7.2 (i.e., computed on the basis of the Participant's Deferral Contributions and Eligible Pay for each payroll period during the Plan Year), as applicable.

For the purpose of clarity, a Participant whose last day of employment with the Company and all Related Companies, and therefore whose date of termination of employment with the Company and all Related Companies, is December 31 of a Plan Year, shall be deemed to be a Qualifying Match Participant with respect to such Plan Year.

Any Company Matching Contributions made on behalf of a Participant shall be credited to the Member Investment Component of the Plan in accordance with ARTICLE X below and shall be invested in the same proportion that the Participant's Payroll Deferrals are invested.

Section 7.3 *Grandfathered Contributions and Transition Benefits.* The Company or Related Company, as applicable shall contribute to the Profit Sharing Component of the Plan:

(a) on behalf of each Grandfathered Contribution Eligible Participant (as defined below) such amount, if any, as may be determined in the sole discretion of the Board of Directors for each Plan Year. For any Plan Year in which a contribution is made under this Section 7.3(a), the Account of each Grandfathered Contribution Eligible Participant shall be allocated (i) an amount equal to one and one half percent (1.5%) of the Grandfathered Contribution Eligible Participant's Eligible Wages, increased by one tenth of one percent (0.1%) of the Grandfathered Contribution Eligible Participant's Eligible Wages for each full year of participation in the Plan or the Retirement Income Plan in excess of one full year completed at the time of reference, not to exceed the number of years of participation credited to the Grandfathered Contribution Eligible Participant as of September 30, 2003, or (ii) such lesser amount as may be determined by the Board of Directors. If the Company's and Related Companies' total contribution for the Plan Year under this Section 7.3(a) is less than the amount needed to satisfy all Grandfathered Contribution Eligible Participants' maximum allocation percentages as described under (i) in the preceding sentence, then each Grandfathered Contribution Eligible Participant will receive a pro rata share of the contribution equal to the total contribution actually made multiplied by the percentage of the total contribution the Grandfathered Contribution Eligible Participant would have received if the Company and Related Companies had contributed an amount sufficient to satisfy the maximum allocation percentages of all Grandfathered Contribution Eligible Participants. For purposes of this Section 7.3(a), a "**Grandfathered Contribution Eligible Participant**" is, subject to the other provisions of the Plan, any Participant who (A) was employed by the Company or a Related Company on December 31, 2002; (B) had completed an Initial Period of Service as of December 31, 2002 or subsequent to such date; and (C) is employed on the last day of the Plan Year for which the Grandfathered Contribution is made or who dies, Retires, suffers a Disability or is in qualified military service (within the meaning of Code Section 414(u)) during such Plan Year. For the purpose of clarity, a

Participant whose last day of employment with the Company and all Related Companies, and therefore whose date of termination of employment with the Company and all Related Companies, is December 31 of a Plan Year, shall be deemed to satisfy the year-end employment requirement specified in clause (C) in the immediately preceding sentence with respect to such Plan Year.

(b) on behalf of each HRT Eligible Participant (as defined below) for each Plan Year beginning January 1, 2015 through December 31, 2024. The amount contributed shall be equal to a percentage of the HRT Eligible Participant's Eligible Wages, as follows (i) two percent (2%) of the HRT Eligible Participant's Eligible Wages for HRT Eligible Participants who have attained age forty (40) through forty-nine (49) as of December 31, 2014, and (ii) three percent (3%) of the HRT Eligible Participant's Eligible Wages for HRT Eligible Participants who have attained age fifty (50) or over as of December 31, 2014. For purposes of this Section 7.3(b), an "**HRT Eligible Participant**" is any HRT Participant who is a "*Covered Employee*" under Addendum A of the Woodward HRT Pension Plan who was hired before January 1, 2010, and who was a participant in the Woodward HRT Pension Plan on December 31, 2014. Notwithstanding the foregoing, if at any time between January 1, 2015 and December 31, 2024, an HRT Eligible Participant becomes an "*Employee*" under Addendum B of the Woodward HRT Pension Plan, such individual shall cease to be an HRT Eligible Participant for purposes of the benefit provided under this Section 7.3(b) for the period of time that he or she is an Employee under Addendum B of the Woodward HRT Pension Plan.

Section 7.4 *Company Stock Component Contributions*. The Company shall contribute to the Company Stock Component the Company Stock Component Contributions described in Section 11.3 of the Plan.

Section 7.5 *Time for Making Company Contributions*. All Company and Related Company contributions made under Sections 7.2, 7.3 and 11.3 of the Plan for a Plan Year shall be remitted by the Company and Related Company as soon as practicable following the close of the Plan Year, and in no event later than the time prescribed by law (including extensions thereof) for filing the Company's Federal income tax return for its taxable year in or with which such Plan Year ends.

ARTICLE VIII

ROLLOVERS AND TRANSFERS FROM RELATED PLANS

Section 8.1 *Rollover Contributions*.

(a) A Worker Member may make a Rollover Contribution (as defined below) to the Plan. The term "**Rollover Contribution**" means a rollover contribution of a distribution which, under the applicable provisions of the Code, is an eligible rollover distribution (as defined in Section 402(f)(2)(A) of the Code) which is permitted to be rolled over to an eligible retirement plan (as defined in Section 402(c)(8)(B) of the Code). Notwithstanding the foregoing, in no event shall a Worker Member be permitted to make

a rollover contribution of any amount previously contributed to another plan by the Worker Member on an after-tax basis (except as provided in subsection (b)). Rollover Contributions shall be allocated to the Investment Funds under the Member Investment Component in 1% multiples as the Worker Member directs.

(b) The Plan will accept a direct rollover from a designated Roth elective deferral account under an applicable retirement plan described in Code Section 402A(e)(1) to the extent the rollover is permitted under the rules of Code Section 402(c).

(c) The amounts transferred under this Section will be deposited into the Trust, and a fully vested and nonforfeitable Rollover account will be established for each such Participant. A Participant's Rollover account shall consist of two sub-accounts, a "**Roth Rollover Account**" that shall hold any Roth rollovers, as described in subsection (b) above, and a "**Pre-Tax Rollover Account**" that shall hold rollovers described in subsection (a) above.

Section 8.2 *Transfers from Other Plans.* Subject to the approval of the Plan Administrator, any Worker Member who becomes a Worker Member of the Company by reason of a transfer from any Related Company may elect to have the Plan accept a transfer of his fully vested interest under any Related Plan (as defined below), in accordance with the provisions of that plan. Any such transferred amount shall be allocated to the Investment Funds under the Member Investment Component as the Worker Member directs. The term "**Related Plan**" means any defined contribution plan maintained by the Company or Related Company, qualified under Section 401(a) of the Code and not subject to Sections 401(a)(11) and 417 of the Code.

Section 8.3 *Interest in Plan.* Upon such rollover or transfer by a Worker Member who is otherwise eligible to participate in the Plan, but who has not yet completed the participation requirements of ARTICLE IV, the amount of his rollover or transfer shall represent his sole interest in the Plan.

ARTICLE IX

PARTICIPANT ACCOUNTS

Section 9.1 *Establishment of Accounts.* All income, profits, recoveries, contributions, and any and all monies, securities and properties of any kind at any time received or held by the Trustee shall be held in a single Trust. For accounting purposes, the Administrative Committee shall establish and maintain separate Accounts for each Participant to which shall be allocated the Participant's share of any Company Matching Contributions, Pre-Tax Deferral Contributions, Roth Deferral Contributions, Grandfathered Contributions, Transition Benefits, Rollover Contributions and Company Stock Component Contributions, and any respective earnings and losses thereon.

Section 9.2 *Investment of Accounts.* The portion of a Participant's Account attributable to Company Matching Contributions, Deferral Contributions, Grandfathered Contributions, Transition Benefits, and Rollover Contributions, as applicable (collectively, "**Applicable Contributions**"), including any respective earnings and losses thereon, shall be

invested in accordance with ARTICLE X. The portion of a Participant's Account attributable to any Company Stock Component Contributions shall be accounted for and invested as described in ARTICLE XI.

Section 9.3 *Roth Deferral Contribution Accounts*. Contributions and withdrawals of Roth Deferral Contributions will be credited and debited to a segregated "***Roth Deferral Contribution Account***" maintained for each Participant. The Plan will maintain a record of the amount of Roth Deferral Contributions in each Participant's Roth Deferral Contribution Account. Gains, losses, and other credits or charges shall be separately allocated on a reasonable and consistent basis to each Participant's Roth Deferral Contribution Account and the Participant's other Accounts under the Plan. No contributions other than Roth Deferral Contributions and properly attributable earnings will be credited to each Participant's Roth Deferral Contribution Account.

ARTICLE X

INVESTMENTS UNDER THE PLAN

Section 10.1 *Investment Funds*. Subject to the provisions of this ARTICLE X and ARTICLE XI, a Participant shall have the right to direct the Trustees in the manner the Participant wishes to have his Accounts invested by directing that investments be made in such Investment Funds as are available under the Plan for investment by Participants or, in the case of amounts in a Participant's Accounts that are attributable to any Company Stock Component Contributions, in the Company Stock Component. Notwithstanding the foregoing, a Participant may not direct to the Company Stock Component the investment of amounts in his Account that are attributable to the Participant's Applicable Contributions. However, a Participant may direct to the Company Stock Component the investment of any amounts in his Account that are attributable to a prior transfer pursuant to Section 11.5 from the Company Stock Component ("***Prior Transferred Amounts***"). In addition, pursuant to Section 11.5, a Participant may direct that amounts in the Participant's Account under the Company Stock Component be reinvested in any of the Investment Funds as are available under the Plan for investment by Participants. Neither the Trustee, the Investment Committee, the Administrative Committee, the Independent Fiduciary, the Company nor any of the directors, officers or employees of the Company are empowered to advise a Participant as to the manner in which his Accounts should be invested. The fact that a security is available to Participants for investment under the Member Investment Component, Profit Sharing Component or Company Stock Component shall not be construed as a recommendation for the purchase of that security, nor shall the selection by a Participant of any Investment Fund or the Company Stock Component with respect to any Prior Transferred Amounts, nor the Participant's decision to retain an investment in any Investment Fund or in the Company Stock Component, impose any liability on the Company, its directors, officers or employees, the Trustee, the Investment Committee, the Independent Fiduciary or the Administrative Committee. All charges and expenses incurred in connection with the purchase and sale of investments for an Investment Fund or the Company Stock Component shall be charged to such Investment Fund or the Company Stock Component, respectively. If a Participant fails to direct the Trustees in the manner the Participant wishes to have his Account invested with respect to any Applicable Contributions, such contributions shall be invested in a

default Investment Fund selected by the Investment Committee for such purpose, which shall in all cases comply with the requirements of the applicable Department of Labor regulations.

Section 10.2 *Investment Directions and Transfers Between Investment Funds*. Subject to the following provisions of this Section 10.2 and any requirements as may be established from time to time by the Administrative Committee, each Participant shall direct the percentages (in multiples of 1%) of all contributions made by him or on his behalf which are to be invested in each of the Investment Funds and may prospectively change any such direction in writing on any Accounting Date. Changes will be effective as soon as administratively practicable, according to the rules and procedures established by the Administrative Committee, the Plan's recordkeeper, Trustee and/or broker, as applicable. Such change shall be limited to the Investment Funds described in Section 10.1 or any other Investment Funds as the Trustee at the direction of the Investment Committee may from time to time permit.

Section 10.3 *Statement of Accounts*. As soon as practicable after the last day of each Plan Year quarter, each Participant shall receive a statement of his Account. To the extent required by law, the statement will (a) describe the value of the total benefit as of the last Accounting Date in such quarter and the value of each investment, (b) describe the value of the vested benefit or the earliest date on which the benefit will become vested, (c) describe any offset or disparity provisions, (d) explain any restrictions on investment changes, (e) explain the importance of a balanced diversified portfolio (and include a statement that a portfolio holding more than 20% invested in a single security may not be adequately diversified), and (f) direct the Participant to the Department of Labor web site for information on diversification. The statement described in this Section 10.3 may be provided by electronic means and may be furnished more frequently or continuously in accordance with the procedure established by the Administrative Committee and consistent with applicable guidance issued by the Department of Labor with respect to the requirements for furnishing such statement.

ARTICLE XI

COMPANY STOCK COMPONENT

Section 11.1 *Compliance with Code and ERISA*. The Company Stock Component is intended to comply with the requirements applicable to employee stock ownership plans under Sections 401(a), 409 and 4975 of the Code and under Section 407(d)(6) of ERISA, and is hereby designated as an employee stock ownership plan (an ESOP). Except as the Independent Fiduciary may otherwise determine pursuant to Section 11.2, the Company Stock Component shall be invested exclusively in Company Stock (except for cash or cash equivalent investments determined by the Investment Committee to be required to facilitate Participant transactions into and out of the Company Stock Component, as applicable, and to pay permissible Plan expenses), without regard to the diversification of assets. Any such Company Stock may be acquired by the Trustee through purchases on the open market, private purchases, purchases from the Company (including purchases from the Company of treasury shares or authorized but unissued shares), contributions in kind by the Company, or otherwise.

Section 11.2 *Independent Fiduciary*. Notwithstanding any contrary Plan provision, the Independent Fiduciary shall at all times have the exclusive fiduciary authority and responsibility

under the Plan and ERISA, in its sole discretion, to determine whether the Company Stock Component's investment in Company Stock, as otherwise specified in Section 11.1, continues to be prudent under ERISA. In making such determination, the Independent Fiduciary shall take into account all factors required by ERISA, including without limitation, the design of the Plan regarding the Company Stock Component, the availability of other Investment Funds under the Plan and the ability of Participants to construct a diversified portfolio of investments consistent with their individual desired level of risk and return. In exercising such fiduciary authority and responsibility, the Independent Fiduciary shall at all times have the exclusive authority and responsibility to exercise any or all of the following powers with respect to the Company Stock Component and to instruct the Trustee accordingly:

- (a) To suspend or prohibit the investment of any new Company contributions pursuant to Section 11.3 in the Company Stock Component;
- (b) To suspend or prohibit the re-investment of any Prior Transferred Amounts in the Company Stock Component;
- (c) In connection with the Independent Fiduciary's determination, if any, that holding Company Stock in the Company Stock Component is no longer prudent under ERISA, to liquidate such Company Stock;
- (d) To direct that the proceeds from any such liquidation of Company Stock pursuant to subsection (c) be invested on a temporary basis in the default Investment Fund selected by the Investment Committee for such purpose, pending Participant directions to the Trustee with respect to the investment thereof in such Investment Funds as are available under the Plan for investment by Participants;
- (e) To suspend or prohibit the transfer of Company Stock Component Account balances out of the Company Stock Component during any period in which the Independent Fiduciary is directing the sale or other disposition of the Company Stock held in the Company Stock Component;
- (f) To continually monitor the prudence of holding Company Stock in the Company Stock Component; and
- (g) To take any other action required by ERISA with respect to the Company Stock Component.

The Independent Fiduciary also may communicate with Participants with respect to their investments in the Company Stock Component, if any, at such times as the Independent Fiduciary reasonably determines to be necessary or desirable in the discharge of its duties and responsibilities as the Independent Fiduciary. The Independent Fiduciary also may instruct the Trustee regarding the Company Stock Component with respect to matters within the authority of the Independent Fiduciary.

Section 11.3 *Company Stock Component Contributions*. Subject to ARTICLE XII of the Plan, the Company shall contribute to the Company Stock Component such amount, if any, as may be determined in the sole discretion of the Board of Directors for each Plan Year. For

any Plan Year in which a contribution is made under this Section 11.3 (a “**Company Stock Component Contribution**”), the Company Stock Component Contribution Account of each “ESOP Eligible Participant” (as defined below) shall be allocated (a) an amount equal to five percent (5%) of such ESOP Eligible Participant’s Eligible Wages or (b) such other amount as may be determined by the Board of Directors. If the amount contributed under this Section 11.3 in any Plan Year is not equal to five percent (5%) of all ESOP Eligible Participants’ Eligible Wages, then such other amount, if any, shall be allocated to the Company Stock Component Contribution Accounts of ESOP Eligible Participants based on a uniform percentage of each ESOP Eligible Participant’s Eligible Wages. For the purpose of this Section 11.3, an “**ESOP Eligible Participant**” is (a) any Worker Member who is employed by the Company or a Related Company on the last day of the Plan Year and (b) any Worker Member who dies, Retires, suffers a Disability or is in qualified military service (within the meaning of Code Section 414(u)) during such Plan Year. For the purpose of clarity, a Worker Member whose last day of employment with the Company and all Related Companies, and therefore whose date of termination of employment with the Company and all Related Companies, is December 31 of a Plan Year, shall be deemed to satisfy the year-end employment requirement specified in clause (a) of the immediately preceding sentence with respect to such Plan Year. If any portion of a Company Stock Component Contribution is made in cash, then, unless otherwise determined by the Independent Fiduciary pursuant to Section 11.2, such cash shall be applied as soon as practicable to the purchase of Company Stock.

Section 11.4 *Dividends on Allocated Company Stock*. Any dividends paid on Company Stock held in the Company Stock Component shall be allocated to Participants’ Accounts accordingly. Any such dividends will be paid to the Plan and, as directed by the Independent Fiduciary, reinvested in Company Stock in accordance with Section 404(k)(2)(A)(iii) of the Code, and such Participants will be fully vested at all times in such dividends. Notwithstanding the foregoing, within a reasonable time before payment of the dividends, the Participants will be given the opportunity to make an affirmative election, in accordance with the procedures established by the Plan Administrator, to receive their dividends in cash. Any election so made shall continue in effect until changed by the Participant. If a Participant elects to receive his dividend in cash, the Trustee, if directed in writing by the Company, will pay, in cash, any cash dividend on the Company Stock allocated or allocable to the Participant’s Account. The Company’s direction must state whether the Trustee is to pay the cash dividend distributions currently or within the 90-day period following the close of the Plan Year in which the Company pays the dividends to the Trust.

Section 11.5 *Transfer from the Company Stock Component*. Notwithstanding any other provision of the Plan to the contrary but subject to Section 3.10 and 11.2, at any time (subject to Company Policy 2-16, “**Trades of Woodward Stock**,” as in effect from time to time), a Participant may transfer to the Member Investment Component of the Plan any or all of his balance in the Company Stock Component and may subsequently elect to reinvest the amount attributable to such transfer in the Company Stock Component pursuant to Section 10.1.

Section 11.6 *Fair Market Value*. For purposes of this ARTICLE XI, the “**Fair Market Value**” of a share of Company Stock, as of any date, means the closing price of such share, as established by the NASDAQ, on the most recent trading day for which records are available.

ARTICLE XII

LIMITATIONS ON COMPENSATION,
CONTRIBUTIONS AND ALLOCATIONSSection 12.1 *Limitations on Annual Additions.*

(a) Notwithstanding any other provisions of the Plan to the contrary, a Participant's Annual Additions (as defined below) for any Plan Year shall not exceed an amount equal to the lesser of:

(i) \$69,000 (in 2024) (or such other amount as may be determined by the Secretary of the Treasury for that Plan Year under Code Section 415(c)), or

(ii) 100 percent (100%) of the Participant's Compensation (as defined below) for that Plan Year.

(b) For purposes of this Section 12.1, the following terms have the following meanings:

"Compensation." Except as otherwise specifically provided, a Participant's *"Compensation,"* for purposes of this ARTICLE XII shall mean the sum of the compensation (as described in Treas. Reg. Section 1.415(c)-2(a)) paid to him during the Plan Year for personal services actually rendered in the course of his employment with the Company or a Section 415 Affiliate (as defined below), including any Payroll Deferrals and any payroll reduction contributions made on his behalf for the year to a cafeteria plan within the meaning of Section 125 of the Code and any elective reductions in remuneration for qualified transportation benefits within the meaning of Section 132(f) of the Code; *provided, however,* the compensation shall include payments made to a Participant by the later of 2½ months after severance from employment or the end of the Plan Year that includes the date of severance from employment, in accordance with Treas. Reg. Section 1.415(c)-2(e).

In addition to other applicable limitations set forth in the Plan, and notwithstanding any other provision of the Plan to the contrary, the annual compensation of each Worker Member taken into account under the Plan shall not exceed \$345,000 (in 2024), as adjusted by the Internal Revenue Service for increases in the cost-of-living in accordance with Section 401(a)(17)(B) of the Code. The cost-of-living adjustment in effect for a calendar year applies to any period, not exceeding 12 months, over which compensation is determined (determination period), beginning in such calendar year. If a determination period consists of fewer than 12 months, the annual compensation limit will be multiplied by a fraction, the numerator of which is the number of months in the determination period and the denominator of which is 12.

"Section 415 Affiliate" means any trade or business (whether or not incorporated) that is, along with the Company, a member of a controlled group of corporations or trades or businesses within the meaning of Sections 414(b) and (c) of the Code, as modified by Section 415(h) of the Code.

“*Annual Additions*” means, with respect to any Participant for the Plan Year, the sum of all contributions (including Payroll Deferrals but excluding Catch-up Contributions and contributions related to a rollover or transfer as provided for in ARTICLE VIII of the Plan) and all forfeitures allocated to his Accounts for that Plan Year under this Plan and all Related Defined Contribution Plans, subject to the following:

(i) a Participant’s Annual Additions with respect to the Company Stock Component or other employee stock ownership plans shall be determined, subject to paragraph (ii) below, solely on the basis of contributions thereto and forfeitures; and

(ii) for purposes of paragraph (i) above, the term Annual Additions shall include any amount credited to an individual medical account (as defined in Section 415(l) of the Code) or a separate account for post-retirement medical or life insurance benefits (as described in Section 419A(d) of the Code).

“*Related Defined Contribution Plan*” means any other defined contribution plan (as defined in Section 415(k) of the Code) maintained by the Company or its Section 415 Affiliate.

Section 12.2 *Limitations Under Section 402(g) of the Code.*

(a) *Payroll Deferrals Limitation.* In no event shall the combined Pre-Tax Deferral Contributions and Roth Deferral Contributions for a Participant under the Plan, when combined with any other cash-or-deferred arrangement maintained by the Company or a Related Company, for any taxable year exceed \$23,000 (in 2024) or such larger amount as may be permitted for that year under Section 402(g) of the Code.

(b) *Excess Deferrals.* Any Participant’s combined Pre-Tax Deferral Contributions and Roth Deferral Contributions, in excess of the adjusted \$23,000 figure for a calendar year (“*Excess Deferrals*”), and the earnings or losses attributable thereto for the period from the date of contribution through the last day of the Plan Year shall be returned to the Participant no later than April 15th following the close of the calendar year in which such excess Pre-Tax Deferral Contributions and/or Roth Deferral Contributions were made. A Participant may designate the extent to which the excess amount to be distributed is composed of Pre-Tax Deferral Contributions and/or Roth Deferral Contributions but only to the extent such types of contributions were made for the Plan Year. If the Participant does not designate whether and to what extent Pre-Tax Deferral Contributions or Roth Deferral Contributions are to be distributed, the Administrative Committee will first distribute Pre-Tax Deferral Contributions.

Section 12.3 *Limitations Under Section 401(k)(3) of the Code.*

(a) The provisions of subsections (b), (c) and (e) of this Section 12.3 shall apply in accordance with the requirements of Section 401(k)(3) of the Code.

The provisions of this Section 12.3, however, shall be applied separately in respect of any Worker Members covered under each separate collective bargaining agreement.

(b) For each Plan Year (to the extent applicable as set forth in subsection (a) above), the difference between the average of the Deferral Percentages (as defined below) of each eligible Worker Member who is a Highly Compensated Worker Member (as defined in Section 12.6), referred to hereinafter as the “**Highly Compensated Group Deferral Percentage**,” and the average of the Deferral Percentages of each eligible Worker Member who is not a Highly Compensated Worker Member, referred to hereinafter as the “**Non-highly Compensated Group Deferral Percentage**,” must satisfy one of the following:

(i) the Highly Compensated Group Deferral Percentage does not exceed the Non-highly Compensated Group Deferral Percentage by more than a factor of 1.25; or

(ii) the Highly Compensated Group Deferral Percentage does not exceed the Non-highly Compensated Group Deferral Percentage by more than both 2 percentage points and a factor of 2.

(c) For purposes of subsection (b), a “**Deferral Percentage**” for any eligible Worker Member for a Plan Year shall be determined by dividing the combined Pre-Tax Deferral Contributions and Roth Deferral Contributions made on his behalf for such year by his Compensation (as defined in Section 12.1) for the year, subject to the following special rules:

(i) any Worker Member eligible to participate in the Plan at any time during a Plan Year pursuant to Section 4.1 shall be counted, regardless of whether any Pre-Tax Deferral Contributions or Roth Deferral Contributions are made on his behalf for the year;

(ii) the Deferral Percentage for any Highly Compensated Worker Member who is eligible to participate in the Plan and who is also eligible to make other elective deferrals under one or more other arrangements (described in Section 401(k) of the Code) maintained by the Company or a Related Company shall be determined as if all such elective deferrals were made on his behalf under the Plan, and in the event that such arrangements have different plan years, all elective deferrals made during the Plan Year under all such arrangements shall be aggregated;

(iii) in the event that this Plan satisfies the requirements of Section 401(k), 401(a)(4) or 410(b) of the Code only if aggregated with one or more other plans, or if one or more other plans satisfy the requirements of such Sections of the Code only if aggregated with this Plan, then this Section 12.3 shall be applied as if all such plans were a single plan; *provided, however*, that such plans may be

aggregated in order to satisfy Section 401(k) of the Code only if they have the same Plan Year;

(iv) in the case of any Worker Member who is not Highly Compensated, combined Pre-Tax Deferral Contributions and Roth Deferral Contributions (and elective deferrals under any other plan of the Company or a Related Company) that exceed the applicable limit under Section 402(g) of the Code shall not be counted in calculating such Worker Member's Deferral Percentage; and

(v) in the event that the Plan applies the rules of Code Section 410(b)(4)(B) to treat as two separate plans, for purposes of Code Section 410(b), the component of the Plan covering employees who have not completed at least one Year of Service and the component covering employees who have completed at least one Year of Service, the Plan shall apply the requirements of Section 12.3(b) to the component of the Plan covering employees who have not completed at least one Year of Service as if only it were the Plan.

(d) *Excess Contributions.* If one of the tests set forth in Section 12.3(b) above is not satisfied for any Plan Year to which such tests apply, the Plan Administrator may take the following actions:

(i) If at any time during a Plan Year the Plan Administrator determines, on the basis of estimates made from information then available, that the limitation described in Section 12.3(b) above will not be met for the Plan Year, the Plan Administrator in its discretion may reduce or suspend the Pre-Tax Deferral Contributions and Roth Deferral Contributions of one or more Participants who are Highly Compensated Worker Members to the extent necessary (A) to enable the Plan to meet such limitation or (B) to reduce the amount of Excess Contributions (as defined below) that would otherwise be distributed pursuant to paragraph (ii) below.

(ii) In the event that Excess Contributions are made for any Plan Year, then, prior to March 15 of the following Plan Year (but in no event later than within 12 months after the end of such following Plan Year), such Excess Contributions (plus any income and minus any loss allocable thereto through the last day of such Plan Year) shall be distributed to the Highly Compensated Worker Members beginning with the Highly Compensated Worker Member with the highest dollar amount of combined Pre-Tax Deferral Contributions and Roth Deferral Contributions for such Plan Year and continuing in descending order until such excess contributions are distributed. For the purposes of this subsection, the "**Excess Contribution**" for any Plan Year is the excess of (A) the aggregate amount of combined Pre-Tax Deferral Contributions and Roth Deferral Contributions actually paid to the Trust on behalf of Highly Compensated Worker Members for such Plan Year over (B) the maximum amount of such contributions permitted for such Plan Year under Section 12.3(b), determined by hypothetically reducing Pre-Tax Deferral Contributions and Roth Deferral Contributions made

on behalf of Highly Compensated Worker Members in order of their Contribution Percentages beginning with the highest of such percentages. Notwithstanding the foregoing, any excess contributions to be distributed hereunder shall be reduced by any Excess Deferrals previously distributed for the Plan Year under Section 12.2. A Highly Compensated Worker Member may designate the extent to which the excess amount to be distributed is composed of Pre-Tax Deferral Contributions and Roth Deferral Contributions but only to the extent such types of contributions were made for the Plan Year. If the Highly Compensated Worker Member does not designate whether and to what extent Pre-Tax Deferral Contributions or Roth Deferral Contributions are to be distributed, the Administrative Committee will first distribute Pre-Tax Deferral Contributions. In addition, to the extent Excess Deferrals or Excess Contributions that were matched by Company Matching Contributions are distributed to a Worker Member pursuant to Section 12.2 or 12.3, the amount of such Company Matching Contributions shall be forfeited (along with any income or minus any loss so allocable thereto) and applied to reduce the amount of Company Matching Contributions made pursuant to Section 7.2.

Section 12.4 *Limitations Under Code Section 401(m)(2).*

(a) The provisions of subsections (b), (c) and (e) of this Section 12.4 shall apply in accordance with the requirements of Section 401(m)(2) of the Code.

The provisions of this Section 12.4, however, shall not apply in respect of any Worker Members covered under a collective bargaining agreement.

(b) For each Plan Year (to the extent applicable as described in subsection (a)), the difference between the average of the Contribution Percentages (as defined below) of each eligible Worker Member who is a Highly Compensated Worker Member (as defined in Section 12.6) referred to hereinafter as the “**Highly Compensated Group Contribution Percentage**” and the average of the Contribution Percentages of each eligible Worker Member who is not Highly Compensated, referred to hereinafter as the “**Non-highly Compensated Group Contribution Percentage**,” must satisfy one of the following:

(i) the Highly Compensated Group Contribution Percentage does not exceed the Non-highly Compensated Group Contribution Percentage by more than a factor of 1.25; or

(ii) the Highly Compensated Group Contribution Percentage does not exceed the Non-highly Compensated Group Contribution Percentage by more than both 2 percentage points and a factor of 2.

(c) For purposes of subsection (b), a “**Contribution Percentage**” for any eligible Worker Member for a Plan Year shall be determined by dividing the Company Matching Contributions (described in Section 7.2) made by or for him for such year by his Compensation for the year, subject to the following special rules:

(i) any Worker Member eligible to participate in the Plan at any time during a Plan Year pursuant to Section 4.1 shall be counted, regardless of whether any Company Matching Contributions are made by or for him for the year;

(ii) the Contribution Percentage for any Highly Compensated Worker Member who is eligible to participate in the Plan and who is also eligible to participate in one or more other qualified plans maintained by the Company or a Related Company under which matching contributions (within the meaning of Section 401(m) of the Code) can be made by or for him shall be determined as if all such contributions were made by or for him under the Plan, and in the event that such arrangements have different plan years, all matching contributions made during the Plan Year under all such arrangements shall be aggregated;

(iii) in the event that this Plan satisfies the requirements of Sections 401(m), 401(a)(4), or 410(b) of the Code only if aggregated with one or more other plans, or if one or more other plans satisfy the requirements of such Sections of the Code only if aggregated with this Plan, then this Section 12.4 shall be applied as if all such plans were a single plan; *provided, however*, such plans may be aggregated in order to satisfy Section 401(m) of the Code only if they have the same Plan Year; and

(iv) in the event that the Plan applies the rules of Code Section 410(b)(4)(B) to treat as two separate plans, for purposes of Code Section 410(b), the component of the Plan covering Worker Members who have not completed at least one Year of Service and the component covering Worker Members who have completed at least one Year of Service, the Plan shall apply the requirements of Section 12.4(b) to the component of the Plan covering employees who have not completed at least one Year of Service as if only it were the Plan.

(d) *Excess Company Matching Contributions.* If one of the tests set forth in Section 12.4(b) above is not satisfied for any Plan Year to which such tests apply, then, prior to March 15 of the following Plan Year (but in no event later than within 12 months after the end of the following Plan Year), the Excess Company Matching Contributions (plus any income and minus any loss allocable thereto through the last day of such Plan Year) shall be distributed to the Highly Compensated Worker Members beginning with the Highly Compensated Worker Member with the highest dollar amount of Company Matching Contributions for such Plan Year and continuing in descending order until such Excess Company Matching Contributions are distributed. For the purposes of this subsection, the term “***Excess Company Matching Contributions***” means, for any Plan Year, the excess (i) of the aggregate amount of the Company Matching Contributions actually paid to the Trust by or on behalf of Highly Compensated Worker Members for such Plan Year over (ii) the maximum amount of such Company Matching Contributions permitted for such Plan Year under subsection (b) above, determined by hypothetically reducing Company Matching Contributions made by or on behalf of Highly Compensated Worker Members in order of their Contribution Percentages beginning with the highest of such percentages. The determination of Excess Company Matching Contributions under this subsection (e) shall be made after first determining the Excess

Deferrals under Section 12.2 and then determining the Excess Contributions under Section 12.3(d).

Section 12.5 *Reduction of Contribution Rates*. To conform the operation of the Plan to Sections 401(k)(3), 402(g) and 415(c) of the Code, any election of Payroll Deferrals made by a Participant pursuant to Section 6.1 of the Plan may be modified or revoked regardless of such Participant's prior elections.

Section 12.6 *Highly Compensated Worker Member*. For purposes of this ARTICLE XII, a Worker Member shall be a "*Highly Compensated Worker Member*" for any Plan Year if he:

- (a) was a 5% (percent) owner (as defined in Code Section 416(i)(1)) of the Company or a Related Company at any time during such Plan Year or the preceding Plan Year; or
- (b) received Compensation (as defined in Section 12.1) from the Company and Related Companies for the preceding year in excess of \$150,000 (if the preceding year is 2023) or \$155,000 (if the preceding year is 2024), as adjusted for cost-of-living under Section 415(d) of the Code for any Plan Year.

Section 12.7 *Testing Procedures*. In applying the limitations set forth in Section 12.3(b) and 12.4(b), the Administrative Committee may, at its option, utilize such testing procedures as may be permitted under Code Sections 401(a)(4), 401(k), 401(m) or 410(b), subject to any applicable limitations contained in the regulations, including, without limitation, (i) aggregation of the Plan with one or more other Related Plans, (ii) inclusion of qualified matching contributions, qualified non-elective contributions or elective deferrals described in, and meeting the requirements of, Treasury Regulations under Code Sections 401(k) and 401(m) made to any other qualified plan of the Related Companies, (iii) exclusion of all Worker Members (other than Highly Compensated Worker Members) who have not met the minimum age and service requirements of Code Section 410(a)(1)(A), or (iv) any permissible combination thereof.

ARTICLE XIII

PRE-TERMINATION WITHDRAWALS AND LOANS

Section 13.1 *Pre-Termination Withdrawals*. Subject to the Administrative Committee's approval and except as otherwise provided in any Supplement, a Participant may, before his termination of employment from the Company and all Related Companies, elect to withdraw all or any portion of the value of his Account in accordance with the following provisions of this Section 13.1, *provided* that no withdrawals may be made by any Participant after the date on which his employment terminates, except as provided in Section 14.3(d):

- (a) A Participant may withdraw all or any portion of his Rollover Contributions at any time. Any such withdrawal shall be in the amount specified by the Participant, subject to any reasonable restrictions on the minimum amount or number of

withdrawals imposed by the Administrative Committee on a nondiscriminatory basis, up to the value of his Rollover Contributions balance.

(b) A Participant may withdraw on or after the date the Participant attains age 59½ all or any portion of his Pre-Tax Deferral Contributions Account, Roth Deferral Contribution Account, Company Matching Contribution Account, Rollover Contributions, Company Stock Component Account, Grandfathered Contributions Account and Transition Benefits Account balance.

(c) A Participant may withdraw all or any portion of his Pre-Tax Deferral Contributions Account, Roth Deferral Contribution Account, Rollover Contributions, Company Stock Component Account, Grandfathered Contributions Account and Transition Benefits Account balance, to the extent necessary to meet a Hardship (as defined in Section 13.2).

(d) A Participant may withdraw all or any portion of his vested Account balance upon his Disability.

Section 13.2 *Hardship*. A withdrawal will be considered to be on account of “*Hardship*” if it meets the following requirements:

(a) The withdrawal is requested because of an immediate and heavy financial need of a Worker Member and will be so deemed if the Worker Member represents that the withdrawal is made on account of any of the following circumstances, determined in accordance with Treas. Reg. Section 1.401(k)-1(d)(3)(iii)(B):

(i) expenses for (or necessary to obtain) medical care that would be deductible under Section 213(d) (determined without regard to whether the expenses exceed 7.5% of adjusted gross income);

(ii) costs directly related to the purchase of a principal residence of the Worker Member (excluding mortgage payments);

(iii) payment of tuition, related educational fees, and room and board expenses for the next 12 months of post-secondary education for the Worker Member or the Worker Member’s spouse, children or dependents (as defined in Code Section 152, without regard to Code Section 152(b)(1), (b)(2) and (d)(1)(B));

(iv) payments necessary to prevent the eviction of the Worker Member from his principal residence or foreclosure on the mortgage of the Worker Member’s principal residence;

(v) payments for burial or funeral expenses for the Worker Member’s deceased parent, spouse, child or dependent (as defined in Code Section 152, without regard to Code Section 152(d)(1)(B)); or

(vi) certain expenses relating to the repair of damage to the Worker Member's principal residence that qualifies as a casualty deduction under Code Section 165 (determined without regard to Code Section 165(h)(5) and without regard to whether the loss exceeds 10% of adjusted gross income).

(vii) expenses and losses (including loss of income) incurred by the Worker Member on account of a disaster declared by the Federal Emergency Management Agency ("*FEMA*"), provided that the Worker Member's principal residence or principal place of employment at the time of the disaster was located in an area designated by FEMA for individual assistance with respect to the disaster.

(b) The withdrawal must also be necessary to satisfy the immediate and heavy financial need of the Worker Member. The withdrawal is treated as necessary to satisfy an immediate and heavy financial need only to the extent the amount of the distribution is not in excess of the amount required to satisfy the financial need (which may include any amounts necessary to pay any federal, state, or local income taxes or penalties reasonably anticipated to result from the withdrawal). The withdrawal will be considered necessary if:

(i) the Worker Member has obtained all other currently available distributions (including distributions of Company Stock Component dividends under Code Section 404(k)) under the Plan and all other plans of deferred compensation maintained by the Company or by any Related Company;

(ii) the Worker Member has provided the Administrative Committee a representation in writing, or in such other form as is permitted by the Administrative Committee, that such Worker Member has insufficient cash or other liquid assets reasonably available to satisfy the need; and

(iii) the Administrative Committee does not have actual knowledge that is contrary to the representation.

Section 13.3 *Loans to Participants*. A Worker Member, or a Participant who is a party-in-interest (as defined in ERISA Section 3(14)) with respect to the Plan (a "*Loan Applicant*"), may request a loan from the Trust Fund in accordance with the terms of a written loan policy which is hereby incorporated as part of the Plan. The loan policy shall include loan application guidelines, subject to the following:

(a) Except as provided in the following sentence, no loan shall be made to a Loan Applicant if, after such loan, the sum of the outstanding balances (including principal and interest) of all loans made to him under this Plan and all other Related Plan would exceed the lesser of \$50,000 (adjusted as provided below) or one half of the amount which is vested in accordance with Section 14.1. The foregoing \$50,000 limitation shall be adjusted by subtracting therefrom the amount, if any, by which the highest outstanding loan balance of the Loan Applicant at any time during the one-year

period ending on the day preceding the date of such loan exceeds such outstanding balance on the date of the loan.

(b) Each loan to a Loan Applicant shall be made from the Participant's entire vested Account held in the Member Investment Component, the Profit Sharing Component and Company Stock Component. Such loan shall be charged against each Investment Fund and the Participant's Company Stock Component Account (if any) on a pro-rata basis.

(c) Each loan shall be evidenced by a written note providing for:

(i) a reasonable repayment period of not less than one year and not more than 5 years from the date of the loan (10 years if such loan is used to acquire any dwelling unit which within a reasonable time is to be used as the principal residence of the Loan Applicant);

(ii) a reasonable rate of interest; and

(iii) such other terms and conditions as the Administrative Committee shall determine.

(d) Payments of principal and interest to the Trustee with respect to any loan or portion thereof shall be credited to each Investment Fund in accordance with the Loan Applicant's investment direction for future contributions. Any portion or all of the loan may be prepaid at any time without penalty.

(e) At the Administrative Committee's discretion, if the outstanding balance of principal and interest on any loan is not paid at the expiration of its term, such outstanding balance shall be treated as distributed under the Plan but only to the extent such balance (or portion thereof) is then distributable under the terms of the Plan.

(f) Each outstanding promissory note of a Loan Applicant shall be canceled and the unpaid balance of the loan, together with any accrued interest thereon, shall be treated as a distribution to or on behalf of the Loan Applicant within 90 days after the date of his termination of employment.

(g) A Loan Applicant may not have more than three loans outstanding at any one time.

Section 13.4 *Treatment of Roth Deferral Contribution Accounts*. For purposes of withdrawals during employment under Sections 13.1 and 13.2 and loans under Section 13.3, Roth Deferral Contribution Accounts shall be treated in the same manner as Pre-Tax Deferral Contributions Accounts. Any withdrawal during employment or loans shall be made from a Participant's Pre-Tax Deferral Contributions Account and Roth Deferral Contribution Account pro rata, based on each such Account's value at the time of distribution.

ARTICLE XIV

**DISTRIBUTION ON TERMINATION
OR TRANSFER OF EMPLOYMENT**

Section 14.1 *Vesting of Account Balance*. All amounts credited to a Participant's Account shall at all times be nonforfeitable.

Section 14.2 *Limits on Commencement and Duration of Distributions*. Notwithstanding any other provision of the Plan and subject to subsections (b) through (d) below:

(a) Unless the Participant elects otherwise, in no event shall distribution commence later than 60 days after the close of the Plan Year following the Plan Year in which occurs the latest of (i) the date on which the Participant attains age 65, (ii) the date on which the Participant terminates employment, or (iii) the 10th anniversary of the Participant's participation in the Plan.

(b) Notwithstanding any other provision herein to the contrary, the Participant's Account shall be distributed no later than his "Required Beginning Date," which is, for a "5% owner" (as defined in Code Section 416), the April 1 of the calendar year following the calendar year in which he attains age 70½, or in the case of a Participant who is not a "5% owner", the April 1 of the later of the calendar year in which the Participant reaches age 70½ or the calendar year in which the Participant retires.

(c) Notwithstanding any provision of the Plan to the contrary, the Plan will apply the minimum distribution requirements of Section 401(a)(9) of the Code in accordance with the regulations under Code Section 401(a)(9) (including the incidental death benefit rule of Code Section 401(a)(9)(G)) and in accordance with revenue rulings, notices and other guidance published in the Internal Revenue Bulletin reflecting Code Section 401(a)(9), which provisions are hereby incorporated herein by reference; *provided, however*, that such provisions shall override the other distribution provisions of the Plan only to the extent that under such other Plan provisions, distribution is not made or does not begin to be made by the date required under Code Section 401(a)(9) and Treasury regulations issued thereunder.

(i) For purposes of applying the provisions of subsection (c), if a Participant dies before distribution of his vested interest in the Plan has begun, distribution of such vested interest to his Beneficiary shall be completed by December 31 of the calendar year in which the fifth anniversary of the Participant's death occurs (the "**five-year rule**"); *provided, however*, that this five-year rule shall not apply to an individual designated as Beneficiary by the Participant or under the specific terms of the Plan, if:

(A) such vested interest will be distributed over the life of such designated Beneficiary (or over a period not extending beyond the life expectancy of such Beneficiary), and

(B) such distribution to the Beneficiary begins not later than December 31 of the calendar year following the calendar year in which the

Participant died or, if such Beneficiary is the Participant's surviving spouse, not later than December 31 of the calendar year following the calendar year in which the Participant would have attained age 70½.

(ii) For purposes of subsection (c), distribution of a Participant's vested interest in the Plan is considered to begin on his Required Beginning Date; *provided, however*, that distribution irrevocably begun in the form of an annuity shall be considered to begin on the date it actually commences.

(d) Notwithstanding the foregoing provision of this Section 14.2,

(i) a Participant or Beneficiary who (A) had attained his Required Beginning Date before January 1, 2009, (B) would have been required but for the temporary waiver provisions of Code Section 401(a)(9)(H) to receive required minimum distributions for 2009 ("**2009 RMDs**"), and (C) would have satisfied the requirement in (B) by receiving distributions that are (1) equal to the 2009 RMDs or (2) one or more payments in a series of substantially equal payments (that include the 2009 RMDs) made at least annually and expected to last for the life (or life expectancy) of the Participant, the joint lives (or joint life expectancy) of the Participant and the Participant's designated Beneficiary, or for a period of at least 10 years, may elect not to receive such distributions for 2009;

(ii) a Participant or Beneficiary who had attained his Required Beginning Date on or after January 1, 2009 but before January 1, 2010 will not receive the 2009 RMDs as described in paragraph (i) above, unless the Participant or Beneficiary requests such distribution; and

(iii) the amounts of the 2009 RMDs received by a Participant or Beneficiary pursuant to subsection (d) shall not be eligible for a Direct Rollover under Section 14.4.

Section 14.3 *Form of Distribution on Termination of Employment.* The entire value of all vested amounts credited to a Participant who has terminated employment will be distributable to him or, in the event of his death, to his Beneficiary in a lump sum, subject to the following:

(a) *Installments.* A Participant may elect to have his benefits paid in approximately equal monthly, quarterly or annual installments over a period not exceeding his life expectancy or, if applicable, the joint life expectancies of the Participant and his Beneficiary. Prior to receiving payment in the form of installments, a Participant's outstanding loans under the Plan, together with any accrued interest thereon, shall be treated as a distribution. Subject to the provisions of Section 14.2, a Participant may elect that, in the event of his death, his benefits will be paid to his Beneficiary or Beneficiaries in annual installments over the remaining period of his original election. Each installment shall be charged pro-rata to the Participant's Accounts unless otherwise elected by the Participant.

(b) *Small Account Balances.* Notwithstanding any other provision of the Plan to the contrary, if a total Participant's vested Account balance is \$5,000 or less (excluding

Rollover Contributions), such balances shall be distributed as soon as practicable after his termination of employment in a lump-sum payment; *provided, however*, in the event of a distribution under this Section 14.3(b) that is greater than \$1,000 (but that does not exceed \$5,000), if the Participant does not elect to have such distribution paid in a Direct Rollover (pursuant to Section 14.4) to an eligible retirement plan (as defined in Section 402(c)(8)(B) of the Code) specified by the Participant or to receive the distribution directly, then the Plan Administrator will pay the distribution in a Direct Rollover to an individual retirement plan designated by the Plan Administrator.

(c) *Assets Distributable*. Generally, all distribution amounts from the Member Investment Component and Profit Sharing Component shall be determined by the recordkeeper using the net asset values of the Participant's Investment Fund accounts as of the date that authorized distribution directions are received by the recordkeeper, and shall be paid in cash. Distributions attributable to amounts in the Company Stock Component that are invested in Company Stock shall be paid in cash unless a Participant elects to receive all or part of such distribution in Company Stock (provided that cash shall be distributed in lieu of any fractional share of Company Stock). Notwithstanding the foregoing, if a Participant elects to receive installment payments, his distribution shall be in cash.

(d) *Post-Termination Partial Withdrawal After Age 55*. A Participant who has terminated employment and reached age 55 may withdraw any portion of his Accounts under the Plan upon requesting a withdrawal from the recordkeeper.

Section 14.4 *Direct Rollovers*.

(a) Notwithstanding any provision of the Plan to the contrary that would otherwise limit a Participant's distribution election, a Distributee may elect, at the time and in the manner prescribed by the Plan Administrator, to have any portion of an eligible rollover distribution (as defined in Section 402(f)(2)(A) of the Code) paid directly to an eligible retirement plan (as defined in Section 402(c)(8)(B) of the Code) specified by the Distributee in a Direct Rollover. An eligible rollover distribution made to a Participant may be rolled over directly to a Roth IRA (as described in Section 408A of the Code), subject to the restrictions set forth in such Code Section.

(b) *Definitions*.

(i) **"Distributee"**: A Distributee includes all Participants. With respect to a non-spouse Beneficiary, the term "eligible retirement plan" means an individual retirement account described in Section 408(b) of the Code (including a Roth IRA) which is established specifically for this purpose.

(ii) **"Direct Rollover"**: A Direct Rollover is a payment by the Plan to the eligible retirement plan specified by the Distributee.

Section 14.5 *Distributions of Roth Deferral Contribution Accounts*.

(a) *Distributions after Termination.* For purposes of ARTICLE IX, Roth Deferral Contribution Accounts shall be treated in the same manner as Pre-Tax Deferral Contributions Accounts.

(b) *Qualified Distribution.* Distributions from a Roth Deferral Contribution Account shall not be subject to taxation if the distribution is a qualified distribution, as described in Code Section 402A(d)(2). Notwithstanding anything herein to the contrary, the taxation of any distribution from the Roth Deferral Contribution Account shall be consistent with the Treasury Regulations under Code Section 402A.

(c) *Direct Rollovers.* Notwithstanding any other provision of the Plan, a direct rollover of a distribution from a Roth Deferral Contribution Account under the Plan will only be made to another Roth contribution account under an applicable retirement plan described in Code Section 402A(e)(1) or to a Roth IRA described in Code Section 408A, and only to the extent the rollover is permitted under the rules of Code Section 402(c). Eligible rollover distributions from a Participant's Roth Deferral Contribution Account shall be taken into account in determining whether the total amount of the Participant's Account balances under Section 14.3(b) of the Plan exceed \$1,000 or \$5,000, as applicable, for purposes of mandatory distributions from the Plan.

Section 14.6 *Facility of Payment; Incapacity.*

(a) Whenever, and as often as, any person entitled to payments under the Plan is a minor or under other legal disability or, in the sole judgment of the Plan Administrator, shall otherwise be unable to apply such payments to his own best interest or advantage, the Plan Administrator may, in its discretion, direct that any payment due to him, unless claim therefor shall have been made by a duly appointed guardian or legal representative, shall be made directly to him or to another for his benefit without responsibility of the Plan Administrator, the Trustee, or the Company or any Related Company to see to the application of such payments, and the decision of the Plan Administrator shall in each case be final and binding upon all persons in interest.

(b) Prior to distribution under the Plan to any person who is a minor or under other legal disability or, in the sole judgment of the Plan Administrator, shall otherwise be unable to manage his financial affairs, such person's duly appointed guardian or legal representative or other representative demonstrated to the Plan Administrator's satisfaction to be authorized to act on behalf of such person may act on such person's behalf under the Plan in respect of such person's Account, and neither the Plan Administrator, the Trustee nor the Company or any Related Company shall be liable for any actions so taken or not taken by such representative.

Section 14.7 *Interests Not Transferable.* The interests of Participants and their Beneficiaries under the Plan and Trust agreement are not subject to the claims of their creditors and may not be voluntarily or involuntarily assigned, alienated or encumbered, except in the case of certain qualified domestic relations orders which relate to the provision of child support, alimony or marital rights of a spouse, child or other dependent and which meet such other requirements as may be imposed by Section 414(p) of the Code. The Plan Administrator shall

establish reasonable procedures to determine the status of domestic relations orders and to administer distributions under domestic relations orders which are deemed to be qualified orders. Such procedures shall be in writing and shall comply with the provisions of Section 414(p) of the Code. Distributions to an alternate payee (as defined under Section 414(p)(8) of the Code) under a qualified domestic relations order are permitted at any time, irrespective of whether the Participant has attained his earliest retirement age (as defined under Section 414(p)(4)(B) of the Code) under the Plan. A distribution to an alternate payee before the Participant's attainment of earliest retirement age is available only if: (a) the order specifies distribution at that time or permits an agreement between the Plan and the alternate payee to authorize an earlier distribution; and (b) the alternate payee consents to any distribution occurring prior to the Participant's attainment of earliest retirement age, if the present value of the alternate payee's benefits under the Plan exceeds \$5,000.

Section 14.8 *Absence of Guaranty*. There is no guarantee, by any person, that the Trust Fund will not suffer losses or depreciation. The Company does not guarantee any payment to any person. The liability of the Trustee to make any payment is limited to the available assets of the Trust Fund.

Section 14.9 *Designation of Beneficiary*. Each Participant, from time to time, in writing, may designate any person or persons (who may be designated contingently or successively) to whom his benefits are to be paid if he dies before he receives all of his benefits; *provided, however*, that if a Participant is married on the date of his death, any designation as Beneficiary of a person other than his spouse shall be effective only if:

- (a) his spouse acknowledges the effect of that designation and consents to it and to the specific person or persons or class of persons so designated in a writing in such form as may be established from time to time, which writing is witnessed by a notary; or
- (b) it is established to the satisfaction of an authorized Plan representative that the consent required under subsection (a) above cannot be obtained because there is no spouse, because the spouse cannot be located, the Participant is legally separated or the Participant has been abandoned (within the meaning of local law) and the Participant has a court order to such effect, or because of such other circumstances as the Secretary of the Treasury may prescribe in regulations.

Beneficiary designation forms will be effective only when the signed form is filed while the Participant is alive and will cancel all Beneficiary designation forms signed earlier. Subject to the terms of any qualified domestic relations order under Section 14.7, or unless the Participant has indicated otherwise on the Beneficiary designation form, any designation of a Beneficiary identified as the Participant's spouse shall be deemed revoked by the divorce of the Participant and such Beneficiary. Such revocation shall be effective upon receipt of acceptable documentary evidence of divorce, delivered to the Plan Administrator or its delegate, and neither the Company nor the Plan Administrator or its delegate shall be liable for any payment made to a Beneficiary in absence of such documentation. Except as otherwise specifically provided in this ARTICLE IX, if a deceased Participant failed to designate a Beneficiary as provided above, or if the designated Beneficiary of a deceased Participant dies before him or before complete payment of the Participant's benefits, benefits shall be paid to the Participant's surviving spouse or, if

there is no surviving spouse or if the Participant and the surviving spouse had been married for less than one year, to the legal representative or representatives of the estate of the last to die of the Participant and his Beneficiary. If there is any question as to the right of any Beneficiary to receive a distribution under the Plan, the Plan Administrator may exercise discretion in a manner that permits the Trustee to make payment to the legal representative of the Participant's estate. The term "*Beneficiary*" as used in the Plan means the person or persons to whom a deceased Participant's benefits are payable under this Section 14.9.

Section 14.10 *Missing Recipient*. Each Participant must file in writing his post office address from time to time and file in writing each change of post office address. Any communication, statement or notice addressed to a Participant at his last known post office address, or if no address is known then at the Participant's last post office address as shown on the Company's records, will be binding on the Participant for all purposes of the Plan. The Plan Administrator will make a reasonable effort to find the Participant. If a Participant entitled to benefits under the Plan fails to claim such benefits and it is not possible to reasonably find his whereabouts, such benefits shall be forfeited and shall be used until exhausted to reduce the Company contributions otherwise required under ARTICLE VII, of the Company or Related Company which last employed the Participant. If the location of the Participant is subsequently determined, such forfeiture shall be restored by the Company, without adjustment for earnings from the date of forfeiture, and such restoration shall not be treated as an Annual Addition for purposes of Section 12.1.

Section 14.11 *Put Option*. Shares of Company Stock acquired by the Trust shall be subject to a put option if the shares are not readily tradable on an established securities market within the meaning of Section 409(h)(1)(B) of the Code when distributed (or cease to be readily tradable on an established securities market after distribution). The put option shall be exercisable by the Participant or his Beneficiary. The put option shall be exercisable during a 15-month period which begins on the date the shares subject to the put option are distributed by the Plan. During this period, the holder of the put option shall have the right to cause the Company, by notifying it in writing, to purchase such shares at their Fair Market Value, as determined pursuant to Section 11.6. The put option shall continue to apply to shares of the Company Stock distributed by the Plan even if the Company Stock Component should at any time cease to be an employee stock ownership plan under Section 4975(e)(7) of the Code. The Administrative Committee may give the Trustee the option to assume the rights and obligations of the Company at the time the put option is exercised with respect to the repurchase of Company Stock.

If the entire value of all nonforfeitable amounts credited to a Participant is distributed to the Participant within one taxable year, payment of the price of the Company Stock purchased pursuant to an exercised put option shall be made in no more than five substantially equal annual payments, and the first installment shall be paid not later than thirty days after the Participant exercises the put option. The Plan shall provide adequate security and pay a reasonable rate of interest on amounts not paid after thirty days. If the entire value of all nonforfeitable amounts credited to a Participant is not distributed to the Participant within one taxable year, payment of the price of the Company Stock purchased pursuant to an exercised put option shall be made in a single sum not later than thirty days after the Participant exercises the put option.

ARTICLE XV

VOTING OF COMPANY STOCK

All shares of Company Stock held in the Company Stock Component shall be voted, tendered or exchanged as set forth in the Plan's Trust agreement.

ARTICLE XVI

THE ADMINISTRATIVE COMMITTEE

Section 16.1 *Membership*. The Company, or its delegate, shall appoint the Administrative Committee as referred to in ARTICLE III of the Plan to administer the Plan as provided under this ARTICLE XVI. The Company, or its delegate, shall establish such procedures for administering the Plan and may allocate fiduciary and non-fiduciary responsibilities to others as it deems suitable.

Section 16.2 *Rights, Powers and Duties*. The Administrative Committee shall have the maximum discretion as may be necessary or advisable to discharge its administrative responsibilities under the Plan, including the following powers, rights and duties:

- (a) to adopt such rules of procedure and regulations as, in its opinion, may be necessary or advisable for the proper and efficient administration of the Plan and as are consistent with the provisions of the Plan;
- (b) to enforce the Plan in accordance with its terms and with such rules and regulations as may be adopted by the Administrative Committee;
- (c) to make determinations with respect to all questions arising under the Plan, including questions of fact and questions relating to the eligibility, benefits and other Plan rights of Participants and Beneficiaries and to construe and interpret the Plan and remedy ambiguities, inconsistencies or omissions;
- (d) to maintain and keep adequate records concerning the Plan and concerning its proceedings and acts in such form and detail as the Administrative Committee may decide;
- (e) to direct all benefit payments under the Plan;
- (f) to delegate to Worker Members of the Company and the agents or counsel employed by the Administrative Committee such powers as the Administrative Committee considers desirable;
- (g) to appoint one of its members or any other Worker Member to act as secretary of the Administrative Committee, and to authorize the secretary so appointed to act for the Administrative Committee in all routine matters connected with its responsibilities hereunder; and

(h) to recommend changes in the Plan to the Company. Notwithstanding the foregoing, any amendment that reasonably is expected to result in an increase of Plan costs by more than \$1,000,000 on an annual basis, or any amendment to the Company Stock Component shall be made to the Board of Directors, which can accept or reject such recommendations at its discretion.

Section 16.3 *Application of Rules*. In operating and administering the Plan, the Administrative Committee shall apply all rules of procedure and regulations adopted by it in a uniform and nondiscriminatory manner.

Section 16.4 *Remuneration and Expenses*. No remuneration shall be paid to any Administrative Committee member who is a full time employee of the Company or a Related Company. An Administrative Committee member who is not a full time employee of the Company or a Related Company shall be entitled to compensation plus reimbursement of reasonable travel and other expenses.

Section 16.5 *Indemnification of the Administrative Committee*. The Administrative Committee and the individual members thereof and any Worker Members to whom the Administrative Committee has delegated responsibility in accordance with Section 16.2(f) shall be indemnified by the Company from and against any and all claims of liability to which he or she is subjected by reason of any act done or omitted to be done in good faith in connection with his or her duties as an Administrative Committee member, including all expenses reasonably incurred in his or her defense if the Company fails to provide such defense. No Administrative Committee member shall be liable for any act or omission of any other Administrative Committee member, nor for any act or omission upon his or her own part, excepting his or her own willful misconduct or gross negligence.

Section 16.6 *Exercise of Administrative Committee's Duties*. Notwithstanding any other provisions of the Plan, the Administrative Committee shall discharge its duties hereunder solely in the interests of the Participants in the Plan and other persons entitled to benefits thereunder, and

- (a) for the exclusive purpose of providing benefits to Participants and other persons entitled to benefits thereunder, and for defraying reasonable administrative expenses of the Plan; and
- (b) with the care, skill, prudence and diligence under the circumstances then prevailing that a prudent person acting in a like capacity and familiar with such matters would use in the conduct of an enterprise of a like character and with like aims.

Section 16.7 *Information to Be Furnished to Administrative Committee*. The Company shall furnish the Administrative Committee with such data and information as may be appropriate. The records of the Company as to a Participant's period of employment, termination of employment and the reasons therefor, leave of absence, reemployment and Eligible Pay and Eligible Wages will be conclusive on all persons unless determined to be incorrect. Participants and other persons entitled to benefits under the Plan must furnish to the

Administrative Committee such evidence, data or information as the Administrative Committee considers desirable to carry out the Plan.

Section 16.8 *Resignation or Removal of Administrative Committee Member*. An Administrative Committee member who ceases to be employed by the Company and all Related Companies, as determined by the Company, automatically shall be deemed to have resigned from the Administrative Committee as of the date of such termination of employment.

Section 16.9 *Appointment of Successor Administrative Committee Member*. The Company may fill any vacancy in the membership of the Administrative Committee and shall give prompt written notice thereof to the other Administrative Committee members and the Trustee. While there is a vacancy in the membership of the Administrative Committee, the remaining Administrative Committee members shall have the same powers as the full Administrative Committee until the vacancy is filled.

Section 16.10 *Expenses of Administration*. All reasonable and ordinary expenses of establishing and administering the Plan and the Trust will be paid by the Plan, to the extent permitted under applicable law, unless paid by the Company, including expenses of litigation in connection with the Plan, except where a Plan fiduciary is found by a court of law to have engaged in willful misconduct in regard to the Plan or Trust. The Administrative Committee may direct that certain administrative expenses shall be paid directly from the Accounts of the Participants and former Participants (or their Beneficiaries or alternate payees), including, but not limited to, loan fees, withdrawal fees, Investment Fund fees and recordkeeping expenses and the Administrative Committee may direct that some or all of those expenses shall only be paid from the Accounts of former Participants (or their Beneficiaries or alternate payees).

Section 16.11 *Claims Procedure*.

(a) *Initial Claim for Benefits*. If a Participant or Beneficiary believes he has not received the benefit he is entitled to receive under the Plan, the Participant or Beneficiary, or their designated representative (collectively, the “*Claimant*”) may file with the Administrative Committee a written claim for benefits. The Administrative Committee or its designee (“*Claims Administrator*”) must render its decision on the claim within 90 days of the Claimant’s written claim for benefits. If the Claims Administrator determines that an extension of time for processing the claim is required, written notice of the extension will be furnished to the Claimant prior to the termination of the initial 90 day period. The extension notice shall indicate the circumstances requiring an extension of time and the date by which the Claims Administrator expects to render the benefit determination.

(b) *Notification by the Claims Administrator*. In the event the Claims Administrator denies a claim for benefits in whole or in part, the Claims Administrator will notify the Claimant in writing of the denial of the claim. Such notice by the Claims Administrator will also set forth, in a manner calculated to be understood by the Claimant, the specific reason for such denial, the specific Plan provisions on which the denial is based, a description of any additional material or information necessary to perfect the claim with an explanation of why such material or information is necessary,

and an explanation of the Plan's claim review procedure and of his right to file a civil action under Section 502(a) of ERISA following a claim denial on final review.

(c) *Review Procedure.* A Claimant may appeal a denial of his claim by requesting a review of the decision by the Plan Administrator. An appeal must be submitted in writing within 60 days after the denial and must (i) request a review of the claim for benefits under the Plan, (ii) set forth all of the grounds upon which the Claimant's request for review is based and any facts in support thereof, and (iii) set forth any issues or comments which the Claimant deems pertinent to the appeal. The Claimant may submit written comments, documents, records and other information relating to the claim. The Claimant will be provided, upon request and free of charge, reasonable access to, and copies of, all documents, records, and other information relevant to the claim. The Plan Administrator will provide for a full and fair review of the claim denial that takes into account all comments, documents, records, and other information submitted by the Claimant relating to the claim, without regard to whether such information submitted by the Claimant relating to the claim, was submitted or considered in the initial benefit determination. The review of the claim denial will be undertaken by the Plan Administrator or the person or persons, acting as "named fiduciaries," to whom such power and duty has been delegated by the Plan Administrator. In performing its duties hereunder, such Plan fiduciary (the "**Reviewing Fiduciary**") shall have the powers to interpret the Plan and make factual findings with respect thereto as are granted to the Administrative Committee under Section 16.2(c), and its determination shall be final and binding on persons and entities, and shall be given the maximum possible deference permitted by law.

(d) *Decision on Review.* The Reviewing Fiduciary will issue a decision on review not later than 60 days after receipt of a request for review from a Claimant unless special circumstances require a longer period of time, in which case a decision shall be rendered as soon as possible but not later than 120 days after receipt of the Claimant's request for review. In the event that a period of time is extended due to a Claimant's failure to submit information necessary to make the determination on review regarding a claim, the period for making the benefit determination on review shall be tolled from the date on which the notification of the extension is sent to the Claimant until the date on which the Claimant responds to the request for additional information.

(e) *Notification of Decision on Review.* The decision on review shall be in writing (or in electronic form) and shall include:

- (i) specific reasons for the decision, written in a manner calculated to be understood by the Claimant;
- (ii) specific references to the pertinent Plan provisions on which the decision is based;
- (iii) a statement of the Claimant's right to receive, upon request and free of charge, reasonable access to, and copies of, all documents, records and other information relevant to the claim for benefits; and

(iv) a statement of the Claimant's right to bring a civil action under Section 502(a) of ERISA.

(f) *Exhaustion of Remedies.* The Reviewing Fiduciary's decision on review shall be final and binding on all persons and entities for all purposes, and shall be given the maximum possible deference permitted by law. A Claimant who fails to file a request for review in accordance with the claims procedure established under the Plan shall have no right to review and shall have no right to bring an action with respect to the claim in any court.

ARTICLE XVII

THE INVESTMENT COMMITTEE

Section 17.1 *Establishment of Investment Committee.* The Company, or its delegate, shall appoint an Investment Committee of at least five Members. The Investment Committee shall have the responsibility for control and management of the assets of the Plan (other than the Company Stock Component), shall be a named fiduciary under ERISA with respect to such control and management, and shall select the Investment Funds under the Plan as described in Section 10.1. If an Investment Committee member who is an employee of the Company or a Related Company ceases to be so employed, then he or she automatically shall be deemed to have resigned from the Investment Committee as of the date of his or her termination of employment. No remuneration shall be paid to any Investment Committee member who is a full time employee of the Company or a Related Company. An Investment Committee member who is not a full time employee of the Company or a Related Company shall be entitled to compensation plus reimbursement of reasonable travel and other expenses.

Section 17.2 *Majority Action.* Any action taken by the Investment Committee shall be by a majority of the members thereof. The Investment Committee may act by voting at a meeting or by writing without a meeting. Any action of the Investment Committee shall be sufficiently evidenced if it is certified thereto by any member thereof or by the secretary thereof.

Section 17.3 *Powers of the Investment Committee.* Subject to the provisions of the Plan (including, without limitation, Sections 11.1 and 11.2) regarding the Company Stock Component, the Investment Committee shall have the following powers:

- (a) To adopt such bylaws as it shall deem necessary for the development of an efficient and sound investment program;
- (b) To employ advisors (who may, but need not, be advisors to the Company) with respect to investment, actuarial, legal, accounting and other matters as it may deem necessary for the proper exercise of its duties;
- (c) To appoint one of its members, or any Worker Member of the Company, to act as secretary of the Investment Committee; and

- (d) To allocate fiduciary and non-fiduciary responsibilities to others as it deems suitable.

The Investment Committee also may appoint one or more investment managers (as defined in Section 3(38) of ERISA) who shall have such authority, duties and powers as the Investment Committee shall determine in its appointment and agreement with such investment manager(s), and/or as set forth in the Plan. In the event of any such appointment, the Trustee shall follow the instructions of the Investment Manager in investing and administering the Trust assets managed by the Investment Manager.

However, the foregoing list of express powers is not intended to be either complete or inclusive, and the Investment Committee shall have such additional powers as it may reasonably deem to be necessary for the performance of its duties under the Plan and Trust.

Section 17.4 *Duties of the Investment Committee*. As a part of its general duties in supervising the investment policy of an Investment Fund, the Investment Committee shall:

- (a) Review the investment portfolio constituting the Investment Fund at least annually.
- (b) Give the Trustee specific directions in writing with respect to investments, reinvestments and changing of investments, all as set out in the Trust Agreement.
- (c) Provide the Plan Administrator and the Administrative Committee with such information, and at such times, as may be required by the Plan Administrator or as may be needed by the Administrative Committee to carry out their duties.
- (d) Advise the Plan Administrator with respect to any costs, expenses, taxes or other charges (excluding any loss as a result of the sale of assets) incurred solely by reason of a sale or purchase of assets in order to properly reallocate assets between the separate Investment Funds established hereunder, and, at the request of the Administrative Committee, advise the Administrative Committee with respect to the proper apportionment of said costs, expenses, taxes or other charges, so as to fairly reflect that portion attributable to the reallocation of assets on behalf of each Participant.

Section 17.5 *Indemnification of the Investment Committee*. The Investment Committee and the individual members thereof shall be indemnified and saved harmless by the Company (to the extent not indemnified or saved harmless under any liability insurance or other indemnification arrangement with respect to his or her duties as a member) from and against any and all claims of liability to which he or she is subjected by reason of any act done or omitted to be done in good faith in connection with his or her duties as a member of the Investment Committee, including all expenses reasonably incurred in his or her defense if the Company fails to provide such defense. No member of the Investment Committee shall be liable for any act or omission of any other member thereof, nor for any act or omission upon his or her own part, excepting his or her own willful misconduct or gross negligence.

ARTICLE XVIII

AMENDMENT AND TERMINATION

Section 18.1 *Amendment*. While the Company expects and intends to continue the Plan, the Company reserves the right to amend the Plan at any time, *provided*, that no amendment shall reduce a Participant's benefits to less than the amount he would be entitled to receive if he had resigned from the employ of the Company immediately prior to the effective date of the amendment. Notwithstanding this Section 18.1 but subject to Sections 11.1 and 11.2, with respect to officers of the Company who are subject to Article 16 of the Securities Exchange Act of 1934, any provisions relating to their participation in the Plan or the price, timing and amount of contributions or allocations of Company Stock, if any, to their Accounts may not be amended more frequently than once every six months, other than to comply with any amendments required under the Code or ERISA.

Section 18.2 *Termination*. The Plan will terminate as to all Worker Members on any day specified by the Company. The Plan will terminate as to the Company on the first to occur of the following:

- (a) the date it is terminated by the Company;
- (b) the date that the Company completely discontinues its contributions under the Plan;
- (c) the date that the Company is judicially declared bankrupt or insolvent; or
- (d) the dissolution, merger, consolidation or reorganization of the Company, or the sale by the Company of all or substantially all of its assets, except that, subject to the provisions of Section 18.3, in any such event arrangements may be made whereby the Plan will be continued by any successor to the Company or any purchaser of all or substantially all of the Company's assets, in which case the successor or purchaser will be substituted for the Company under the Plan.

Section 18.3 *Merger and Consolidation of Plan, Transfer of Plan Asset*. In the case of any merger or consolidation with, or transfer of assets and liabilities to, any other plan, provisions shall be made so that each affected Participant in the Plan on the date thereof (if the Plan then terminated) would receive a benefit immediately after the merger, consolidation or transfer which is equal to or greater than the benefit he would have been entitled to receive immediately prior to the merger, consolidation or transfer if the Plan had then terminated.

Section 18.4 *Notice of Amendment, Termination or Partial Termination*. Affected Participants and Beneficiaries will be notified of an amendment, termination or partial termination of the Plan as required by law.

Section 18.5 *Vesting and Distribution on Termination and Partial Termination*. On termination of the Plan in accordance with Section 18.2, on partial termination of the Plan by operation of law, or in the event of a complete discontinuance of Company contributions to the Plan, each affected Participant's benefits will be nonforfeitable. If, on termination or partial

termination of the Plan, a Participant remains in the employ of an Employer or a Related Company, the amount of his benefits shall be retained in the Trust until after his termination of employment with all of the Employers and Related Companies and shall be paid to him in accordance with the provisions of ARTICLE XIV. The benefits payable to an affected Participant whose employment with all of the Employers and Related Companies is terminated coincident with the termination or partial termination of the Plan (and the benefits payable to an affected Participant on partial termination of the Plan) shall be paid to him in accordance with the provisions of ARTICLE XIV. All appropriate accounting provisions of the Plan will continue to apply until the benefits of all affected Participants have been distributed to them.

Section 18.6 *Limitation on Right to Amend*. No amendment shall be made to this Plan which shall:

(a) change the vesting schedule under the Plan unless (i) each Worker Member with at least three Years of Service is permitted to elect to continue to have the prior vesting provisions apply to him, by making the election within 60 days after the latest of the date on which the amendment is adopted, the date on which the amendment is effective, or the date on which the Participant is issued written notice of the amendment, and (ii) effective as of August 9, 2006, with respect to benefits accrued as of the later of the adoption date or the effective date of the amendment, the vested percentage of each Worker Member is determined as the greater of the vested percentage under the old vesting schedule or the vested percentage under the new vesting schedule; or

(b) reduce the accrued benefit of a Participant within the meaning of Section 411(d)(6) of the Code, except to the extent permitted under the Code.

ARTICLE XIX

TOP HEAVY STATUS

Section 19.1 *Determination of Top-Heavy Status*. The Plan will be considered a top-heavy plan for the Plan Year if as of the last day of the preceding Plan Year (1) the Account balances of Worker Members who are key employees (as defined in Section 416(i) of the Code) exceed 60 percent (60%) of the Account balances of all Worker Members (the “**60 Percent Test**”) or (2) the Plan is part of a required aggregation group and the required aggregation group is top-heavy. However, and notwithstanding the results of the 60 Percent Test, the Plan shall not be considered a top-heavy plan for any Plan Year in which the Plan is a part of a required or permissive aggregation group which is not top-heavy. The top-heavy ratio shall be computed pursuant to Section 416(g) of the Code. A “**required aggregation group**” is each plan of the Company or a Related Company in which a key employee is a participant at any time during the Plan Year containing the determination date or any of the four preceding Plan Years, and each other plan of the Company or a Related Company, if any, which enables such plan to meet the requirements of Code Section 401(a)(4) or 410. The Company may treat any plan not required to be included in an aggregation group as being part of a “**permissive aggregation group**” if such

group would continue to meet the requirements of Code Sections 401(a)(4) and 410 with such plan being taken into account.

Section 19.2 *Minimum Benefit*. The Company’s contribution to a Worker Member’s Company Matching Contribution Account shall be increased as necessary so that it equals at least 3 percent (3%) of the Worker Member’s compensation (including Deferral Contributions and Company Matching Contributions, in accordance with Code Section 416) except that this Section 19.2 shall not apply if:

- (a) the Worker Member is also a participant in a defined benefit plan of the Company,
- (b) the defined benefit plan is a top-heavy plan, and
- (c) the Worker Member receives from such defined benefit plan the defined benefit minimum required under Section 416(c)(1) of the Code.

Section 19.3 *Code Section 416*. Notwithstanding anything in this ARTICLE XIX to the contrary, Section 416 of the Code is hereby incorporated by reference and the provisions of this ARTICLE XIX shall at all times comply with Code Section 416.

EXECUTED this ____ day of _____, 2024 to be effective as indicated herein.

WOODWARD, INC.

By:

Its:

SUPPLEMENT A

PROVISIONS APPLICABLE TO EMPLOYEES OF WOODWARD HRT, INC.

Section A-1 Application. The provisions of this Supplement A shall apply effective April 3, 2009 (unless otherwise provided) with respect to Worker Members who are employees of Woodward HRT, Inc. (an “**HRT Participant**” or the “**HRT Participants**”). Except as otherwise provided in this Supplement A, all provisions of the Plan shall apply to HRT Participants. Unless the context otherwise requires, the term “Company” shall include, in addition to Woodward, Inc., Woodward HRT, Inc. for purposes of participation of Worker Members in the Plan, contributions under ARTICLE VI, Section 7.2, ARTICLE VIII and ARTICLE XI (subject to the limitations in Section A-3) and provisions relating thereto.

Section A-2 Worker Member. Notwithstanding any provision of ARTICLE II, the term “Worker Member” shall include an employee of Woodward HRT, Inc.

Section A-3 Participation. Notwithstanding any provision of Section 5.1 and except as provided in Section A-4.4, for purposes of determining whether an HRT Participant is eligible to participate in various components of the Plan in accordance with Section 4.1, the HRT Participant shall be credited with service for all periods of employment with HR Textron Inc., Textron Inc. or any entity that was, on or prior to April 3, 2009, a member of the controlled group with Textron Inc. (determined in accordance with Code Section 414(b), (c), (m) or (o)) or their predecessors (*provided* that the HRT Participant was employed by HR Textron Inc. immediately before April 3, 2009 and became a Worker Member as of such date and *provided further* that Textron Inc. recognized such service for purposes of eligibility under the Textron Savings Plan (collectively, “**Textron Service**”). In no event, however, shall any HRT Participant be eligible for Grandfathered Contributions under Section 7.3(a) of the Plan. Additionally, an HRT Participant shall not be eligible for participation in the Company Stock Component of the Plan pursuant to ARTICLE XI: (a) for any Plan Year beginning before January 1, 2010, (b) effective for Plan Years during the period beginning on or after January 1, 2010 and ending December 31, 2014, if, and for the period thereof during which, the HRT Participant is a “Covered Employee” under Addendum A of the Woodward HRT Pension Plan, or (c) effective for Plan Years beginning on or after January 1, 2010, if, and for the period thereof during which, the HRT Participant is any one or more of (I) in respect of the period on or prior to April 19, 2010, for purposes of collective bargaining part of a collective bargaining unit represented by a collective bargaining agent or (II) an “Employee” under Addendum B of the Woodward HRT Pension Plan.

Section A-4 Contributions.

A-4.1 Pre-Tax Deferral Contributions. For purposes of Section 6.1 (and, where applicable, Section 6.5), an HRT Participant’s election in effect under the Textron Savings Plan on April 3, 2009 to have a percentage of his eligible compensation (as defined under the Textron Savings Plan) contributed to the Textron Savings Plan as a pre-tax elective deferrals (as defined under the Textron Savings Plan) (and, where applicable a catch-up contribution) shall be deemed to be such HRT Participant’s authorization pursuant to Section 6.1 (and, where applicable, Section 6.5) of the Plan to have an

equivalent percentage of the HRT Participant's Eligible Pay contributed to the Plan as Pre-Tax Payroll Deferrals (and, where applicable Catch-up Contributions). For purposes of this Section A-4.1, any HRT Participant's election under the Textron Savings Plan expressed as a dollar amount shall be treated as an election to have a corresponding percentage of the HRT Participant's Eligible Pay contributed to the Plan, determined by dividing such dollar amount by the HRT Participant's Eligible Pay as of April 3, 2009 and multiplying such fraction by 100% (adjusted to the nearest whole percentage). Any such deemed authorization shall be effective as of April 3, 2009 and shall remain in effect until the HRT Participant changes such authorization in accordance with Section 6.4.

A-4.2 Roth Deferral Contributions. For purposes of Section 6.2, an HRT Participant's election in effect under the Textron Savings Plan on April 3, 2009 to have a percentage of his eligible compensation (as defined under the Textron Savings Plan) contributed to the Textron Savings Plan as a Roth elective deferral (as defined under the Textron Savings Plan) (and, where applicable, a catch-up contribution) shall be deemed to be such HRT Participant's election pursuant to Section 6.2 to have an equivalent percentage of the HRT Participant's Eligible Pay contributed to the Plan as Roth Deferral Contributions or Roth Catch-Up Contributions. For purposes of this Section A-4.2, any HRT Participant's election under the Textron Savings Plan expressed as a dollar amount shall be treated as an election to have a corresponding percentage of the HRT Participant's Eligible Pay contributed to the Plan, determined by dividing such dollar amount by the HRT Participant's Eligible Pay as of April 3, 2009 and multiplying such fraction by 100% (adjusted to the nearest whole percentage). Any such deemed election shall be effective as of April 3, 2009 and shall remain in effect until the HRT Participant changes such election in accordance with Section 6.4 and Section 6.2.

A-4.3 After-Tax Contributions. An HRT Participant's election to contribute a portion of his compensation to the Textron Savings Plan as an After-Tax Contribution (as defined under the Textron Savings Plan) in effect as of April 3, 2009 shall have no force or effect for purposes of the Plan.

A-4.4 Company Matching Contributions. Notwithstanding any provision of Section 7.2 to the contrary, the amount of a Company Matching Contribution for a Plan Year on behalf of any HRT Participant who has not completed at least one Year of Service (disregarding for these purposes all Textron Service) shall be equal to fifty percent (50%) of the sum of the HRT Participant's Pre-Tax Deferral Contributions and Roth Deferral Contributions (excluding Catch-up Contributions) up to a maximum of five percent (5%) of the HRT Participant's Eligible Pay. Notwithstanding the foregoing, or Section 7.2 of the Plan, effective as of January 1, 2010, the following provisions shall apply:

(a) An HRT Participant shall not be eligible for Company Matching Contributions under the Plan for the portion of any Plan Year during the period beginning on and after January 1, 2010 and ending December 31, 2014 during which he is a "Covered Employee" under Addendum A of the Woodward HRT Pension Plan.

(b) Any HRT Participant who is covered by the collective bargaining agreement between the Company and the District Lodge 727-N, International Association of Machinists and Aerospace Workers, for and on behalf of its Local Lodge 758 for the period from January 1, 2010 through April 18, 2010, shall be eligible for Company Matching Contributions for such period equal to fifty percent (50%) of the sum of the HRT Participant's Pre-Tax Deferral Contributions and Roth Deferral Contributions (excluding Catch-Up Contributions) for such period up to a maximum of five percent (5%) of the HRT Participant's Eligible Pay.

(c) An HRT Participant shall not be eligible for Company Matching Contributions under the Plan on and after April 19, 2010 during any period in which he is an "Employee" under Addendum B of the HRT Pension Plan.

(d) Any HRT Participant who is not described in any one or more of subsection (a), (b) or (c) above with respect to all or any portion of a Plan Year beginning on or after January 1, 2010 shall be eligible for Company Matching Contributions in accordance with Section 7.2 for such Plan Year, or the portion thereof, with respect to which he is not so described.

Section A-5 Duarte Members. The provisions of this Section A-5 of this Supplement A shall apply effective March 2, 2013 (unless otherwise provided) with respect to Worker Members who are former employees of GE Aviation Systems LLC at its Duarte, CA facility and who become HRT Participants on or after March 2, 2013 (a "***Duarte Participant***" or the "***Duarte Participants***"). Except as otherwise provided in this Section A-5, all provisions of the Plan shall apply to the Duarte Participants.

A-5.1 Participation. Notwithstanding any provision of Section 5.1 or Section A-3, for purposes of determining whether a Duarte Participant is eligible to participate in various components of the Plan in accordance with Section 4.1, the Duarte Participant shall be credited with service for all periods of employment with GE Aviation Systems LLC or any entity that was, on or prior to March 2, 2013, a member of the controlled group with of GE Aviation Systems LLC (determined in accordance with Code Section 414(b), (c), (m) or (o)) or their predecessors (*provided* that the Duarte Participant was employed by GE Aviation Systems LLC immediately before March 2, 2013 and *provided further* that GE Aviation Systems LLC recognized such service for purposes of eligibility under the GE Incentive Savings Plan for Union Employees of Aviation Systems, Unison Engine Components and Times Microwave Systems (the "***GE Savings Plan***"). In no event, however, shall any Duarte Participant be eligible for Grandfathered Contributions under Section 7.3 of the Plan. Additionally, a Duarte Participant shall not be eligible for participation in the Company Stock Component of the Plan pursuant to ARTICLE XI (a) for any Plan Year beginning before January 1, 2013, and (b) with respect to any Duarte Union Participant (as defined below), for any period of employment prior to June 1, 2013.

A-5.2 Contributions.

(a) *Deferral Contributions.* A Duarte Participant shall be eligible to have a percentage of his Eligible Pay contributed to the Plan as Pre-Tax Deferral Contributions or Roth Deferral Contributions in accordance with the provisions of ARTICLE VI of the Plan (including pursuant to an Automatic Contribution Arrangement as provided in Section 6.7, if applicable).

(b) *After-Tax Contributions.* A Duarte Participant's election to contribute a portion of his compensation to the GE Savings Plan as an After-Tax Employee Contribution (as defined under the GE Savings Plan) in effect as of March 2, 2013 shall have no force or effect for purposes of the Plan.

(c) *Company Matching Contributions.* Notwithstanding any provision of Section 7.2 or Section A-4.4 to the contrary, the following provisions shall apply:

(i) Effective for the period commencing on March 2, 2013 and ending June 6, 2013, any Duarte Participant who is covered by the collective bargaining agreement between the Company and the International Union, United Automobile, Aerospace, and Agricultural Implement Workers of America and its Local No. 509 (a "***Duarte Union Participant***"), shall be eligible for Company Matching Contributions equal to fifty percent (50%) of the sum of the Duarte Union Participant's Pre-Tax Deferral Contributions and Roth Deferral Contributions for such period up to a maximum of six percent (6%) of the Duarte Participant's Eligible Pay. Notwithstanding the foregoing, effective as of June 7, 2013, all Duarte Union Participants shall be eligible for Company Matching Contributions in accordance with Section 7.2 of the Plan.

(ii) Any Duarte Participant who is not described in Section A-5.2(c)(i) above with respect to all or any portion of a Plan Year beginning on or after January 1, 2013 shall be eligible for Company Matching Contributions in accordance with Section 7.2 for such Plan Year, or the portion thereof, with respect to which he is not so described.

(d) *Profit Sharing Contributions.*

(i) For any Plan Year beginning on or after January 1, 2013, the Company may contribute to the Plan, on behalf of each Duarte Union Participant who, on the last day of the Plan Year, is actively employed by, or on an approved leave of absence from, the Company, such amount as may be determined in the sole discretion of the Board of Directors.

(ii) For any Plan Year in which a Profit Sharing Contribution is made under this Section A-5.2(d), the Account of each eligible Duarte Union Participant shall be allocated an amount in the proportion that each eligible Duarte Union Participant's Eligible Pay bears to the aggregate Eligible Pay of all eligible Duarte Union Participants.

(iii) For accounting purposes, the Administrative Committee shall establish and maintain a separate Account for each eligible Duarte Union Participant to which shall be allocated the eligible Duarte Union Participant's share of Profit Sharing Contributions, if any, and any respective earnings and losses thereon. The portion of a Duarte Union Participant's Account attributable to Profit Sharing Contributions, including any respective earnings and losses thereon, shall be invested in accordance with ARTICLE X.

A-5.3 Vesting and Forfeitures.

(a) *Vested Interest.* Notwithstanding any provision of Section 14.1 to the contrary, a Duarte Union Participant's vested interest in (i) any amounts credited to his Company Matching Contributions Account prior to June 7, 2013 and (ii) his Profit Sharing Contribution Account shall be determined under the following schedule:

<u>Years of Vesting Service</u>	<u>Vested Percentage</u>
Less than 1	0%
At least 1 year, but less than 2 years	33%
At least 2 years, but less than 3 years	67%
3 or more years	100%

Further notwithstanding the foregoing, a Duarte Union Participant shall be fully (100%) vested in his Company Matching Contribution Account and Profit Sharing Contribution Account if he (i) is an employee of the Company on the first day of the month following the date on which the Duarte Union Participant attains age 60, (ii) dies while employed by the Company or while performing "qualified military service" (within the meaning of Code Section 414(u)) or (iii) suffers a Disability or is judicially declared incompetent while employed by the Company or after a termination of employment with the Company but prior to incurring a Period of Severance. All amounts credited to a Duarte Union Participant's Company Matching Contributions Account after June 6, 2013 shall at all times be nonforfeitable.

(b) *Years of Vesting Service.* For purposes of this Section A-5 of Supplement A to the Plan, the term "***Years of Vesting Service***" means, with respect to any Duarte Union Participant, the service credited for purposes of determining the Duarte Union Participant's vested interest in his Company Matching Contribution Account and Profit Sharing Contribution Account. The following rules shall apply in calculating Years of Vesting Service:

(i) A Duarte Union Participant shall be credited with full and partial Years of Vesting Service for the period from his Employment Commencement Date to his Severance Date. Years of Vesting Service shall be calculated on the basis that 12 consecutive months of employment equal 1 year and non-consecutive periods of employment which are not disregarded under subsection (iv) shall be aggregated.

(ii) If a Duarte Union Participant retires, quits or is discharged or otherwise experiences a Separation from Service, the period commencing on the Duarte Union Participant's Severance Date and ending on the first date on which he again performs an Hour of Service shall be taken into account, if such date is within 12 consecutive months of the date on which he last performed an Hour of Service.

(iii) If the Duarte Union Participant is absent from work for a reason other than one specified in Section A-5.3(b)(ii) and within 12 months of the first day of such absence, the Duarte Union Participant retires, quits or is discharged or otherwise experiences a Separation from Service, the period commencing on the first day of such absence and ending on the first date on which he again performs an Hour of Service shall be taken into account, if such date is within 12 consecutive months of the date on which his absence began.

(iv) The Years of Vesting Service completed by a Duarte Union Participant prior to a Period of Severance of at least 60 consecutive months shall be disregarded if the Duarte Union Participant had no vested interest in any of his Accounts as of the beginning of the Period of Severance and the Period of Severance is equal to (or greater than) the Duarte Union Participant's Years of Vesting Service preceding that Period of Severance.

(v) Notwithstanding any other provision of this Section A-5.3(b), a Duarte Union Participant shall be credited with service for all periods of employment with GE Aviation Systems LLC or any entity that was, on or prior to March 2, 2013, a member of the controlled group with of GE Aviation Systems LLC (determined in accordance with Code Section 414(b), (c), (m) or (o)) or their predecessors (*provided* that the Duarte Participant was employed by GE Aviation Systems LLC immediately before March 2, 2013 and *provided further* that GE Aviation Systems LLC recognized such service for purposes of vesting under the GE Savings Plan.

(vi) Notwithstanding any provision of the Plan to the contrary, the calculation of a Duarte Union Participant's Years of Vesting Service shall comply with Section 411 of the Code.

(c) *Forfeitures.*

(i) The Account of a Duarte Union Participant who has had a Separation from Service shall be closed, and the forfeitable amount held therein shall be forfeited on the earlier of: (A) the date on which he receives a distribution of his entire vested interest in his Account; or (B) the date on which he incurs a Period of Severance of at least 60 consecutive months.

(ii) A Duarte Union Participant who has a Separation from Service at a time when his vested interest in his Account is zero shall be deemed to have received a cash-out of his Account as soon as administratively practicable

following the date of his Separation from Service and his Account shall be forfeited.

(iii) Subject to subsection (iv) below, any amounts forfeited from a Duarte Union Participant's Account under subsections (i) or (ii) above shall be used until exhausted to reduce the Company contributions otherwise required under ARTICLE VII.

(iv) If a Duarte Union Participant who has received a distribution, or has been deemed to have received a distribution, under this Section A-5.3(c), whereby any part of his Account has been forfeited, again becomes a Worker Member eligible to participate in the Plan prior to incurring 5 consecutive Periods of Severance and, if the distribution was made under subsection (i)(A), repays the amount of the distribution no later than the fifth anniversary of the date on which the Duarte Union Participant again becomes a Worker Member eligible to participate in the Plan, the amount so forfeited shall be restored to his Account. Amounts restored under this subsection (iv) shall be funded through current forfeitures or additional contributions by the Company.

(d) *Definitions.* The following terms shall have the following meanings for purposes of this Section A-5.3.

(i) *Employment Commencement Date* means, with respect to a Duarte Union Participant, the first date on which such Participant performs an Hour of Service or, with respect to a Duarte Union Participant who has incurred a Period of Severance, the first date following the Period of Severance on which such Participant performs an Hour of Service.

(ii) *Period of Severance* means the total period between a Duarte Union Participant's Severance Date and the date the Duarte Union Participant is first credited with an Hour of Service after his Severance Date.

(iii) *Separation from Service* means, for any Duarte Union Participant, his death, retirement, voluntary or involuntary termination, Disability or any other absence, termination or other separation from employment that causes him to cease to be a Worker Member.

(iv) *Severance Date* means the earlier of (A) the date on which a Duarte Union Participant incurs a Separation from Service, or (B) the first anniversary of the date that the Duarte Union Participant is otherwise first absent from work for the Company and all Related Employers (with or without pay) for any other reason.

A-5.4 Pre-Termination Withdrawals and Loans.

(a) *Pre-Termination Withdrawals.* In accordance with the provisions of Section 13.1 of the Plan, a Duarte Union Participant may withdraw on or after the date the Duarte Union Participant attains age 59-1/2 all or any portion of his vested Profit

Sharing Account and vested Company Matching Contribution Account. In addition, a Duarte Union Participant may withdraw all or any portion of his vested Profit Sharing Account to the extent necessary to meet a Hardship (as defined in Section 13.2).

(b) *Loans.* A Duarte Union Participant may request a loan from the vested portion of his Profit Sharing Account and the vested portion of his Company Matching Contribution Account in accordance with the provisions of Section 13.3 of the Plan.

(c) *Post-Termination Partial Withdrawal After Age 55.* A Duarte Union Participant who has terminated employment and reached age 55 may withdraw any portion of his vested Accounts under the Plan upon requesting a withdrawal from the recordkeeper.

SUPPLEMENT B

PROVISIONS APPLICABLE TO EMPLOYEES OF WOODWARD MPC, INC.

Section B-1 Application. The provisions of this Supplement B shall apply, effective January 1, 2010 (unless otherwise provided), with respect to employees or former employees of MPC Products Corporation (also known as Woodward MPC, Inc.) (“MPC”), who became Participants in the Plan on or after January 1, 2010, including participants and former participants under the MPC Products Corporation Performance Incentive Plan (the “MPC Plan”) whose account balances thereunder were transferred to the Plan in connection with the merger of the MPC Plan with and into this Plan on January 1, 2010 (an “MPC Participant” or the “MPC Participants”). Except as otherwise provided in this Supplement B, all provisions of the Plan shall apply to MPC Participants effective January 1, 2010. Unless the context otherwise requires, the term “Company” shall include, in addition to Woodward, Inc., Woodward MPC, Inc. for purposes of participation in, and eligibility for contributions under, the Plan.

Section B-2 Worker Member. Notwithstanding any provision of ARTICLE II, the term “Worker Member” shall include on and after January 1, 2010, an employee of MPC.

Section B-3 Participation. Notwithstanding any provision of Section 5.1, for purposes of determining whether a Worker Member employed by MPC is eligible to participate on or after January 1, 2010 in various components of the Plan in accordance with Section 4.1, the Worker Member shall be credited with service for all periods of employment with MPC prior to January 1, 2010 to the extent he was credited with “eligibility service” under the MPC Plan. In no event, however, shall any MPC Participant be eligible for Grandfathered Contributions under Section 7.3 of the Plan. Additionally, an MPC Participant shall not be eligible for participation in the Company Stock Component of the Plan or in contributions under Sections 7.1 and 7.2 for any Plan Year beginning before January 1, 2010.

Section B-4 Establishment of MPC Accounts.

(a) For accounting purposes, effective January 1, 2010, the Administrative Committee shall (i) establish and maintain for each MPC Participant the applicable separate Accounts described in subsection (b) below (collectively, the “MPC Accounts”), (ii) allocate among such Accounts the MPC Participant’s corresponding account balances that were transferred to the Plan from the MPC Plan (the “MPC Transfer Amount”), and (iii) thereafter credit or debit such Accounts with their allocable share of earnings and losses thereon, distributions therefrom, and expenses chargeable thereto. The MPC Accounts shall be invested in the Membership Investment Component in accordance with ARTICLE X of the Plan.

(b) The Committee shall establish for each MPC Participant as part of his Account the following MPC Accounts to the extent applicable:

(i) The MPC Deferral Contribution Account, to which the Administrative Committee shall allocate the portion of the MPC Transfer

Amount, if any, attributable to deferral contributions and catch-up contributions, including earnings and losses thereon.

(ii) The MPC Matching Contribution Account, to which the Administrative Committee shall allocate the portion of the MPC Transfer Amount, if any, attributable to employer matching contributions, including earnings and losses thereon.

(iii) The MPC Safe Harbor Contribution Account, to which the Administrative Committee shall allocate the portion of the MPC Transfer Amount, if any, attributable to safe harbor nonelective employer contributions, including earnings and losses thereon.

(iv) The MPC Discretionary Contribution Account, to which the Administrative Committee shall allocate the portion of the MPC Transfer Amount, if any, attributable to discretionary nonelective employer contributions, including earnings and losses thereon.

(v) The MPC Money Purchase Account, to which the Administrative Committee shall allocate the portion of the MPC Transfer Amount, if any, attributable to the frozen money purchase account that was maintained for the MPC Participant under the MPC Plan.

(vi) The MPC Rollover Contribution Account, to which the Administrative Committee shall allocate the portion of the MPC Transfer Amount, if any, attributable to rollover contributions, including earnings and losses thereon.

Section B-5 Pre-Termination Withdrawals. Notwithstanding the provisions of Section 13.1 of the Plan, an MPC Participant may, before his termination of employment, elect to withdraw in a lump sum cash payment all or any portion of the value of his MPC Accounts in accordance with the following provisions of this Section B-5:

(a) An MPC Participant may withdraw all or any portion of his MPC Accounts on or after the date on which the MPC Participant attains his “normal retirement age,” which, solely for purposes of withdrawals or distributions from the MPC Accounts, shall mean the age of 59-1/2. Any withdrawal from an MPC Participant’s MPC Money Purchase Account, however, shall be made in accordance with the provisions of Section B-6 of this Supplement.

(b) An MPC Participant may withdraw all or any portion of his MPC Deferral Contribution Account to the extent necessary to meet a Hardship, in accordance with and subject to Sections 13.1 and 13.2.

(c) An MPC Participant who is credited with at least seven (7) Years of Service (including “years of vesting service” credited under the MPC Plan) and has been a Participant in the Plan (including the period of participation in the MPC Plan) for at least sixty (60) months, may withdraw all or any portion of his

MPC Matching Contribution Account and MPC Discretionary Contribution Account; *provided, however*, that only one such withdrawal may be made during any Plan Year.

(d) An MPC Participant may withdraw all or any portion of his MPC Rollover Contribution Account at any time.

Section B-6 Joint and Survivor Annuity Requirements.

(a) *Applicability.* The provisions of this Section B-6 shall apply only to an MPC Participant's MPC Money Purchase Accounts. With respect to the MPC Money Purchase Accounts (as adjusted for any subsequent earnings or losses), the provisions of this Section B-6 shall override any conflicting provision in the Plan.

(b) *General Rules.*

(i) Unless an MPC Participant elects, pursuant to a Qualified Election made within the one hundred eighty (180) day period ending on the date distribution or withdrawal would otherwise be made or commence, to have the amount of withdrawal or distribution from his MPC Money Purchase Account paid in a form of benefit available under Section B-5 or Section 14.3, as the case may be, the balance of the MPC Participant's MPC Money Purchase Account to be withdrawn or distributed shall be paid to the MPC Participant in the form of a Qualified Joint and Survivor Annuity.

(ii) Unless an MPC Participant elects, pursuant to a Qualified Election made within the Election Period, to have the balance of his MPC Money Purchase Account paid in a form of benefit available under Section 14.3 of the Plan, if the MPC Participant dies before benefits have commenced, the MPC Participant's balance in his MPC Money Purchase Account shall be applied toward the purchase of a Qualified Preretirement Survivor Annuity for the life of the Surviving Spouse, if any.

(iii) Notwithstanding the foregoing general rules, if on his distribution date the MPC Participant's total vested Account balance (excluding Rollover Contributions) does not exceed \$5,000, the balance in the MPC Money Purchase Account shall be distributed to or on behalf of the MPC Participant (or his Beneficiary in the event of the MPC Participant's death) in accordance with Section 14.3(b).

(iv) To the extent any loan under Section 13.3 would be secured by any portion of the MPC Participant's Money Purchase Account, such loan may not be made without the prior written consent of the MPC Participant's Spouse on the date on which the loan becomes so secured. The consent which shall be irrevocable, must be made within 180 days before the loan is so secured, must acknowledge the financial effect of the loan and must be witnessed by the Plan Administrator or a notary public.

(v) Each MPC Participant shall be provided with a written explanation of (A) the terms and conditions of the Qualified Joint and Survivor Annuity, (B) the MPC Participant's right to make, and the effect of, an election not to take a Qualified Joint and Survivor Annuity, (C) the rights of the MPC Participant's Spouse with regard to such Spouse's required consent to the MPC Participant's waiver of the Qualified Joint and Survivor Annuity, and (D) the MPC Participant's right to make, and the effect of, a revocation of an election to waive, the Qualified Joint and Survivor Annuity. This explanation shall be provided to the MPC Participant no less than thirty (30) and no more than 180 days before the date distribution or withdrawal would otherwise be made or commenced (and consistent with such regulations as the Secretary of the Treasury may prescribe). The written explanation shall include an explanation of the eligibility conditions, other material features and relative values of the optional forms of benefits under the Plan, a general explanation of the relative financial effect on the MPC Participant's benefit of the waiver of the Qualified Joint and Survivor Annuity and an explanation of the right to defer receipt of the MPC Participant's benefit until his normal retirement age, and the consequences of failing to defer such receipt. Notwithstanding the foregoing, such explanation may be provided no less than seven (7) days before the date distribution or withdrawal would otherwise be made or commenced if the MPC Participant (and the MPC Participant's Spouse unless the benefit is paid in the form of a Qualified Joint and Survivor Annuity) consents to a waiver of the 30-day notice period.

(vi) Each married MPC Participant shall be provided with a written explanation of the Qualified Preretirement Survivor Annuity, within the following period which ends last: (A) the period beginning on the first day of the Plan Year in which the MPC Participant attains age 32 and ending on the last day of the Plan Year in which the MPC Participant attains age 34; or (B) a reasonable period after the MPC Participant becomes a Participant. A reasonable period described in clause (B) is the period beginning one year before and ending one year after the event. If the MPC Participant separates from service before attaining age 35, clauses (A) and (B) do not apply and the Administrative Committee must provide the written explanation within the period beginning one year before and ending one year after the severance from service. The written explanation must describe, in a manner consistent with Treasury Regulations, the terms and conditions of the Qualified Pre-Retirement Survivor Annuity.

(c) *Definitions.* The following terms shall have the following meanings for purposes of this Section B-6:

(i) *Election Period* means the period beginning on the first day of the Plan Year in which the MPC Participant attains age 35 and ends on the date of the MPC Participant's death. If an MPC Participant separates from service before the first day of the Plan Year in which he or she attains age 35, with respect to the MPC Money Purchase Account as of the date of separation, the Election Period shall begin on the date of separation. An MPC Participant whose employment has not terminated may elect to waive the Qualified Preretirement Survivor Annuity

prior to the Plan Year in which he attains age 35, *provided* that any such waiver shall cease to be effective as of the first day of the Plan Year in which the MPC Participant attains age 35.

(ii) *Qualified Election* means a waiver of a Qualified Joint and Survivor Annuity or a Qualified Preretirement Survivor Annuity, as such waiver is further described in this subsection (c)(ii). The Qualified Election must be executed in writing, with the written consent of the MPC Participant's Spouse. The Spouse's consent must be witnessed by the Plan Administrator or notary public and must acknowledge the financial effect of the waiver. If the Qualified Election designates a non-Spouse Beneficiary or a specific form of payment, the Spouse's consent must also acknowledge the non-Spouse Beneficiary or Beneficiaries and the specific form of payment, as applicable. Any consent necessary under this provision will be valid only with respect to the Spouse who signs the consent or is deemed to have signed the consent. Any subsequent change to the Qualified Election requires a new consent by the MPC Participant's Spouse, unless the Spouse in writing acknowledges the Spouse's right to limit the consent to a specific designation of a payment form and/or specific Beneficiary and affirmatively waives that right. Additionally, a revocation of a prior waiver may be made by an MPC Participant without the consent of the Spouse at any time before the commencement of benefits. The number of revocations shall not be limited. The Spouse's consent to a waiver is irrevocable, unless the MPC Participant revokes the waiver election. Notwithstanding this consent requirement, if the MPC Participant establishes to the satisfaction of the Plan Administrator that such written consent cannot be obtained because there is no Spouse, the Spouse cannot be located, the MPC Participant is legally separated from, or has been abandoned by, the Spouse (within the meaning of local law) and the MPC Participant has a court order to that effect, or because of such other circumstances as the Secretary of the Treasury may prescribe in regulations, a waiver will be deemed a Qualified Election.

(iii) *Qualified Joint and Survivor Annuity* means, with respect to a married MPC Participant, an immediate annuity that can be purchased with the balance of the MPC Participant's MPC Money Purchase Account to be withdrawn or distributed and that would be payable over the joint life expectancies of the MPC Participant and the Spouse, with a survivor annuity payable for the life of the Spouse in an amount equal to fifty percent (50%), or such greater percentage as elected by the MPC Participant but not more than one hundred percent (100%), of the amount payable during the MPC Participant's lifetime. With respect to an unmarried MPC Participant, a Qualified Joint and Survivor Annuity means an annuity for the life of the MPC Participant that can be purchased with the balance of the MPC Participant's MPC Money Purchase Account to be withdrawn or distributed. For the avoidance of doubt, with respect to a married MPC Participant, the automatic Qualified Joint and Survivor Annuity will be a 50% joint and survivor annuity.

(iv) *Qualified Preretirement Survivor Annuity* means an annuity, payable for the life of the Surviving Spouse that can be purchased with the balance of the MPC Participant's MPC Money Purchase Account. Payment of the Qualified Preretirement Survivor Annuity shall commence as soon as practicable after the Surviving Spouse's request for distribution, but in no event later than December 31 of the calendar year beginning after the later of the date of the MPC Participant's death or the date the MPC Participant would have attained age 70-1/2. Notwithstanding the foregoing, the Surviving Spouse may elect, in accordance with the procedures established by the Administrative Committee and in lieu of the Qualified Preretirement Survivor Annuity, to have the balance of the MPC Money Purchase Account paid in one of the forms of benefit available under the Plan under Section 14.3 (subject to Section 14.3(b) and Section 14.3(c)).

(v) *Spouse (or Surviving Spouse)* means the spouse or surviving spouse of the MPC Participant, *provided* that a former Spouse will be treated as the Spouse or Surviving Spouse to the extent required under a "qualified domestic relations order" as described in Section 414(p) of the Code.

Exhibit 10.14

Conformed Version reflecting
Amendment No. 1 to Note Purchase Agreement dated May 31, 2018,
Amendment No. 2 to Note Purchase Agreement dated February 7, 2020, and
Amendment No. 3 to Note Purchase Agreement dated October 23, 2025

WOODWARD, INC.

€40,000,000 1.12% Series M Senior Notes due September 23, 2026

NOTE PURCHASE AGREEMENT

Dated September 23, 2016

Exhibit 10.14

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Woodward, Inc.
1081 Woodward Way
Fort Collins, Colorado 80524

€40,000,000 1.12% Series M Senior Notes due September 23, 2026

September 23, 2016

To Each of the Purchasers Listed in
Schedule A Hereto:

Ladies and Gentlemen:

Woodward, Inc., a Delaware corporation (together with any successor thereto that becomes a party hereto pursuant to Section 10.2, the “**Company**”), agrees with each of the purchasers whose names appear at the end hereof (each, a “**Purchaser**” and, collectively, the “**Purchasers**”) as follows:

1. AUTHORIZATION OF NOTES.

The Company will authorize the issue and sale of €40,000,000 aggregate principal amount of its 1.12% Series M Senior Notes due September 23, 2026 (as amended, restated or otherwise modified from time to time pursuant to Section 17, the “**Notes**”; such term to include any such notes issued in substitution therefor pursuant to Section 13). The Notes shall be substantially in the forms set out in Exhibit 1. Certain capitalized and other terms used in this Agreement are defined in Schedule B and, for purposes of this Agreement, the rules of construction set forth in Section 22.5 shall govern.

2. SALE AND PURCHASE OF NOTES; GUARANTEES.

Subject to the terms and conditions of this Agreement, the Company will issue and sell to each Purchaser and each Purchaser will purchase from the Company, at the Closing provided for in Section 3, Notes in the principal amount specified opposite such Purchaser’s name in Schedule A at the purchase price of 100% of the principal amount thereof. The Purchasers’ obligations hereunder are several and not joint obligations and no Purchaser shall have any liability to any Person for the performance or non-performance of any obligation by any other Purchaser hereunder.

The obligations of the Company hereunder and under the Notes will be unconditionally guaranteed by Woodward FST, MPC Products and Woodward HRT (each a “**Closing Guarantor**” and, collectively, the “**Closing Guarantors**”), and each other Subsidiary required to guaranty the Notes pursuant to Section 9.8 (together with the Closing Guarantors, each a “**Guarantor**” and, collectively, the “**Guarantors**”), pursuant to that certain Guaranty Agreement dated as of the date of Closing (the “**Guaranty Agreement**”) substantially in the form set forth in Exhibit 2.

3. CLOSING.

3.1 Closing.

The sale and purchase of the Notes to be purchased by each Purchaser shall occur at the offices of Morgan, Lewis & Bockius LLP, at 101 Park Avenue, New York, New York 10178, at 10:00 a.m., New York time, at a closing (the “**Closing**”) on September 23, 2016. At the Closing, the Company will deliver to each Purchaser the Notes to be purchased by such Purchaser in the form of a single Note (or such greater number of Notes in denominations of at least €100,000 as such Purchaser may request) dated the date of Closing and registered in such Purchaser’s name (or in the name of its nominee), against delivery by such Purchaser to the Company or its order of immediately available funds in the amount of the purchase price therefor by wire transfer of immediately available funds for the account of the Company to Wells Fargo Bank, N.A., Cayman Islands Branch, Account Number: 7775038933, Beneficiary Bank SWIFT: WFBIUS6WFFX, Intermediary Bank: Deutsche Bank AG Frankfurt AM Main, Intermediary Bank SWIFT: DEUTDEFF.

3.2 Failure of the Company to Deliver.

If at the Closing the Company shall fail to tender any Note to any Purchaser on the date of Closing as provided above in this Section 3, or any of the conditions specified in Section 4 shall not have been fulfilled to such Purchaser’s satisfaction, such Purchaser shall, at its election, be relieved of all further obligations under this Agreement, without thereby waiving any rights such Purchaser may have by reason of such failure or such nonfulfillment.

4. CONDITIONS TO CLOSING.

Each Purchaser’s obligation to purchase and pay for the Notes to be sold to such Purchaser on the date of Closing is subject to the fulfillment to such Purchaser’s satisfaction, prior to or at the date of Closing, of the following conditions:

4.1 Representations and Warranties.

(a) The representations and warranties of the Company in this Agreement shall be correct (i) when made as of the date hereof and (ii) on the date of Closing.

(b) The representations and warranties of the Closing Guarantors in the Guaranty Agreement shall be correct (i) when made as of the date hereof and (ii) on the date of Closing.

4.2 Performance; No Default.

The Company and the Closing Guarantors shall have performed and complied with all agreements and conditions contained in this Agreement required to be performed or complied with by the Company or the Closing Guarantors, as applicable, prior to or on the date of Closing and after giving effect to the issue and sale of the Notes (and the application of the proceeds thereof as contemplated by Section 5.14), no Default or Event of Default shall have occurred and be continuing. Neither the Company nor any Subsidiary shall have entered into any transaction since the date of the Investor Presentation that would have been prohibited by Sections 10.1, 10.2 or

10.3 had such Sections applied since such date.

4.3 Compliance Certificates.

(a) Officer's Certificates.

(i)The Company shall have delivered to such Purchaser an Officer's Certificate, dated the date of Closing, certifying that the conditions specified in Sections 4.1(a), 4.2 and 4.10 have been fulfilled as of the date of Closing.

(ii)Each Closing Guarantor shall have delivered to such Purchaser an Officer's Certificate, dated the date of Closing, certifying that the conditions specified in Sections 4.1(b) and 4.2 (as to such Closing Guarantor) have been fulfilled as of the date of Closing.

(b) Secretary or Treasurer's Certificates.

(i)The Company shall have delivered to such Purchaser a certificate of its Secretary or Assistant Secretary, dated the date of Closing, certifying as to (A) the resolutions attached thereto and other corporate proceedings relating to the authorization, execution and delivery of the Notes and this Agreement and (B) the Company's organizational documents as then in effect.

(ii)Each Closing Guarantor shall have delivered to such Purchaser a certificate of its Secretary, Assistant Secretary or Treasurer, dated the date of Closing, certifying as to (A) the resolutions attached thereto and other corporate proceedings relating to the authorization, execution and delivery of the Guaranty Agreement and (B) such Closing Guarantor's organizational documents as then in effect.

4.4 Guaranty Agreement.

The Guaranty Agreement shall have been duly authorized, executed and delivered to each Purchaser by the Closing Guarantors, and shall be in full force and effect.

4.5 Opinions of Counsel.

Such Purchaser shall have received opinions in form and substance satisfactory to such Purchaser, dated the date of Closing (a) from Paul Hastings LLP, special counsel for the Company and the Closing Guarantors, covering the matters set forth in Exhibit 4.5(a) and covering such other matters incident to the transactions contemplated hereby as such Purchaser or its counsel may reasonably request (and the Company hereby instructs its counsel to deliver such opinions to the Purchasers) and (b) from Morgan, Lewis & Bockius LLP, the Purchasers' special counsel in connection with such transactions, substantially in the form set forth in Exhibit 4.5(b) and covering such other matters incident to such transactions as such Purchaser may reasonably request.

4.6 Purchase Permitted by Applicable Law, etc.

On the date of Closing, such Purchaser's purchase of Notes to be purchased shall (a) be permitted by the laws and regulations of each jurisdiction to which such Purchaser is subject, without recourse to provisions (such as Section 1405(a)(8) of the New York Insurance Law) permitting limited investments by insurance companies without restriction as to the character of the particular investment, (b) not violate any applicable law or regulation (including, without limitation, Regulation T, U or X of the Board of Governors of the Federal Reserve System) and (c) not subject such Purchaser to any tax, penalty or liability under or pursuant to any applicable law or regulation. If requested by such Purchaser, such Purchaser shall have received an Officer's Certificate certifying as to such matters of fact as such Purchaser may reasonably specify to enable such Purchaser to determine whether such purchase is so permitted.

4.7 Sale of Other Notes.

Contemporaneously with the Closing the Company shall sell to each other Purchaser and each other Purchaser shall purchase the Notes to be purchased by it as specified in Schedule A.

4.8 Payment of Special Counsel Fees.

Without limiting the provisions of Section 15.1, the Company shall have paid on or before the Closing the reasonable fees, charges and disbursements of the Purchasers' special counsel referred to in Section 4.5 to the extent reflected in a statement of such counsel rendered to the Company at least one Business Day prior to the Closing.

4.9 Private Placement Numbers.

A Private Placement Number issued by Standard & Poor's CUSIP Service Bureau (in cooperation with the SVO) shall have been obtained for the Notes.

4.10 Changes in Corporate Structure.

Neither the Company, nor any Closing Guarantor, shall have changed its jurisdiction of incorporation or organization, as applicable, or been a party to any merger or consolidation or succeeded to all or any substantial part of the liabilities of any other entity at any time following the date of the most recent financial statements referred to in Schedule 5.5.

4.11 Funding Instructions.

At least three Business Days prior to the date of Closing, each Purchaser shall have received written instructions signed by a Responsible Officer on letterhead of the Company confirming the information specified in Section 3 including (i) the name and address of the transferee bank, (ii) such transferee bank's ABA number and (iii) the account name and number into which the purchase price for the Notes to be issued.

4.12 Second Amended and Restated Intercreditor Agreement.

The Company shall have delivered to the Purchasers' special counsel on or before the date of Closing a fully executed copy of the Second Amended and Restated Intercreditor Agreement.

4.13 Revolving Facility.

The Company shall have delivered to the Purchasers' special counsel on or before the date of Closing, a fully executed copy of the Revolving Facility certified by a Responsible Officer as being true, correct and complete.

4.14 Woodward International Note Purchase Agreement.

The Company shall have delivered to the Purchasers' special counsel on or before the date of Closing a fully executed copy of the 2016 Cross-Border Note Purchase Agreement and such agreement shall be, or concurrently with this Agreement shall be, in full force and effect.

4.15 Proceedings and Documents.

All corporate and other proceedings in connection with the transactions contemplated by this Agreement and all documents and instruments incident to such transactions shall be satisfactory to such Purchaser and its special counsel, and such Purchaser and its special counsel shall have received all such counterpart originals or certified or other copies of such documents as such Purchaser or such special counsel may reasonably request.

5. REPRESENTATIONS AND WARRANTIES OF THE COMPANY.

The Company represents and warrants to each Purchaser that:

5.1 Organization; Power and Authority.

Each of the Company and each Closing Guarantor is a corporation duly organized, validly existing and in good standing under the laws of its respective jurisdiction of incorporation, and is duly qualified as a foreign corporation and is in good standing in each jurisdiction in which such qualification is required by law, other than those jurisdictions as to which the failure to be so qualified or in good standing could not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect. Each of the Company and each Closing Guarantor has the corporate power and authority to own or hold under lease the properties it purports to own or hold under lease and to transact the business it transacts and proposes to transact. The Company has the corporate power and authority to execute and deliver this Agreement and the Notes and to perform the provisions hereof and thereof, and each Closing Guarantor has the corporate power and authority to execute and deliver the Guaranty Agreement and to perform the provisions thereof.

5.2 Authorization, etc.

(a) This Agreement and the Notes have been duly authorized by all necessary corporate action on the part of the Company, and this Agreement constitutes, and upon execution and delivery thereof each Note will constitute, a legal, valid and binding obligation of the Company enforceable against the Company in accordance with its terms, except as such enforceability may be limited by (i) applicable bankruptcy, insolvency,

reorganization, moratorium or other similar laws affecting the enforcement of

creditors' rights generally and (ii) general principles of equity (regardless of whether such enforceability is considered in a proceeding in equity or at law).

(b) The Guaranty Agreement has been duly authorized by all necessary corporate action on the part of the Closing Guarantors, and the Guaranty Agreement constitutes a legal, valid and binding obligation of each Closing Guarantor enforceable against each Closing Guarantor in accordance with its terms, except as such enforceability may be limited by (i) applicable bankruptcy, insolvency, reorganization, moratorium or other similar laws affecting the enforcement of creditors' rights generally and (ii) general principles of equity (regardless of whether such enforceability is considered in a proceeding in equity or at law).

5.3 Disclosure.

The Company, through its agents, Merrill Lynch, Pierce, Fenner & Smith Incorporated and J.P. Morgan Securities LLC, has delivered to each Purchaser a copy of an Investor Presentation, dated September 6, 2016 (the "**Investor Presentation**"), relating to the transactions contemplated hereby. The Investor Presentation fairly describes, in all material respects, the general nature of the business and principal properties of the Company and its Subsidiaries. This Agreement, the Guaranty Agreement, the Investor Presentation and the documents, certificates or other writings delivered to the Purchasers by or on behalf of the Company or the Closing Guarantors in connection with the transactions contemplated hereby and identified in Schedule 5.3, and the financial statements listed in Schedule 5.5 (this Agreement, the Guaranty Agreement, the Investor Presentation and such documents, certificates or other writings and such financial statements delivered to each Purchaser prior to September 14, 2016 being referred to, collectively, as the "**Disclosure Documents**"), taken as a whole, do not contain any untrue statement of a material fact or omit to state any material fact necessary to make the statements therein not misleading in light of the circumstances under which they were made. Except as disclosed in the Disclosure Documents, there has been no change since September 30, 2015 in the financial condition, operations, business, properties or prospects of the Company or any Subsidiary except changes that individually or in the aggregate could not reasonably be expected to have a Material Adverse Effect.

5.4 Organization and Ownership of Shares of Subsidiaries; Affiliates.

(a) Schedule 5.4 contains (except as noted therein) complete and correct lists

- (i) of the Company's Subsidiaries, showing, as to each Subsidiary, the correct name thereof, the jurisdiction of its organization, the percentage of shares of each class of its capital stock or similar equity interests outstanding owned by the Company and each other Subsidiary and whether such Subsidiary is a Guarantor, (ii) of the Company's Affiliates, other than Subsidiaries and Undisclosed Affiliates, and (iii) of the Company's directors and senior officers.

(b) All of the outstanding shares of capital stock or similar equity interests of each Subsidiary shown in Schedule 5.4 as being owned by the Company and its Subsidiaries have been validly issued, are fully paid and nonassessable and are owned by

the Company or another Subsidiary free and clear of any Lien (except as otherwise disclosed in Schedule 5.4).

(c) Each Subsidiary identified in Schedule 5.4 is a corporation or other legal entity duly organized, validly existing and, to the extent such concept is applicable, in good standing under the laws of its jurisdiction of organization, and is duly qualified as a foreign corporation or other legal entity and is in good standing in each jurisdiction in which such qualification is required by law, other than those jurisdictions as to which the failure to be so qualified or in good standing could not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect. Each such Subsidiary has the corporate or other power and authority to own or hold under lease the properties it purports to own or hold under lease and to transact the business it transacts and proposes to transact.

(d) No Subsidiary is a party to, or otherwise subject to any legal, regulatory, contractual or other restriction (other than this Agreement, the agreements listed on Schedule 5.4 and customary limitations imposed by corporate law or similar statutes, whether foreign or domestic) restricting the ability of such Subsidiary to pay dividends out of profits or make any other similar distributions of profits to the Company or any of its Subsidiaries that owns outstanding shares of capital stock or similar equity interests of such Subsidiary.

5.5 Financial Statements; Material Liabilities.

The Company has delivered to each Purchaser copies of the consolidated financial statements of the Company and its Subsidiaries listed on Schedule 5.5. All such financial statements (including in each case the related schedules and notes) fairly present in all material respects the consolidated financial position of the Company and its Subsidiaries as of the respective dates specified in such Schedule and the consolidated results of their operations and cash flows for the respective periods so specified and have been prepared in accordance with GAAP consistently applied throughout the periods involved except as set forth in the notes thereto (subject, in the case of any interim financial statements, to normal year-end adjustments and the absence of footnotes). The Company and its Subsidiaries do not have any Material liabilities that are not disclosed on such financial statements or otherwise disclosed in the Disclosure Documents.

5.6 Compliance with Laws, Other Instruments, etc.

(a) The execution, delivery and performance by the Company of this Agreement and the Notes, and the execution, delivery and performance by the Closing Guarantors of the Guaranty Agreement, will not (i) contravene, result in any breach of, or constitute a default under, or result in the creation of any Lien in respect of any property of the Company or any Subsidiary under, any indenture, mortgage, deed of trust, loan, purchase or credit agreement, lease, corporate charter, memorandum of association, articles of association, regulations, by-laws, shareholders agreement or any other agreement or instrument to which the Company or any Subsidiary is bound or by which the Company or any Subsidiary or any of their respective properties may be bound,

(ii) conflict with or result in a breach of any of the terms, conditions or provisions of any order, judgment, decree, or ruling of any court, arbitrator or Governmental Authority applicable to the Company or any Subsidiary or (iii) violate any provision of any statute or other rule or regulation of any Governmental Authority applicable to the Company or any Subsidiary. All obligations under this Agreement are direct and unsecured obligations of the Company ranking *pari passu* as against the assets of the Company with all other unsecured Indebtedness (actual or contingent) of the Company which is not expressed to be subordinated or junior in rank to any other unsecured Indebtedness of the Company.

(b) All obligations under the Guaranty Agreement are direct and unsecured obligations of each Closing Guarantor ranking *pari passu* as against the assets of such Closing Guarantor with all other unsecured Indebtedness (actual or contingent) of such Closing Guarantor which is not expressed to be subordinated or junior in rank to any other unsecured Indebtedness of such Closing Guarantor.

5.7 Governmental Authorizations, etc.

Except with respect to applicable and routine securities laws filings required by the Exchange Act and the filing of a Form D under the Securities Act, no consent, approval or authorization of, or registration, filing or declaration with, any Governmental Authority is required in connection with the execution, delivery or performance by the Company of this Agreement or the Notes, or by the Closing Guarantors of the Guaranty Agreement, including any therefor required in connection with the obtaining of Euros to make payments under this Agreement, the Notes or the Guaranty Agreement and the payment of such Euros to Persons resident in the United States of America.

5.8 Litigation; Observance of Agreements, Statutes and Orders.

(a) There are no actions, suits, investigations or proceedings pending or, to the knowledge of the Company, threatened against or affecting the Company or any Subsidiary or any property of the Company or any Subsidiary in any court or before any arbitrator of any kind or before or by any Governmental Authority that, individually or in the aggregate, could reasonably be expected to have a Material Adverse Effect.

(b) Neither the Company nor any Subsidiary is in default under any term of any agreement or instrument to which it is a party or by which it is bound, or any order, judgment, decree or ruling of any court, arbitrator or Governmental Authority or is in violation of any applicable law, ordinance, rule or regulation (including without limitation Environmental Laws, the USA PATRIOT Act or any of the other laws and regulations that are referred to in Section 5.16) of any Governmental Authority, which default or violation, individually or in the aggregate, could reasonably be expected to have a Material Adverse Effect.

5.9 Taxes.

The Company and its Subsidiaries have filed all income tax returns that are required to have been filed in any jurisdiction, and have paid all taxes shown to be due and payable on such

returns and all other taxes and assessments levied upon them or their properties, assets, income or franchises, to the extent such taxes and assessments have become due and payable and before they have become delinquent, except for any taxes and assessments (i) the amount of which is not individually or in the aggregate Material or (ii) the amount, applicability or validity of which is currently being contested in good faith by appropriate proceedings and with respect to which the Company or a Subsidiary, as the case may be, has established adequate reserves in accordance with GAAP. No Senior Financial Officer of the Company knows of any basis for any other tax or assessment that could reasonably be expected to have a Material Adverse Effect. The charges, accruals and reserves on the books of the Company and its Subsidiaries in respect of Federal, national, state or other taxes for all fiscal periods are adequate in accordance with GAAP. The United States Federal income tax liabilities of the Company and its Subsidiaries have been finally determined (whether by reason of completed audits or the statute of limitations having run) for all fiscal years up to and including the fiscal year ended September 30, 2012.

5.10 Title to Property; Leases.

The Company and its Subsidiaries have good and sufficient title to their respective properties that individually or in the aggregate are Material, including all such properties reflected in the most recent audited balance sheet referred to in Section 5.5 or purported to have been acquired by the Company or any Subsidiary after said date (except as sold or otherwise disposed of in the ordinary course of business), in each case free and clear of Liens prohibited by this Agreement. All leases that individually or in the aggregate are Material are valid and subsisting and are in full force and effect in all material respects.

5.11 Licenses, Permits, etc.

The Company and its Subsidiaries own or possess all licenses, permits, franchises, authorizations, patents, copyrights, proprietary software, service marks, trademarks and trade names, or rights thereto, that individually or in the aggregate are Material, without known conflict with the rights of others, except for those conflicts that, individually or in the aggregate, would not reasonably be expected to have a Material Adverse Effect.

5.12 Compliance with ERISA.

(a) The Company and each ERISA Affiliate have operated and administered each Plan (which is not a Multiemployer Plan) in compliance with all applicable laws except for such instances of noncompliance as have not resulted in and could not, individually or in the aggregate, reasonably be expected to result in a Material Adverse Effect. Neither the Company nor any ERISA Affiliate has incurred any liability for failure to comply with the provisions of Title I of ERISA or pursuant to Title IV of ERISA (other than for premium payments to the PBGC paid in a timely manner) or the penalty or excise tax provisions of the Code relating to employee benefit plans (as defined in section 3 of ERISA), and no event, transaction or condition has occurred or exists that could, individually or in the aggregate, reasonably be expected to result in the incurrence of any such liability by the Company or any ERISA Affiliate, or in the imposition of any Lien on any of the rights, properties or assets of the Company or any ERISA Affiliate, in either case pursuant to Title I or IV of ERISA or to section 430(k) of

the Code or to any such penalty or excise tax provisions under the Code or federal law or section 4068 of ERISA or by the granting of a security interest in connection with the amendment of a Plan, other than such liabilities or Liens as would not be individually or in the aggregate Material.

(b) The present value of the aggregate benefit liabilities under each of the Plans subject to Title IV of ERISA (other than Multiemployer Plans), determined as of the beginning of such Plan's most recently ended plan year on the basis of the actuarial assumptions specified for funding purposes in such Plan's most recent actuarial valuation report, did not exceed the aggregate current value as of such determination date of the assets of such Plan allocable to such benefit liabilities by more than \$13,000,000 in the case of any single Plan and by more than \$17,000,000 in the aggregate for all Plans. The present value of the accrued benefit liabilities (whether or not vested) under each Non-U.S. Plan that is funded, determined as of the end of the Company's most recently ended fiscal year on the basis of reasonable actuarial assumptions, did not exceed the current value of the assets of such Non-U.S. Plan allocable to such benefit liabilities. The term "benefit liabilities" has the meaning specified in section 4001 of ERISA and the terms "current value" and "present value" have the meaning specified in section 3 of ERISA.

(c) The Company and its ERISA Affiliates have not incurred (i) withdrawal liabilities under section 4201 or contingent withdrawal liabilities under section 4204 of ERISA in respect of Multiemployer Plans that individually or in the aggregate are Material or (ii) any obligation in connection with the termination of or withdrawal from any Non-U.S. Plan that individually or in the aggregate are Material.

(d) The expected postretirement benefit obligation (determined as of the last day of the Company's most recently ended fiscal year in accordance with Financial Accounting Standards Board Accounting Standards Codification Topic 715-60, without regard to liabilities attributable to continuation coverage mandated by section 4980B of the Code) of the Company and its Subsidiaries is not Material.

(e) The execution and delivery of this Agreement and the Guaranty Agreement and the issuance and sale of the Notes hereunder will not involve any transaction that is subject to and not exempt from the prohibitions of section 406 of ERISA or in connection with which a tax could be imposed pursuant to section 4975(c)(1) (A)-(D) of the Code. The representation by the Company to each Purchaser in the first sentence of this Section 5.12(e) is made in reliance upon and subject to the accuracy of the Purchasers' representations in Section 6.3 as to the sources of the funds used to pay the purchase price of the Notes to be purchased by the Purchasers.

(f) All Non-U.S. Plans have been established, operated, administered and maintained in compliance with all laws, regulations and orders applicable thereto, except where failure so to comply could not be reasonably expected to have a Material Adverse Effect. All premiums, contributions and any other amounts required by applicable Non-U.S. Plan documents or applicable laws to be paid or accrued by the Company and its Subsidiaries have been paid or accrued as required, except where failure so to pay or accrue could not be reasonably expected to have a Material Adverse Effect.

5.13 Private Offering by the Company.

Neither the Company nor anyone acting on its behalf has offered the Notes or any similar Securities for sale to, or solicited any offer to buy any of the same from, or otherwise approached or negotiated in respect thereof with, any Person other than the Purchasers and not more than 20 other Institutional Investors (as defined in clause (c) to the definition of such term), each of which has been offered the Notes at a private sale for investment. Neither the Company nor anyone acting on its behalf has taken, or will take, any action that would subject the issuance or sale of the Notes to the registration requirements of Section 5 of the Securities Act or to the registration requirements of any securities or blue sky laws of any applicable jurisdiction. For purposes of this Section 5.13 only, each reference to the Notes shall be deemed to include the Guaranty Agreement.

5.14 Use of Proceeds; Margin Regulations.

The Company will apply the proceeds of the sale of the Notes hereunder for general corporate purposes. No part of the proceeds from the sale of the Notes hereunder will be used, directly or indirectly, for the purpose of buying or carrying any margin stock within the meaning of Regulation U of the Board of Governors of the Federal Reserve System (12 CFR 221), or for the purpose of buying or carrying or trading in any securities under such circumstances as to involve the Company in a violation of Regulation X of said Board (12 CFR 224) or to involve any broker or dealer in a violation of Regulation T of said Board (12 CFR 220). Margin stock does not constitute more than 5% of the value of the consolidated assets of the Company and its Subsidiaries and the Company does not have any present intention that margin stock will constitute more than 5% of the value of such assets. As used in this Section, the terms “margin stock” and “purpose of buying or carrying” shall have the meanings assigned to them in said Regulation U.

5.15 Existing Indebtedness; Future Liens.

(a) Except as described therein, Schedule 5.15 sets forth a complete and correct list of all outstanding Indebtedness of the Company and its Subsidiaries as of June 30, 2016 (including a description of the obligors and obligees, principal amount outstanding and collateral therefor, if any, and Guaranty thereof, if any), since which date there has been no Material change in the amounts, interest rates, sinking funds, installment payments or maturities of the Indebtedness of the Company or its Subsidiaries. Neither the Company nor any Subsidiary is in default and no waiver of default is currently in effect, in the payment of any principal or interest on any Indebtedness of the Company or such Subsidiary and no event or condition exists with respect to any Indebtedness of the Company or any Subsidiary the aggregate principal amount of which exceeds \$2,000,000 that would permit (or that with notice or the lapse of time, or both, would permit) one or more Persons to cause such Indebtedness to become due and payable before its stated maturity or before its regularly scheduled dates of payment.

(b) Except as disclosed in Schedule 5.15, neither the Company nor any Subsidiary has agreed or consented to cause or permit in the future (upon the happening

of a contingency or otherwise) any of its property, whether now owned or hereafter acquired, to be subject to a Lien not permitted by Section 10.6.

(c) Neither the Company nor any Subsidiary is a party to, or otherwise subject to any provision contained in, any instrument evidencing Indebtedness of the Company or such Subsidiary, any agreement relating thereto or any other agreement (including, but not limited to, its charter or other organizational document) which limits the amount of, or otherwise imposes restrictions on the incurring of, Indebtedness of the Company, except as set forth in Schedule 5.15.

5.16 Foreign Assets Control Regulations, etc.

(a) Neither the Company nor any Controlled Entity is (i) a Person whose name appears on the list of Specially Designated Nationals and Blocked Persons published by the Office of Foreign Assets Control, United States Department of the Treasury (“OFAC”) (an “OFAC Listed Person”) (ii) an agent, department, or instrumentality of, or is otherwise beneficially owned by, controlled by or acting on behalf of, directly or indirectly, (x) any OFAC Listed Person or (y) any Person, entity, organization, foreign country or regime that is the subject of any country based OFAC Sanctions Program, or (iii) otherwise blocked, subject to sanctions under or to the Company’s knowledge, after making due inquiry, engaged in any activity now or in the past five years in violation of other applicable United States economic sanctions, including but not limited to, the Trading with the Enemy Act, the International Emergency Economic Powers Act, the Iran Sanctions Act or any similar law or regulation with respect to Iran or any other country, the Sudan Accountability and Divestment Act, any OFAC Sanctions Program, or any economic sanctions regulations administered and enforced by the United States or any enabling legislation or executive order relating to any of the foregoing (collectively, “U.S. Economic Sanctions”) (each OFAC Listed Person and each other Person, entity, organization and government of a country described in clause (ii) or clause (iii), a “Blocked Person”). Neither the Company nor any Controlled Entity has been notified that its name appears or may in the future appear on a state list of Persons that engage in investment or other commercial activities in Iran or any other country that is subject to U.S. Economic Sanctions.

(b) No part of the proceeds from the sale of the Notes hereunder constitutes or will constitute funds obtained on behalf of any Blocked Person or will otherwise be used by the Company or any Controlled Entity, directly or indirectly, (i) in connection with any investment in, or any transactions or dealings with, any Blocked Person, or (ii) otherwise in violation of U.S. Economic Sanctions.

(c) Neither the Company nor any Controlled Entity (i) has been found in violation of or convicted of, money laundering, drug trafficking, terrorist-related activities or other money laundering predicate crimes under the Currency and Foreign Transactions Reporting Act of 1970 (otherwise known as the Bank Secrecy Act), the USA PATRIOT Act or any other United States law or regulation governing such activities (collectively, “Anti-Money Laundering Laws”) or any U.S. Economic Sanctions violations, (ii) to the Company’s actual knowledge after making due inquiry, is

under investigation by any Governmental Authority for possible violation of Anti-Money Laundering Laws or any U.S. Economic Sanctions violations, (iii) has been assessed civil penalties under any Anti-Money Laundering Laws or any U.S. Economic Sanctions, or (iv) has had any of its funds seized or forfeited in an action under any Anti-Money Laundering Laws. The Company has established procedures and controls which it reasonably believes are adequate (and otherwise comply with applicable law) to ensure that the Company and each Controlled Entity is and will continue to be in compliance with all applicable Anti-Money Laundering Laws and U.S. Economic Sanctions.

(d)(i) Neither the Company nor any Controlled Entity (A) has been convicted of bribery or any other anti-corruption related activity under any applicable law or regulation in a U.S. or any non-U.S. country or jurisdiction, including but not limited to, the U.S. Foreign Corrupt Practices Act and the U.K. Bribery Act 2010 (collectively, “**Anti-Corruption Laws**”), (B) to the Company’s actual knowledge after making due inquiry, is under investigation by any U.S. or non-U.S. Governmental Authority for possible violation of Anti-Corruption Laws, (C) has been assessed civil or criminal penalties under any Anti-Corruption Laws or (D) has been or is the target of sanctions imposed by the United Nations or the European Union;

(ii) To the Company’s actual knowledge after making due inquiry, neither the Company nor any Controlled Entity has, within the last five years and where to do so would have resulted in a violation of then-applicable Anti-Corruption Laws, directly or indirectly offered, promised, given, paid or authorized the offer, promise, giving or payment of anything of value to a Governmental Official or a commercial counterparty for the purposes of: (A) influencing any act, decision or failure to act by such Governmental Official in his or her official capacity or such commercial counterparty, (B) inducing a Governmental Official to do or omit to do any act in violation of the Governmental Official’s lawful duty, or (C) inducing a Governmental Official or a commercial counterparty to use his or her influence with a government or instrumentality to affect any act or decision of such government or entity; in each case in order to obtain, retain or direct business or to otherwise secure an improper advantage; and

(iii) No part of the proceeds from the sale of the Notes hereunder will be used, directly or indirectly, for any improper payments, including bribes, to any Governmental Official or commercial counterparty in order to obtain, retain or direct business or obtain any improper advantage. The Company has established procedures and controls which it reasonably believes are adequate (and otherwise comply with applicable law) to ensure that the Company and each Controlled Entity is and will continue to be in compliance with all applicable current and future Anti-Corruption Laws.

5.17 Status under Certain Statutes.

Neither the Company nor any Subsidiary is (a) required to register as an “investment company,” as such term is defined in the Investment Company Act of 1940, as amended, or (b)

subject to regulation under the Public Utility Holding Company Act of 2005, as amended, the ICC Termination Act of 1995, as amended, or the Federal Power Act, as amended.

5.18 Environmental Matters.

(a) Neither the Company nor any Subsidiary has knowledge of any claim or has received any notice of any claim, and no proceeding has been instituted raising any claim against the Company or any of its Subsidiaries or any of their respective real properties now or formerly owned, leased or operated by any of them or other assets, alleging any damage to the environment or violation of any Environmental Laws, except, in each case, such as could not reasonably be expected to result in a Material Adverse Effect.

(b) Neither the Company nor any Subsidiary has knowledge of any facts which would give rise to any claim, public or private, of violation of Environmental Laws or damage to the environment emanating from, occurring on or in any way related to real properties now or formerly owned, leased or operated by any of them or to other assets or their use, except, in each case, such as could not reasonably be expected to result in a Material Adverse Effect.

(c) Neither the Company nor any Subsidiary has stored any Hazardous Materials on real properties now or formerly owned, leased or operated by any of them and has not disposed of any Hazardous Materials in a manner contrary to any Environmental Laws in each case in any manner that could reasonably be expected to result in a Material Adverse Effect.

(d) All buildings on all real properties now owned, leased or operated by the Company or any Subsidiary are in compliance with applicable Environmental Laws, except where failure to comply could not reasonably be expected to result in a Material Adverse Effect.

6. REPRESENTATIONS OF THE PURCHASERS.

6.1 Purchase for Investment.

Each Purchaser severally represents that it is purchasing the Notes for its own account or for one or more separate accounts maintained by such Purchaser or for the account of one or more pension or trust funds and not with a view to the distribution thereof, provided that the disposition of such Purchaser's or such pension or trust fund's property shall at all times be within such Purchaser's or such pension or trust fund's control. Each Purchaser understands that the Notes have not been registered under the Securities Act and may be resold only if registered pursuant to the provisions of the Securities Act or if an exemption from registration is available, except under circumstances where neither such registration nor such an exemption is required by law, and that the Company is not required, nor does it intend, to register the Notes.

6.2 Accredited Investor.

Each Purchaser represents that it is an “accredited investor” (as defined in Rule 501(a) (1), (2), (3) or (7) of Regulation D under the Securities Act acting for its own account (and not for the account of others) or as a fiduciary or agent for others (which others are also “accredited investors”). Each Purchaser further represents that such Purchaser has had the opportunity to ask questions of the Company and received answers concerning the terms and conditions of the sale of the Notes.

6.3 Source of Funds.

Each Purchaser severally represents that at least one of the following statements is an accurate representation as to each source of funds (a “Source”) to be used by such Purchaser to pay the purchase price of the Notes to be purchased by such Purchaser hereunder:

(a) the Source is an “insurance company general account” (as the term is defined in the United States Department of Labor’s Prohibited Transaction Class Exemption (“PTE”) 95-60, as amended) in respect of which the reserves and liabilities (as defined by the annual statement for life insurance companies approved by the NAIC (the “**NAIC Annual Statement**”)) for the general account contract(s) held by or on behalf of any employee benefit plan together with the amount of the reserves and liabilities (as defined by the NAIC Annual Statement) for the general account contract(s) held by or on behalf of any other employee benefit plans maintained by the same employer (or affiliate thereof as defined in PTE 95-60, as amended) or by the same employee organization in the general account do not exceed 10% of the total reserves and liabilities of the general account (exclusive of separate account liabilities) plus surplus as set forth in the NAIC Annual Statement filed with such Purchaser’s state of domicile; or

(b) the Source is a separate account of an insurance company that is maintained solely in connection with the fixed contractual obligations of the insurance company under which the amounts payable, or credited, to any employee benefit plan (or its related trust) that has any interest in such separate account (or to any participant or beneficiary of such plan (including any annuitant)) are not affected in any manner by the investment performance of the separate account; or

(c) the Source is either (i) an insurance company pooled separate account, within the meaning of PTE 90-1, as amended or (ii) a bank collective investment fund, within the meaning of the PTE 91-38, as amended and, except as disclosed by such Purchaser to the Company in writing pursuant to this clause (c), no employee benefit plan (as defined in such PTEs) or group of plans maintained by the same employer or employee organization beneficially owns more than 10% of all assets allocated to such pooled separate account or collective investment fund; or

(d)(i) the Source constitutes assets of an “investment fund” (within the meaning of Part VI of PTE 84-14, as amended (the “**QPAM Exemption**”)) managed by a “qualified professional asset manager” or “QPAM” (within the meaning of Part VI of the QPAM Exemption), (ii) no employee benefit plan’s assets that are managed by the QPAM in such investment fund, when combined with the assets of all other employee benefit plans established or maintained by the same employer or by an affiliate (within

the meaning of Part VI(c)(1) of the QPAM Exemption) of such employer or by the same employee organization and managed by such QPAM, represent more than 20% of the total client assets managed by such QPAM at the time of the purchase of the Notes hereunder, (iii) the conditions of Part I(c) and (g) of the QPAM Exemption are satisfied, (iv) neither the QPAM nor a person controlling or controlled by the QPAM maintains an ownership interest in the Company that would cause the QPAM and the Company to be “related” within the meaning of Part VI(h) of the QPAM Exemption and (v) (A) the identity of such QPAM and (B) the names of any employee benefit plans whose assets in the investment fund, when combined with the assets of all other employee benefit plans established or maintained by the same employer or by an affiliate (within the meaning of Part VI(c)(1) of the QPAM Exemption) of such employer or by the same employee organization, represent 10% or more of the assets of such investment fund, have been disclosed to the Company in writing pursuant to this clause (d); or

(e)(i) the Source constitutes assets of a “plan(s)” (within the meaning of Part IV(h) of PTE 96-23 (the “**INHAM Exemption**”)) managed by an “in-house asset manager” or “INHAM” (within the meaning of Part IV(a) of the INHAM Exemption), (ii) the conditions of Part I(a), (g) and (h) of the INHAM Exemption are satisfied, (iii) neither the INHAM nor a person controlling or controlled by the INHAM (applying the definition of “control” in Part IV(d)(3) of the INHAM Exemption) owns a 10% or more interest in the Company and (iv) (A) the identity of such INHAM and (B) the name(s) of the employee benefit plan(s) whose assets constitute the Source have been disclosed to the Company in writing pursuant to this clause (e); or

(f) the Source is a governmental plan, church plan that has not made an election under Section 410(d) of the Code, or a non-U.S. plan and the purchase does not violate any federal, state or other law that regulates its investment in the Notes; or

(g) the Source is one or more employee benefit plans, or a separate account or trust fund comprised of one or more employee benefit plans, each of which has been identified to the Company in writing pursuant to this clause (g); or

(h) the Source does not include assets of any employee benefit plan, governmental plan, church plan that has not made an election under Section 410(d) of the Code, or non-U.S. Plan.

As used in this Section 6.3, the terms “employee benefit plan,” “governmental plan,” “church plan,” and “separate account” shall, unless otherwise indicated, have the respective meanings assigned to such terms in section 3 of ERISA.

7. INFORMATION AS TO COMPANY.

7.1 Financial and Business Information.

The Company shall deliver to each holder of a Note that is an Institutional Investor:

(a) Quarterly Statements -- within 60 days (or such shorter period as is 15 days

greater than the period applicable to the filing of the Company's Quarterly Report

on Form 10-Q (the “**Form 10-Q**”) with the SEC regardless of whether the Company is subject to the filing requirements thereof after the end of each quarterly fiscal period in each fiscal year of the Company (other than the last quarterly fiscal period of each such fiscal year), duplicate copies of,

(i) a consolidated balance sheet of the Company and its Subsidiaries as at the end of such quarter, and

(ii) consolidated statements of earnings, shareholders’ equity and cash flows of the Company and its Subsidiaries, for such quarter and (in the case of the second and third quarters) for the portion of the fiscal year ending with such quarter,

setting forth in each case in comparative form the figures for the corresponding periods in the previous fiscal year, all in reasonable detail, prepared in accordance with GAAP applicable to quarterly financial statements generally, and certified by a Senior Financial Officer as fairly presenting, in all material respects, the financial position of the companies being reported on and their results of operations and cash flows, subject to changes resulting from year-end adjustments and the absence of footnotes, provided that delivery within the time period specified above of copies of the Company’s Form 10-Q prepared in compliance in all material respects with the requirements therefor and filed with the SEC shall be deemed to satisfy the requirements of this Section 7.1(a), provided, further, that the Company shall be deemed to have made such delivery of such Form 10-Q if it shall have timely made such Form 10-Q available on “EDGAR” and on its home page on the worldwide web (at the date of this Agreement located at: <http://www.woodward.com>) (such availability being referred to as “**Electronic Delivery**”);

(b) Annual Statements -- within 100 days (or such shorter period as is 15 days greater than the period applicable to the filing of the Company’s Annual Report on Form 10-K (the “**Form 10-K**”) with the SEC regardless of whether the Company is subject to the filing requirements thereof after the end of each fiscal year of the Company, duplicate copies of

(i) a consolidated balance sheet of the Company and its Subsidiaries as at the end of such year, and

(ii) consolidated statements of earnings, shareholders’ equity and cash flows of the Company and its Subsidiaries for such year,

setting forth in each case in comparative form the figures for the previous fiscal year, all in reasonable detail, prepared in accordance with GAAP, and accompanied by an opinion thereon of independent public accountants of recognized national standing, which opinion shall state that such financial statements present fairly, in all material respects, the financial position of the companies being reported upon and their results of operations and cash flows and have been prepared in conformity with GAAP, and that the examination of such accountants in connection with such financial statements has been

made in accordance with generally accepted auditing standards, and that such audit provides a reasonable basis for such opinion in the circumstances, *provided* that the delivery within the time period specified above of the Company's Form 10-K for such fiscal year (together with the Company's annual report to shareholders, if any, prepared pursuant to Rule 14a-3 under the Exchange Act) prepared in all material respects in accordance with the requirements therefor and filed with the SEC shall be deemed to satisfy the requirements of this Section 7.1(b), provided, further, that the Company shall be deemed to have made such delivery of such Form 10-K if it shall have timely made Electronic Delivery thereof;

(c) SEC and Other Reports -- promptly upon their becoming available, one copy of (i) each financial statement, report, notice or proxy statement sent by the Company or any Subsidiary to its public securities holders generally, and (ii) each regular or periodic report, each registration statement (other than a registration statement on Form S-8 and without exhibits except as expressly requested by such holder), and each prospectus and all amendments thereto filed by the Company or any Subsidiary with the SEC and of all press releases and other statements made available generally by the Company or any Subsidiary to the public concerning developments that are Material, provided that the Company shall be deemed to have made such delivery of such materials if it shall have made timely Electronic Delivery thereof;

(d) Notice of Default or Event of Default -- promptly, and in any event within five days after a Responsible Officer becoming aware of the existence of any Default or Event of Default or that any Person has given any written notice or taken any action with respect to a claimed Default hereunder or that any Person has given any notice or taken any action with respect to a claimed Default of the type referred to in Section 11(f), a written notice specifying the nature and period of existence thereof and what action the Company is taking or proposes to take with respect thereto;

(e) ERISA Matters -- promptly, and in any event within five Business Days after a Responsible Officer becoming aware of any of the following, a written notice setting forth the nature thereof and the action, if any, that the Company or an ERISA Affiliate proposes to take with respect thereto:

(i) with respect to any Plan subject to Title IV of ERISA, any reportable event, as defined in section 4043(c) of ERISA and the regulations thereunder, for which notice thereof has not been waived pursuant to such regulations as in effect on the date hereof; or

(ii) the taking by the PBGC of steps to institute, or the threatening by the PBGC of the institution of, proceedings under section 4042 of ERISA for the termination of, or the appointment of a trustee to administer, any Plan, or the receipt by the Company or any ERISA Affiliate of a notice from a Multiemployer Plan that such action has been taken by the PBGC with respect to such Multiemployer Plan; or

(iii) any event, transaction or condition that could result in the incurrence

of any liability by the Company or any ERISA Affiliate for failure to comply with the provisions of Title I of ERISA or pursuant to Title IV of ERISA or the penalty or excise tax provisions of the Code relating to employee benefit plans (as defined in Section 3 of ERISA), or in the imposition of any Lien on any of the rights, properties or assets of the Company or any ERISA Affiliate pursuant to Title I or IV of ERISA or such penalty or excise tax provisions, if such liability or Lien, taken together with any other such liabilities or Liens then existing, could reasonably be expected to have a Material Adverse Effect; or

(iv) receipt of notice of the imposition of a Material financial penalty (which for this purpose shall mean any tax, penalty or other liability, whether by way of indemnity or otherwise) with respect to one or more Non-U.S. Plans.

(f) Notices from Governmental Authority -- promptly, and in any event within 30 days of receipt thereof, copies of any written notice to the Company or any Subsidiary from any Federal, national or state Governmental Authority relating to any order, ruling, statute or other law or regulation that could reasonably be expected to have a Material Adverse Effect;

(g) Major Credit Facility -- substantially concurrent with the transmission thereof, copies (unless otherwise delivered pursuant to the other provisions of this Section 7.1) of all financial statements, notices, reports and other information given by or on behalf of the Company or any of its Subsidiaries to the financial institutions party to any Major Credit Facility (excluding routine matters such as borrowing requests); and

(h) Requested Information -- with reasonable promptness, such other data and information relating to the business, operations, affairs, financial condition, assets or properties of the Company or any of its Subsidiaries (including, but without limitation, actual copies of the Company's Form 10-Q and Form 10-K) or relating to the ability of the Company to perform its obligations hereunder and under the Notes as from time to time may be reasonably requested by any such holder of Note.

7.2 Officer's Certificate.

Each set of financial statements delivered to a holder of a Note pursuant to Section 7.1(a) or Section 7.1(b) shall be accompanied by a certificate of a Senior Financial Officer setting forth (which, in the case of Electronic Delivery of any such financial statements, shall be by separate concurrent delivery of such certificate to each holder of a Note):

(a) Covenant Compliance -- the information (including detailed calculations) required in order to establish whether the Company was in compliance with the requirements of Section 10.3, and Section 10.6 through Section 10.11, inclusive, during the quarterly or annual period covered by the statements then being furnished (including with respect to each such Section, where applicable, the calculations of the maximum or minimum amount, ratio or percentage, as the case may be, permissible under the terms of

such Sections, and the calculation of the amount, ratio or percentage in existence as of the end of such period); and

(b) Event of Default -- a statement that such Senior Financial Officer has reviewed the relevant terms hereof and has made, or caused to be made, under his or her supervision, a review of the transactions and conditions of the Company and its Subsidiaries from the beginning of the quarterly or annual period covered by the statements then being furnished to the date of the certificate and that such review shall not have disclosed the existence during such period of any condition or event that constitutes a Default or an Event of Default or, if any such condition or event existed or exists, specifying the nature and period of existence thereof and what action the Company shall have taken or proposes to take with respect thereto.

7.3 Visitation.

The Company shall permit the representatives of each holder of a Note that is an Institutional Investor:

(a) No Default -- if no Default or Event of Default then exists, at the expense of such holder and upon reasonable prior notice to the Company, to visit the principal executive office of the Company, to discuss the affairs, finances and accounts of the Company and its Subsidiaries with the Company's officers, and (with the consent of the Company, which consent will not be unreasonably withheld) its independent public accountants, and (with the consent of the Company, which consent will not be unreasonably withheld) to visit the other offices and properties of the Company and each Subsidiary, all at such reasonable times and as often as may be reasonably requested in writing; and

(b) Default -- if a Default or Event of Default then exists, at the expense of the Company to visit and inspect any of the offices or properties of the Company or any Subsidiary, to examine all their respective books of account, records, reports and other papers, to make copies and extracts therefrom, and to discuss their respective affairs, finances and accounts with their respective officers and independent public accountants (and by this provision the Company authorizes said accountants to discuss the affairs, finances and accounts of the Company and its Subsidiaries), all at such times and as often as may be requested.

8. PAYMENT AND PREPAYMENT OF THE NOTES.

8.1 Maturity.

As provided therein, the entire unpaid principal balance of the Notes shall be due and payable on September 23, 2026.

8.2 Optional Prepayments with Make-Whole Amount.

The Company may, at its option, upon notice as provided below, prepay at any time all,

or from time to time any part of, the Notes (but, in the case of a partial prepayment, in an amount

not less than €1,000,000 of the aggregate principal amount of the Notes then outstanding), at 100% of the principal amount so prepaid, together with the interest so accrued to the date of prepayment, plus the applicable Make-Whole Amount determined for the prepayment date with respect to such principal amount, plus any Net Loss with respect to any Swapped Note and, subject to Section 8.9, less any Net Gain with respect to any Swapped Note. The Company will give each holder of Notes written notice of each optional prepayment under this Section 8.2 not less than 30 days and not more than 60 days prior to the date fixed for such prepayment. Each such notice shall specify such date (which shall be a Business Day), the aggregate principal amount of the Notes to be prepaid on such date, the principal amount of each Note held by such holder to be prepaid (determined in accordance with Section 8.5), and the interest to be paid on the prepayment date with respect to such principal amount being prepaid, and shall be accompanied by a certificate of a Senior Financial Officer as to the estimated Make-Whole Amount due in connection with such prepayment (calculated as if the date of such notice were the date of the prepayment), setting forth in each case the details of such computation. Two Business Days prior to such prepayment, the Company shall deliver to each holder of Notes a certificate of a Senior Financial Officer specifying the calculation of such Make-Whole Amount as of the specified prepayment date.

8.3 Prepayment Upon Change of Control.

(a) Notice of Change of Control or Control Event; Offer to Prepay if Change of Control has Occurred. The Company will, within five (5) Business Days after any Responsible Officer has knowledge of the occurrence of any Change of Control or Control Event, give written notice of such Change of Control or Control Event to each holder of Notes. If a Change of Control has occurred, such notice shall contain and constitute an offer to prepay Notes as described in clause (b) of this Section 8.3 and shall be accompanied by the certificate described in clause (e) of this Section 8.3.

(b) Offer to Prepay; Time for Payment. The offer to prepay Notes contemplated by clause (a) of this Section 8.3 shall be an offer to prepay, in accordance with and subject to this Section 8.3, all, but not less than all, of the Notes held by each holder (in the case of this Section 8.3 only, “holder” in respect of any Note registered in the name of a nominee for a disclosed beneficial owner shall mean such beneficial owner) on a date specified in such offer (the “**Proposed Prepayment Date**”). The Proposed Prepayment Date shall not be less than thirty (30) days and not more than sixty (60) days after the date of such offer (if the Proposed Prepayment Date shall not be specified in such offer, the Proposed Prepayment Date shall be the forty-fifth (45th) day after the date of such offer).

(c) Acceptance; Rejection. A holder of Notes may accept the offer to prepay made pursuant to this Section 8.3 by causing a notice of such acceptance to be delivered to the Company at least ten (10) calendar days prior to the Proposed Prepayment Date. A failure by a holder of Notes to respond to an offer to prepay made pursuant to this Section 8.3, or to accept an offer as to all of the Notes held by the holder, within such time period, shall be deemed to constitute a rejection of such offer by such holder.

(d) Prepayment. Prepayment of the Notes to be prepaid pursuant to this Section 8.3 shall be at 100% of the principal amount of such Notes together with interest on such Notes accrued to the date of prepayment, plus any Net Loss with respect to any Swapped

Note and, subject to Section 8.9, less any Net Gain with respect to any Swapped Note, but without any Make-Whole Amount or penalty or premium of any kind. The prepayment shall be made on the Proposed Prepayment Date.

(e) Officer's Certificate. Each offer to prepay the Notes pursuant to this Section 8.3 shall be accompanied by a certificate, executed by a Senior Financial Officer of the Company and dated the date of such offer, specifying: (i) the Proposed Prepayment Date, (ii) that such offer is made pursuant to this Section 8.3, (iii) that the entire principal amount of each Note is offered to be prepaid together with any Net Loss with respect to any Swapped Note, but without any premium, (iv) the interest that would be due on each Note offered to be prepaid, accrued to the Proposed Prepayment Date, (v) that the conditions of this Section 8.3 required to be fulfilled prior to the giving of such notice have been fulfilled and (vi) in reasonable detail, the nature and date of the Change of Control.

8.4 Prepayment in Connection with an Asset Disposition.

(a) Notice and Offer. In the event any Debt Prepayment Application is to be used at the election of the Company to make an offer (a "**Transfer Prepayment Offer**") to prepay Notes pursuant to Section 10.3 of this Agreement (a "**Debt Prepayment Transfer**"), the Company will give written notice of such Debt Prepayment Transfer to each holder of Notes. Such written notice shall contain, and such written notice shall constitute, an irrevocable offer to prepay, at the election of each holder, a portion of the Notes held by such holder equal to such holder's Ratable Portion of the Net Proceeds Amount in respect of such Debt Prepayment Transfer on a date specified in such notice (the "**Transfer Prepayment Date**") that is not less than thirty (30) days and not more than sixty (60) days after the date of such notice, together with interest on the amount to be so prepaid accrued to the Transfer Prepayment Date. If the Transfer Prepayment Date shall not be specified in such notice, the Transfer Prepayment Date shall be the forty-fifth (45th) day after the date of such notice.

(b) Acceptance and Payment. To accept such Transfer Prepayment Offer, a holder of Notes shall cause a notice of such acceptance to be delivered to the Company not later than twenty (20) days after the date of such written notice from the Company, provided, that failure to accept such offer in writing within twenty (20) days after the date of such written notice shall be deemed to constitute a rejection of the Transfer Prepayment Offer. If so accepted by any holder of a Note, such offered prepayment (equal to such holder's Ratable Portion of the Net Proceeds Amount in respect of such Debt Prepayment Transfer) shall be due and payable on the Transfer Prepayment Date. Such offered prepayment shall be made at 100% of the principal amount of such Notes being so prepaid, together with interest on such principal amount then being prepaid accrued to the Transfer Prepayment Date determined as of the date of such prepayment, plus any Net Loss with respect to any Swapped Note and, subject to Section 8.9, less any Net Gain with respect to any Swapped Note, but without any Make-Whole Amount or penalty or premium of any kind. The prepayment shall be made on the Transfer Prepayment Date.

(c) Other Terms. Each offer to prepay the Notes pursuant to this Section 8.4 shall be accompanied by a certificate, executed by a Senior Financial Officer of the Company and dated the date of such offer, specifying (i) the Transfer Prepayment Date, (ii) the Net Proceeds Amount in respect of the applicable Debt Prepayment Transfer, (iii) that such offer is being made pursuant to this Section 8.4 and Section 10.3 of this Agreement, (iv) the principal amount of each Note offered to be prepaid, (v) the interest that would be due on each Note offered to be prepaid, accrued to the Transfer Prepayment Date, and (vi) in reasonable detail, the nature of the Asset Disposition giving rise to such Debt Prepayment Transfer and certifying that no Default or Event of Default exists or would exist after giving effect to the prepayment contemplated by such offer.

8.5 Allocation of Partial Prepayments of Notes.

In the case of each partial prepayment of the Notes pursuant to Section 8.2, the principal amount of the Notes to be prepaid shall be allocated among all of the Notes at the time outstanding in proportion, as nearly as practicable, to the respective unpaid principal amounts thereof not theretofore called for prepayment.

8.6 Maturity; Surrender, etc.

In the case of each prepayment of Notes pursuant to this Section 8, the principal amount of each Note to be prepaid shall mature and become due and payable on the date fixed for such prepayment (which shall be a Business Day), together with interest on such principal amount accrued to such date, plus any Net Loss with respect to any Swapped Note and, subject to Section 8.9, less any Net Gain with respect to any Swapped Note and, and the Make-Whole Amount, if any. From and after such date, unless the Company shall fail to pay such principal amount when so due and payable, together with the interest and Make-Whole Amount, if any, plus any Net Loss with respect to any Swapped Note and, subject to Section 8.9, less any Net Gain with respect to any Swapped Note, as aforesaid, interest on such principal amount shall cease to accrue. Any Note paid or prepaid in full shall be surrendered to the Company and

cancelled and shall not be reissued, and no Note shall be issued in lieu of any prepaid principal amount of any Note.

8.7 Purchase of Notes.

The Company will not and will not permit any Affiliate to purchase, redeem, prepay or otherwise acquire, directly or indirectly, any of the outstanding Notes, except (a) upon the payment or prepayment of the Notes in accordance with the terms of this Agreement and the Notes or (b) pursuant to an offer to purchase made by the Company or an Affiliate pro rata to the holders of Notes at the time outstanding upon the same terms and conditions. Any such offer shall provide each holder of Notes with sufficient information to enable it to make an informed decision with respect to such offer, and shall remain open for at least fifteen (15) Business Days. If the holders of more than 30% of the principal amount of the Notes then outstanding accept such offer, the Company shall promptly notify the remaining holders of Notes of such fact and the expiration date of such offer shall be extended by the number of days necessary to give each such remaining holders at least five (5) Business Days from its receipt of such notice to accept such offer. The Company will promptly cancel all Notes acquired by it or any Affiliate pursuant to any payment, prepayment or purchase of Notes pursuant to any provision of this Agreement and no Notes may be issued in substitution or exchange for any such Notes.

8.8 Make-Whole Amount.

(a) Make-Whole Amount with respect to Non-Swapped Notes. The term “**Make-Whole Amount**” mean, with respect to any Non-Swapped Note, an amount equal to the excess, if any, of the Discounted Value of the Remaining Scheduled Payments with respect to the Called Principal of such Non-Swapped Note, over the amount of such Called Principal, provided that the Make-Whole Amount may in no event be less than zero. For the purposes of determining the Make-Whole Amount with respect to any Non-Swapped Note, the following terms have the following meanings:

“**Called Principal**” means, with respect to any Non-Swapped Note, the principal of such Non-Swapped Note that is to be prepaid pursuant to Section 8.2 or has become or is declared to be immediately due and payable pursuant to Section 12.1, as the context requires.

“**Discounted Value**” means, with respect to the Called Principal of any Non-Swapped Note, the amount obtained by discounting all Remaining Scheduled Payments with respect to such Called Principal from their respective scheduled due dates to the Settlement Date with respect to such Called Principal, in accordance with accepted financial practice and at a discount factor (applied on the same periodic basis as that on which interest on such Non-Swapped Note is payable) equal to the Reinvestment Yield with respect to such Called Principal.

“**Implied Rate Euro Yield**” means, with respect to the Called Principal of any Non-Swapped Note, the yield to maturity implied by (i) the ask-side yields reported, as of 10:00 A.M. (New York time) on the second Business Day preceding the Settlement Date with respect to such Called Principal, on the

display designated as “Page PXGE” on Bloomberg Financial Markets (or such other display as may replace “Page PXGE” on Bloomberg Financial Markets) for the benchmark German Bund having a maturity equal to the Remaining Average Life of such Called Principal as of such Settlement Date, or (ii) if such yields are not reported as of such time or the yields reported are not ascertainable, the average of the ask-side yields as determined by Recognized German Bund Market Makers. Such implied yield will be determined, if necessary, by (a) converting quotations to bond-equivalent yields in accordance with accepted financial practice and (b) interpolating linearly between (1) the benchmark German Bund with the maturity closest to and greater than the Remaining Average Life of such Called Principal and (2) the benchmark German Bund with the maturity closest to and less than the Remaining Average Life of such Called Principal. The Implied Rate Euro Yield shall be rounded to the number of decimal places as appears in the interest rate of the applicable Non-Swapped Note.

“**Non-Swapped Note**” means any Note other than a Swapped Note.

“**Recognized German Bund Market Makers**” means two internationally recognized dealers of German Bunds reasonably selected by the Required Holders (exclusive of Notes then owned by the Company or any of its Affiliates and any Notes held by parties who are contractually required to abstain from voting with respect to matters affecting the holders of the Notes).

“**Reinvestment Yield**” means the Applicable Percentage plus the Implied Rate Euro Yield. The Reinvestment Yield shall be rounded to the number of decimal places as appears in the interest rate of the applicable Non-Swapped Note.

“**Remaining Average Life**” means, with respect to any Called Principal, the number of years obtained by dividing (i) such Called Principal into (ii) the sum of the products obtained by multiplying (a) the principal component of each Remaining Scheduled Payment with respect to such Called Principal by (b) the number of years, computed on the basis of a 360-day year comprised of twelve 30-day months and calculated to two decimal places, that will elapse between the Settlement Date with respect to such Called Principal and the scheduled due date of such Remaining Scheduled Payment.

“**Remaining Scheduled Payments**” means, with respect to the Called Principal of any Non-Swapped Note, all payments of such Called Principal and interest thereon that would be due after the Settlement Date with respect to such Called Principal if no payment of such Called Principal were made prior to its scheduled due date, provided that if such Settlement Date is not a date on which interest payments are due to be made under such Non-Swapped Note, then the amount of the next succeeding scheduled interest payment will be reduced by the amount of interest accrued to such Settlement Date and required to be paid on such Settlement Date pursuant to Section 8.2 or 12.1.

“**Settlement Date**” means, with respect to the Called Principal of any Non-Swapped Note, the date on which such Called Principal is to be prepaid pursuant to Section 8.2 or has become or is declared to be immediately due and payable pursuant to Section 12.1, as the context requires.

(b) Make-Whole Amount with respect to Swapped Notes. The term “**Make-Whole Amount**” means, with respect to any Swapped Note, an amount equal to the excess, if any, of the Swapped Note Discounted Value with respect to the Swapped Note Called Notional Amount related to such Swapped Note over such Swapped Note Called Notional Amount, provided that the Make-Whole Amount may in no event be less than zero. All payments of Make-Whole Amount in respect of any Swapped Note shall be made in Dollars. For the purposes of determining the Make-Whole Amount, Net Loss, Net Gain or Swap Breakage Amount with respect to any Swapped Note, the following terms have the following meanings:

“**New Swap Agreement**” means any cross-currency swap agreement pursuant to which the holder of a Swapped Note is to receive payment in Dollars and which is entered into in full or partial replacement of an Original Swap Agreement as a result of such Original Swap Agreement having terminated for any reason other than a non-scheduled prepayment or a repayment of such Swapped Note prior to its scheduled maturity. The terms of a New Swap Agreement with respect to any Swapped Note do not have to be identical to those of the Original Swap Agreement with respect to such Swapped Note. Any holder of a Swapped Note that enters into, assumes or terminates a New Swap Agreement shall within a reasonable period of time thereafter deliver to the Company a copy of the confirmation, assumption, novation or termination related thereto.

“**Original Swap Agreement**” means, with respect to any Swapped Note, (x) a cross-currency swap agreement and annexes and schedules thereto (an “**Initial Swap Agreement**”) that is entered into on an arm’s length basis by the original purchaser of such Swapped Note (or any affiliate thereof) in connection with the execution of this Agreement and the purchase of such Swapped Note and relates to the scheduled payments by the Company of interest and principal on such Swapped Note, under which the holder of such Swapped Note is to receive payments from the counterparty thereunder in Dollars and which is more particularly described on Schedule 8.8 hereto, (y) any Initial Swap Agreement that has been assumed by or novated to (without any waiver, amendment, deletion or replacement of any material economic term or provision thereof) a holder of a Swapped Note in connection with a transfer of such Swapped Note and (z) any Replacement Swap Agreement; and a “**Replacement Swap Agreement**” means, with respect to any Swapped Note, a cross-currency swap agreement and annexes and schedules thereto with payment terms and provisions (other than a reduction in notional amount, if applicable) identical to those of the Initial Swap Agreement with respect to such Swapped Note that is entered into on an arm’s length basis by the holder of such Swapped Note in full or partial replacement (by amendment, modification or otherwise) of such Initial Swap Agreement (or any subsequent

Replacement Swap Agreement) in a notional amount not exceeding the outstanding principal amount of such Swapped Note following a non-scheduled prepayment or a repayment of such Swapped Note prior to its scheduled maturity. Any holder of a Swapped Note that enters into, assumes or terminates an Initial Swap Agreement or Replacement Swap Agreement shall within a reasonable period of time thereafter deliver to the Company a copy of the confirmation, assumption, novation or termination related thereto.

“Swap Agreement” means, with respect to any Swapped Note, an Original Swap Agreement or a New Swap Agreement, as the case may be.

“Swapped Note” means any Note that as of the date of the Closing for such Note is subject to a Swap Agreement. A “Swapped Note” shall no longer be deemed a “Swapped Note” at such time as the related Swap Agreement ceases to be in force in respect thereof.

“Swapped Note Called Notional Amount” means, with respect to any Swapped Note Called Principal of any Swapped Note, the payment in Dollars due to the holder of such Swapped Note under the terms of the Swap Agreement to which such holder is a party, attributable to and in exchange for such Swapped Note Called Principal and assuming that such Swapped Note Called Principal is paid on its scheduled maturity date, provided that if such Swap Agreement is not an Initial Swap Agreement, then the “Swapped Note Called Notional Amount” in respect of such Swapped Note shall not exceed the amount in Dollars which would have been due to the holder of such Swapped Note under the terms of the Initial Swap Agreement to which such holder was a party (or if such holder was never party to an Initial Swap Agreement, then the last Initial Swap Agreement to which the most recent predecessor in interest to such holder as a holder of such Swapped Note was a party), attributable to and in exchange for such Swapped Note Called Principal and assuming that such Swapped Note Called Principal is paid on its scheduled maturity date.

“Swapped Note Called Principal” means, with respect to any Swapped Note, the principal of such Swapped Note that is to be prepaid pursuant to Section 8 or has become or is declared to be immediately due and payable pursuant to Section 12.1, as the context requires.

“Swapped Note Discounted Value” means, with respect to the Swapped Note Called Notional Amount of any Swapped Note that is to be prepaid pursuant to Section 8 or has become or is declared to be immediately due and payable pursuant to Section 12.1, as the context requires, the amount obtained by discounting all Swapped Note Remaining Scheduled Swap Payments corresponding to the Swapped Note Called Notional Amount of such Swapped Note from their respective scheduled due dates to the Swapped Note Settlement Date with respect to such Swapped Note Called Notional Amount, in accordance with accepted financial practice and at a discount factor (applied on the same periodic basis as that on which interest on such Swapped Note is payable) equal to

the Swapped Note Reinvestment Yield with respect to such Swapped Note Called Notional Amount.

“Swapped Note Reinvestment Yield” means, with respect to the Swapped Note Called Notional Amount of any Swapped Note, the sum of (x) the Applicable Percentage plus (y) the yield to maturity implied by the “Ask Yield(s)” reported as of 10:00 a.m. (New York City time) on the second Business Day preceding the Swapped Note Settlement Date with respect to such Swapped Note Called Notional Amount, on the display designated as “Page PX1” (or such other display as may replace Page PX1) on Bloomberg Financial Markets for the most recently issued actively traded on-the-run U.S. Treasury securities (**“Reported”**) having a maturity equal to the Swapped Note Remaining Average Life of such Swapped Note Called Notional Amount as of such Swapped Note Settlement Date. If there are no such U.S. Treasury securities Reported having a maturity equal to such Swapped Note Remaining Average Life, then such implied yield to maturity will be determined by (a) converting U.S. Treasury bill quotations to bond equivalent yields in accordance with accepted financial practice and (b) interpolating linearly between the “Ask Yield(s)” Reported for the applicable most recently issued actively traded on-the-run U.S. Treasury securities with the maturities (1) closest to and greater than such Swapped Note Remaining Average Life and (2) closest to and less than such Swapped Note Remaining Average Life.

If such yields are not Reported or the yields Reported as of such time are not ascertainable (including by way of interpolation), then “Swapped Note Reinvestment Yield” means, with respect to the Swapped Note Called Notional Amount of any Swapped Note, the sum of (x) the Applicable Percentage plus (y) the yield to maturity implied by the U.S. Treasury constant maturity yields reported, for the latest day for which such yields have been so reported as of the second Business Day preceding the Swapped Note Settlement Date with respect to such Swapped Note Called Notional Amount, in Federal Reserve Statistical Release H.15 (or any comparable successor publication) for the U.S. Treasury constant maturity having a term equal to the Swapped Note Remaining Average Life of such Swapped Note Called Notional Amount as of such Swapped Note Settlement Date. If there is no such U.S. Treasury constant maturity having a term equal to such Swapped Note Remaining Average Life, such implied yield to maturity will be determined by interpolating linearly between (1) the U.S. Treasury constant maturity so reported with the term closest to and greater than such Swapped Note Remaining Average Life and (2) the U.S. Treasury constant maturity so reported with the term closest to and less than such Swapped Note Remaining Average Life.

The Swapped Note Reinvestment Yield shall be rounded to the number of decimal places as appears in the interest rate of the applicable Swapped Note.

“Swapped Note Remaining Average Life” means, with respect to any Swapped Note Called Notional Amount, the number of years (calculated to the

nearest one-twelfth year) obtained by dividing (x) such Swapped Note Called Notional Amount into (y) the sum of the products obtained by multiplying (1) the principal component of each Swapped Note Remaining Scheduled Swap Payment with respect to such Swapped Note Called Notional Amount by (2) the number of years, computed on the basis of a 360-day year comprised of twelve 30-day months and calculated to two decimal places, that will elapse between the Swapped Note Settlement Date with respect to such Swapped Note Called Notional Amount and the scheduled due date of such Swapped Note Remaining Scheduled Swap Payments.

“**Swapped Note Remaining Scheduled Swap Payments**” means, with respect to the Swapped Note Called Notional Amount relating to any Swapped Note, the payments due to the holder of such Swapped Note in Dollars under the terms of the Swap Agreement to which such holder is a party which correspond to all payments of the Swapped Note Called Principal of such Swapped Note corresponding to such Swapped Note Called Notional Amount and interest on such Swapped Note Called Principal (other than that portion of the payment due under such Swap Agreement corresponding to the interest accrued on the Swapped Note Called Principal to the Swapped Note Settlement Date) that would be due after the Swapped Note Settlement Date in respect of such Swapped Note Called Notional Amount assuming that no payment of such Swapped Note Called Principal is made prior to its originally scheduled payment date, provided that if such Swapped Note Settlement Date is not a date on which an interest payment is due to be made under the terms of such Swapped Note, then the amount of the next succeeding scheduled interest payment will be reduced by the amount of interest accrued to such Swapped Note Settlement Date and required to be paid on such Swapped Note Settlement Date pursuant to Section 8 or Section 12.1.

“**Swapped Note Settlement Date**” means, with respect to the Swapped Note Called Notional Amount of any Swapped Note Called Principal of any Swapped Note, the date on which such Swapped Note Called Principal is to be prepaid pursuant to Section 8 or has become or is declared to be immediately due and payable pursuant to Section 12.1, as the context requires.

8.9 Swap Breakage.

If any Swapped Note is prepaid pursuant to Section 8.2, Section 8.3, Section 8.4 or purchased pursuant to Section 8.7 or has become or is declared to be immediately due and payable pursuant to Section 12.1, then (a) any resulting Net Loss in connection therewith shall be reimbursed to the holder of such Swapped Note by the Company in Dollars upon any such prepayment or repayment of such Swapped Note and (b) any resulting Net Gain in connection therewith shall be deducted (i) from the Make-Whole Amount, if any, or any principal or interest to be paid to the holder of such Swapped Note by the Company upon any such prepayment of such Swapped Note pursuant to Section 8.2, Section 8.3, Section 8.4 or purchase pursuant to Section 8.7 or (ii) from the Make-Whole Amount, if any, to be paid to the holder of such Swapped Note by the Company upon any such repayment of such Swapped Note pursuant to Section 12.1, provided that, in either case, the Make-Whole Amount in respect of such Swapped

Note may in no event be less than zero. Each holder of a Swapped Note shall be responsible for calculating its own Net Loss or Net Gain, as the case may be, and Swap Breakage Amount in Dollars upon the prepayment or repayment of all or any portion of such Swapped Note, and such calculations as reported to the Company in reasonable detail shall be binding on the Company absent demonstrable error. Each holder of a Swapped Note agrees that two Business Days prior to any prepayment of such Swapped Note pursuant to Section 8.2, Section 8.3 or Section 8.4, or any purchase of such Swapped Note pursuant to Section 8.7, such holder will notify the Company of the estimated Net Loss or Net Gain, as the case may be, and Swap Breakage Amount in Dollars due in connection with such prepayment or purchase (calculated as if the date of such notice were the date of the prepayment or purchase).

As used in this Agreement with respect to any Swapped Note that is prepaid or accelerated: “**Net Loss**” means the amount, if any, by which the Swapped Note Called Notional Amount exceeds the sum of (x) the Swapped Note Called Principal plus (or minus in the case of an amount paid) (y) the Swap Breakage Amount received (or paid) by the holder of such Swapped Note; and “**Net Gain**” means the amount, if any, by which the Swapped Note Called Notional Amount is exceeded by the sum of (x) the Swapped Note Called Principal plus (or minus in the case of an amount paid) (y) the Swap Breakage Amount received (or paid) by such holder. For purposes of any determination of any “Net Loss” or “Net Gain,” the Swapped Note Called Principal shall be determined by the holder of the affected Swapped Note by converting Euros into Dollars at the current Euro/Dollar exchange rate, in each case, as determined as of 10:00 A.M. (New York City time) on the day such Swapped Note is prepaid or accelerated as indicated on the applicable screen of Bloomberg Financial Markets or the Reuters Screen, respectively, and any such calculation shall be reported to the Company in reasonable detail and shall be binding on the Company absent demonstrable error.

As used in this Agreement, “**Swap Breakage Amount**” means, with respect to the Swap Agreement associated with any Swapped Note, in determining the Net Loss or Net Gain, the Dollar amount that would be received (in which case the Swap Breakage Amount shall be positive) or paid (in which case the Swap Breakage Amount shall be negative) by the holder of such Swapped Note as if such Swap Agreement had terminated due to the occurrence of an event of default or an early termination under the ISDA 1992 Multi-Currency Cross Border Master Agreement or ISDA 2002 Master Agreement, as applicable (the “**ISDA Master Agreement**”); provided, however, that if such holder (or its predecessor in interest with respect to such Swapped Note) was, but is not at the time, a party to an Original Swap Agreement but is a party to a New Swap Agreement, then the Swap Breakage Amount shall mean the lesser of (x) the gain or loss (if any) which would have been received or incurred (by payment, through off-set or netting or otherwise) by the holder of such Swapped Note under the terms of the Original Swap Agreement (if any) in respect of such Swapped Note to which such holder (or any affiliate thereof) was a party (or if such holder was never a party to an Original Swap Agreement, then the last Original Swap Agreement to which the most recent predecessor in interest to such holder as a holder of a Swapped Note was a party) and which would have arisen as a result of the payment of the Swapped Note Called Principal on the Swapped Note Settlement Date and (y) the gain or loss (if any) actually received or incurred by the holder of such Swapped Note, in connection with the payment of such Swapped Note Called Principal on the Swapped Note Settlement Date, under the terms of the New Swap Agreement to which such holder (or any affiliate thereof) is a party. The holder of such Swapped Note will make all calculations related

to the Swap Breakage Amount in good faith and in accordance with its customary practices for calculating such amounts under the ISDA Master Agreement pursuant to which such Swap Agreement shall have been entered into and assuming for the purpose of such calculation that there are no other transactions entered into pursuant to such ISDA Master Agreement (other than such Swap Agreement).

The Swap Breakage Amount shall be payable in Dollars.

8.10 Interest Rate.

Each Note shall bear interest on the outstanding principal amount thereof at the Applicable Rate for such Note and such interest shall be payable as set forth in the applicable Note until the principal amount of such Note in respect of which such interest shall have accrued shall become due and payable, all as more particularly set forth in such Note.

9. AFFIRMATIVE COVENANTS.

The Company covenants that so long as any of the Notes are outstanding:

9.1 Compliance with Law.

Without limiting Section 10.5, the Company will, and will cause each of its Subsidiaries to, comply with all laws, ordinances or governmental rules or regulations to which each of them is subject, including, without limitation, ERISA, the USA Patriot Act, Environmental Laws and the other laws and regulations that are referred to in Section 5.16, and will obtain and maintain in effect all licenses, certificates, permits, franchises and other governmental authorizations necessary to the ownership of their respective properties or to the conduct of their respective businesses, in each case, to the extent necessary to ensure that non-compliance with such laws, ordinances or governmental rules or regulations or failures to obtain or maintain in effect such licenses, certificates, permits, franchises and other governmental authorizations could not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect.

9.2 Insurance.

The Company will, and will cause each of the Guarantors to, maintain, with financially sound and reputable insurers, insurance with respect to their respective properties and businesses against such casualties and contingencies, of such types, on such terms and in such amounts (including deductibles, co-insurance and self-insurance, if adequate reserves are maintained with respect thereto) as is customary in the case of entities of established reputations engaged in the same or a similar business and similarly situated.

9.3 Maintenance of Properties.

The Company will, and will cause each of its Subsidiaries to, maintain and keep, or cause to be maintained and kept, their respective properties in good repair, working order and condition (other than ordinary wear and tear), so that the business carried on in connection therewith may be properly conducted at all times, provided that this Section 9.3 shall not prevent the Company or

any Subsidiary from discontinuing the operation and the maintenance of any of its properties

if such discontinuance is desirable in the conduct of its business and the Company has concluded that such discontinuance could not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect.

9.4 Payment of Taxes and Claims.

The Company will, and will cause each of its Subsidiaries to, file all tax returns required to be filed in any jurisdiction and to pay and discharge all taxes shown to be due and payable on such returns and all other taxes, assessments, governmental charges, or levies imposed on them or any of their properties, assets, income or franchises, to the extent the same have become due and payable and before they have become delinquent and all claims for which sums have become due and payable that have or might become a Lien on properties or assets of the Company or any Subsidiary, provided that (a) neither the Company nor any Subsidiary need pay any such tax, assessment, charge, levy or claim if the amount, applicability or validity thereof is contested by the Company or such Subsidiary on a timely basis in good faith and in appropriate proceedings, and the Company or a Subsidiary has established adequate reserves therefor in accordance with GAAP on the books of the Company or such Subsidiary or (b) neither the Company nor any Subsidiary need file any such tax return or pay any such tax, assessment, charge, levy or claim if the nonfiling of such tax returns and the nonpayment of all such taxes, assessments, charges and levies in the aggregate could not reasonably be expected to have a Material Adverse Effect.

9.5 Corporate Existence, etc.

Subject to Section 10.2, the Company will at all times preserve and keep in full force and effect its corporate existence. Subject to Sections 10.2 and 10.3, the Company will at all times preserve and keep in full force and effect the corporate existence of each of its Subsidiaries (unless merged into the Company or a Wholly-Owned Subsidiary) and all rights and franchises of the Company and its Subsidiaries unless, in the good faith judgment of the Company, the termination of or failure to preserve and keep in full force and effect such corporate existence, right or franchise could not, individually or in the aggregate, have a Material Adverse Effect.

9.6 Books and Records.

The Company will, and will cause each of its Subsidiaries to, maintain proper books of record and account in conformity with GAAP and all applicable requirements of any Governmental Authority having legal or regulatory jurisdiction over the Company or such Subsidiary, as the case may be.

9.7 Ranking of Obligations.

The Company will ensure that its payment obligations under this Agreement and the Notes will at all times rank at least *pari passu*, without preference or priority, with all other unsecured unsubordinated Indebtedness of the Company. The Company will ensure that each Guarantor's payment obligations under the Guaranty Agreement will at all times rank at least *pari passu*, without preference or priority, with all other unsecured unsubordinated Indebtedness of such Guarantor.

9.8 Guaranty by Subsidiaries; Liens.

(a) If at any time, pursuant to the terms and conditions of any Major Credit Facility, any existing or newly acquired or formed Subsidiary of the Company becomes obligated as a guarantor or obligor under such Major Credit Facility, the Company will, at its sole cost and expense, cause such Subsidiary to concurrently therewith become a Guarantor in respect of this Agreement and the Notes, and within ten (10) Business Days thereafter will deliver to each of the holders of the Notes the following items:

(i) an executed supplement to the Guaranty Agreement in the form of Exhibit A thereto (a “**Guaranty Supplement**”);

(ii) such documents and evidence with respect to such Subsidiary as the Required Holders may reasonably request in order to establish the existence and good standing of such Subsidiary and the authorization of the transactions contemplated by such Guaranty Supplement; and

(iii) an opinion of counsel to the Company and such Subsidiary in form and substance satisfactory to the Required Holders to the effect that (x) such Guaranty Supplement has been duly authorized, executed and delivered by such Subsidiary, (y) the Guaranty Agreement as supplemented by such Guaranty Supplement constitutes the legal, valid and binding contract and agreement of such Subsidiary, enforceable in accordance with its terms (except as enforcement of such terms may be limited by bankruptcy, insolvency, reorganization, moratorium, fraudulent conveyance and similar laws affecting the enforcement of creditors’ rights generally and by general equitable principles) and (z) the execution, delivery and performance by such Subsidiary of such Guaranty Supplement do not (A) violate any law, rule or regulation applicable to such Subsidiary, or (B) (1) conflict with or result in any breach of any of the provisions of or constitute a default under or result in the creation or imposition of any Lien not permitted by Section 10.6 or (2) conflict with or result in any breach of any of the provisions of or constitute a default under (I) the provisions of the charter, bylaws, certificate of formation, operating agreement or other constitutive documents of such Subsidiary, or (II) any agreement or other instrument to which such Subsidiary is a party or by which such Subsidiary may be bound;

provided, that notwithstanding anything contained in this Section 9.8(a) to the contrary, the Company shall be under no obligation to (but may in its sole discretion) require any Foreign Subsidiary to become a Guarantor in respect of this Agreement and the Notes to the extent such Foreign Subsidiary’s obligations under all Major Credit Facilities consist solely of direct borrowings solely to such Foreign Subsidiary (a “**Foreign Borrowing**”) or guaranties of a Foreign Borrowing by another Foreign Subsidiary.

(b) If at any time, pursuant to the terms and conditions of all of the Major Credit Facilities, any Guarantor is discharged and released from its Guaranty of Indebtedness under all of the Major Credit Facilities and (i) such Guarantor is not a co-obligor under any of the Major Credit Facilities and (ii) the Company will have delivered to each holder of Notes an Officer’s Certificate certifying that (x) the condition specified in clause (i) above has been satisfied and (y) immediately preceding the release of such

Guarantor from the Guaranty Agreement and after giving effect thereto, no Default or Event of Default will have existed or would exist, then, upon receipt by the holders of Notes of such Officer's Certificate, such Guarantor will be discharged and released, automatically and without the need for any further action, from its obligations under the Guaranty Agreement; provided that, if in connection with any release of a Guarantor from its Guaranty of Indebtedness under any Major Credit Facility any fee or other consideration (excluding, for the avoidance of doubt, any repayment of the principal or interest under any Major Credit Facility in connection with such release) is paid or given to any holder of Indebtedness under such Major Credit Facility in connection with such release, each holder of a Note shall receive equivalent consideration on a pro rata basis in connection with such Guarantor's release from the Guaranty Agreement. Without limiting the foregoing, for purposes of further assurance, each of the holders of the Notes agrees to provide to the Company and such Guarantor, if reasonably requested by the Company or such Guarantor and at the Company's expense, written evidence of such discharge and release signed by such holder.

(c) If at any time, pursuant to the terms and conditions of any Major Credit Facility, the Company or any of its Subsidiaries are required to or elect to grant Liens on any of their assets to secure the Indebtedness evidenced by such Major Credit Facility, the Company will, at its sole cost and expense, grant, or cause such Subsidiary to grant, Liens on such assets (other than the Capital Stock of a Foreign Subsidiary if the pledge of such Capital Stock would result in adverse tax consequences to the Company or such Subsidiary not also caused by the grant of such Lien in respect of such Major Credit Facility) in favor of the holders of the Notes (or in favor of a collateral agent reasonably acceptable to the Required Holders for the benefit of the holders of the Notes), and within ten (10) Business Days thereafter will deliver to each of the holders of the Notes the following items:

(i) such security documents as the Required Holders deem reasonably necessary or advisable to grant to the holders of Notes (or such collateral agent for the benefit of the holders of Notes) a perfected first priority security interest to (or for the benefit of) the holders of Notes;

(ii) such documents and evidence with respect to such Liens as the Required Holders may reasonably request in order to establish the existence and priority of such Liens and the authorization of the transactions contemplated by such security documents; and

(iii) an opinion of counsel to the Company or such Subsidiary in form and substance satisfactory to the Required Holders to the effect that (x) such security documents have been duly authorized, executed and delivered by the Company or such Subsidiary, (y) such security documents constitute the legal, valid and binding contract and agreement of the Company or such Subsidiary, enforceable in accordance with their terms (except as enforcement of such terms may be limited by bankruptcy, insolvency, reorganization, moratorium, fraudulent conveyance and similar laws affecting the enforcement of creditors' rights generally and by general equitable principles) and (z) the execution, delivery and

performance by the Company or such Subsidiary of such security documents do not violate (A) any law, rule or regulation applicable to the Company or such Subsidiary, or (B)(1) conflict with or result in any breach of any of the provisions of or constitute a default under or result in the creation or imposition of any Lien not permitted by Section 10.6 or (2) conflict with or result in any breach of any of the provisions of or constitute a default under (I) the provisions of the charter, bylaws, certificate of formation, operating agreement or other constitutive documents of the Company or such Subsidiary, or (II) any agreement or other instrument to which the Company or such Subsidiary is a party or by which such Subsidiary may be bound;

(d) If at any time, pursuant to the terms and conditions of any Major Credit Facility, Liens granted by the Company or any Subsidiary are released under all of the Major Credit Facilities and the Company will have delivered to each holder of Notes an Officer's Certificate certifying that immediately preceding the release of such Liens and after giving effect thereto, no Default or Event of Default will have existed or would exist, then, upon receipt by the holders of Notes of such Officer's Certificate, such Liens in favor of the holders of Notes will be discharged and released, automatically and without the need for any further action; provided that, if in connection with any release of such Liens under any Major Credit Facility any fee or other consideration (excluding, for the avoidance of doubt, any repayment of the principal or interest under any Major Credit Facility in connection with such release) is paid or given to any holder of Indebtedness under such Major Credit Facility in connection with such release, each holder of a Note shall receive equivalent consideration on a pro rata basis in connection with such release of Liens securing the Indebtedness evidenced by this Agreement and the Notes. Without limiting the foregoing, for purposes of further assurance, each of the holders of the Notes agrees to provide to the Company, if reasonably requested by the Company and at the Company's expense, written evidence of such discharge and release signed by such holder (or the collateral agent appointed by the holders of Notes).

9.9 Intercreditor Agreement.

If at any time, pursuant to the terms and conditions of any Major Credit Facility, (a) Subsidiaries of the Company are required to provide a Guaranty of the Company's Indebtedness under such Major Credit Facility and such Subsidiaries are required to become a Guarantor in respect of this Agreement and the Notes or (b) the Company or any of its Subsidiaries are required to grant Liens on any of their assets to secure the Indebtedness evidenced by any Major Credit Facility or any guaranty thereof, and the Company or such Subsidiaries are required to grant Liens to secure the Indebtedness evidenced by this Agreement and the Notes, then the Company will, concurrently with the execution thereof or the granting of such Guaranties and/or Liens, cause the lenders under such Major Credit Facility to enter into, and the holders of Notes hereby agree to enter into, an intercreditor agreement in form and substance (including, without limitation, as to the sharing of recoveries and set offs) reasonably satisfactory to the Required Holders (the "**Intercreditor Agreement**") with the holders of Notes, or enter into a joinder agreement to such Intercreditor Agreement in form and substance reasonably satisfactory to the Required Holders (it being acknowledged and agreed that the Second Amended and Restated Intercreditor Agreement is in form and substance satisfactory to the Required Holders with

respect to the granting of Guaranties). Within ten (10) Business Days following the execution of any such Intercreditor Agreement (or any joinder thereto), the Company will deliver an executed copy thereof to each holder of Notes.

10. NEGATIVE COVENANTS.

The Company covenants that so long as any of the Notes are outstanding:

10.1 Transactions with Affiliates.

The Company will not and will not permit any Subsidiary to enter into directly or indirectly any Material transaction or group of related transactions which collectively are Material (including without limitation the purchase, lease, sale or exchange of properties of any kind or the rendering of any service) with any Affiliate (other than the Company or another Subsidiary), except in the ordinary course of business or pursuant to the reasonable requirements of the Company's or such Subsidiary's business and, in each case, upon fair and reasonable terms no less favorable to the Company or such Subsidiary than would be obtainable in a comparable arm's-length transaction with a Person not an Affiliate.

10.2 Merger, Consolidation, etc.

The Company will not, and will not permit any of its Subsidiaries to, consolidate with or merge with any other Person or convey, transfer or lease all or substantially all of its assets in a single transaction or series of transactions to any Person (except that, so long as no Default or Event of Default exists or would result therefrom, a Subsidiary of the Company may (x) consolidate with or merge with, or convey, transfer or lease all or substantially all of its assets in a single transaction or series of transactions to, the Company, another Subsidiary, or any other Person that will become, and in fact becomes, a Subsidiary immediately following the consummation of such merger, consolidation, conveyance, transfer or lease, so long as in each case involving a Guarantor, the survivor of such merger or consolidation or the transferee of such assets shall have assumed such Guarantor's obligations under the Guaranty Agreement (and to the extent the Guarantor is not the survivor or transferee, the Company shall cause the successor thereto to comply with clauses (a) and (b) of this Section 10.2 as if the Successor Company (as defined below) were the successor to such Guarantor) and (y) convey, transfer or lease all of its assets in compliance with the provisions of Section 10.3), provided that the foregoing restriction does not apply to the consolidation or merger of the Company with, or the conveyance, transfer or lease of substantially all of the assets of the Company in a single transaction or series of transactions to, any Person so long as:

(a) the successor formed by such consolidation or the survivor of such merger or the Person that acquires by conveyance, transfer or lease all or substantially all of the assets of the Company as an entirety, as the case may be (the "**Successor Company**"), will be a solvent corporation or limited liability company organized and existing under the laws of the United States of America, any State thereof or the District of Columbia;

(b) if the Company is not the Successor Company, such Successor Company will have executed and delivered to each holder of Notes its assumption of the due and punctual

performance and observance of each covenant and condition of this Agreement and the Notes (pursuant to such agreements and instruments as shall be reasonably satisfactory to the Required Holders), and the Company will have caused to be delivered to each holder of Notes an opinion of nationally recognized independent counsel, or other independent counsel reasonably satisfactory to the Required Holders, to the effect that all agreements or instruments effecting such assumption are enforceable in accordance with their terms (except as enforcement of such terms may be limited by bankruptcy, insolvency, reorganization, moratorium and similar laws affecting the enforcement of creditors' rights generally and by general equitable principles);

(c) immediately after giving effect to such transaction:

(i) no Default or Event of Default would exist, and

(ii) the Successor Company would be permitted by the provisions of Section 10.8 hereof to incur at least \$1.00 of additional Indebtedness (determined on a pro forma basis based upon EBITDA for the four (4) fiscal quarter period most recently ended for which financial statements have been provided to holders of Notes); and

(d) each Guarantor confirms in writing its obligations under and pursuant to the Guaranty Agreement;

provided, however, that no such conveyance, transfer or lease of all or substantially all of the assets of the Company will have the effect of releasing the Company (or any Successor Company) from its liability under this Agreement or the Notes, or of releasing any Guarantor (or any successor) from its liability under the Guaranty Agreement.

10.3 Sale of Assets.

Except as permitted under Section 10.2, the Company will not, and will not permit any of its Subsidiaries to, make any Asset Disposition unless:

(a) in the good faith opinion of the Company, the Asset Disposition is in exchange for consideration having a Fair Market Value at least equal to that of the property exchanged and is in the best interest of the Company or such Subsidiary; and

(b) immediately after giving effect to the Asset Disposition, no Default or Event of Default would exist and the Company would be permitted by the provisions of Section 10.8 hereof to incur at least \$1.00 of additional Indebtedness (determined on a pro forma basis based upon EBITDA for the four (4) fiscal quarter period most recently ended for which financial statements have been provided to holders of Notes); and

(c) immediately after giving effect to the Asset Disposition, the Disposition Value of all property that was the subject of any Asset Disposition occurring during the then current fiscal year of the Company, would not exceed an amount equal to 15% of Consolidated Total Assets determined as of the end of the then most recently ended fiscal

year of the Company.

If the Net Proceeds Amount from any Transfer is applied to a Debt Prepayment Application or a Property Reinvestment Application within 365 days after such Transfer, then such Transfer, only for the purpose of determining compliance with subsection (c) of this Section 10.3 as of any date, shall be deemed not to be an Asset Disposition as of the date of such application.

10.4 Line of Business.

The Company will not and will not permit any Subsidiary to engage in any business if, as a result, the general nature of the business in which the Company and its Subsidiaries, taken as a whole, would then be engaged would be substantially changed from the general nature of the business in which the Company and its Subsidiaries, taken as a whole, are engaged on the date of this Agreement as described in the Investor Presentation.

10.5 Terrorism Sanctions Regulations.

The Company will not and will not permit any Controlled Entity (a) to become (including by virtue of being owned or controlled by a Blocked Person), own or control a Blocked Person or any Person that is the target of sanctions imposed by the United Nations or by the European Union, or (b) directly or indirectly to have any investment in or engage in any dealing or transaction (including, without limitation, any investment, dealing or transaction involving the proceeds of the Notes) with any Person if such investment, dealing or transaction (i) would cause any holder or any Affiliate of such holder to be in violation of, or subject to sanctions under, any law or regulation applicable to such holder, or (ii) is prohibited by or subject to sanctions under any U.S. Economic Sanctions.

10.6 Liens.

The Company will not, and will not permit any of its Subsidiaries to, create, incur, assume or permit to exist (upon the happening of a contingency or otherwise) any Lien on or with respect to any property or asset (including, without limitation, any document or instrument in respect of goods or accounts receivable) of the Company or any such Subsidiary, whether now owned or held or hereafter acquired, or any income or profits therefrom, except:

(a) Permitted Liens; and

(b) Liens in addition to those permitted by clause (a) of this Section 10.6, provided that at the time of incurrence of such other Liens and after giving effect thereto, (i) the total amount of Indebtedness secured by Liens pursuant to this clause (b) at no time exceeds an amount equal to 15% of Consolidated Net Worth and (ii) the Company is in compliance with the terms of Section 10.9.

10.7 Minimum Interest Coverage Ratio.

The Company will not permit, as of the end of each fiscal quarter, beginning with the fiscal quarter ending September 30, 2025, the ratio of (a) EBITDA to (b) Interest Expense, in each case

for the period of four (4) consecutive fiscal quarters ending on the end of such fiscal quarter, to be less than 2.00 to 1.00.”

10.8 Maximum Leverage Ratio.

The Company and its consolidated Subsidiaries will not permit the ratio (the “**Leverage Ratio**”) of (a) (x) at any time the numerator of the leverage ratio covenant set forth in each Applicable Major Credit Facility is Consolidated Total Net Debt, Consolidated Total Net Debt, or (y) at any other time, Net Indebtedness to (b) EBITDA to be greater than (x) 4.0 to 1.0 during any Material Acquisition Period or (y) 3.5 to 1.0 at any other time. The Leverage Ratio will be calculated, in each case, determined as of the last day of each fiscal quarter of the Company based upon (i) for Net Indebtedness or Consolidated Total Net Debt (as applicable), Net Indebtedness or Consolidated Total Net Debt (as applicable) as of the last day of such fiscal quarter; and (ii) for EBITDA, the actual amount for the four (4) fiscal quarter period ending on such date.

10.9 Priority Debt.

The Company will not at any time permit Priority Debt to exceed 15% of Consolidated Total Assets (determined as of the then most recently ended fiscal quarter of the Company).

10.10 Subsidiary Debt.

The Company will not at any time permit any Subsidiary to, create, incur, assume, guaranty, permit to exist or otherwise become or remain directly or indirectly liable with respect to any Indebtedness other than:

(a) Indebtedness of a Subsidiary outstanding as of June 30, 2016 as described on Schedule 5.15 and any extension, renewal or refunding thereof if the principal amount thereof is not increased in connection with such extension, renewal or refunding;

(b) Indebtedness of a Subsidiary owed to the Company or a Wholly-Owned Subsidiary;

(c) Guaranties by a Subsidiary of Indebtedness of another Subsidiary that is otherwise permitted under the terms of this Agreement;

(d) Indebtedness evidenced by (i) any Guaranty Agreement (as the same may be supplemented from time to time by any Guaranty Supplement) or (ii) any Guaranty of any Major Credit Facility so long as such Subsidiary has executed and delivered a Guaranty Agreement and the Company has complied with the provisions of Section 9.8 and Section 9.9;

(e) Indebtedness of a Subsidiary in connection with a Permitted Receivables Securitization program permitted pursuant to Section 10.11;

(f) Indebtedness of a Subsidiary outstanding at the time such Subsidiary becomes a Subsidiary provided that (i) such Indebtedness shall not have been incurred in contemplation of such Subsidiary becoming a Subsidiary and (ii) immediately after such Subsidiary becomes a Subsidiary no Default or Event of Default shall exist, and provided, further, that such Indebtedness may not be extended, renewed or refunded except as otherwise permitted by this Agreement; and

(g) additional Indebtedness of a Subsidiary; provided that on the date the Subsidiary incurs or otherwise becomes liable with respect to any such additional Indebtedness and immediately after giving effect thereto and to the application of the proceeds thereof,

- (i) no Default or Event of Default shall exist;
- (ii) such Indebtedness can be incurred within the applicable limitations provided in Sections 10.8 and 10.9; and
- (iii) the total amount of all Indebtedness permitted under this Section 10.10(g) at no time exceeds an amount equal to 15% of Consolidated Total Assets (determined as of the then most recently ended fiscal quarter of the Company).

10.11 Permitted Receivables Securitization Program.

The Company will not, and will not permit any Subsidiary to, sell any Securitization Assets pursuant to a Permitted Receivables Securitization program or otherwise unless (a) immediately before and after giving effect to such sale, no Default or Event of Default exists, (b) after giving effect to such sale, the aggregate outstanding face amount of Securitization Assets sold by the Company or a Subsidiary pursuant to a Permitted Receivables Securitization program does not exceed \$200,000,000 (or its equivalent in other currencies) and (c) immediately after giving effect to such sale, the Company would be permitted by the provisions of Section 10.8 hereof to incur at least \$1.00 of additional Indebtedness (determined on a pro forma basis based upon EBITDA for the four (4) fiscal quarter period most recently ended for which financial statements have been provided to holders of Notes).

11. EVENTS OF DEFAULT.

An “Event of Default” shall exist if any of the following conditions or events shall occur and be continuing:

(a) the Company defaults in the payment of any principal, Make-Whole Amount or Net Loss with respect to any Swapped Note, if any, on any Note or any Guarantor defaults in the payment under the Guaranty Agreement when the same becomes due and payable, whether at maturity or at a date fixed for prepayment or by declaration or otherwise; or

(b) the Company defaults in the payment of any interest on any Note for more than five (5) Business Days after the same becomes due and payable; or

(c) the Company defaults in the performance of or compliance with any term contained in Section 7.1(d) or Section 10; or

(d) the Company defaults in the performance of or compliance with any term

contained herein (other than those referred to in Sections 11(a), (b) and (c)) and such default is not remedied within thirty (30) days after the earlier of (i) a Responsible Officer obtaining actual knowledge of such default and (ii) the Company receiving written notice of such default from any holder of a Note (any such written notice to be identified as a “notice of default” and to refer specifically to this Section 11(d)); or

(e)(i) any representation or warranty made in writing by or on behalf of the Company or by any officer of the Company in this Agreement or in any writing furnished in connection with the transactions contemplated hereby proves to have been false or incorrect in any material respect on the date as of which made, or (ii) any representation or warranty made in writing by or on behalf of any Guarantor or by any officer of such Guarantor in any Guaranty Agreement or any writing furnished in connection with such Guaranty Agreement proves to have been false or incorrect in any material respect on the date as of which made; or

(f) (i) the Company or any Significant Subsidiary is in default (as principal or as guarantor or other surety) in the payment of any principal of or premium or make- whole amount or interest on any Indebtedness that is outstanding in an aggregate principal amount of at least \$60,000,000 beyond any period of grace provided with respect thereto, or (ii) the Company or any Significant Subsidiary is in default in the performance of or compliance with any Material Covenant of any evidence of any Indebtedness in an aggregate outstanding principal amount of at least \$60,000,000, and as a consequence of such default such Indebtedness has become, or has been declared (or one or more Persons are entitled to declare such Indebtedness to be), due and payable before its stated maturity or before its regularly scheduled dates of payment, or (iii) the Company or any Significant Subsidiary is in default in the performance of or compliance with any term of any evidence of any Indebtedness in an aggregate outstanding principal amount of at least \$60,000,000 or any mortgage, indenture or other agreement relating thereto or any other condition exists, and as a consequence of such default or condition such Indebtedness has become, or has been declared, due and payable before its stated maturity or before its regularly scheduled dates of payment, or (iv) as a consequence of the occurrence or continuation of any event or condition (other than the passage of time or the right of the holder of Indebtedness to convert such Indebtedness into equity interests), (x) the Company or any Significant Subsidiary has become obligated to purchase or repay Indebtedness before its regular maturity or before its regularly scheduled dates of payment in an aggregate outstanding principal amount of at least \$60,000,000, or (y) one or more Persons have the right to require the Company or any Significant Subsidiary so to purchase or repay such Indebtedness as a result of a default in the performance of or compliance with any Material Covenant by the Company or any Significant Subsidiary; or

(g) the Company or any Significant Subsidiary (i) is generally not paying, or admits in writing its inability to pay, its debts as they become due, (ii) files, or consents by answer or otherwise to the filing against it of, a petition for relief or reorganization or arrangement or any other petition in bankruptcy, for liquidation or to take advantage of any bankruptcy, insolvency, reorganization, moratorium or other similar law of any jurisdiction, (iii) makes an assignment for the benefit of its creditors, (iv) consents to the appointment of a custodian, receiver, trustee or other officer with similar powers with

respect to it or with respect to any substantial part of its property, (v) is adjudicated as insolvent or to be liquidated, or (vi) takes corporate action for the purpose of any of the foregoing; or

(h) a court or Governmental Authority of competent jurisdiction enters an order appointing, without consent by the Company or any of its Significant Subsidiaries, a custodian, receiver, trustee or other officer with similar powers with respect to it or with respect to any substantial part of its property, or constituting an order for relief or approving a petition for relief or reorganization or any other petition in bankruptcy or for liquidation or to take advantage of any bankruptcy or insolvency law of any jurisdiction, or ordering the dissolution, winding-up or liquidation of the Company or any of its Significant Subsidiaries, or any such petition shall be filed against the Company or any of its Significant Subsidiaries and such petition shall not be dismissed within sixty (60) days; or

(i) a final judgment or judgments for the payment of money aggregating in excess of \$60,000,000 are rendered against one or more of the Company and its Significant Subsidiaries (except to the extent covered by independent third party insurance as to which the insurer has acknowledged coverage) and which judgments are not, within sixty (60) days after entry thereof, bonded, discharged or stayed pending appeal, or are not discharged within sixty (60) days after the expiration of such stay; or

(j) if (i) any Plan subject to Title IV of ERISA or Section 412 of the Code shall fail to satisfy the minimum funding standards of ERISA or the Code for any plan year or part thereof or a waiver of such standards or extension of any amortization period is sought or granted under section 412 of the Code, (ii) a notice of intent to terminate any Plan subject to Title IV of ERISA shall have been or is reasonably expected to be filed with the PBGC or the PBGC shall have instituted proceedings under ERISA section 4042 to terminate or appoint a trustee to administer any Plan or the PBGC shall have notified in writing the Company or any ERISA Affiliate that a Plan may become a subject of any such proceedings, (iii) the aggregate "amount of unfunded benefit liabilities" (within the meaning of section 4001(a)(18) of ERISA) under all Plans (other than Multiemployer Plans) subject to Title IV of ERISA, determined in accordance with Title IV of ERISA, shall exceed \$60,000,000, (iv) the aggregate present value of accrued benefit liabilities under all funded Non-U.S. Plans exceeds the aggregate current value of the assets of such Non-U.S. Plans allocable to such liabilities, (v) the Company or any ERISA Affiliate shall have incurred or is reasonably expected to incur any liability for the failure to comply with the provisions of Title I of ERISA or pursuant to Title IV of ERISA or the penalty or excise tax provisions of the Code relating to employee benefit plans, (vi) the Company or any ERISA Affiliate withdraws from any Multiemployer Plan, or (vii) the Company or any Subsidiary establishes or amends any employee welfare benefit plan that provides post-employment welfare benefits in a manner that would increase the liability of the Company or any Subsidiary thereunder, (viii) the Company or any Subsidiary fails to administer or maintain a Non-U.S. Plan in compliance with the requirements of any and all applicable laws, statutes, rules, regulations or court orders or any Non-U.S. Plan is involuntarily terminated or wound up, or (ix) the Company or any Subsidiary becomes subject to the imposition of a financial penalty (which for this purpose shall mean any tax, penalty or other liability, whether by way of indemnity or otherwise) with respect to one or more

Non-U.S. Plans; and any such event or events described in clauses (i) through (ix) above, either individually or together with any other such event or events, could reasonably be expected to have a Material Adverse Effect; or

(k)(i) a default shall occur under the Guaranty Agreement and such default shall continue beyond the period of grace, if any, allowed with respect thereto or (ii) except as expressly permitted under Section 9.8(b), the Guaranty Agreement shall cease to be in full force and effect for any reason whatsoever with respect to one or more Guarantors, including, without limitation, a determination by any Governmental Authority or court that such agreement is invalid, void or unenforceable with respect to one or more Guarantors or any Guarantor shall contest or deny in writing the validity or enforceability of any of its obligations under the Guaranty Agreement.

As used in Section 11(j), the terms “employee benefit plan” and “employee welfare benefit plan” shall have the respective meanings assigned to such terms in section 3 of ERISA.

12. REMEDIES ON DEFAULT, ETC.

12.1 Acceleration.

(a) If an Event of Default with respect to the Company or any Guarantor described in Section 11(g) or (h) (other than an Event of Default described in clause (i) of Section 11(g) or described in clause (vi) of Section 11(g) by virtue of the fact that such clause encompasses clause (i) of Section 11(g)) has occurred, all the Notes then outstanding shall automatically become immediately due and payable.

(b) If any other Event of Default has occurred and is continuing, the Required Holders may at any time at their option, by notice or notices to the Company, declare all the Notes then outstanding to be immediately due and payable.

(c) If any Event of Default described in Section 11(a) or (b) has occurred and is continuing, any holder or holders of Notes at the time outstanding affected by such Event of Default may at any time, at its or their option, by notice or notices to the Company, declare all the Notes held by it or them to be immediately due and payable.

Upon any Notes becoming due and payable under this Section 12.1, whether automatically or by declaration, such Notes will forthwith mature and the entire unpaid principal amount of such Notes, plus (x) all accrued and unpaid interest thereon (including, but not limited to, interest accrued thereon at the Default Rate upon the occurrence and during the continuance of an Event of Default), (y) the applicable Make-Whole Amount, if any, determined in respect of such principal amount (to the full extent permitted by applicable law), as applicable, and (z) any Net Loss with respect to any Swapped Note and, subject to Section 8.9, less the amount of any Net Gain with respect to any Swapped Note shall all be immediately due and payable, in each and every case without presentment, demand, protest or further notice, all of which are hereby waived. The Company acknowledges, and the parties hereto agree, that each holder of a Note has the right to maintain its investment in the Notes free from repayment by the Company (except as herein specifically provided for) and that the provision for payment of a Make-Whole Amount, if any, by

the Company if the Notes are prepaid or are accelerated as a result of an Event of Default, is intended to provide compensation for the deprivation of such right under such circumstances.

12.2 Other Remedies.

If any Default or Event of Default has occurred and is continuing, and irrespective of whether any Notes have become or have been declared immediately due and payable under Section 12.1, the holder of any Note at the time outstanding may proceed to protect and enforce the rights of such holder by an action at law, suit in equity or other appropriate proceeding, whether for the specific performance of any agreement contained herein or in any Note or Guaranty Agreement, or for an injunction against a violation of any of the terms hereof or thereof, or in aid of the exercise of any power granted hereby or thereby or by law or otherwise.

12.3 Rescission.

At any time after any Notes have been declared due and payable pursuant to Section 12.1(b) or (c), the Required Holders, by written notice to the Company, may rescind and annul any such declaration and its consequences if (a) the Company has paid all overdue interest on the Notes, all principal of and Make-Whole Amount and/or Net Loss with respect to any Swapped Note, if any, on any Notes that are due and payable and are unpaid other than by reason of such declaration, and all interest on such overdue principal and Make-Whole Amount and/or Net Loss with respect to any Swapped Note, if any, and (to the extent permitted by applicable law) any overdue interest in respect of the Notes, at the Default Rate, (b) neither the Company nor any other Person shall have paid any amounts which have become due solely by reason of such declaration, (c) all Events of Default and Defaults, other than non-payment of amounts that have become due solely by reason of such declaration, have been cured or have been waived pursuant to Section 17, and (d) no judgment or decree has been entered for the payment of any monies due pursuant hereto or to the Notes. No rescission and annulment under this Section 12.3 will extend to or affect any subsequent Event of Default or Default or impair any right consequent thereon.

12.4 No Waivers or Election of Remedies, Expenses, etc.

No course of dealing and no delay on the part of any holder of any Note in exercising any right, power or remedy shall operate as a waiver thereof or otherwise prejudice such holder's rights, powers or remedies. No right, power or remedy conferred by this Agreement, the Guaranty Agreement or by any Note upon any holder thereof shall be exclusive of any other right, power or remedy referred to herein or therein or now or hereafter available at law, in equity, by statute or otherwise. Without limiting the obligations of the Company under Section 15, the Company will pay to the holder of each Note on demand such further amount as shall be sufficient to cover all costs and expenses of such holder incurred in any enforcement or collection under this Section 12, including, without limitation, reasonable attorneys' fees, expenses and disbursements.

13. REGISTRATION; EXCHANGE; SUBSTITUTION OF NOTES.

13.1 Registration of Notes.

The Company shall keep at its principal executive office a register for the registration and registration of transfers of Notes. The name and address of each holder of one or more Notes, each transfer thereof and the name and address of each transferee of one or more Notes shall be registered in such register. If any holder of one or more Notes is a nominee, then (a) the name

and address of the beneficial owner of such Note or Notes shall also be registered in such register as an owner and holder thereof and (b) at any such beneficial owner's option, either such beneficial owner or its nominee may execute any amendment, waiver or consent pursuant to this Agreement. Prior to due presentment for registration of transfer, the Person in whose name any Note shall be registered shall be deemed and treated as the owner and holder thereof for all purposes hereof, and the Company shall not be affected by any notice or knowledge to the contrary. The Company shall give to any holder of a Note that is an Institutional Investor promptly upon request therefor, a complete and correct copy of the names and addresses of all registered holders of Notes.

13.2 Transfer and Exchange of Notes.

Upon surrender of any Note to the Company at the address and to the attention of the designated officer (all as specified in Section 18(iii)), for registration of transfer or exchange (and in the case of a surrender for registration of transfer accompanied by a written instrument of transfer duly executed by the registered holder of such Note or such holder's attorney duly authorized in writing and accompanied by the relevant name, address and other information for notices of each transferee of such Note or part thereof), within ten Business Days thereafter, the Company shall execute and deliver, at the Company's expense (except as provided below), one or more new Notes (as requested by the holder thereof) in exchange therefor, in an aggregate principal amount equal to the unpaid principal amount of the surrendered Note. Each such new Note shall be payable to such Person as such holder may request and shall be substantially in the form of Exhibit 1. Each such new Note shall be dated and bear interest from the date to which interest shall have been paid on the surrendered Note or dated the date of the surrendered Note if no interest shall have been paid thereon. The Company may require payment of a sum sufficient to cover any stamp tax or governmental charge imposed in respect of any such transfer of Notes. Notes shall not be transferred in denominations of less than €100,000, provided that if necessary to enable the registration of transfer by a holder of its entire holding of Notes, one Note may be in a denomination of less than €100,000. Any transferee, by its acceptance of a Note registered in its name (or the name of its nominee), shall be deemed to have made the representation set forth in Section 6.3.

The Notes have not been registered under the Securities Act or under the securities laws of any state and may not be transferred or resold unless registered under the Securities Act and all applicable state securities laws or unless an exemption from the requirement for such registration is available.

13.3 Replacement of Notes.

Upon receipt by the Company at the address and to the attention of the designated officer (all as specified in Section 18(iii)) of evidence reasonably satisfactory to it of the ownership of and the loss, theft, destruction or mutilation of any Note (which evidence shall be, in the case of an Institutional Investor, notice from such Institutional Investor of such ownership and such loss, theft, destruction or mutilation), and

(a) in the case of loss, theft or destruction, of indemnity reasonably satisfactory to it (provided that if the holder of such Note is, or is a nominee for, an

original Purchaser or another holder of a Note with a minimum net worth of at least \$50,000,000 or a Qualified Institutional Buyer, such Person's own unsecured agreement of indemnity shall be deemed to be satisfactory), or

(b) in the case of mutilation, upon surrender and cancellation thereof,

within fifteen (15) Business Days thereafter, the Company at its own expense shall execute and deliver, in lieu thereof, a new Note, dated and bearing interest from the date to which interest shall have been paid on such lost, stolen, destroyed or mutilated Note or dated the date of such lost, stolen, destroyed or mutilated Note if no interest shall have been paid thereon.

14. PAYMENTS ON NOTES.

14.1 Place of Payment.

Subject to Section 14.2, payments of principal, Make-Whole Amount and/or Net Loss with respect to any Swapped Note, if any, and interest becoming due and payable on the Notes shall be made in New York, New York at the principal office of Bank of America, N.A. in such jurisdiction. The Company may at any time, by notice to each holder of a Note, change the place of payment of the Notes so long as such place of payment shall be either the principal office of the Company in such jurisdiction or the principal office of a bank or trust company in such jurisdiction.

14.2 Home Office Payment.

So long as any Purchaser or its nominee shall be the holder of any Note, and notwithstanding anything contained in Section 14.1 or in such Note to the contrary, the Company will pay all sums becoming due on such Note for principal, Make-Whole Amount and/or Net Loss with respect to any Swapped Note, if any, and interest by the method and at the address specified for such purpose below such Purchaser's name in Schedule A, or by such other commercially reasonable method or at such other address as such Purchaser shall have from time to time specified to the Company in writing for such purpose, without the presentation or surrender of such Note or the making of any notation thereon, except that upon written request of the Company made concurrently with or reasonably promptly after payment or prepayment in full of any Note, such Purchaser shall surrender such Note for cancellation, reasonably promptly after any such request, to the Company at its principal executive office or at the place of payment most recently designated by the Company pursuant to Section 14.1. Prior to any sale or other disposition of any Note held by a Purchaser or its nominee, such Purchaser will, at its election, either endorse thereon the amount of principal paid thereon and the last date to which interest has been paid thereon or surrender such Note to the Company in exchange for a new Note or Notes pursuant to Section 13.2. The Company will afford the benefits of this Section 14.2 to any Institutional Investor that is the direct or indirect transferee of any Note purchased by a Purchaser under this Agreement and that has made the same agreement relating to such Note as the Purchasers have made in this Section 14.2.

14.3 FATCA Information.

By acceptance of any Note, the holder of such Note agrees that such holder will with reasonable promptness duly complete and deliver to the Company, or to such other Person as may be reasonably requested by the Company, from time to time (a) in the case of any such holder that is a United States Person, such holder's United States tax identification number or other Forms reasonably requested by the Company necessary to establish such holder's status as a United States Person under FATCA and as may otherwise be necessary for the Company to comply with its obligations under FATCA and (b) in the case of any such holder that is not a United States Person, such documentation prescribed by applicable law (including as prescribed by section 1471(b)(3)(C)(i) of the Code) and such additional documentation as may be necessary for the Company to comply with its obligations under FATCA and to determine that such holder has complied with such holder's obligations under FATCA or to determine the amount (if any) to deduct and withhold from any such payment made to such holder. Nothing in this Section 14.3 shall require any holder to provide information that is confidential or proprietary to such holder unless the Company is required to obtain such information under FATCA and, in such event, the Company shall treat any such information it receives as confidential

15. EXPENSES, ETC.

15.1 Transaction Expenses.

Whether or not the transactions contemplated hereby are consummated, the Company will pay all costs and expenses (including reasonable attorneys' fees of a special counsel and, if reasonably required by the Required Holders, local or other counsel) incurred by the Purchasers and each other holder of a Note in connection with such transactions and in connection with any amendments, waivers or consents under or in respect of this Agreement, the Guaranty Agreement or the Notes (whether or not such amendment, waiver or consent becomes effective), including, without limitation: (a) the costs and expenses incurred in enforcing or defending (or determining whether or how to enforce or defend) any rights under this Agreement, the Guaranty Agreement or the Notes or in responding to any subpoena or other legal process or informal investigative demand issued in connection with this Agreement, the Guaranty Agreement or the Notes, or by reason of being a holder of any Note, (b) the costs and expenses, including financial advisors' fees, incurred in connection with the insolvency or bankruptcy of the Company or any Subsidiary or in connection with any work-out or restructuring of the transactions contemplated hereby, by the Guaranty Agreement and by the Notes and (c) the costs and expenses incurred in connection with the initial filing of this Agreement and all related documents and financial information with the SVO, provided that such costs and expenses under this clause (c) shall not exceed \$5,000.

The Company will pay, and will save each Purchaser and each other holder of a Note harmless from, (i) all claims in respect of any fees, costs or expenses, if any, of brokers and finders (other than those, if any, retained by a Purchaser or other holder in connection with its purchase of the Notes), (ii) any and all wire transfer fees that any bank or other financial institution deducts from any payment under such Note to such holder or otherwise charges to a holder of a Note with respect to a payment under such Note and (iii) any judgment, liability, claim, order, decree, fine, penalty, cost, fee, expense (including reasonable attorneys' fees and expenses) or obligation resulting from the consummation of the transactions contemplated hereby, including the use of the proceeds of the Notes by the Company.

15.2 Certain Taxes.

The Company agrees to pay all stamp, documentary or similar taxes or fees which may be payable in respect of the execution and delivery or the enforcement of this Agreement or any Subsidiary Guaranty or the execution and delivery (but not the transfer) or the enforcement of any of the Notes in the United States or any other jurisdiction where the Company or any Subsidiary Guarantor has assets or of any amendment of, or waiver or consent under or with respect to, this Agreement or by the Guaranty Agreement or of any of the Notes, and to pay any value added tax due and payable in respect of reimbursement of costs and expenses by the Company pursuant to this Section 15, and will save each holder of a Note to the extent permitted by applicable law harmless against any loss or liability resulting from nonpayment or delay in payment of any such tax or fee required to be paid by the Company hereunder

15.3 Survival.

The obligations of the Company under this Section 15 will survive the payment or transfer of any Note, the enforcement, amendment or waiver of any provision of this Agreement, the Guaranty Agreement or the Notes, and the termination of this Agreement or the Guaranty Agreement.

16. SURVIVAL OF REPRESENTATIONS AND WARRANTIES; ENTIRE AGREEMENT.

All representations and warranties contained herein shall survive the execution and delivery of this Agreement and the Notes, the purchase or transfer by any Purchaser of any Note or portion thereof or interest therein and the payment of any Note, and may be relied upon by any subsequent holder of a Note, regardless of any investigation made at any time by or on behalf of such Purchaser or any other holder of a Note. All statements contained in any certificate or other instrument delivered by or on behalf of the Company or any Guarantor pursuant to this Agreement or the Guaranty Agreement shall be deemed representations and warranties of the Company or such Guarantor under this Agreement or the Guaranty Agreement, as applicable. Subject to the preceding sentence, this Agreement, the Notes and the Guaranty Agreement embody the entire agreement and understanding between each Purchaser, the Company and the Guarantors and supersede all prior agreements and understandings relating to the subject matter hereof.

17. AMENDMENT AND WAIVER.

17.1 Requirements.

This Agreement and the Notes may be amended, and the observance of any term hereof or of the Notes may be waived (either retroactively or prospectively), with (and only with) the written consent of the Company and the Required Holders, except that (a) no amendment or waiver of any of the provisions of Section 1, 2, 3, 4, 5, 6 or 21 hereof, or any defined term (as it is used therein), will be effective as to any Purchaser unless consented to by such Purchaser in writing, and (b) no such amendment or waiver may, without the written consent of the holder of each Note at the time outstanding affected thereby, (i) subject to the provisions of Section 12 relating to acceleration or rescission, change the amount or time of any prepayment or payment of principal of, or reduce the

rate or change the time of payment or method of computation of interest or of the Make-Whole Amount on, the Notes, or the Net Loss, Net Gain or Swap Breakage Amount with respect to any Swapped Note, (ii) change the percentage of the principal amount of the Notes the holders of which are required to consent to any amendment or waiver or the principal amount of the Notes that the Purchasers are to purchase pursuant to Section 2 upon the satisfaction of the conditions to Closing that appear in Section 4, or (iii) amend any of Sections 8, 11(a), 11(b), 12, 17, 20 or 22.9. No Guarantor may be released from the Guaranty Agreement without the written consent of the holder of each Note at the time outstanding (other than in compliance with Section 9.8(b)). For purposes of Section 10 of the Intercreditor Agreement, the Required Holders shall constitute the requisite number of holders of Notes required under this Agreement to approve an amendment to or waiver of any provision of the Intercreditor Agreement or to consent to a departure by any Lender (as defined in the Intercreditor Agreement) therefrom. For purposes of Section 16 of the Intercreditor Agreement, (x) each of the holders of the Notes shall constitute the requisite parties under this Agreement to whom a Joinder Agreement (as defined in the Intercreditor Agreement) shall be executed and delivered by any New Creditor (as defined in the Intercreditor Agreement) and (y) with respect to the proviso to the first sentence of such Section 16, if any default, event of default or event of termination has occurred and is continuing under any of the Revolving Credit Agreement, the 2008 Note Agreement, the 2009 Note Agreement or any other applicable Financing Agreement (each such term as defined in the Intercreditor Agreement), the Required Holders shall constitute the requisite number of holders of Notes required under this Agreement to approve the addition of any other New Creditor (as defined in the Intercreditor Agreement).

17.2 Solicitation of Holders of Notes.

(a) Solicitation. The Company will provide each holder of a Note (irrespective of the amount of the Notes then owned by it) with sufficient information, sufficiently far in advance of the date a decision is required, to enable such holder to make an informed and considered decision with respect to any proposed amendment, waiver or consent in respect of any of the provisions hereof or of the Notes or the Guaranty Agreement. The Company will deliver executed or true and correct copies of each amendment, waiver or consent effected pursuant to this Section 17 or the Guaranty Agreement to each holder of a Note promptly following the date on which it is executed and delivered by, or receives the consent or approval of, the requisite holders of Notes.

(b) Payment. The Company will not directly or indirectly pay or cause to be paid any remuneration, whether by way of supplemental or additional interest, fee or otherwise, or grant any security or provide other credit support, to any holder of a Note as consideration for or as an inducement to the entering into by such holder of any waiver or amendment of any of the terms and provisions hereof or of any the Guaranty Agreement or any Note unless such remuneration is concurrently paid, or security is concurrently granted or other credit support concurrently provided, on the same terms, ratably to each holder of a Note even if such holder did not consent to such waiver or amendment.

(c) Consent in Contemplation of Transfer. Any consent given pursuant to this Section 17 or the Guaranty Agreement by a holder of a Note that has transferred or has agreed to transfer its Note to (i) the Company, (ii) any Subsidiary or any Affiliate or (iii)

any other Person in connection with, or in anticipation of, such other Person acquiring, making a tender offer for or merging with the Company and/or any of its Affiliates, in each case, in connection with such consent shall be void and of no force or effect except solely as to such holder, and any amendments effected or waivers granted or to be effected or granted that would not have been or would not be so effected or granted but for such consent (and the consents of all other holders of Notes that were acquired under the same or similar conditions) shall be void and of no force or effect except solely as to such holder.

17.3 Binding Effect, etc.

Any amendment or waiver consented to as provided in this Section 17 or the Guaranty Agreement applies equally to all holders of Notes and is binding upon them and upon each future holder of any Note and upon the Company without regard to whether such Note has been marked to indicate such amendment or waiver. No such amendment or waiver will extend to or affect any obligation, covenant, agreement, Default or Event of Default not expressly amended or waived or impair any right consequent thereon. No course of dealing between the Company and any holder of a Note and no delay in exercising any rights hereunder or under any Note or the Guaranty Agreement shall operate as a waiver of any rights of any holder of such Note. As used herein, the term “this Agreement” and references thereto shall mean this Agreement as it may from time to time be amended or supplemented.

17.4 Notes Held by Company, etc.

Solely for the purpose of determining whether the holders of the requisite percentage of the aggregate principal amount of Notes then outstanding approved or consented to any amendment, waiver or consent to be given under this Agreement, the Guaranty Agreement or the Notes, or have directed the taking of any action provided herein or in the Guaranty Agreement or the Notes to be taken upon the direction of the holders of a specified percentage of the aggregate principal amount of Notes then outstanding, Notes directly or indirectly owned by the Company or any of its Affiliates shall be deemed not to be outstanding.

18. NOTICES.

All notices and communications provided for hereunder shall be in writing and sent (a) by telecopy if the sender on the same day sends a confirming copy of such notice by a recognized overnight delivery service (charges prepaid), or (b) by registered or certified mail with return receipt requested (postage prepaid), or (c) by a recognized overnight delivery service (with charges prepaid). Any such notice must be sent:

(i) if to any Purchaser or its nominee, to such Purchaser or nominee at the address specified for such communications in Schedule A, or at such other address as such Purchaser or nominee shall have specified to the Company in writing,

(ii) if to any other holder of any Note, to such holder at such address as such other holder shall have specified to the Company in writing, or

(iii) if to the Company, to the Company at its address set forth at the

beginning hereof to the attention of the Chief Financial Officer, or at such other address as the Company shall have specified to the holder of each Note in writing.

Notices under this Section 18 will be deemed given only when actually received.

19. REPRODUCTION OF DOCUMENTS.

This Agreement and all documents relating hereto, including, without limitation, (a) consents, waivers and modifications that may hereafter be executed, (b) documents received by any Purchaser at the Closing (except the Notes themselves), and (c) financial statements, certificates and other information previously or hereafter furnished to any Purchaser, may be reproduced by such Purchaser by any photographic, photostatic, electronic, digital, or other similar process and such Purchaser may destroy any original document so reproduced. The Company agrees and stipulates that, to the extent permitted by applicable law, any such reproduction shall be admissible in evidence as the original itself in any judicial or administrative proceeding (whether or not the original is in existence and whether or not such reproduction was made by such Purchaser in the regular course of business) and any enlargement, facsimile or further reproduction of such reproduction shall likewise be admissible in evidence. This Section 19 shall not prohibit the Company or any other holder of Notes from contesting any such reproduction to the same extent that it could contest the original, or from introducing evidence to demonstrate the inaccuracy of any such reproduction.

20. CONFIDENTIAL INFORMATION.

For the purposes of this Section 20, “Confidential Information” means information delivered to any Purchaser or any holder of a Note by or on behalf of the Company or any Subsidiary in connection with the transactions contemplated by or otherwise pursuant to this Agreement that is proprietary in nature and that was clearly marked or labeled or otherwise adequately identified when received by such Purchaser as being confidential information of the Company or such Subsidiary, provided that such term does not include information that (a) was publicly known or otherwise known to such Purchaser prior to the time of such disclosure, (b) subsequently becomes publicly known through no act or omission by such Purchaser or any Person acting on such Purchaser’s behalf, (c) otherwise becomes known to such Purchaser other than through disclosure by the Company or any Subsidiary or (d) constitutes financial statements delivered to such Purchaser under Section 7.1 that are otherwise publicly available. Each Purchaser will maintain the confidentiality of such Confidential Information in accordance with procedures adopted by such Purchaser in good faith to protect confidential information of third parties delivered to such Purchaser, provided that such Purchaser may deliver or disclose Confidential Information to (i) its directors, officers, employees, agents, attorneys, trustees and affiliates (to the extent such disclosure reasonably relates to the administration of the investment represented by its Notes), (ii) its financial advisors and other professional advisors who agree to hold confidential the Confidential Information substantially in accordance with the terms of this Section 20, (iii) any other holder of any Note, (iv) any Institutional Investor to which it sells or offers to sell such Note or any part thereof or any participation therein (if such Person has agreed in writing prior to its receipt of such Confidential Information to be bound by the provisions of this Section 20), (v) any Person from which it offers to purchase any Security of the Company (if such Person has agreed in writing prior to its receipt of such Confidential Information to be bound by the provisions of

this Section 20), (vi) any federal or state regulatory authority having jurisdiction over such Purchaser, (vii) the NAIC or the SVO or, in each case, any similar organization, or any nationally recognized rating agency that requires access to information about such Purchaser's investment portfolio, or (viii) any other Person to which such delivery or disclosure may be necessary or appropriate (w) to effect compliance with any law, rule, regulation or order applicable to such Purchaser, (x) in response to any subpoena or other legal process, (y) in connection with any litigation to which such Purchaser is a party or (z) if an Event of Default has occurred and is continuing, to the extent such Purchaser may reasonably determine such delivery and disclosure to be necessary or appropriate in the enforcement or for the protection of the rights and remedies under such Purchaser's Notes, this Agreement or the Guaranty Agreement. Each holder of a Note, by its acceptance of a Note, will be deemed to have agreed to be bound by and to be entitled to the benefits of this Section 20 as though it were a party to this Agreement. On reasonable request by the Company in connection with the delivery to any holder of a Note of information required to be delivered to such holder under this Agreement or requested by such holder (other than a holder that is a party to this Agreement or its nominee), such holder will enter into an agreement with the Company embodying the provisions of this Section 20.

In the event that as a condition to receiving access to information relating to the Company or its Subsidiaries in connection with the transactions contemplated by or otherwise pursuant to this Agreement, any Purchaser or holder of a Note is required to agree to a confidentiality undertaking (whether through IntraLinks, another secure website, a secure virtual workspace or otherwise) which is different from this Section 20, this Section 20 shall not be amended thereby and, as between such Purchaser or such holder and the Company, at the time of effectiveness of this Agreement, this Section 20 shall supersede any such other confidentiality undertaking, but only to the extent such undertakings are inconsistent.

21. SUBSTITUTION OF PURCHASER.

Each Purchaser shall have the right to substitute any one of its Affiliates as the purchaser of the Notes that it has agreed to purchase hereunder, by written notice to the Company, which notice shall be signed by both such Purchaser and such Affiliate, shall contain such Affiliate's agreement to be bound by this Agreement and shall contain a confirmation by such Affiliate of the accuracy with respect to it of the representations set forth in Section 6. Upon receipt of such notice, any reference to such Purchaser in this Agreement (other than in this Section 21), shall be deemed to refer to such Affiliate in lieu of such original Purchaser. In the event that such Affiliate is so substituted as a Purchaser hereunder and such Affiliate thereafter transfers to such original Purchaser all of the Notes then held by such Affiliate, upon receipt by the Company of notice of such transfer, any reference to such Affiliate as a "Purchaser" in this Agreement (other than in this Section 21), shall no longer be deemed to refer to such Affiliate, but shall refer to such original Purchaser, and such original Purchaser shall again have all the rights of an original holder of the Notes under this Agreement.

22. MISCELLANEOUS.

22.1 Successors and Assigns.

All covenants and other agreements contained in this Agreement by or on behalf of any
of

the parties hereto bind and inure to the benefit of their respective successors and assigns (including, without limitation, any subsequent holder of a Note) whether so expressed or not, except that the Company may not assign or otherwise transfer any of its rights or obligations hereunder or under the Notes without the prior written consent of each holder (other than in connection with any transfer permitted under Section 10.2). Nothing in this Agreement, expressed or implied, shall be construed to confer upon any Person (other than the parties hereto and their respective successors and assigns permitted hereby) any legal or equitable right, remedy or claim under or by reason of this Agreement.

22.2 Payments Due on Non-Business Days.

Anything in this Agreement or the Notes to the contrary notwithstanding (but without limiting the requirement in Section 8.6 that the notice of any prepayment specify a Business Day as the date fixed for such prepayment), any payment of principal of or Make- Whole Amount, Net Loss with respect to any Swapped Note or interest on any Note that is due on a date other than a Business Day shall be made on the next succeeding Business Day without including the additional days elapsed in the computation of the interest payable on such next succeeding Business Day; provided that if the maturity date of any Note is a date other than a Business Day, the payment otherwise due on such maturity date shall be made on the next succeeding Business Day and shall include the additional days elapsed in the computation of interest payable on such next succeeding Business Day.

22.3 Accounting Terms.

(a) All accounting terms used herein which are not expressly defined in this Agreement have the meanings respectively given to them in accordance with GAAP. Except as otherwise specifically provided herein, (i) all computations made pursuant to this Agreement shall be made in accordance with GAAP, and (ii) all financial statements shall be prepared in accordance with GAAP. For purposes of determining compliance with this Agreement (including, without limitation, Section 9, Section 10 and the definition of “Indebtedness”), any election by the Company to measure any financial liability using fair value (as permitted by Financial Accounting Standards Board Accounting Standards Codification Topic No. 825-10-25 – *Fair Value Option*, International Accounting Standard 39 – *Financial Instruments: Recognition and Measurement* or any similar accounting standard) shall be disregarded and such determination shall be made as if such election had not been made.

(b) If the Company notifies the holders of Notes that, in the Company’s reasonable opinion, or if the Required Holders notify the Company that, in the Required Holders’ reasonable opinion, as a result of changes in GAAP from time to time (“**Subsequent Changes**”), any of the covenants contained in Sections 10.6 through 10.10, or any of the defined terms used therein no longer apply as intended such that such covenants are materially more or less restrictive to the Company than are such covenants immediately prior to giving effect to such Subsequent Changes, the Company and the holders of Notes shall negotiate in good faith to reset or amend such covenants or defined terms so as to negate such Subsequent Changes, or to establish alternative covenants or defined terms. Until the Company and the Required Holders so expressly agree to reset, amend or establish alternative covenants or defined terms, the covenants contained in

Sections 10.6 through 10.10, together with the relevant defined terms, shall continue to apply and compliance therewith shall be determined assuming that the Subsequent Changes shall not have occurred (“**Static GAAP**”). During any period that compliance with any covenants shall be determined pursuant to Static GAAP, the Company shall include relevant reconciliations in reasonable detail between GAAP and Static GAAP with respect to the applicable covenant compliance calculations contained in each certificate of a Senior Financial Officer delivered pursuant to Section 7.2(a) during such period.

22.4 Severability.

Any provision of this Agreement that is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof, and any such prohibition or unenforceability in any jurisdiction shall (to the full extent permitted by law) not invalidate or render unenforceable such provision in any other jurisdiction.

22.5 Construction, etc.

Each covenant contained herein shall be construed (absent express provision to the contrary) as being independent of each other covenant contained herein, so that compliance with any one covenant shall not (absent such an express contrary provision) be deemed to excuse compliance with any other covenant. Where any provision herein refers to action to be taken by any Person, or which such Person is prohibited from taking, such provision shall be applicable whether such action is taken directly or indirectly by such Person.

Defined terms herein shall apply equally to the singular and plural forms of the terms defined. Whenever the context may require, any pronoun shall include the corresponding masculine, feminine and neuter forms. The words “include,” “includes” and “including” shall be deemed to be followed by the phrase “without limitation.” The word “will” shall be construed to have the same meaning and effect as the word “shall.” Unless the context requires otherwise (a) any definition of or reference to any agreement, instrument or other document herein shall be construed as referring to such agreement, instrument or other document as from time to time amended, supplemented or otherwise modified (subject to any restrictions on such amendments, supplements or modifications set forth herein) and, for purposes of the Notes, shall also include any such notes issued in substitution therefor pursuant to Section 13, (b) subject to Section 22.1, any reference herein to any Person shall be construed to include such Person’s successors and assigns, (c) the words “herein,” “hereof” and “hereunder,” and words of similar import, shall be construed to refer to this Agreement in its entirety and not to any particular provision hereof, (d) all references herein to Sections, Exhibits and Schedules shall be construed to refer to Sections of, and Exhibits and Schedules to, this Agreement, and (e) any reference to any law or regulation herein shall, unless otherwise specified, refer to such law or regulation as amended, modified or supplemented from time to time..

22.6 Counterparts.

This Agreement may be executed in any number of counterparts, each of which shall be an original but all of which together shall constitute one instrument. Each counterpart may consist of a number of copies hereof, each signed by less than all, but together signed by all, of the parties

hereto.

22.7 Governing Law.

This Agreement shall be construed and enforced in accordance with, and the rights of the parties shall be governed by, the law of the State of New York excluding choice-of-law principles of the law of such State that would permit the application of the laws of a jurisdiction other than such State.

22.8 Jurisdiction and Process; Waiver of Jury Trial.

(a) The Company irrevocably submits to the non-exclusive jurisdiction of any New York State or federal court sitting in the Borough of Manhattan, The City of New York, over any suit, action or proceeding arising out of or relating to this Agreement or the Notes. To the fullest extent permitted by applicable law, the Company irrevocably waives and agrees not to assert, by way of motion, as a defense or otherwise, any claim that it is not subject to the jurisdiction of any such court, any objection that it may now or hereafter have to the laying of the venue of any such suit, action or proceeding brought in any such court and any claim that any such suit, action or proceeding brought in any such court has been brought in an inconvenient forum.

(b) The Company agrees, to the fullest extent permitted by applicable law, that a final judgment in any suit, action or proceeding of the nature referred to in Section 22.8(a) brought in any such court shall be conclusive and binding upon it subject to rights of appeal, as the case may be, and may be enforced in the courts of the United States of America or the State of New York (or any other courts to the jurisdiction of which it or any of its assets is or may be subject) by a suit upon such judgment.

(c) The Company consents to process being served by or on behalf of any holder of Notes in any suit, action or proceeding of the nature referred to in Section 22.8(a) by mailing a copy thereof by registered or certified mail (or any substantially similar form of mail), postage prepaid, return receipt requested, to it at its address specified in Section 18 or at such other address of which such holder shall then have been notified pursuant to said Section. The Company agrees that such service upon receipt (i) shall be deemed in every respect effective service of process upon it in any such suit, action or proceeding and (ii) shall, to the fullest extent permitted by applicable law, be taken and held to be valid personal service upon and personal delivery to it. Notices hereunder shall be conclusively presumed received as evidenced by a delivery receipt furnished by the United States Postal Service or any reputable commercial delivery service.

(d) Nothing in this Section 22.8 shall affect the right of any holder of a Note to serve process in any manner permitted by law, or limit any right that the holders of any of the Notes may have to bring proceedings against the Company in the courts of any appropriate jurisdiction or to enforce in any lawful manner a judgment obtained in one jurisdiction in any other jurisdiction.

(e) The parties hereto hereby waive trial by jury in any action brought on or with respect to this Agreement, the Guaranty Agreement the Notes or any other document

executed in connection herewith or therewith.

22.9 Obligation to Make Payment in Euros.

Any payment on account of an amount that is payable hereunder or under the Notes in Euros which is made to or for the account of any holder in any other currency, whether as a result of any judgment or order or the enforcement thereof or the realization of any security or the liquidation of the Company, shall constitute a discharge of the obligations of the Company under this Agreement or the Notes only to the extent of the amount of Euros which such holder could purchase in the foreign exchange markets in London, England, with the amount of such other currency in accordance with normal banking procedures at the rate of exchange prevailing on the London Banking Day following receipt of the payment first referred to above. If the amount of Euros that could be so purchased is less than the amount of Euros originally due to such holder, the Company agrees to the fullest extent permitted by law, to indemnify and save harmless such holder from and against all loss or damage arising out of or as a result of such deficiency. This indemnity shall, to the fullest extent permitted by law, constitute an obligation separate and independent from the other obligations contained in this Agreement and the Notes, shall give rise to a separate and independent cause of action, shall apply irrespective of any indulgence granted by such holder from time to time and shall continue in full force and effect notwithstanding any judgment or order for a liquidated sum in respect of an amount due hereunder or under the Notes or under any judgment or order. As used herein the term "London Banking Day" shall mean any day other than Saturday or Sunday or a day on which commercial banks are required or authorized by law to be closed in London, England.

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Schedule B
DEFINED
TERMS

As used herein, the following terms have the respective meanings set forth below or set forth in the Section hereof following such term:

“Acquisition” means any transaction, or any series of related transactions, consummated on or after the date of this Agreement, by which the Company or any of its Subsidiaries (other than transactions involving solely the Company and its Subsidiaries) (a) acquires all or substantially all of the assets of any firm, corporation, limited liability company or division thereof, whether through purchase of assets, merger or otherwise or (b) directly or indirectly acquires (in one transaction or as the most recent transaction in a series of transactions) at least a majority (in number of votes) of the Capital Stock of an entity which have ordinary voting power for the election of directors (other than securities having such power only by reason of the happening of a contingency) or a majority (by percentage of voting power) of the outstanding Equity Interests of another Person.

“Affiliate” means, at any time, and with respect to any Person, any other Person that at such time directly or indirectly through one or more intermediaries Controls, or is Controlled by, or is under common Control with, such first Person, and, with respect to the Company, shall include (a) any Person beneficially owning or holding, directly or indirectly, (i) 10% or more of any class of voting interests of the Company or any Subsidiary or (ii) non-voting equity interests of the Company or any Subsidiary if such Person’s non-voting equity interests in the Company or such Subsidiary comprise at least 10% of Consolidated Net Worth, and (b) any Person of which the Company and its Subsidiaries beneficially own or hold, in the aggregate, directly or indirectly, (i) 10% or more of any class of voting interests, or (ii) non-voting equity interests if the Company or such Subsidiary’s non-voting equity interests in such Person comprise at least 10% of the stockholders’ equity of such Person and its subsidiaries determined on a consolidated basis in accordance with GAAP. Unless the context otherwise clearly requires, any reference to an “Affiliate” is a reference to an Affiliate of the Company.

“Anti-Corruption Laws” is defined in Section 5.16(d).

“Anti-Money Laundering Laws” is defined in Section 5.16(c).

“Applicable Major Credit Facility” means a Major Credit Facility in respect of which the Company or any Guarantor is an obligor or otherwise provides a guarantee or other credit support.

“Applicable Percentage” in the case of a computation of the Make-Whole Amount for any purpose means 0.50% (50 basis points).

“Applicable Rate” means, with respect to any Note, (a) 1.87% per annum during any fiscal quarter following a fiscal quarter on the last day of which the Leverage Ratio is greater than 3.5 to

1.0 and (b) 1.12% per annum at all other times.

“**Asset Disposition**” means any Transfer except:

- (a) any Transfer that is:
 - (i) from a Subsidiary to the Company or another Subsidiary, and
 - (ii) from the Company to a Subsidiary,

in each case so long as immediately before and immediately after the consummation of any such Transfer and after giving effect thereto, no Default or Event of Default exists;

(b) any Transfer made in the ordinary course of business and involving only property that is either (i) inventory held for sale or (ii) equipment, fixtures, supplies or materials no longer required in the operation of the business of the Company or any of its Subsidiaries or that is obsolete, damaged, or worn-out; and

(c) any Transfer made pursuant to a Permitted Receivables Securitization permitted pursuant to Section 10.11.

“**Blocked Person**” is defined in Section 5.16(a).

“**Business Day**” means (a) other than as provided in clause (b) below, any day other than a Saturday, a Sunday or a day on which commercial banks in New York, New York or London, England are required or authorized to be closed and which is not a TARGET Settlement Day, and (b) for purposes of Section 8.8, any date which is both (i) any day other than a Saturday, a Sunday or a day on which commercial banks in New York, New York are required or authorized to be closed and (ii) a day on which the Trans-European Automated Real-time Gross Settlement Express Transfer payment system (or any successor thereto) is open for settlement of payments in Euros (a “**TARGET Settlement Day**”).

“**Capital Lease**” means, at any time, a lease with respect to which the lessee is required concurrently to recognize the acquisition of an asset and the incurrence of a liability in accordance with GAAP.

“**Capital Lease Obligations**” of a Person means the amount of the obligations of such Person under Capital Leases which would be capitalized on a balance sheet of such Person prepared in accordance with GAAP.

“**Capital Stock**” means (a) in the case of a corporation, corporate stock, (b) in the case of an association or business entity, any and all shares, interests, participations, rights or other equivalents (however designated) evidencing ownership thereof, (c) in the case of a limited liability company, membership interests, (d) in the case of a partnership, partnership interests (whether general or limited) and (e) any other interest or participation that confers on a Person the right to receive a share of the profits and losses of, or distributions of assets of, the issuing Person;

provided, however, that “Capital Stock” shall not include any debt securities convertible into equity securities prior to such conversion.

“**Cash Equivalents**” means (a) marketable direct obligations issued or unconditionally guaranteed by the government of the United States of America and backed by the full faith and credit of the United States government; (b) domestic and Eurocurrency certificates of deposit and time deposits, bankers’ acceptances and floating rate certificates of deposit issued by any commercial bank organized under the laws of the United States, any state thereof, the District of Columbia, any foreign bank, or its branches or agencies, the long-term indebtedness of which institution at the time of acquisition is rated BBB (or better) by S&P or Fitch or Baa (or better) by Moody’s), and which certificates of deposit and time deposits are fully protected against currency fluctuations for any such deposits with a term of more than ninety (90) days; (c) shares of money market, mutual or similar funds having assets in excess of \$100,000,000 and the investments of which are limited to investment grade securities (i.e., securities rated BBB (or better) by S&P or Fitch or Baa (or better) by Moody’s); and (d) commercial paper of United States of America and foreign banks and bank holding companies and their subsidiaries and United States and foreign finance, commercial, industrial or utility companies which, at the time of acquisition, are rated A-2 (or better) by S&P, P-2 (or better) by Moody’s, or F-2 (or better) by Fitch; *provided* that the maturities of such Cash Equivalents (other than as described in clause (c) above) shall not exceed three hundred sixty-five (365) days from the date of acquisition thereof.

“**Change of Control**” shall be deemed to have occurred if any person (as such term is used in Section 13(d) and Section 14(d)(2) of the Exchange Act as in effect on the date hereof) or persons constituting a group (as such term is used in Rule 13d-5 under the Exchange Act), become the “beneficial owners” (as such term is used in Rule 13d-3 under the Exchange Act as in effect on the date hereof), directly or indirectly, of more than 50% of the total voting power of all classes then outstanding of the Company’s voting stock.

“**Closing**” is defined in Section 3.1.

“**Closing Guarantors**” is defined in Section 2.

“**Code**” means the Internal Revenue Code of 1986, as amended from time to time, and the rules and regulations promulgated thereunder from time to time.

“**Confidential Information**” is defined in Section 20.

“**Consolidated Net Worth**” means the stockholders’ equity of the Company and its Subsidiaries determined on a consolidated basis in accordance with GAAP.

“**Consolidated Total Assets**” means the total assets of the Company and its Subsidiaries determined on a consolidated basis in accordance with GAAP.

“**Consolidated Total Net Debt**” means, as of any date of determination, the excess, if any, of (a) the aggregate principal amount of the types of Indebtedness described in clauses (a), (b), (d), (e) and (g) of the definition of “Indebtedness” of the Company and its Subsidiaries and, without duplication, Contingent Obligations of the Company and its Subsidiaries in respect of such

Indebtedness of other Persons over (b) the Unrestricted Domestic Cash Amount as of such date.

“Contingent Obligation”, as applied to any Person, means any Contractual Obligation, contingent or otherwise, providing for the guaranty of, or having the same economic effect as providing a guaranty of, any Indebtedness of another or other obligation or liability of another, including, without limitation, any such Indebtedness, obligation or liability of another directly or indirectly guaranteed, endorsed (otherwise than for collection or deposit in the ordinary course of business), co-made or discounted or sold with recourse by that Person, or in respect of which that Person is otherwise directly or indirectly liable, including Contractual Obligations (contingent or otherwise) arising through any agreement to purchase, repurchase, or otherwise acquire such Indebtedness, obligation or liability or any security therefor, or to provide funds for the payment or discharge thereof (whether in the form of loans, advances, stock purchases, capital contributions or otherwise), or to maintain solvency, assets, level of income, or other financial condition, or to make payment other than for value received. The amount of any Contingent Obligation shall be equal to the amount of the obligation so guaranteed or otherwise supported in the case of known or recurring obligations and, in all other cases, the maximum reasonably anticipated liability in respect of the portion of the obligation so guaranteed or otherwise supported; *provided* that Contingent Obligations shall not include endorsements for collection in the ordinary course of business.

“Contractual Obligation”, as applied to any Person, means any provision of any equity or debt securities issued by that Person or any indenture, mortgage, deed of trust, security agreement, pledge agreement, guaranty, contract, undertaking, agreement or instrument, in any case in writing, to which that Person is a party or by which it or any of its properties is bound, or to which it or any of its properties is subject.

“Control” means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of a Person, whether through the ownership of voting securities, by contract or otherwise.

“Control Event” means:

(a) the execution by the Company or any of its Subsidiaries or Affiliates of any agreement or letter of intent with respect to any proposed transaction or event or series of transactions or events which, individually or in the aggregate, may reasonably be expected to result in a Change of Control,

(b) the execution of any written agreement which, when fully performed by the parties thereto, would result in a Change of Control, or

(c) the making of any written offer by any person (as such term is used in Section 13(d) and Section 14(d)(2) of the Exchange Act as in effect on the date hereof) or persons constituting a group (as such term is used in Rule 13d-5 under the Exchange Act as in effect on the date hereof) to the holders of the common stock of the Company, which offer, if accepted by the requisite number of holders, would result in a Change of Control.

“Controlled Entity” means (a) any of the Subsidiaries of the Company and any of their

or

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the Company's respective Controlled Affiliates and (b) if the Company has a parent company, such parent company and its Controlled Affiliates.

"Debt Prepayment Application" means, with respect to any Transfer of property, the application by the Company of cash in an amount equal to the Net Proceeds Amount with respect to such Transfer to pay Senior Indebtedness (other than (a) Indebtedness owing to the Company, any of the Company's Subsidiaries or any Affiliate of the Company and (b) Indebtedness in respect of any revolving credit or similar credit facility providing the Company or any of its Subsidiaries with the right to obtain loans or other extensions of credit from time to time, except to the extent that in connection with such payment of Senior Indebtedness the availability of credit under such credit facility is permanently reduced by an amount not less than the amount of such proceeds applied to the payment of such Senior Indebtedness), *provided* that in the course of making such application the Company shall offer to prepay each outstanding Note, in accordance with Section 8.4, in a principal amount which equals the Ratable Portion of such Note in respect of such Transfer. If any holder of a Note rejects such offer of prepayment, then, for purposes of the preceding sentence only, the Company and the applicable Subsidiary nevertheless will be deemed to have paid Senior Indebtedness in an amount equal to the Ratable Portion of the holder of such Note in respect of such Transfer.

"Debt Prepayment Transfer" is defined in Section 8.4(a).

"Default" means an event or condition the occurrence or existence of which would, with the lapse of time or the giving of notice or both, become an Event of Default.

"Default Rate" means, with respect to any Note, that rate of interest that is the greater of (a) 2.00% per annum above the Applicable Rate with respect to such Note or (b) 2.00% per annum over the rate of interest publicly announced by JPMorgan Chase Bank, N.A. in New York, New York as its "base" or "prime" rate.

"Disclosure Documents" is defined in Section 5.3.

"Disposition Value" means, at any time, with respect to any property

(a) in the case of property that does not constitute Subsidiary Equity Interests, the book value thereof, valued at the time of such disposition in good faith by the Company, and

(b) in the case of property that constitutes Subsidiary Equity Interests, an amount equal to that percentage of book value of the assets of the Subsidiary that issued such equity interests as is equal to the percentage that the book value of such Subsidiary Equity Interests represents of the book value of all of the outstanding equity interests of such Subsidiary (assuming, in making such calculations, that all Securities convertible into such equity interests are so converted and giving full effect to all transactions that would occur or be required in connection with such conversion) determined at the time of the disposition thereof, in good faith by the Company.

"Disqualified Stock" means any Capital Stock that, by its terms (or by the terms of any

security into which it is convertible or for which it is exchangeable), or upon the happening of any event, matures or is mandatorily redeemable, pursuant to a sinking fund obligation or otherwise, or redeemable at the option of the holder thereof, in whole or in part, on or prior to the date that is ninety-one (91) days after the maturity date of the Notes.

“**Dollars**” or “**\$**” means the lawful money of the United States of America.

“**EBITDA**” means, for any period, on a consolidated basis for the Company and its Subsidiaries, the sum of the amounts for such period, without duplication, of (a) Net Income, plus (b) Interest Expense to the extent deducted in computing Net Income, plus (c) charges against income for foreign, federal, state and local taxes to the extent deducted in computing Net Income, plus (d) depreciation expense to the extent deducted in computing Net Income, plus (e) amortization expense, including, without limitation, amortization of goodwill and other intangible assets to the extent deducted in computing Net Income, plus (f) any unusual non-cash charges to the extent deducted in computing Net Income, plus (g) non-cash stock based compensation paid during such period to the extent deducted in computing Net Income plus (h) up to \$5,000,000 per consecutive four fiscal quarter period in transaction fees, costs and expenses incurred in connection with the consummation of any acquisition permitted hereunder (or any such acquisition proposed and not consummated); provided, that any such fees, costs or expenses are paid within six (6) months of the date incurred; provided further that this clause (h) shall only be effective at any time that each Applicable Major Credit Facility includes such clause (and such clause is effective therein) and shall otherwise have no effect, plus (i) costs, charges, accruals, reserves or expenses attributable to the undertaking and/or implementation of cost savings initiatives or operating expense reductions and similar initiatives, integration, transition, and other restructuring costs, charges, accruals, reserves and expenses (including costs related to the closure or consolidation of facilities and curtailments, consulting and other professional fees, signing costs, retention or completion bonuses, executive recruiting costs, relocation expenses, severance payments and modifications to, or losses on settlement of, pension and post-retirement employee benefit plans); provided that the aggregate amount included in EBITDA pursuant to this clause (i) during any period shall not exceed 10% of EBITDA in the aggregate for any consecutive four fiscal quarter period calculated prior to giving effect to any adjustment pursuant to this clause (i); provided further that this clause (i) shall only be effective at any time that each Applicable Major Credit Facility includes such clause (and such clause is effective therein) and shall otherwise have no effect, minus (j) any unusual non-cash gains to the extent added in computing Net Income. EBITDA shall be calculated on a pro forma basis giving effect to Material Acquisitions and Material Asset Dispositions on a four (4) fiscal quarter basis on the assumption that any such Material Acquisition or Material Asset Disposition shall be deemed to have occurred on the first day of the fourth full fiscal quarter preceding the date of determination, using historical financial statements containing reasonable adjustments satisfactory to the Required Holders, broken down by fiscal quarter in the Company’s reasonable judgment. As used herein, “**Material Acquisition**” means one or more related Acquisitions the net consideration for which is in excess of \$20,000,000 individually or in the aggregate and “**Material Asset Disposition**” means any Asset Disposition or series of Asset Dispositions the Fair Market Value of which is equal to or greater than \$20,000,000 individually or in the aggregate.

“**Electronic Delivery**” is defined in Section 7.1(a).

“**Environmental Laws**” means any and all Federal, state, local, and foreign statutes, laws,

regulations, ordinances, rules, judgments, orders, decrees, permits, concessions, grants, franchises, licenses, agreements or governmental restrictions relating to pollution and the protection of the environment or the release of any materials into the environment, including but not limited to those related to Hazardous Materials.

“Equity Interests” means Capital Stock and all warrants, options or other rights to acquire Capital Stock (but excluding any debt security that is convertible into, or exchangeable for, Capital Stock).

“ERISA” means the Employee Retirement Income Security Act of 1974, as amended from time to time, and the rules and regulations promulgated thereunder from time to time in effect.

“ERISA Affiliate” means any trade or business (whether or not incorporated) that is treated as a single employer together with the Company under section 414 of the Code.

“Euro” or **“€”** means the unit of single currency of the Participating Member States.

“Event of Default” is defined in Section 11.

“Exchange Act” means the Securities Exchange Act of 1934, as amended.

“Fair Market Value” means, at any time and with respect to any property, the sale value of such property that would be realized in an arm’s-length sale at such time between an informed and willing buyer and an informed and willing seller (neither being under a compulsion to buy or sell).

“FATCA” means (a) sections 1471 through 1474 of the Code, as of the date of this Agreement (or any amended or successor version that is substantively comparable and not materially more onerous to comply with), together with any current or future regulations or official interpretations thereof, (b) any treaty, law or regulation of any other jurisdiction, or relating to an intergovernmental agreement between the United States of America and any other jurisdiction, which (in either case) facilitates the implementation of the foregoing clause (a), and (c) any agreements entered into pursuant to section 1471(b)(1) of the Code.

“Fitch” means Fitch, Inc., together with its successors and assigns.

“Foreign Borrowing” is defined in Section 9.8(a).

“Foreign Subsidiary” means any Subsidiary of the Company which is not organized under the laws of the United States of America, any State thereof or the District of Columbia.

“Form 10-K” is defined in Section 7.1(b). **“Form 10-Q”** is defined in Section 7.1(a).

“GAAP” means generally accepted accounting principles as in effect from time to time in the United States of America.

“Governmental Authority” means

- (a) the government of
 - (i) the United States of America or any State or other political subdivision thereof, or
 - (ii) any other jurisdiction in which the Company or any Subsidiary conducts all or any part of its business, or which asserts jurisdiction over any properties of the Company or any Subsidiary, or
- (b) any entity exercising executive, legislative, judicial, regulatory or administrative functions of, or pertaining to, any such government.

“Governmental Official” means any governmental official or employee, employee of any foreign government-owned or controlled entity, political party, any official of a political party, candidate for political office, official of any foreign government, public international organization or anyone else acting in an official capacity for a foreign government.

“Guarantor” and **“Guarantors”** are defined in Section 2.

“Guaranty” means, with respect to any Person, any obligation (except the endorsement in the ordinary course of business of negotiable instruments for deposit or collection) of such Person guarantying or in effect guarantying any indebtedness, dividend or other obligation of any other Person in any manner, whether directly or indirectly, including (without limitation) obligations incurred through an agreement, contingent or otherwise, by such Person:

- (a) to purchase such indebtedness or obligation or any property constituting security therefor;
- (b) to advance or supply funds (i) for the purchase or payment of such indebtedness or obligation, or (ii) to maintain any working capital or other balance sheet condition or any income statement condition of any other Person or otherwise to advance or make available funds for the purchase or payment of such indebtedness or obligation;
- (c) to lease properties or to purchase properties or services primarily for the purpose of assuring the owner of such indebtedness or obligation of the ability of any other Person to make payment of the indebtedness or obligation; or
- (d) otherwise to assure the owner of such indebtedness or obligation against loss in respect thereof.

In any computation of the indebtedness or other liabilities of the obligor under any Guaranty, the indebtedness or other obligations that are the subject of such Guaranty shall be assumed to be direct obligations of such obligor.

“Guaranty Agreement” is defined in Section 2.

“Guaranty Supplement” is defined in Section 9.8.

“Hazardous Material” means any and all pollutants, toxic or hazardous wastes or other substances that might pose a hazard to health and safety, the removal of which may be required or the generation, manufacture, refining, production, processing, treatment, storage, handling, transportation, transfer, use, disposal, release, discharge, spillage, seepage or filtration of which is or shall be restricted, prohibited or penalized by any applicable law including, but not limited to, asbestos, urea formaldehyde foam insulation, polychlorinated biphenyls, petroleum, petroleum products, lead based paint, radon gas or similar restricted, prohibited or penalized substances.

“Hedging Arrangements” means agreements, devices or arrangements designed to protect at least one of the parties thereto from the fluctuations of interest rates, commodity prices, exchange rates or forward rates applicable to such party’s assets, liabilities or exchange transactions, including, but not limited to, dollar-denominated or cross-currency interest rate exchange agreements, forward currency exchange agreements, interest rate cap or collar protection agreements, forward rate currency or interest rate options, puts and warrants or any similar derivative transactions.

“Hedging Obligations” of a Person means any and all obligations of such Person, whether absolute or contingent and howsoever and whensoever created, arising, evidenced or acquired (including all renewals, extensions and modifications thereof and substitutions herefor), under (a) any and all Hedging Arrangements and (b) any and all cancellations, buy backs, reversals, terminations or assignments of any Hedging Arrangements.

“holder” means, with respect to any Note the Person in whose name such Note is registered in the register maintained by the Company pursuant to Section 13.1, provided, however, that if such Person is a nominee, then for the purposes of Sections 7, 12, 17.2 and 18 and any related definitions in this Schedule B, “holder” shall mean the beneficial owner of such Note whose name and address appears in such register..

“Indebtedness” of a Person means, without duplication, such Person’s:

(a) obligations for borrowed money, including, without limitation, subordinated indebtedness,

(b) obligations representing the deferred purchase price of property or services (other than accounts payable arising in the ordinary course of such Person’s business payable on terms customary in the trade and other than earn-outs or other similar forms of contingent purchase prices),

(c) obligations, whether or not assumed, secured by Liens on or payable out of the proceeds or production from property or assets now or hereafter owned or acquired by such Person,

(d) obligations which are evidenced by notes, acceptances, or other instruments,

- (e) Capital Lease Obligations,
- (f) Contingent Obligations with respect to the Indebtedness of other Persons,
- (g) obligations with respect to letters of credit,
- (h) Off-Balance Sheet Liabilities,
- (i) Receivables Facility Attributed Indebtedness,
- (j) Disqualified Stock, and
- (k) net Hedging Obligations, calculated on a marked-to-market basis.

The amount of Indebtedness of any Person at any date shall be without duplication (i) the outstanding balance at such date of all unconditional obligations as described above and the maximum liability of any such Contingent Obligations at such date and (ii) in the case of Indebtedness of others secured by a Lien to which the property or assets owned or held by such Person is subject, the lesser of the Fair Market Value at such date of any asset subject to a Lien securing the Indebtedness of others and the amount of the Indebtedness secured.

“INHAM Exemption” is defined in Section 6.3(e).

“Institutional Investor” means (a) any Purchaser of a Note, (b) any holder of a Note holding (together with one or more of its affiliates) more than 5% of the aggregate principal amount of the Notes then outstanding, (c) any bank, trust company, savings and loan association or other financial institution, any pension plan, any investment company, any insurance company, any broker or dealer, or any other similar financial institution or entity, regardless of legal form, and (d) any Related Fund of any holder of any Note.

“Intercreditor Agreement” is defined in Section 9.9.

“Interest Expense” means, without duplication, for any period, the total interest expense of the Company and its consolidated Subsidiaries, whether paid or accrued (including the interest component of Capital Leases, commitment, facility and letter of credit fees, Off-Balance Sheet Liabilities and net payments or receipts (if any) pursuant to Hedging Arrangements relating to interest rate protection), all as determined in conformity with GAAP.

“Investor Presentation” is defined in Section 5.3.

“ISDA Master Agreement” is defined in Section 8.9

“Leverage Ratio” is defined in Section 10.8.

“Lien” means, with respect to any Person, any mortgage, lien, pledge, charge, security interest or other encumbrance, or any interest or title of any vendor, lessor, lender or other secured party to or of such Person under any conditional sale or other title retention agreement or Capital Lease, upon or with respect to any property or asset of such Person (including in the case of stock, stockholder agreements, voting trust agreements and all similar arrangements).

“Major Credit Facility” means (a) the Revolving Facility, (b) the 2008 Note Purchase Agreement, (c) the 2009 Note Purchase Agreement, (d) the 2013 Note Purchase Agreement, (e) the 2016 Cross-Border Note Purchase Agreement and (f) any other credit, loan or borrowing facility or note purchase agreement by the Company or any Subsidiary providing, in each case, for the incurrence of Senior Indebtedness in a principal amount equal to or greater than \$75,000,000, in each case under clauses (a) through (f) as amended, restated, supplemented or otherwise modified and together with increases, refinancings and replacements thereof.

“Make-Whole Amount” is defined in Section 8.8.

“Material” means material in relation to the business, operations, affairs, financial condition, assets, properties, or prospects of the Company and its Subsidiaries taken as a whole.

“Material Acquisition Amount” means an amount equal to the greater of (a) \$50,000,000 and (b) the applicable dollar threshold amount for certain permitted acquisitions necessary to increase the leverage ratio applicable to the Company as set forth in the definition of “Leverage Ratio Increase Requirements” in the Revolving Facility.

“Material Acquisition Period” means each period of four (4) consecutive fiscal quarters of the Company commencing with the fiscal quarter in which one or more of the Company and

any Subsidiary has consummated (a) one or more Acquisitions of equity interests in entities that become Subsidiaries upon such Acquisition or (b) one or more acquisitions from an entity of a business or a brand, if the consideration paid for such Acquisitions under clause (a) and/or (b) (including, without limitation, Indebtedness of the new Subsidiary and, without duplication, any Indebtedness of such entity that is assumed by any one or more of the Company and its Subsidiaries), taken together with the aggregate consideration (including assumed Indebtedness as aforesaid) paid for all other such Acquisitions consummated during the immediately preceding three (3) fiscal quarters of the Company, is equal to or greater than the Material Acquisition Amount; provided that a new Material Acquisition Period may not be commenced until such time as at least two (2) complete consecutive fiscal quarters have elapsed since the expiration of the last previous Material Acquisition Period.

“Material Adverse Effect” means a material adverse effect on (a) the business, operations, affairs, financial condition, assets or properties of the Company and its Subsidiaries taken as a whole, (b) the ability of the Company to perform its obligations under this Agreement and the Notes, (c) the ability of any Guarantor to perform its respective obligations under the Guaranty Agreement, or (d) the validity or enforceability of this Agreement, the Notes or the Guaranty Agreement.

“Material Covenant” means any covenant or similar term contained in any evidence of any Indebtedness in respect of or that contains provisions that are the same as or similar to (or address the same topic as) the covenants set forth in Sections 10.2, 10.3, 10.6, 10.7, 10.8, 10.9 or 10.10 or any other financial covenant contained in such Indebtedness.

“Moody’s” means Moody’s Investors Service, Inc., together with its successors and assigns.

“MPC Products” means MPC Products Corporation, an Illinois corporation.

“Multiemployer Plan” means any Plan that is a “multiemployer plan” (as such term is defined in section 4001(a)(3) of ERISA).

“NAIC” means the National Association of Insurance Commissioners or any successor thereto.

“Net Gain” is defined in Section 8.9.

“Net Income” means, for any period, the net income (or loss) after taxes of the Company and its Subsidiaries on a consolidated basis for such period taken as a single accounting period determined in conformity with GAAP.

“Net Indebtedness” means, as of any date of determination, the excess, if any, of (a) Indebtedness of the Company and its consolidated Subsidiaries as of such date over (b) the Unrestricted Domestic Cash Amount as of such date.

“Net Loss” is defined in Section 8.9.

“Net Proceeds Amount” means, with respect to any Transfer of any property by any Person, an amount equal to the difference of

(a) the aggregate amount of the consideration (valued at the Fair Market Value of such consideration at the time of the consummation of such Transfer) received by such Person in respect of such Transfer, minus

(b) all taxes actually paid on account of such Transfer and all ordinary and reasonable out-of-pocket costs and expenses actually incurred by such Person in connection with such Transfer.

“New Swap Agreement” is defined in Section 8.8(b). **“Non-Swapped Note”** is defined in Section 8.8(a).

“Non-U.S. Plan” means any plan, fund or other similar program that (a) is established or maintained outside the United States of America by the Company or any Subsidiary primarily for the benefit of employees of the Company or one or more Subsidiaries residing outside the United States of America, which plan, fund or other similar program provides, or results in, retirement income, a deferral of income in contemplation of retirement or payments to be made upon termination of employment, and (b) is not subject to ERISA or the Code.

“Notes” is defined in Section 1.

“OFAC” is defined in Section 5.16(a).

“OFAC Listed Person” is defined in Section 5.16(a).

“OFAC Sanctions Program” means any economic or trade sanction program that OFAC is responsible for administering and enforcing. A list of OFAC Sanctions Programs may be found at <http://www.treasury.gov/resource-center/sanctions/Programs/Pages/Programs.aspx>.

“Off-Balance Sheet Liabilities” of a Person means (a) any Receivables Facility Attributed Indebtedness and repurchase obligations or liabilities of such Person or any of its Subsidiaries with respect to Receivables or notes receivable sold by such Person or any of its Subsidiaries, (b) any liabilities of such Person or any of its Subsidiaries under any sale and leaseback transactions which do not create liabilities on the consolidated balance sheet of such Person, (c) any liabilities of such Person or any of its Subsidiaries under any financing lease or Synthetic Lease transaction, or (d) any obligations of such Person or any of its Subsidiaries arising with respect to any other transaction which is the functional equivalent of or takes the place of borrowing but which, in the case of the foregoing clauses (a) through (d), does not constitute a liability on the consolidated balance sheets of such Person and its Subsidiaries.

“Officer’s Certificate” means a certificate of a Senior Financial Officer or of any other officer of the Company whose responsibilities extend to the subject matter of such certificate.

“Original Swap Agreement” is defined in Section 8.8(b).

“Participating Member State” means any member state of the European Community that adopts or has adopted the euro as its lawful currency in accordance with legislation of the European Community relating to Economic Monetary Union.

“**PBGC**” means the Pension Benefit Guaranty Corporation referred to and defined in ERISA or any successor thereto.

“**Permitted Liens**” means the following:

(a) Liens for taxes, assessments or other governmental charges which are not yet due and payable or the payment of which is not at the time required by Section 9.4;

(b) any attachment or judgment Lien, unless the judgment it secures shall not, within thirty (30) days after the entry thereof, have been discharged or execution thereof stayed pending appeal, or shall not have been discharged within thirty (30) days after the expiration of any such stay;

(c) statutory Liens of landlords and Liens of carriers, warehousemen, mechanics, materialmen and other similar Liens, in each case, incurred in the ordinary course of business for sums not yet due and payable;

(d) Liens (other than any Lien imposed by ERISA) incidental to the normal conduct of the business of the Company or any Subsidiary or the ownership of its property which are not incurred or made in connection with the incurrence of Indebtedness and which do not, individually or in the aggregate, materially impair the use of such property in the operation of the business of the Company and its Subsidiaries, taken as a whole, or the value of such property for the purposes of such business;

(e) leases or subleases granted to others, easements, encroachments, rights-of-way, licenses, reservations, covenants, utility easements, building restrictions, restrictions and other similar charges or encumbrances, in each case incidental to, and not interfering with, the ordinary conduct of the business of the Company or any of its Subsidiaries, and which do not in the aggregate materially impair the use of such property in the operation of the business of the Company and its Subsidiaries, taken as a whole, or the value of such property for the purposes of such business;

(f) minor survey exceptions and similar Liens, provided that such Liens do not, in the aggregate, materially detract from the value of such property in the operation of the business of the Company and its Subsidiaries;

(g) Liens on property or assets of the Company or any Subsidiary securing Indebtedness owing to the Company or another Subsidiary;

(h) Liens existing on the date of this Agreement and reflected in Schedule 10.6;

(i) any Liens existing on the property of a Person at the time such Person is merged into or consolidated with the Company or a Subsidiary or its becoming a

Subsidiary or at the time of a sale, lease or other disposition of the properties of a Person as an entirety to the Company or a Subsidiary, or any Lien existing on any property acquired by the Company or any Subsidiary at the time such property is so acquired (whether or not the Indebtedness secured thereby shall have been assumed), provided that (w) such Liens were not incurred, extended or renewed in contemplation of such merger, consolidation or acquisition of property, (x) each such Lien shall attach solely to the assets so acquired or purchased, (y) the aggregate principal amount of Indebtedness secured by such Liens is otherwise permitted by the terms of this Agreement, and (z) the aggregate principal amount of Indebtedness secured by such Liens shall not exceed 100% of the Fair Market Value of the related property;

(j) Liens incurred after the date of this Agreement on any property acquired, improved or constructed by the Company or a Subsidiary and created contemporaneously with or within one hundred eighty (180) days of such acquisition, improvement or construction which secure all or any part of the purchase price or cost of construction or improvement of such property, provided that (i) any such Lien shall extend solely to the item or items of such property (or improvement thereon) so acquired or constructed and, if required by the terms of the instrument originally creating such Lien, other property (or improvement thereon) which is an improvement to or is acquired for specific use in connection with such acquired or constructed property (or improvement thereon) or which is real property being improved by such acquired or constructed property (or improvement thereon), (ii) the aggregate principal amount of Indebtedness secured by such Lien and all other Indebtedness secured by any other Lien on such property or such improvement does not exceed in the aggregate 100% of the lesser of (y) the cost of such property or improvement or (z) the Fair Market Value thereof at the time of incurrence, and (iii) all such Indebtedness is otherwise permitted by the terms of this Agreement;

(k) Liens incurred pursuant to a Permitted Receivables Securitization program, provided that such Permitted Receivables Securitization program is permitted pursuant to Section 10.11;

(l) Liens (i) in favor of the holders of the Notes (or in favor of a collateral agent reasonably satisfactory to the Required Holders) created to secure the Indebtedness evidenced by this Agreement and the Notes pursuant to Section 9.8(c) and (ii) granted to secure the Indebtedness evidenced by any Major Credit Facility, in each case under clauses (i) and (ii) in compliance with Section 9.9; and

(m) any Lien renewing, extending or refunding any Lien permitted by clauses (h), (i) or (j) of this definition, provided that (i) the principal amount of Indebtedness secured by such Lien immediately prior to such extension, renewal or refunding is not increased or the maturity thereof reduced, (ii) such Lien is not extended to any other property, and (iii) immediately after such extension, renewal or refunding no Default or Event of Default would exist.

“Permitted Receivables Securitization” means a financing program providing for the sale or transfer of accounts receivable (and related assets) by the Company and its Subsidiaries, in transactions purporting to be sales (and treated as sales for GAAP purposes), to one or more

limited purpose financing companies, special purpose entities and/or other financial institutions, in each case, on a limited recourse basis as to the Company and its Subsidiaries (not inconsistent with treatment as a sale for GAAP purposes).

“**Person**” means an individual, partnership, corporation, limited liability company, association, trust, unincorporated organization, business entity or Governmental Authority.

“**Plan**” means an “employee benefit plan” (as defined in section 3(3) of ERISA) subject to Title I of ERISA that is or, within the preceding five years, has been established or maintained, or to which contributions are or, within the preceding five years, have been made or required to be made, by the Company or any ERISA Affiliate or with respect to which the Company or any ERISA Affiliate may have any liability.

“**Priority Debt**” means (a) all unsecured Indebtedness of any Subsidiary other than Indebtedness permitted by clauses (a) through (f), inclusive, of Section 10.10, and (b) Indebtedness of the Company or any Subsidiary secured by Liens other than Permitted Liens.

“**property**” or “properties” means, unless otherwise specifically limited, real or personal property of any kind, tangible or intangible, choate or inchoate.

“**Property Reinvestment Application**” means, with respect to any Transfer of property, the application of an amount equal to the Net Proceeds Amount with respect to such Transfer to the acquisition by the Company or any Subsidiary of property of a similar nature (excluding, for the avoidance of doubt, cash and Cash Equivalents), and of at least equivalent Fair Market Value to the property so Transferred, to be used in the ordinary course of business of such Person.

“**Proposed Prepayment Date**” is defined in Section 8.3(b).

“**PTE**” is defined in Section 6.3(a).

“**Purchaser**” is defined in the first paragraph of this Agreement.

“**QPAM Exemption**” is defined in Section 6.3(d).

“**Qualified Institutional Buyer**” means any Person who is a “qualified institutional buyer” within the meaning of such term as set forth in Rule 144A(a)(1) under the Securities Act.

“**Ratable Portion**” means, in respect of any holder of any Note and any Transfer contemplated by the definition of Debt Prepayment Application, an amount equal to the product of:

(a) the Net Proceeds Amount being offered to be applied to the payment of Senior Indebtedness, multiplied by

(b) a fraction, the numerator of which is the outstanding principal amount of such Note, and the denominator of which is the aggregate outstanding principal amount of all Senior Indebtedness at the time of such Transfer determined on a consolidated basis in

accordance with GAAP.

“Receivable(s)” means and includes all of the Company’s and each Subsidiary’s presently existing and hereafter arising or acquired accounts, accounts receivable, and all present and future rights of the Company or such Subsidiary to payment for goods sold or leased or for services rendered in the ordinary course of the Company’s or such Subsidiary’s business (except those evidenced by instruments or chattel paper), whether or not they have been earned by performance, and all rights in any merchandise or goods which any of the same may represent, and all rights, title, security and guaranties with respect to each of the foregoing, including, without limitation, any right of stoppage in transit.

“Receivables Facility Attributed Indebtedness” means the amount of obligations outstanding under a receivables purchase facility on any date of determination that would be characterized as principal if such facility were structured as a secured lending transaction rather than as a purchase.

“Related Fund” means, with respect to any holder of any Note, any fund or entity that (a) invests in Securities or bank loans, and (b) is advised or managed by such holder, the same investment advisor as such holder or by an affiliate of such holder or such investment advisor.

“Required Holders” means, at any time, the holders of greater than 50% in principal amount of the Notes at the time outstanding (exclusive of Notes then owned by the Company or any of its Affiliates).

“Responsible Officer” means any Senior Financial Officer and any other officer of the Company with responsibility for the administration of the relevant portion of this Agreement.

“Revolving Facility” means that certain Credit Agreement, dated as of July 10, 2013, by and among the Company, as a borrower, the foreign subsidiary borrowers from time to time parties thereto, the institutions from time to time parties thereto as lenders, and Wells Fargo Bank, National Association, as administrative agent for itself and the other lenders, as amended by that certain Amendment No. 1 to Credit Agreement dated as of April 28, 2015 and as such agreement may be further amended, restated, supplemented, modified, refinanced, extended or replaced.

“S&P” means S&P Global Ratings, together with its successors and assigns.

“SEC” means the Securities and Exchange Commission of the United States, or any successor thereto.

“Second Amended and Restated Intercreditor Agreement” means that certain Second Amended and Restated Intercreditor Agreement, dated as of July 10, 2013, by and among Wells Fargo Bank, National Association, as administrative agent for the lenders under the Revolving Facility, the holders of the notes issued pursuant to the 2008 Note Purchase Agreement, the holders of the notes issued pursuant to the 2009 Note Purchase Agreement, the holders of the notes issued pursuant to the 2013 Note Purchase Agreement, and each new creditor from time to time party thereto, as such agreement may be further amended, restated, supplemented, modified, refinanced, extended or replaced.

“**Securities**” or “**Security**” shall have the meaning specified in Section 2(a)(1) of the Securities Act.

“**Securities Act**” means the Securities Act of 1933, as amended from time to time, and the rules and regulations promulgated thereunder from time to time in effect.

“**Securitization Assets**” means all accounts receivable, general intangibles, instruments, documents, chattel paper and investment property (whether now existing or arising in the future) of the Company or any of its Subsidiaries which are sold or transferred pursuant to a Permitted Receivables Securitization, and any assets related thereto, including without limitation (a) all such assets constituting collateral given by any of the foregoing, (b) all such assets constituting contracts and all guaranties (but not by the Company or any of its Subsidiaries) or other obligations directly related to any of the foregoing, (c) other related assets set forth in the Securitization Documents, and (d) proceeds of all of the foregoing.

“**Securitization Documents**” means all documentation relating to any Permitted Receivables Securitization.

“**Senior Financial Officer**” means the chief financial officer, principal accounting officer, treasurer or comptroller of the Company.

“**Senior Indebtedness**” means all Indebtedness evidenced by the Notes and all other Indebtedness of the Company or its Subsidiaries for money borrowed ranking *pari passu* or senior in right of payment with the Indebtedness evidenced by the Notes and the Guaranty Agreement.

“**Significant Subsidiary**” means at any time any Subsidiary that would at such time constitute a “significant subsidiary” (as such term is defined in Regulation S-X of the Securities and Exchange Commission as in effect on the date hereof) of the Company.

“**Source**” is defined in Section 6.3.

“**Static GAAP**” is defined in Section 22.3(b).

“**Subsequent Changes**” is defined in Section 22.3(b).

“**Subsidiary**” means, as to any Person, any other Person in which such first Person or one or more of its Subsidiaries or such first Person and one or more of its Subsidiaries owns sufficient equity or voting interests to enable it or them (as a group) ordinarily, in the absence of contingencies, to elect a majority of the directors (or Persons performing similar functions) of such second Person, and any partnership or joint venture if more than a 50% interest in the profits or capital thereof is owned by such first Person or one or more of its Subsidiaries or such first Person and one or more of its Subsidiaries (unless such partnership or joint venture can and does ordinarily take major business actions without the prior approval of such Person or one or more of its Subsidiaries). Unless the context otherwise clearly requires, any reference to a “Subsidiary” is a reference to a Subsidiary of the Company.

“Subsidiary Equity Interests” means, with respect to any Person, the Capital Stock (or any options or warrants to purchase capital stock or similar equity interests or other Securities exchangeable for or convertible into Capital Stock) of any Subsidiary of such Person.

“SVO” means the Securities Valuation Office of the NAIC or any successor to such Office.

“Swap Agreement”

is defined in Section 8.8(b).

“Swap Breakage

Amount”

is defined in Section 8.9.

“Swapped Note” is

defined in

Exhibit 10.14

Section

8.8(b).

“Swapped Note Called

Notional Amount” is

defined in Section 8.8(b).

“Swapped Note Called

by the lessee at any time) of any property (a) that is accounted for as an operating lease under GAAP and (b) in respect of which the lessee retains or obtains ownership of the property so leased for U.S. federal income tax purposes, other than any such lease under which such Person is the lessor.

“Transfer” means, with respect to any Person, any transaction in which such Person sells, conveys, transfers or leases (as lessor) any of its property, including, without limitation, Subsidiary Equity Interests. For purposes of determining the application of the Net Proceeds Amount in respect of any Transfer, the Company may designate any Transfer as one or more separate Transfers each yielding a separate Net Proceeds Amount; in any such case, the Disposition Value of any property subject to each such separate Transfer shall be determined by ratably allocating the aggregate Disposition Value of all property subject to such separate Transfers to each such separate Transfer on a proportionate basis.

“Transfer Prepayment Date” is defined in Section 8.4(a).

“Transfer Prepayment Offer” is defined in Section 8.4(a).

“2008 Note Purchase Agreement” means that certain Note Purchase Agreement, dated as of October 1, 2008, by and among the Company and the purchasers listed in Schedule A attached thereto, as such agreement may be further amended, restated, supplemented, modified, refinanced, extended or replaced.

“2009 Note Purchase Agreement” means that certain Note Purchase Agreement, dated as of April 3, 2009, by and among the Company and the purchasers listed in Schedule A attached thereto, as such agreement may be further amended, restated, supplemented, modified, refinanced, extended or replaced.

“**2013 Note Purchase Agreement**” means that certain Note Purchase Agreement, dated October 1, 2013, by and among the Company and the purchasers listed in Schedule A attached thereto, as such agreement may be further amended, restated, supplemented, modified, refinanced, extended or replaced.

“**2016 Cross-Border Note Purchase Agreement**” means that certain Note Purchase Agreement, dated September 23, 2016, by and among the Company, Woodward International Holding B.V. and the purchasers listed in Schedule A attached thereto, as such agreement may be further amended, restated, supplemented, modified, refinanced, extended or replaced.

“**Undisclosed Affiliate**” means, at any time and with respect to the Company, any Person (a) that beneficially owns or holds, directly or indirectly, 10% or more of any class of voting or equity interests of the Company or (b) that is an Affiliate of any such Person; provided that, at such time, (i) in the case of clause (a), such Person shall not have given written notice to the Company of its 10% or greater holding in the Company and, in the case of clause (b), such Affiliate of such Person shall not have given the Company written notice of its affiliation to the Company and (ii) the Company shall not otherwise have knowledge of such holding or affiliation to the Company.

“**Unrestricted Domestic Cash Amount**” means, as of any date of determination, that portion of the Company’s and its consolidated Subsidiaries’ aggregate cash and Cash Equivalents in excess of \$10,000,000 that is (a) on deposit with one or more lenders under any Major Credit Facility in the United States of America and (b) not encumbered by or subject to any Lien (including, without limitation, any Lien permitted hereunder), setoff (other than (x) common law rights of setoff to the extent such cash and Cash Equivalents are subject to an intercreditor agreement as to the sharing of recoveries and setoffs in form and substance reasonably satisfactory to the Required Holders (it being acknowledged and agreed that, to the extent any cash and Cash Equivalents of the Company or any Subsidiary are subject to the agreements as to the sharing of recoveries and setoffs set forth in the Second Amended and Restated Intercreditor Agreement and the Company or such Subsidiary, each holder and the relevant depository bank are parties thereto, such cash and Cash Equivalents will not be excluded from the Unrestricted Domestic Cash Amount as a result of the existence of such setoff rights) and (y) ordinary course setoff rights of a depository bank arising under a bank depository agreement for customary fees, charges and other account-related expenses due to such depository bank thereunder), counterclaim, recoupment, defense or other right in favor of any Person; *provided*, however, that notwithstanding the actual amount of the Unrestricted Domestic Cash Amount, no more than \$20,000,000 of the Unrestricted Domestic Cash Amount may be deducted in the calculation of Net Indebtedness or Consolidated Total Net Debt.

“**U.S. Economic Sanctions**” is defined in Section 5.16(a).

“**USA PATRIOT Act**” means United States Public Law 107-56, Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism (USA PATRIOT ACT) Act of 2001, as amended from time to time, and the rules and regulations promulgated thereunder from time to time in effect.

“**Wholly-Owned Subsidiary**” means, at any time, any Subsidiary one hundred percent of all of the equity interests (except directors’ qualifying shares) and voting interests of which are owned by any one or more of the Company and the Company’s other Wholly-Owned

at such time.

“**Woodward FST**” means Woodward FST, Inc., a Delaware corporation.

“**Woodward HRT**” means Woodward HRT, Inc., a Delaware corporation.

Conformed Version reflecting
Amendment No. 1 to Note Purchase Agreement dated May 31, 2018,
Amendment No. 2 to Note Purchase Agreement dated February 7, 2020 and
Amendment No. 3 to Note Purchase Agreement dated October 23, 2025

WOODWARD INTERNATIONAL HOLDING B.V.

€77,000,000 1.31% Series N Senior Notes due September 23, 2028
€43,000,000 1.57% Series O Senior Notes due September 23, 2031

NOTE PURCHASE AGREEMENT

Dated September 23, 2016

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Woodward International Holding B.V.
Woodward, Inc.
1081 Woodward Way
Fort Collins, Colorado 80524

€77,000,000 1.31% Series N Senior Notes due September 23, 2028
€43,000,000 1.57% Series O Senior Notes due September 23, 2031

September 23, 2016

To Each of the Purchasers Listed in
Schedule A Hereto:

Ladies and Gentlemen:

Woodward International Holding B.V., a Dutch private limited liability company (*besloten vennootschap met beperkte aansprakelijkheid*) having its official seat (*statutaire zetel*) in Hoofddorp, the Netherlands and registered with the Dutch trade register under number 60725141 (together with any successor thereto that becomes a party hereto pursuant to Section 10.2, the “**Company**”) and Woodward, Inc., a Delaware corporation (together with any successor thereto that becomes a party hereto pursuant to Section 10.2, the “**Parent Guarantor**”) and, together with the Company, collectively, the “**Obligors**”), agree with each of the purchasers whose names appear at the end hereof (each, a “**Purchaser**” and, collectively, the “**Purchasers**”) as follows:

1. AUTHORIZATION OF NOTES.

The Company will authorize the issue and sale of (a) €77,000,000 aggregate principal amount of its 1.31% Series N Senior Notes due September 23, 2028 (as amended, restated or otherwise modified from time to time pursuant to Section 18, the “**Series N Notes**”) and (b) €43,000,000 aggregate principal amount of its 1.57% Series O Senior Notes due September 23, 2031 (as amended, restated or otherwise modified from time to time pursuant to Section 18, the “**Series O Notes**”). The Series N Notes and the Series O Notes shall be referred to collectively herein as, the “**Notes**”, such term to include any such notes issued in substitution therefor pursuant to Section 14. The Series N Notes and the Series O Notes shall be substantially in the forms set out in Exhibit 1A and Exhibit 1B, respectively. Certain capitalized and other terms used in this Agreement are defined in Schedule B and, for purposes of this Agreement, the rules of construction set forth in Section 24.5 shall govern.

2. SALE AND PURCHASE OF NOTES; GUARANTEES.

Subject to the terms and conditions of this Agreement, the Company will issue and sell to each Purchaser and each Purchaser will purchase from the Company, at the Closing provided for in Section 3, Notes in the principal amount and of the Series specified opposite such Purchaser’s name in Schedule A at the purchase price of 100% of the principal amount thereof. The Purchasers’ obligations hereunder are several and not joint obligations and no Purchaser shall

have any liability to any Person for the performance or non-performance of any obligation by any other Purchaser hereunder.

The obligations of the Company hereunder and under the Notes will be unconditionally guaranteed by (a) the Parent Guarantor pursuant to Section 23 and (b) each of Woodward FST, MPC Products and Woodward HRT (each a “**Closing Subsidiary Guarantor**” and, collectively, the “**Closing Subsidiary Guarantors**”), and each other Subsidiary required to guaranty the Notes pursuant to Section 9.8 (together with the Closing Subsidiary Guarantors, each a “**Subsidiary Guarantor**” and, collectively, the “**Subsidiary Guarantors**”), pursuant to that certain Guaranty Agreement dated as of the date of Closing (the “**Subsidiary Guaranty Agreement**”) substantially in the form set forth in Exhibit 2.

3. CLOSING.

3.1 Closing.

The sale and purchase of the Notes to be purchased by each Purchaser shall occur at the offices of Morgan, Lewis & Bockius LLP, at 101 Park Avenue, New York, New York 10178, at 10:00 a.m., New York time, at a closing (the “**Closing**”) on September 23, 2016. At the Closing, the Company will deliver to each Purchaser the Notes to be purchased by such Purchaser in the form of a single Note for each Series to be purchased by such Purchaser (or such greater number of Notes for each Series in denominations of at least €100,000 as such Purchaser may request) dated the date of Closing and registered in such Purchaser’s name (or in the name of its nominee), against delivery by such Purchaser to the Company or its order of immediately available funds in the amount of the purchase price therefor by wire transfer of immediately available funds for the account of the Company to JPMorgan Bank NA, London Branch, Account Number: 41297215, IBAN: GB65CHAS60924241297215, SWIFT: CHASGB2L.

3.2 Failure of the Company to Deliver.

If at the Closing the Company shall fail to tender any Note to any Purchaser on the date of Closing as provided above in this Section 3, or any of the conditions specified in Section 4 shall not have been fulfilled to such Purchaser’s satisfaction, such Purchaser shall, at its election, be relieved of all further obligations under this Agreement, without thereby waiving any rights such Purchaser may have by reason of such failure or such nonfulfillment.

4. CONDITIONS TO CLOSING.

Each Purchaser’s obligation to purchase and pay for the Notes to be sold to such Purchaser on the date of Closing is subject to the fulfillment to such Purchaser’s satisfaction, prior to or at the date of Closing, of the following conditions:

4.1 Representations and Warranties.

(a) The representations and warranties of the Parent Guarantor and the Company in this Agreement shall be correct (i) when made as of the date hereof and (ii) on the date of Closing.

(b) The representations and warranties of the Closing Subsidiary Guarantors in the Subsidiary Guaranty Agreement shall be correct (i) when made as of the date hereof and (ii) on the date of Closing.

4.2 Performance; No Default.

The Parent Guarantor, the Company and the Closing Subsidiary Guarantors shall have performed and complied with all agreements and conditions contained in this Agreement required to be performed or complied with by the Parent Guarantor, the Company or the Closing Subsidiary Guarantors, as applicable, prior to or on the date of Closing and after giving effect to the issue and sale of the Notes (and the application of the proceeds thereof as contemplated by Section 5.14), no Default or Event of Default shall have occurred and be continuing. Neither the Parent Guarantor, the Company nor any Subsidiary shall have entered into any transaction since the date of the Investor Presentation that would have been prohibited by Sections 10.1, 10.2 or 10.3 had such Sections applied since such date.

4.3 Compliance Certificates.

(a) Officer's Certificates.

(i) Each of the Parent Guarantor and the Company shall have delivered to such Purchaser an Officer's Certificate, dated the date of Closing, certifying that the conditions specified in Sections 4.1(a), 4.2 and 4.10 have been fulfilled as of the date of Closing.

(ii) Each Closing Subsidiary Guarantor shall have delivered to such Purchaser an Officer's Certificate, dated the date of Closing, certifying that the conditions specified in Sections 4.1(b) and 4.2 (as to such Closing Subsidiary Guarantor) have been fulfilled as of the date of Closing.

(b) Secretary or Treasurer's Certificates.

(i) The Parent Guarantor and the Company shall have delivered to such Purchaser a certificate of its Secretary or Assistant Secretary, dated the date of Closing, certifying as to (A) the resolutions attached thereto and other corporate proceedings relating to the authorization, execution and delivery of the Notes and this Agreement and (B) the Parent Guarantor's and the Company's organizational documents as then in effect.

(ii) Each Closing Subsidiary Guarantor shall have delivered to such Purchaser a certificate of its Secretary, Assistant Secretary or Treasurer, dated the date of Closing, certifying as to (A) the resolutions attached thereto and other corporate proceedings relating to the authorization, execution and delivery of the Subsidiary Guaranty Agreement and (B) such Closing Subsidiary Guarantor's organizational documents as then in effect.

4.4 Subsidiary Guaranty Agreement.

The Subsidiary Guaranty Agreement shall have been duly authorized, executed and delivered to each Purchaser by the Closing Subsidiary Guarantors, and shall be in full force and effect.

4.5 Opinions of Counsel.

Such Purchaser shall have received opinions in form and substance satisfactory to such Purchaser, dated the date of Closing (a) from Paul Hastings LLP, special U.S. counsel for the Parent Guarantor, the Company and the Closing Subsidiary Guarantors, covering the matters set forth in Exhibit 4.5(a) and covering such other matters incident to the transactions contemplated hereby as such Purchaser or its counsel may reasonably request, (b) from Loyens & Loeff N.V., special Dutch counsel for the Company, covering the matters set forth in Exhibit 4.5(b) and covering such other matters incident to the transactions contemplated hereby as such Purchaser or its counsel may reasonably request (and the Parent Guarantor hereby instructs its counsel to deliver such opinions to the Purchasers) and (c) from Morgan, Lewis & Bockius LLP, the Purchasers' special U.S. counsel in connection with such transactions, substantially in the form set forth in Exhibit 4.5(c) and covering such other matters incident to such transactions as such Purchaser may reasonably request.

4.6 Purchase Permitted by Applicable Law, etc.

On the date of Closing, such Purchaser's purchase of Notes to be purchased shall (a) be permitted by the laws and regulations of each jurisdiction to which such Purchaser is subject, without recourse to provisions (such as Section 1405(a)(8) of the New York Insurance Law) permitting limited investments by insurance companies without restriction as to the character of the particular investment, (b) not violate any applicable law or regulation (including, without limitation, Regulation T, U or X of the Board of Governors of the Federal Reserve System) and (c) not subject such Purchaser to any tax, penalty or liability under or pursuant to any applicable law or regulation. If requested by such Purchaser, such Purchaser shall have received an Officer's Certificate from the Parent Guarantor certifying as to such matters of fact as such Purchaser may reasonably specify to enable such Purchaser to determine whether such purchase is so permitted.

4.7 Sale of Other Notes.

Contemporaneously with the Closing the Company shall sell to each other Purchaser and each other Purchaser shall purchase the Notes to be purchased by it as specified in Schedule A.

4.8 Payment of Special Counsel Fees.

Without limiting the provisions of Section 16.1, the Company shall have paid on or before the Closing the reasonable fees, charges and disbursements of the Purchasers' special U.S. counsel referred to in Section 4.5 and that of the Purchasers' special Dutch counsel, in each case to the extent reflected in a statement of such counsel rendered to the Company at least one Business Day prior to the Closing.

4.9 Private Placement Numbers.

A Private Placement Number issued by Standard & Poor's CUSIP Service Bureau (in cooperation with the SVO) shall have been obtained for each Series of the Notes.

4.10 Changes in Corporate Structure.

Neither Obligor nor any Closing Subsidiary Guarantor shall have changed its jurisdiction of incorporation or organization, as applicable, or been a party to any merger or consolidation or succeeded to all or any substantial part of the liabilities of any other entity at any time following the date of the most recent financial statements referred to in Schedule 5.5.

4.11 Funding Instructions.

At least three Business Days prior to the date of Closing, each Purchaser shall have received written instructions signed by a Responsible Officer on letterhead of the Company confirming the information specified in Section 3 including (i) the name and address of the transferee bank, (ii) such transferee bank's ABA number/Swift Code/IBAN and (iii) the account name and number into which the purchase price for the Notes to be issued.

4.12 Second Amended and Restated Intercreditor Agreement.

The Parent Guarantor shall have delivered to the Purchasers' special counsel on or before the date of Closing a fully executed copy of the Second Amended and Restated Intercreditor Agreement.

4.13 Revolving Facility.

The Parent Guarantor shall have delivered to the Purchasers' special counsel on or before the date of Closing, a fully executed copy of the Revolving Facility certified by a Responsible Officer as being true, correct and complete.

4.14 Woodward, Inc. Note Purchase Agreement.

The Company shall have delivered to the Purchasers' special counsel on or before the date of Closing a fully executed copy of the 2016 Parent Guarantor Note Purchase Agreement and such agreement shall be, or concurrently with this Agreement shall be, in full force and effect.

4.15 Acceptance of Appointment to Receive Service of Process.

Such Purchaser shall have received evidence of the acceptance by Process Agent of the appointment and designation provided for by Section 24.8(e) in respect of the Company for the period from the date of the Closing to 1 year after the latest maturity of the Notes (and the payment in full of all fees in respect thereof).

4.16 Proceedings and Documents.

All corporate and other proceedings in connection with the transactions contemplated by this Agreement and all documents and instruments incident to such transactions shall be

satisfactory to such Purchaser and its special counsel, and such Purchaser and its special counsel shall have received all such counterpart originals or certified or other copies of such documents as such Purchaser or such special counsel may reasonably request.

5. REPRESENTATIONS AND WARRANTIES OF THE PARENT GUARANTOR AND THE COMPANY.

The Parent Guarantor and the Company jointly and severally represent and warrant to each Purchaser that:

5.1 Organization; Power and Authority.

Each Obligor and each Closing Subsidiary Guarantor is a corporation duly organized or incorporated, validly existing and, where applicable, in good standing under the laws of its respective jurisdiction of incorporation, and is duly qualified as a foreign corporation and, where applicable, is in good standing in each jurisdiction in which such qualification is required by law, other than those jurisdictions as to which the failure to be so qualified or in good standing could not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect. Each Obligor and each Closing Subsidiary Guarantor has the corporate power and authority to own or hold under lease the properties it purports to own or hold under lease and to transact the business it transacts and proposes to transact. Each Obligor has the corporate power and authority to execute and deliver the Notes (in the case of the Company) and this Agreement and to perform the provisions hereof and thereof, and each Closing Subsidiary Guarantor has the corporate power and authority to execute and deliver the Subsidiary Guaranty Agreement and to perform the provisions thereof.

5.2 Authorization, etc.

(a) This Agreement and the Notes have been duly authorized by all necessary corporate action on the part of the Company, and this Agreement constitutes, and upon execution and delivery thereof each Note will constitute, a legal, valid and binding obligation of the Company enforceable against the Company in accordance with its terms, except as such enforceability may be limited by (i) applicable bankruptcy, insolvency, reorganization, moratorium or other similar laws affecting the enforcement of creditors' rights generally and (ii) general principles of equity (regardless of whether such enforceability is considered in a proceeding in equity or at law).

(b) This Agreement has been duly authorized by all necessary corporate action on the part of the Parent Guarantor, and this Agreement constitutes a legal, valid and binding obligation of the Parent Guarantor enforceable against the Parent Guarantor in accordance with its terms, except as such enforceability may be limited by (i) applicable bankruptcy, insolvency, reorganization, moratorium or other similar laws affecting the enforcement of creditors' rights generally and (ii) general principles of equity (regardless of whether such enforceability is considered in a proceeding in equity or at law).

(c) The Subsidiary Guaranty Agreement has been duly authorized by all necessary corporate action on the part of the Closing Subsidiary Guarantors, and the

Subsidiary Guaranty Agreement constitutes a legal, valid and binding obligation of each Closing Subsidiary Guarantor enforceable against each Closing Subsidiary Guarantor in accordance with its terms, except as such enforceability may be limited by (i) applicable bankruptcy, insolvency, reorganization, moratorium or other similar laws affecting the enforcement of creditors' rights generally and (ii) general principles of equity (regardless of whether such enforceability is considered in a proceeding in equity or at law).

5.3 Disclosure.

The Parent Guarantor, through its agents, Merrill Lynch, Pierce, Fenner & Smith Incorporated and J.P. Morgan Securities LLC has delivered to each Purchaser a copy of an Investor Presentation, dated September 6, 2016 (the "**Investor Presentation**"), relating to the transactions contemplated hereby. The Investor Presentation fairly describes, in all material respects, the general nature of the business and principal properties of the Parent Guarantor and its Subsidiaries. This Agreement, the Subsidiary Guaranty Agreement, the Investor Presentation and the documents, certificates or other writings delivered to the Purchasers by or on behalf of the Parent Guarantor, the Company or the Closing Subsidiary Guarantors in connection with the transactions contemplated hereby and identified in Schedule 5.3, and the financial statements listed in Schedule 5.5 (this Agreement, the Subsidiary Guaranty Agreement, the Investor Presentation and such documents, certificates or other writings and such financial statements delivered to each Purchaser prior to September 14, 2016 being referred to, collectively, as the "**Disclosure Documents**"), taken as a whole, do not contain any untrue statement of a material fact or omit to state any material fact necessary to make the statements therein not misleading in light of the circumstances under which they were made. Except as disclosed in the Disclosure Documents, there has been no change since September 30, 2015 in the financial condition, operations, business, properties or prospects of the Parent Guarantor or any Subsidiary except changes that individually or in the aggregate could not reasonably be expected to have a Material Adverse Effect.

5.4 Organization and Ownership of Shares of Subsidiaries; Affiliates.

(a) Schedule 5.4 contains (except as noted therein) complete and correct lists (i) of the Parent Guarantor's Subsidiaries, showing, as to each Subsidiary, the correct name thereof, the jurisdiction of its organization, the percentage of shares of each class of its capital stock or similar equity interests outstanding owned by the Parent Guarantor and each other Subsidiary and whether such Subsidiary is a Subsidiary Guarantor, (ii) of the Parent Guarantor's Affiliates, other than Subsidiaries and Undisclosed Affiliates, and (iii) of the Parent Guarantor's directors and senior officers.

(b) All of the outstanding shares of capital stock or similar equity interests of each Subsidiary shown in Schedule 5.4 as being owned by the Parent Guarantor and its Subsidiaries have been validly issued, are fully paid and nonassessable and are owned by the Parent Guarantor or another Subsidiary free and clear of any Lien (except as otherwise disclosed in Schedule 5.4).

(c) Each Subsidiary identified in Schedule 5.4 is a corporation or other legal entity duly organized or incorporated, validly existing and, to the extent such concept is

applicable, in good standing under the laws of its jurisdiction of organization, and is duly qualified as a foreign corporation or other legal entity and is in good standing in each jurisdiction in which such qualification is required by law, other than those jurisdictions as to which the failure to be so qualified or in good standing could not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect. Each such Subsidiary has the corporate or other power and authority to own or hold under lease the properties it purports to own or hold under lease and to transact the business it transacts and proposes to transact.

(d) No Subsidiary is a party to, or otherwise subject to any legal, regulatory, contractual or other restriction (other than this Agreement, the agreements listed on Schedule 5.4 and customary limitations imposed by corporate law or similar statutes, whether foreign or domestic) restricting the ability of such Subsidiary to pay dividends out of profits or make any other similar distributions of profits to the Parent Guarantor or any of its Subsidiaries that owns outstanding shares of capital stock or similar equity interests of such Subsidiary.

5.5 Financial Statements; Material Liabilities.

The Parent Guarantor has delivered to each Purchaser copies of the consolidated financial statements of the Parent Guarantor and its Subsidiaries listed on Schedule 5.5. All such financial statements (including in each case the related schedules and notes) fairly present in all material respects the consolidated financial position of the Parent Guarantor and its Subsidiaries as of the respective dates specified in such Schedule and the consolidated results of their operations and cash flows for the respective periods so specified and have been prepared in accordance with GAAP consistently applied throughout the periods involved except as set forth in the notes thereto (subject, in the case of any interim financial statements, to normal year-end adjustments and the absence of footnotes). The Parent Guarantor and its Subsidiaries do not have any Material liabilities that are not disclosed on such financial statements or otherwise disclosed in the Disclosure Documents.

5.6 Compliance with Laws, Other Instruments, etc.

(a) The execution, delivery and performance by the Obligors of this Agreement and by the Company of the Notes, and the execution, delivery and performance by the Closing Subsidiary Guarantors of the Subsidiary Guaranty Agreement, will not (i) contravene, result in any breach of, or constitute a default under, or result in the creation of any Lien in respect of any property of the Parent Guarantor or any Subsidiary under, any indenture, mortgage, deed of trust, loan, purchase or credit agreement, lease, corporate charter, memorandum of association, articles of association, regulations, by-laws, shareholders agreement or any other agreement or instrument to which the Parent Guarantor or any Subsidiary is bound or by which the Parent Guarantor, the Company or any Subsidiary or any of their respective properties may be bound, (ii) conflict with or result in a breach of any of the terms, conditions or provisions of any order, judgment, decree, or ruling of any court, arbitrator or Governmental Authority applicable to the Parent Guarantor or any Subsidiary or (iii) violate any provision of any statute or other rule or regulation of any Governmental Authority applicable to the Parent

Guarantor or any Subsidiary. All obligations under this Agreement are direct and unsecured obligations of the Obligor ranking *pari passu* as against the assets of such Obligor with all other unsecured Indebtedness (actual or contingent) of such Obligor which is not expressed to be subordinated or junior in rank to any other unsecured Indebtedness of such Obligor.

(b) All obligations under the Subsidiary Guaranty Agreement are direct and unsecured obligations of each Closing Subsidiary Guarantor ranking *pari passu* as against the assets of such Closing Subsidiary Guarantor with all other unsecured Indebtedness (actual or contingent) of such Closing Subsidiary Guarantor which is not expressed to be subordinated or junior in rank to any other unsecured Indebtedness of such Closing Subsidiary Guarantor.

5.7 Governmental Authorizations, etc.

Except with respect to (a) applicable and routine securities laws filings required by the Exchange Act, (b) the filing of a Form D under the Securities Act, and (c) routine reporting requirements to the Dutch Central Bank (*De Nederlandsche Bank N.V.*) on (*inter alia*) cross border payments pursuant to the Regulation of 4 February 2003 under the Act on Financial Foreign Relations 1994 (*Wet financiële betrekkingen buitenland 1994*), no consent, approval or authorization of, or registration, filing or declaration with, any Governmental Authority is required in connection with the execution, delivery or performance by the Obligor of this Agreement or by the Company of the Notes, or by the Closing Subsidiary Guarantors of the Subsidiary Guaranty Agreement, including any therefor required in connection with the obtaining of Euros to make payments under this Agreement, the Notes or the Subsidiary Guaranty and the payment of such Euros to Persons resident in the United States of America. It is not necessary to ensure the legality, validity, enforceability or admissibility into evidence in The Netherlands of this Agreement or the Notes that any thereof or any other document be filed, recorded or enrolled with any Governmental Authority, or that any such agreement or document be stamped with any stamp, registration or similar transaction tax.

5.8 Litigation; Observance of Agreements, Statutes and Orders.

(a) There are no actions, suits, investigations or proceedings pending or, to the knowledge of the Obligor, threatened against or affecting the Parent Guarantor or any Subsidiary or any property of the Parent Guarantor or any Subsidiary in any court or before any arbitrator of any kind or before or by any Governmental Authority that, individually or in the aggregate, could reasonably be expected to have a Material Adverse Effect.

(b) Neither the Parent Guarantor nor any Subsidiary is in default under any term of any agreement or instrument to which it is a party or by which it is bound, or any order, judgment, decree or ruling of any court, arbitrator or Governmental Authority or is in violation of any applicable law, ordinance, rule or regulation (including without limitation Environmental Laws, the USA PATRIOT Act or any of the other laws and regulations that are referred to in Section 5.16) of any Governmental Authority, which

default or violation, individually or in the aggregate, could reasonably be expected to have a Material Adverse Effect.

5.9 Taxes.

(a) The Parent Guarantor and its Subsidiaries have filed all income tax returns that are required to have been filed in any jurisdiction, and have paid all taxes shown to be due and payable on such returns and all other taxes and assessments levied upon them or their properties, assets, income or franchises, to the extent such taxes and assessments have become due and payable and before they have become delinquent, except for any taxes and assessments (i) the amount of which is not individually or in the aggregate Material or (ii) the amount, applicability or validity of which is currently being contested in good faith by appropriate proceedings and with respect to which the Parent Guarantor or a Subsidiary, as the case may be, has established adequate reserves in accordance with GAAP. No Senior Financial Officer of the Parent Guarantor knows of any basis for any other tax or assessment that could reasonably be expected to have a Material Adverse Effect. The charges, accruals and reserves on the books of the Parent Guarantor and its Subsidiaries in respect of Federal, national, state or other taxes for all fiscal periods are adequate in accordance with GAAP. The United States Federal income tax liabilities of the Parent Guarantor and its Subsidiaries have been finally determined (whether by reason of completed audits or the statute of limitations having run) for all fiscal years up to and including the fiscal year ended September 30, 2012.

(b) No liability for any Tax, directly or indirectly, imposed, assessed, levied or collected by or for the account of any Governmental Authority of The Netherlands or any political subdivision thereof will be incurred by the Company or any holder of a Note as a result of the execution or delivery of this Agreement or the Notes and no deduction or withholding in respect of Taxes imposed by or for the account of The Netherlands or, to the knowledge of the Parent Guarantor or the Company, any other Taxing Jurisdiction, is required to be made from any payment by the Company under this Agreement or the Notes except for any such liability, withholding or deduction imposed, assessed, levied or collected by or for the account of any such Governmental Authority of The Netherlands arising out of circumstances described in clause (i), (ii) or (iii) of Section 13(b).

5.10 Title to Property; Leases.

The Parent Guarantor and its Subsidiaries have good and sufficient title to their respective properties that individually or in the aggregate are Material, including all such properties reflected in the most recent audited balance sheet referred to in Section 5.5 or purported to have been acquired by the Parent Guarantor or any Subsidiary after said date (except as sold or otherwise disposed of in the ordinary course of business), in each case free and clear of Liens prohibited by this Agreement. All leases that individually or in the aggregate are Material are valid and subsisting and are in full force and effect in all material respects.

5.11 Licenses, Permits, etc.

The Parent Guarantor and its Subsidiaries own or possess all licenses, permits, franchises, authorizations, patents, copyrights, proprietary software, service marks, trademarks and trade names, or rights thereto, that individually or in the aggregate are Material, without known conflict with the rights of others, except for those conflicts that, individually or in the aggregate, would not reasonably be expected to have a Material Adverse Effect.

5.12 Compliance with ERISA.

(a) The Parent Guarantor and each ERISA Affiliate have operated and administered each Plan (which is not a Multiemployer Plan) in compliance with all applicable laws except for such instances of noncompliance as have not resulted in and could not, individually or in the aggregate, reasonably be expected to result in a Material Adverse Effect. Neither the Parent Guarantor nor any ERISA Affiliate has incurred any liability for failure to comply with the provisions of Title I of ERISA or pursuant to Title IV of ERISA (other than for premium payments to the PBGC paid in a timely manner) or the penalty or excise tax provisions of the Code relating to employee benefit plans (as defined in section 3 of ERISA), and no event, transaction or condition has occurred or exists that could, individually or in the aggregate, reasonably be expected to result in the incurrence of any such liability by the Parent Guarantor or any ERISA Affiliate, or in the imposition of any Lien on any of the rights, properties or assets of the Parent Guarantor or any ERISA Affiliate, in either case pursuant to Title I or IV of ERISA or to section 430(k) of the Code or to any such penalty or excise tax provisions under the Code or federal law or section 4068 of ERISA or by the granting of a security interest in connection with the amendment of a Plan, other than such liabilities or Liens as would not be individually or in the aggregate Material.

(b) The present value of the aggregate benefit liabilities under each of the Plans subject to Title IV of ERISA (other than Multiemployer Plans), determined as of the beginning of such Plan's most recently ended plan year on the basis of the actuarial assumptions specified for funding purposes in such Plan's most recent actuarial valuation report, did not exceed the aggregate current value as of such determination date of the assets of such Plan allocable to such benefit liabilities by more than \$13,000,000 in the case of any single Plan and by more than \$17,000,000 in the aggregate for all Plans. The present value of the accrued benefit liabilities (whether or not vested) under each Non-U.S. Plan that is funded, determined as of the end of the Parent Guarantor's most recently ended fiscal year on the basis of reasonable actuarial assumptions, did not exceed the current value of the assets of such Non-U.S. Plan allocable to such benefit liabilities. The term "benefit liabilities" has the meaning specified in section 4001 of ERISA and the terms "current value" and "present value" have the meaning specified in section 3 of ERISA.

(c) The Parent Guarantor and its ERISA Affiliates have not incurred (i) withdrawal liabilities under section 4201 or contingent withdrawal liabilities under section 4204 of ERISA in respect of Multiemployer Plans that individually or in the aggregate are Material or (ii) any obligation in connection with the termination of or withdrawal from any Non-U.S. Plan that individually or in the aggregate are Material.

(d) The expected postretirement benefit obligation (determined as of the last day

of the Parent Guarantor's most recently ended fiscal year in accordance with Financial Accounting Standards Board Accounting Standards Codification Topic 715-60, without regard to liabilities attributable to continuation coverage mandated by section 4980B of the Code) of the Parent Guarantor and its Subsidiaries is not Material.

(e) The execution and delivery of this Agreement and the Subsidiary Guaranty Agreement and the issuance and sale of the Notes hereunder will not involve any transaction that is subject to and not exempt from the prohibitions of section 406 of ERISA or in connection with which a tax could be imposed pursuant to section 4975(c)(1)(A)-(D) of the Code. The representation by the Obligors to each Purchaser in the first sentence of this Section 5.12(e) is made in reliance upon and subject to the accuracy of the Purchasers' representations in Section 6.3 as to the sources of the funds used to pay the purchase price of the Notes to be purchased by the Purchasers.

(f) All Non-U.S. Plans have been established, operated, administered and maintained in compliance with all laws, regulations and orders applicable thereto, except where failure so to comply could not be reasonably expected to have a Material Adverse Effect. All premiums, contributions and any other amounts required by applicable Non-U.S. Plan documents or applicable laws to be paid or accrued by the Parent Guarantor and its Subsidiaries have been paid or accrued as required, except where failure so to pay or accrue could not be reasonably expected to have a Material Adverse Effect.

5.13 Private Offering by the Obligors.

Neither the Obligors nor anyone acting on their behalf has offered the Notes, the Unconditional Guaranty of the Parent Guarantor or any similar Securities for sale to, or solicited any offer to buy any of the same from, or otherwise approached or negotiated in respect thereof with, any Person other than the Purchasers and not more than 20 other Institutional Investors (as defined in clause (c) to the definition of such term), each of which has been offered the Notes at a private sale for investment. Neither the Obligors nor anyone acting on their behalf has taken, or will take, any action that would subject the issuance or sale of the Notes to the registration requirements of Section 5 of the Securities Act or to the registration requirements of any securities or blue sky laws of any applicable jurisdiction, including the jurisdiction of organization of the Company. For purposes of this Section 5.13 only, each reference to the Notes shall be deemed to include the Subsidiary Guaranty Agreement.

5.14 Use of Proceeds; Margin Regulations.

The Company will apply the proceeds of the sale of the Notes hereunder for general corporate purposes. No part of the proceeds from the sale of the Notes hereunder will be used, directly or indirectly, for the purpose of buying or carrying any margin stock within the meaning of Regulation U of the Board of Governors of the Federal Reserve System (12 CFR 221), or for the purpose of buying or carrying or trading in any securities under such circumstances as to involve the Company in a violation of Regulation X of said Board (12 CFR 224) or to involve any broker or dealer in a violation of Regulation T of said Board (12 CFR 220). Margin stock does not constitute more than 5% of the value of the consolidated assets of the Parent Guarantor

and its Subsidiaries and the Parent Guarantor does not have any present intention that margin stock will constitute more than 5% of the value of such assets. As used in this Section, the terms “margin stock” and “purpose of buying or carrying” shall have the meanings assigned to them in said Regulation U.

5.15 Existing Indebtedness; Future Liens.

(a) Except as described therein, Schedule 5.15 sets forth a complete and correct list of all outstanding Indebtedness of the Parent Guarantor and its Subsidiaries as of June 30, 2016 (including a description of the obligors and obligees, principal amount outstanding and collateral therefor, if any, and Guaranty thereof, if any), since which date there has been no Material change in the amounts, interest rates, sinking funds, installment payments or maturities of the Indebtedness of the Parent Guarantor or its Subsidiaries. Neither the Parent Guarantor nor any Subsidiary is in default and no waiver of default is currently in effect, in the payment of any principal or interest on any Indebtedness of the Parent Guarantor or such Subsidiary and no event or condition exists with respect to any Indebtedness of the Parent Guarantor or any Subsidiary the aggregate principal amount of which exceeds \$2,000,000 that would permit (or that with notice or the lapse of time, or both, would permit) one or more Persons to cause such Indebtedness to become due and payable before its stated maturity or before its regularly scheduled dates of payment.

(b) Except as disclosed in Schedule 5.15, neither the Parent Guarantor nor any Subsidiary has agreed or consented to cause or permit in the future (upon the happening of a contingency or otherwise) any of its property, whether now owned or hereafter acquired, to be subject to a Lien not permitted by Section 10.6.

(c) Neither the Parent Guarantor nor any Subsidiary is a party to, or otherwise subject to any provision contained in, any instrument evidencing Indebtedness of the Parent Guarantor or such Subsidiary, any agreement relating thereto or any other agreement (including, but not limited to, its charter or other organizational document) which limits the amount of, or otherwise imposes restrictions on the incurring of, Indebtedness of the Parent Guarantor, except as set forth in Schedule 5.15.

5.16 Foreign Assets Control Regulations, etc.

(a) Neither the Parent Guarantor nor any Controlled Entity is (i) a Person whose name appears on the list of Specially Designated Nationals and Blocked Persons published by the Office of Foreign Assets Control, United States Department of the Treasury (“OFAC”) (an “OFAC Listed Person”) (ii) an agent, department, or instrumentality of, or is otherwise beneficially owned by, controlled by or acting on behalf of, directly or indirectly, (x) any OFAC Listed Person or (y) any Person, entity, organization, foreign country or regime that is the subject of any country based OFAC Sanctions Program, or (iii) otherwise blocked, subject to sanctions under or to the Parent Guarantor’s knowledge, after making due inquiry, engaged in any activity now or in the past five years in violation of other applicable United States economic sanctions, including but not limited to, the Trading with the Enemy Act, the International

Emergency Economic Powers Act, the Iran Sanctions Act or any similar law or regulation with respect to Iran or any other country, the Sudan Accountability and Divestment Act, any OFAC Sanctions Program, or any economic sanctions regulations administered and enforced by the United States or any enabling legislation or executive order relating to any of the foregoing (collectively, “**U.S. Economic Sanctions**”) (each OFAC Listed Person and each other Person, entity, organization and government of a country described in clause (ii) or clause (iii), a “**Blocked Person**”). Neither the Parent Guarantor nor any Controlled Entity has been notified that its name appears or may in the future appear on a state list of Persons that engage in investment or other commercial activities in Iran or any other country that is subject to U.S. Economic Sanctions.

(b) No part of the proceeds from the sale of the Notes hereunder constitutes or will constitute funds obtained on behalf of any Blocked Person or will otherwise be used by the Parent Guarantor or any Controlled Entity, directly or indirectly, (i) in connection with any investment in, or any transactions or dealings with, any Blocked Person, or (ii) otherwise in violation of U.S. Economic Sanctions.

(c) Neither the Parent Guarantor nor any Controlled Entity (i) has been found in violation of or convicted of, money laundering, drug trafficking, terrorist-related activities or other money laundering predicate crimes under the Currency and Foreign Transactions Reporting Act of 1970 (otherwise known as the Bank Secrecy Act), the USA PATRIOT Act or any other United States law or regulation governing such activities (collectively, “**Anti-Money Laundering Laws**”) or any U.S. Economic Sanctions violations, (ii) to the Parent Guarantor’s actual knowledge after making due inquiry, is under investigation by any Governmental Authority for possible violation of Anti-Money Laundering Laws or any U.S. Economic Sanctions violations, (iii) has been assessed civil penalties under any Anti-Money Laundering Laws or any U.S. Economic Sanctions, or (iv) has had any of its funds seized or forfeited in an action under any Anti-Money Laundering Laws. The Parent Guarantor has established procedures and controls which it reasonably believes are adequate (and otherwise comply with applicable law) to ensure that the Parent Guarantor and each Controlled Entity is and will continue to be in compliance with all applicable Anti-Money Laundering Laws and U.S. Economic Sanctions.

(d) (i) Neither the Parent Guarantor nor any Controlled Entity (A) has been convicted of bribery or any other anti-corruption related activity under any applicable law or regulation in a U.S. or any non-U.S. country or jurisdiction, including but not limited to, the U.S. Foreign Corrupt Practices Act and the U.K. Bribery Act 2010 (collectively, “**Anti-Corruption Laws**”), (B) to the Parent Guarantor’s actual knowledge after making due inquiry, is under investigation by any U.S. or non-U.S. Governmental Authority for possible violation of Anti-Corruption Laws, (C) has been assessed civil or criminal penalties under any Anti-Corruption Laws or (D) has been or is the target of sanctions imposed by the United Nations or the European Union;

(ii) To the Parent Guarantor’s actual knowledge after making due inquiry, neither the Parent Guarantor nor any Controlled Entity has, within the last five years and where to do so would have resulted in a violation of then-

applicable Anti-Corruption Laws, directly or indirectly offered, promised, given, paid or authorized the offer, promise, giving or payment of anything of value to a Governmental Official or a commercial counterparty for the purposes of: (A) influencing any act, decision or failure to act by such Governmental Official in his or her official capacity or such commercial counterparty, (B) inducing a Governmental Official to do or omit to do any act in violation of the Governmental Official's lawful duty, or (C) inducing a Governmental Official or a commercial counterparty to use his or her influence with a government or instrumentality to affect any act or decision of such government or entity; in each case in order to obtain, retain or direct business or to otherwise secure an improper advantage; and

(iii) No part of the proceeds from the sale of the Notes hereunder will be used, directly or indirectly, for any improper payments, including bribes, to any Governmental Official or commercial counterparty in order to obtain, retain or direct business or obtain any improper advantage. The Parent Guarantor has established procedures and controls which it reasonably believes are adequate (and otherwise comply with applicable law) to ensure that the Parent Guarantor and each Controlled Entity is and will continue to be in compliance with all applicable current and future Anti-Corruption Laws.

5.17 Status under Certain Statutes.

Neither the Parent Guarantor nor any Subsidiary is (a) required to register as an "investment company," as such term is defined in the Investment Company Act of 1940, as amended, or (b) subject to regulation under the Public Utility Holding Company Act of 2005, as amended, the ICC Termination Act of 1995, as amended, or the Federal Power Act, as amended. The Company does not qualify as a "bank" within the meaning of section 1.1 of the Dutch Act on Financial Supervision (*Wet op het financieel toezicht*).

5.18 Environmental Matters.

(a) Neither the Parent Guarantor nor any Subsidiary has knowledge of any claim or has received any notice of any claim, and no proceeding has been instituted raising any claim against the Parent Guarantor or any of its Subsidiaries or any of their respective real properties now or formerly owned, leased or operated by any of them or other assets, alleging any damage to the environment or violation of any Environmental Laws, except, in each case, such as could not reasonably be expected to result in a Material Adverse Effect.

(b) Neither the Parent Guarantor nor any Subsidiary has knowledge of any facts which would give rise to any claim, public or private, of violation of Environmental Laws or damage to the environment emanating from, occurring on or in any way related to real properties now or formerly owned, leased or operated by any of them or to other assets or their use, except, in each case, such as could not reasonably be expected to result in a Material Adverse Effect.

(c) Neither the Parent Guarantor nor any Subsidiary has stored any Hazardous

Materials on real properties now or formerly owned, leased or operated by any of them and has not disposed of any Hazardous Materials in a manner contrary to any Environmental Laws in each case in any manner that could reasonably be expected to result in a Material Adverse Effect.

(d) All buildings on all real properties now owned, leased or operated by the Parent Guarantor or any Subsidiary are in compliance with applicable Environmental Laws, except where failure to comply could not reasonably be expected to result in a Material Adverse Effect.

5.19 Ranking of Obligations.

The Company's payment obligations under this Agreement and the Notes will, upon issuance of the Notes, rank at least pari passu, without preference or priority, with all other unsecured and unsubordinated Indebtedness of the Company. The Parent Guarantor's payment obligations under this Agreement rank at least pari passu, without preference or priority, with all other unsecured and unsubordinated Indebtedness of the Parent Guarantor.

6. REPRESENTATIONS OF THE PURCHASERS.

6.1 Purchase for Investment.

Each Purchaser severally represents that it is purchasing the Notes for its own account or for one or more separate accounts maintained by such Purchaser or for the account of one or more pension or trust funds and not with a view to the distribution thereof, provided that the disposition of such Purchaser's or such pension or trust fund's property shall at all times be within such Purchaser's or such pension or trust fund's control. Each Purchaser understands that the Notes have not been registered under the Securities Act and may be resold only if registered pursuant to the provisions of the Securities Act or if an exemption from registration is available, except under circumstances where neither such registration nor such an exemption is required by law, and that the Company is not required, nor does it intend, to register the Notes.

6.2 Accredited Investor; Qualified Investor.

(a) Each Purchaser represents that it is an "accredited investor" (as defined in Rule 501(a)(1), (2), (3) or (7) of Regulation D under the Securities Act acting for its own account (and not for the account of others) or as a fiduciary or agent for others (which others are also "accredited investors"). Each Purchaser further represents that such Purchaser has had the opportunity to ask questions of the Parent Guarantor and received answers concerning the terms and conditions of the sale of the Notes.

(b) Each Purchaser incorporated or organized in a jurisdiction which is a member of the European Economic Area represents that it is a qualified investor within the meaning of the European Prospectus Directive (2003/71/EC), as amended.

6.3 Source of Funds.

Each Purchaser severally represents that at least one of the following statements is an accurate representation as to each source of funds (a “Source”) to be used by such Purchaser to pay the purchase price of the Notes to be purchased by such Purchaser hereunder:

(a) the Source is an “insurance company general account” (as the term is defined in the United States Department of Labor’s Prohibited Transaction Class Exemption (“PTE”) 95-60, as amended) in respect of which the reserves and liabilities (as defined by the annual statement for life insurance companies approved by the NAIC (the “NAIC Annual Statement”)) for the general account contract(s) held by or on behalf of any employee benefit plan together with the amount of the reserves and liabilities (as defined by the NAIC Annual Statement) for the general account contract(s) held by or on behalf of any other employee benefit plans maintained by the same employer (or affiliate thereof as defined in PTE 95-60, as amended) or by the same employee organization in the general account do not exceed 10% of the total reserves and liabilities of the general account (exclusive of separate account liabilities) plus surplus as set forth in the NAIC Annual Statement filed with such Purchaser’s state of domicile; or

(b) the Source is a separate account of an insurance company that is maintained solely in connection with the fixed contractual obligations of the insurance company under which the amounts payable, or credited, to any employee benefit plan (or its related trust) that has any interest in such separate account (or to any participant or beneficiary of such plan (including any annuitant)) are not affected in any manner by the investment performance of the separate account; or

(c) the Source is either (i) an insurance company pooled separate account, within the meaning of PTE 90-1, as amended or (ii) a bank collective investment fund, within the meaning of the PTE 91-38, as amended and, except as disclosed by such Purchaser to the Parent Guarantor in writing pursuant to this clause (c), no employee benefit plan (as defined in such PTEs) or group of plans maintained by the same employer or employee organization beneficially owns more than 10% of all assets allocated to such pooled separate account or collective investment fund; or

(d) (i) the Source constitutes assets of an “investment fund” (within the meaning of Part VI of PTE 84-14, as amended (the “QPAM Exemption”)) managed by a “qualified professional asset manager” or “QPAM” (within the meaning of Part VI of the QPAM Exemption), (ii) no employee benefit plan’s assets that are managed by the QPAM in such investment fund, when combined with the assets of all other employee benefit plans established or maintained by the same employer or by an affiliate (within the meaning of Part VI(c)(1) of the QPAM Exemption) of such employer or by the same employee organization and managed by such QPAM, represent more than 20% of the total client assets managed by such QPAM at the time of the purchase of the Notes hereunder, (iii) the conditions of Part I(c) and (g) of the QPAM Exemption are satisfied, (iv) neither the QPAM nor a person controlling or controlled by the QPAM maintains an ownership interest in the Parent Guarantor that would cause the QPAM and the Parent Guarantor to be “related” within the meaning of Part VI(h) of the QPAM Exemption and (v)(A) the identity of such QPAM and (B) the names of any employee benefit plans whose assets in the investment fund, when combined with the assets of all other

employee benefit plans established or maintained by the same employer or by an affiliate (within the meaning of Part VI(c)(1) of the QPAM Exemption) of such employer or by the same employee organization, represent 10% or more of the assets of such investment fund, have been disclosed to the Parent Guarantor in writing pursuant to this clause (d); or

(e) (i) the Source constitutes assets of a “plan(s)” (within the meaning of Part IV(h) of PTE 96-23 (the “**INHAM Exemption**”)) managed by an “in-house asset manager” or “INHAM” (within the meaning of Part IV(a) of the INHAM Exemption), (ii) the conditions of Part I(a), (g) and (h) of the INHAM Exemption are satisfied, (iii) neither the INHAM nor a person controlling or controlled by the INHAM (applying the definition of “control” in Part IV(d)(3) of the INHAM Exemption) owns a 10% or more interest in the Parent Guarantor and (iv) (A) the identity of such INHAM and (B) the name(s) of the employee benefit plan(s) whose assets constitute the Source have been disclosed to the Parent Guarantor in writing pursuant to this clause (e); or

(f) the Source is a governmental plan, church plan that has not made an election under Section 410(d) of the Code, or a non-U.S. plan and the purchase does not violate any federal, state or other law that regulates its investment in the Notes; or

(g) the Source is one or more employee benefit plans, or a separate account or trust fund comprised of one or more employee benefit plans, each of which has been identified to the Parent Guarantor in writing pursuant to this clause (g); or

(h) the Source does not include assets of any employee benefit plan, governmental plan, church plan that has not made an election under Section 410(d) of the Code, or non-U.S. Plan.

As used in this Section 6.3, the terms “employee benefit plan,” “governmental plan,” “church plan,” and “separate account” shall, unless otherwise indicated, have the respective meanings assigned to such terms in section 3 of ERISA.

7. INFORMATION AS TO PARENT GUARANTOR.

7.1 Financial and Business Information.

The Parent Guarantor shall deliver to each holder of a Note that is an Institutional Investor:

(a) Quarterly Statements -- within 60 days (or such shorter period as is 15 days greater than the period applicable to the filing of the Company’s Quarterly Report on Form 10-Q (the “**Form 10-Q**”) with the SEC regardless of whether the Company is subject to the filing requirements thereof after the end of each quarterly fiscal period in each fiscal year of the Parent Guarantor (other than the last quarterly fiscal period of each such fiscal year), duplicate copies of,

(i) a consolidated balance sheet of the Parent Guarantor and its Subsidiaries as at the end of such quarter, and

(ii) consolidated statements of earnings, shareholders' equity and cash flows of the Parent Guarantor and its Subsidiaries, for such quarter and (in the case of the second and third quarters) for the portion of the fiscal year ending with such quarter,

setting forth in each case in comparative form the figures for the corresponding periods in the previous fiscal year, all in reasonable detail, prepared in accordance with GAAP applicable to quarterly financial statements generally, and certified by a Senior Financial Officer as fairly presenting, in all material respects, the financial position of the companies being reported on and their results of operations and cash flows, subject to changes resulting from year-end adjustments and the absence of footnotes, provided that delivery within the time period specified above of copies of the Parent Guarantor's Form 10-Q prepared in compliance in all material respects with the requirements therefor and filed with the SEC shall be deemed to satisfy the requirements of this Section 7.1(a), provided, further, that the Parent Guarantor shall be deemed to have made such delivery of such Form 10-Q if it shall have timely made such Form 10-Q available on "EDGAR" and on its home page on the worldwide web (at the date of this Agreement located at: <http://www.woodward.com>) (such availability being referred to as "**Electronic Delivery**");

(b) Annual Statements -- within 100 days (or such shorter period as is 15 days greater than the period applicable to the filing of the Company's Annual Report on Form 10-K (the "**Form 10-K**") with the SEC regardless of whether the Company is subject to the filing requirements thereof after the end of each fiscal year of the Parent Guarantor, duplicate copies of

(i) a consolidated balance sheet of the Parent Guarantor and its Subsidiaries as at the end of such year, and

(ii) consolidated statements of earnings, shareholders' equity and cash flows of the Parent Guarantor and its Subsidiaries for such year,

setting forth in each case in comparative form the figures for the previous fiscal year, all in reasonable detail, prepared in accordance with GAAP, and accompanied by an opinion thereon of independent public accountants of recognized national standing, which opinion shall state that such financial statements present fairly, in all material respects, the financial position of the companies being reported upon and their results of operations and cash flows and have been prepared in conformity with GAAP, and that the examination of such accountants in connection with such financial statements has been made in accordance with generally accepted auditing standards, and that such audit provides a reasonable basis for such opinion in the circumstances, *provided* that the delivery within the time period specified above of the Parent Guarantor's Form 10-K for such fiscal year (together with the Parent Guarantor's annual report to shareholders, if any, prepared pursuant to Rule 14a-3 under the Exchange Act) prepared in all material respects in accordance with the requirements therefor and filed with the SEC shall be deemed to satisfy the requirements of this Section 7.1(b), provided, further, that the

Parent Guarantor shall be deemed to have made such delivery of such Form 10-K if it shall have timely made Electronic Delivery thereof;

(c) SEC and Other Reports -- promptly upon their becoming available, one copy of (i) each financial statement, report, notice or proxy statement sent by the Parent Guarantor or any Subsidiary to its public securities holders generally, and (ii) each regular or periodic report, each registration statement (other than a registration statement on Form S-8 and without exhibits except as expressly requested by such holder), and each prospectus and all amendments thereto filed by the Parent Guarantor or any Subsidiary with the SEC and of all press releases and other statements made available generally by the Parent Guarantor or any Subsidiary to the public concerning developments that are Material, provided that the Parent Guarantor shall be deemed to have made such delivery of such materials if it shall have made timely Electronic Delivery thereof;

(d) Notice of Default or Event of Default -- promptly, and in any event within five days after a Responsible Officer becoming aware of the existence of any Default or Event of Default or that any Person has given any written notice or taken any action with respect to a claimed Default hereunder or that any Person has given any notice or taken any action with respect to a claimed Default of the type referred to in Section 11(f), a written notice specifying the nature and period of existence thereof and what action the Parent Guarantor is taking or proposes to take with respect thereto;

(e) ERISA Matters -- promptly, and in any event within five Business Days after a Responsible Officer becoming aware of any of the following, a written notice setting forth the nature thereof and the action, if any, that the Parent Guarantor or an ERISA Affiliate proposes to take with respect thereto:

(i)with respect to any Plan subject to Title IV of ERISA, any reportable event, as defined in section 4043(c) of ERISA and the regulations thereunder, for which notice thereof has not been waived pursuant to such regulations as in effect on the date hereof; or

(ii)the taking by the PBGC of steps to institute, or the threatening by the PBGC of the institution of, proceedings under section 4042 of ERISA for the termination of, or the appointment of a trustee to administer, any Plan, or the receipt by the Parent Guarantor or any ERISA Affiliate of a notice from a Multiemployer Plan that such action has been taken by the PBGC with respect to such Multiemployer Plan; or

(iii)any event, transaction or condition that could result in the incurrence of any liability by the Parent Guarantor or any ERISA Affiliate for failure to comply with the provisions of Title I of ERISA or pursuant to Title IV of ERISA or the penalty or excise tax provisions of the Code relating to employee benefit plans (as defined in Section 3 of ERISA), or in the imposition of any Lien on any of the rights, properties or assets of the Parent Guarantor or any ERISA Affiliate pursuant to Title I or IV of ERISA or such penalty or excise tax

provisions, if such liability or Lien, taken together with any other such liabilities or Liens then existing, could reasonably be expected to have a Material Adverse Effect; or

(iv) receipt of notice of the imposition of a Material financial penalty (which for this purpose shall mean any tax, penalty or other liability, whether by way of indemnity or otherwise) with respect to one or more Non-U.S. Plans.

(f) Notices from Governmental Authority -- promptly, and in any event within 30 days of receipt thereof, copies of any written notice to the Parent Guarantor or any Subsidiary from any Federal, national or state Governmental Authority relating to any order, ruling, statute or other law or regulation that could reasonably be expected to have a Material Adverse Effect;

(g) Major Credit Facility -- substantially concurrent with the transmission thereof, copies (unless otherwise delivered pursuant to the other provisions of this Section 7.1) of all financial statements, notices, reports and other information given by or on behalf of the Parent Guarantor or any of its Subsidiaries to the financial institutions party to any Major Credit Facility (excluding routine matters such as borrowing requests); and

(h) Requested Information -- with reasonable promptness, such other data and information relating to the business, operations, affairs, financial condition, assets or properties of the Parent Guarantor or any of its Subsidiaries (including, but without limitation, actual copies of the Parent Guarantor's Form 10-Q and Form 10-K) or relating to the ability of the either Obligor to perform its obligations hereunder and under the Notes as from time to time may be reasonably requested by any such holder of Note.

7.2 Officer's Certificate.

Each set of financial statements delivered to a holder of a Note pursuant to Section 7.1(a) or Section 7.1(b) shall be accompanied by a certificate of a Senior Financial Officer setting forth (which, in the case of Electronic Delivery of any such financial statements, shall be by separate concurrent delivery of such certificate to each holder of a Note):

(a) Covenant Compliance -- the information (including detailed calculations) required in order to establish whether the Parent Guarantor was in compliance with the requirements of Section 10.3, and Section 10.6 through Section 10.11, inclusive, during the quarterly or annual period covered by the statements then being furnished (including with respect to each such Section, where applicable, the calculations of the maximum or minimum amount, ratio or percentage, as the case may be, permissible under the terms of such Sections, and the calculation of the amount, ratio or percentage in existence as of the end of such period); and

(b) Event of Default -- a statement that such Senior Financial Officer has reviewed the relevant terms hereof and has made, or caused to be made, under his or her supervision, a review of the transactions and conditions of the Parent Guarantor and its Subsidiaries from the beginning of the quarterly or annual period covered by the

statements then being furnished to the date of the certificate and that such review shall not have disclosed the existence during such period of any condition or event that constitutes a Default or an Event of Default or, if any such condition or event existed or exists, specifying the nature and period of existence thereof and what action the Parent Guarantor shall have taken or proposes to take with respect thereto.

7.3 Visitation.

The Parent Guarantor shall permit the representatives of each holder of a Note that is an Institutional Investor:

(a) No Default -- if no Default or Event of Default then exists, at the expense of such holder and upon reasonable prior notice to the Parent Guarantor, to visit the principal executive office of the Parent Guarantor, to discuss the affairs, finances and accounts of the Parent Guarantor and its Subsidiaries with the Parent Guarantor's officers, and (with the consent of the Parent Guarantor, which consent will not be unreasonably withheld) its independent public accountants, and (with the consent of the Parent Guarantor, which consent will not be unreasonably withheld) to visit the other offices and properties of the Parent Guarantor and each Subsidiary, all at such reasonable times and as often as may be reasonably requested in writing; and

(b) Default -- if a Default or Event of Default then exists, at the expense of the Parent Guarantor to visit and inspect any of the offices or properties of the Parent Guarantor or any Subsidiary, to examine all their respective books of account, records, reports and other papers, to make copies and extracts therefrom, and to discuss their respective affairs, finances and accounts with their respective officers and independent public accountants (and by this provision the Parent Guarantor authorizes said accountants to discuss the affairs, finances and accounts of the Parent Guarantor and its Subsidiaries), all at such times and as often as may be requested.

8. PAYMENT AND PREPAYMENT OF THE NOTES.

8.1 Maturity.

(a) Series N Notes. As provided therein, the entire unpaid principal balance of the Series N Notes shall be due and payable on September 23, 2028.

(b) Series O Notes. As provided therein, the entire unpaid principal balance of the Series O Notes shall be due and payable on September 23, 2031.

8.2 Optional Prepayments with Make-Whole Amount.

The Company may, at its option, upon notice as provided below, prepay at any time all, or from time to time any part of, the Notes (but, in the case of a partial prepayment, in an amount not less than €1,000,000 of the aggregate principal amount of the Notes then outstanding), at 100% of the principal amount so prepaid, together with the interest so accrued to the date of prepayment, plus the applicable Make-Whole Amount determined for the prepayment date with respect to such

principal amount, plus any Net Loss with respect to any Swapped Note and,

subject to Section 8.11, less any Net Gain with respect to any Swapped Note; provided, however, that the Company may prepay all or any part of any Series (rather than all or any part of all Series) of Notes only so long as (a) no Default or Event of Default shall have occurred and be continuing and (b) such prepayment is not in connection with any solicitation by the Parent Guarantor or the Company of any consent, waiver, amendment or other similar transaction from any holder of Notes pursuant to Section 18. The Company will give each holder of Notes written notice of each optional prepayment under this Section 8.2 not less than 30 days and not more than 60 days prior to the date fixed for such prepayment. Each such notice shall specify such date (which shall be a Business Day), the aggregate principal amount of the Notes, designated by Series, if applicable, to be prepaid on such date, the principal amount of each Note held by such holder to be prepaid (determined in accordance with Section 8.5), and the interest to be paid on the prepayment date with respect to such principal amount being prepaid, and shall be accompanied by a certificate of a Senior Financial Officer as to the estimated Make-Whole Amount due with respect to each Series of Notes in connection with such prepayment (calculated as if the date of such notice were the date of the prepayment), setting forth in each case the details of such computation. Two Business Days prior to such prepayment, the Company shall deliver to each holder of Notes a certificate of a Senior Financial Officer specifying the calculation of such Make-Whole Amount with respect to each Series of Notes as of the specified prepayment date.

8.3 Prepayment for Tax Reasons.

(a) If at any time as a result of a Change in Tax Law (as defined below) the Company is or becomes obligated to make any Additional Payments (as defined below) in respect of any payment of interest on account of any of the Notes in an aggregate amount for all affected Notes equal to 5% or more of the aggregate amount of such interest payment on account of all of the Notes, the Company may give the holders of all affected Notes irrevocable written notice (each, a “**Tax Prepayment Notice**”) of the prepayment of such affected Notes on a specified prepayment date (which shall be a Business Day not less than 30 days nor more than 60 days after the date of such notice) and the circumstances giving rise to the obligation of the Company to make any Additional Payments and the amount thereof and stating that all of the affected Notes shall be prepaid on the date of such prepayment at 100% of the principal amount so prepaid together with interest accrued thereon to the date of such prepayment plus an amount equal to the Modified Make-Whole Amount for each such Note, plus any Net Loss with respect to any Swapped Note and, subject to Section 8.10, less any Net Gain with respect to any Swapped Note, except in the case of an affected Note if the holder of such Note shall, by written notice given to the Company no more than 20 days after receipt of the Tax Prepayment Notice, reject such prepayment of such Note (each, a “**Rejection Notice**”). Such Tax Prepayment Notice shall be accompanied by a certificate of a Senior Financial Officer as to the estimated Modified Make-Whole Amount, Net Loss or Net Gain, as applicable, with respect to any Swapped Note due in connection with such prepayment (calculated as if the date of such notice were the date of the prepayment), setting forth the details of such computation. The form of Rejection Notice shall also accompany the Tax Prepayment Notice and shall state with respect to each Note covered thereby that execution and delivery thereof by the holder of such Note shall operate as a permanent waiver of such holder’s right to receive the Additional Payments

arising as a result of the circumstances described in the Tax Prepayment Notice in respect of all future payments of interest on such Note (but not of such holder's right to receive any Additional Payments that arise out of circumstances not described in the Tax Prepayment Notice or which exceed the amount of the Additional Payment described in the Tax Prepayment Notice), which waiver shall be binding upon all subsequent transferees of such Note. The Tax Prepayment Notice having been given as aforesaid to each holder of the affected Notes, the principal amount of such Notes together with interest accrued thereon to the date of such prepayment plus the Modified Make-Whole Amount and any Net Loss or Net Gain, as applicable, with respect to any Swapped Note shall become due and payable on such prepayment date, except in the case of Notes the holders of which shall timely give a Rejection Notice as aforesaid. Two Business Days prior to such prepayment, the Company shall deliver to each holder of a Note being so prepaid a certificate of a Senior Financial Officer specifying the calculation of such Modified Make-Whole Amount as of such prepayment date.

(b) No prepayment of the Notes pursuant to this Section 8.3 shall affect the obligation of the Company to pay Additional Payments in respect of any payment made on or prior to the date of such prepayment. For purposes of this Section 8.3, any holder of more than one affected Note may act separately with respect to each affected Note so held (with the effect that a holder of more than one affected Note may accept such offer with respect to one or more affected Notes so held and reject such offer with respect to one or more other affected Notes so held).

(c) The Company may not offer to prepay or prepay Notes pursuant to this Section 8.3 (i) if a Default or Event of Default then exists, (ii) until the Company shall have taken commercially reasonable steps to mitigate the requirement to make the related Additional Payments or (iii) if the obligation to make such Additional Payments directly results or resulted from actions taken by the Parent Guarantor or any Subsidiary (other than actions required to be taken under applicable law), and any Tax Prepayment Notice given pursuant to this Section 8.3 shall certify to the foregoing and describe such mitigation steps, if any.

(d) For purposes of this Section 8.3: “**Additional Payments**” means additional amounts required to be paid to a holder of any Note pursuant to Section 13 by reason of a Change in Tax Law; and a “**Change in Tax Law**” means (individually or collectively with one or more prior changes) (i) an amendment to, or change in, any law, treaty, rule or regulation of The Netherlands after the date of the Closing, or an amendment to, or change in, an official interpretation or application of such law, treaty, rule or regulation after the date of the Closing, which amendment or change is in force and continuing and meets the opinion and certification requirements described below or (ii) in the case of any other jurisdiction that becomes a Taxing Jurisdiction after the date of the Closing, an amendment to, or change in, any law, treaty, rule or regulation of such jurisdiction, or an amendment to, or change in, an official interpretation or application of such law, treaty, rule or regulation, in any case after such jurisdiction shall have become a Taxing Jurisdiction, which amendment or change is in force and continuing and meets such opinion and certification requirements. No such amendment or change shall constitute a Change in Tax Law unless the same would in the opinion of the Company

(which shall be evidenced by an Officer's Certificate of the Company and supported by a written opinion of counsel having recognized expertise in the field of taxation in the relevant Taxing Jurisdiction, both of which shall be delivered to all holders of the Notes prior to or concurrently with the Tax Prepayment Notice in respect of such Change in Tax Law) affect the deduction or require the withholding of any Tax imposed by such Taxing Jurisdiction on any payment payable on the Notes.

8.4 Prepayment in Connection with a Noteholder Sanctions Event.

(a) Upon the Company's receipt of notice from any Affected Noteholder that a Noteholder Sanctions Event has occurred (which notice shall refer specifically to this Section 8.4(a) and describe in reasonable detail such Noteholder Sanctions Event), the Company shall promptly, and in any event within 10 Business Days, make an offer (the "**Sanctions Prepayment Offer**") to prepay the entire unpaid principal amount of Notes held by such Affected Noteholder (the "**Affected Notes**"), together with interest thereon to the prepayment date selected by the Company with respect to each Affected Note, plus any Net Loss with respect to any Swapped Note and, subject to Section 8.10, less any Net Gain with respect to any Swapped Note but without payment of any Make-Whole Amount or Modified Make-Whole Amount with respect thereto, which prepayment shall be on a Business Day not less than 30 days and not more than 60 days after the date of the Sanctions Prepayment Offer (the "**Sanctions Prepayment Date**"). Such Sanctions Prepayment Offer shall provide that such Affected Noteholder notify the Company in writing by a stated date (the "**Sanctions Prepayment Response Date**"), which date is not later than 10 Business Days prior to the stated Sanctions Prepayment Date, of its acceptance or rejection of such prepayment offer. If such Affected Noteholder does not notify the Company as provided above, then the holder shall be deemed to have accepted such offer.

(b) Subject to the provisions of subparagraphs (c) and (d) of this Section 8.4, the Company shall prepay on the Sanctions Prepayment Date the entire unpaid principal amount of the Affected Notes held by such Affected Noteholder who has accepted (or has been deemed to have accepted) such prepayment offer (in accordance with subparagraph (a)), together with interest thereon to the Sanctions Prepayment Date with respect to each such Affected Note, plus any Net Loss with respect to any Swapped Note and, subject to Section 8.10, less any Net Gain with respect to any Swapped Note, but without payment of any Make-Whole Amount or Modified Make-Whole Amount with respect thereto.

(c) If a Noteholder Sanctions Event has occurred but the Parent Guarantor and/or its Controlled Entities have taken such action(s) in relation to their activities so as to remedy such Noteholder Sanctions Event (with the effect that a Noteholder Sanctions Event no longer exists, as reasonably determined by such Affected Noteholder) prior to the Sanctions Prepayment Date, then the Company shall no longer be obliged or permitted to prepay such Affected Notes in relation to such Noteholder Sanctions Event. If the Parent Guarantor and/or its Controlled Entities shall undertake any actions to remedy any such Noteholder Sanctions Event, the Company shall keep the holders reasonably and timely informed of such actions and the results thereof.

(d) If any Affected Noteholder that has given written notice to the Company of

its acceptance of (or has been deemed to have accepted) the Company's prepayment offer in accordance with subparagraph (a) also gives notice to the Company prior to the relevant Sanctions Prepayment Date that it has determined (in its sole discretion) that it requires clearance from any Governmental Authority in order to receive a prepayment pursuant to this Section 8.4, the principal amount of each Note held by such Affected Noteholder, together with interest accrued thereon to the date of prepayment, shall become due and payable on the later to occur of (but in no event later than the Maturity Date of the relevant Note) (i) such Sanctions Prepayment Date and (ii) the date that is 10 Business Days after such Affected Noteholder gives notice to the Company that it is entitled to receive a prepayment pursuant to this Section 8.4 (which may include payment to an escrow account designated by such Affected Noteholder to be held in escrow for the benefit of such Affected Noteholder until such Affected Noteholder obtains such clearance from such Governmental Authority), and in any event, any such delay in accordance with the foregoing clause (ii) shall not be deemed to give rise to any Default or Event of Default.

(e) Promptly, and in any event within 5 Business Days, after the Company's receipt of notice from any Affected Noteholder that a Noteholder Sanctions Event shall have occurred with respect to such Affected Noteholder, the Company shall forward a copy of such notice to each other holder of Notes.

(f) The Company shall promptly, and in any event within 10 Business Days, give written notice to the holders after the Parent Guarantor or any Controlled Entity having been notified that (i) its name appears or may in the future appear on a State Sanctions List or (ii) it is in violation of, or is subject to the imposition of sanctions under, any U.S. Economic Sanctions Laws, in each case which notice shall describe the facts and circumstances thereof and set forth the action, if any, that the Parent Guarantor or a Controlled Entity proposes to take with respect thereto.

(g) The foregoing provisions of this Section 8.4 shall be in addition to any rights or remedies available to any holder of Notes that may arise under this Agreement as a result of the occurrence of a Noteholder Sanctions Event; *provided*, that, if the Notes shall have been declared due and payable pursuant to Section 12.1 as a result of the events, conditions or actions of the Parent Guarantor or its Controlled Entities that gave rise to a Noteholder Sanctions Event, the remedies set forth in Section 12 shall control.

8.5 Prepayment Upon Change of Control.

(a) Notice of Change of Control or Control Event; Offer to Prepay if Change of Control has Occurred. The Parent Guarantor will, within five (5) Business Days after any Responsible Officer has knowledge of the occurrence of any Change of Control or Control Event, give written notice of such Change of Control or Control Event to each holder of Notes. If a Change of Control has occurred, such notice shall contain and constitute an offer to prepay Notes as described in clause (b) of this Section 8.5 and shall be accompanied by the certificate described in clause (e) of this Section 8.5.

(b) Offer to Prepay; Time for Payment. The offer to prepay Notes contemplated by clause (a) of this Section 8.5 shall be an offer to prepay, in accordance with and subject to this Section 8.5, all, but not less than all, of the Notes held by each holder (in the case of this Section 8.3 only, "holder" in respect of any Note registered in the name of a nominee for a disclosed beneficial owner shall mean such beneficial owner) on a date specified in such offer (the "**Proposed Prepayment Date**"). The Proposed Prepayment Date shall not be less than thirty (30) days and not more than sixty

(60) days after the date of such offer (if the Proposed Prepayment Date shall not be specified in such offer, the Proposed Prepayment Date shall be the forty-fifth (45th) day after the date of such offer).

(c) Acceptance; Rejection. A holder of Notes may accept the offer to prepay made pursuant to this Section 8.5 by causing a notice of such acceptance to be delivered to the Company at least ten (10) calendar days prior to the Proposed Prepayment Date. A failure by a holder of Notes to respond to an offer to prepay made pursuant to this Section 8.5, or to accept an offer as to all of the Notes held by the holder, within such time period, shall be deemed to constitute a rejection of such offer by such holder.

(d) Prepayment. Prepayment of the Notes to be prepaid pursuant to this Section 8.5 shall be at 100% of the principal amount of such Notes together with interest on such Notes accrued to the date of prepayment, plus any Net Loss with respect to any Swapped Note and, subject to Section 8.11, less any Net Gain with respect to any Swapped Note, but without any Make-Whole Amount or penalty or premium of any kind. The prepayment shall be made on the Proposed Prepayment Date.

(e) Officer's Certificate. Each offer to prepay the Notes pursuant to this Section 8.5 shall be accompanied by a certificate, executed by a Senior Financial Officer of the Parent Guarantor and dated the date of such offer, specifying: (i) the Proposed Prepayment Date, (ii) that such offer is made pursuant to this Section 8.5, (iii) that the entire principal amount of each Note is offered to be prepaid together with any Net Loss with respect to any Swapped Note, but without any premium, (iv) the interest that would be due on each Note offered to be prepaid, accrued to the Proposed Prepayment Date, (v) that the conditions of this Section 8.5 required to be fulfilled prior to the giving of such notice have been fulfilled and (vi) in reasonable detail, the nature and date of the Change of Control.

8.6 Prepayment in Connection with an Asset Disposition.

(a) Notice and Offer. In the event any Debt Prepayment Application is to be used at the election of the Company to make an offer (a "**Transfer Prepayment Offer**") to prepay Notes pursuant to Section 10.3 of this Agreement (a "**Debt Prepayment Transfer**"), the Company will give written notice of such Debt Prepayment Transfer to each holder of Notes. Such written notice shall contain, and such written notice shall constitute, an irrevocable offer to prepay, at the election of each holder, a portion of the Notes held by such holder equal to such holder's Ratable Portion of the Net Proceeds Amount in respect of such Debt Prepayment Transfer on a date specified in such notice (the "**Transfer Prepayment Date**") that is not less than thirty (30) days and not more than sixty (60) days after the date of such notice, together with interest on the amount to be so prepaid accrued to the Transfer Prepayment Date. If the Transfer Prepayment Date shall not be specified in such notice, the Transfer Prepayment Date shall be the forty-fifth (45th) day after the date of such notice.

(b) Acceptance and Payment. To accept such Transfer Prepayment Offer, a holder of Notes shall cause a notice of such acceptance to be delivered to the Company not later than twenty (20) days after the date of such written notice from the Company,

provided, that failure to accept such offer in writing within twenty (20) days after the date of such written notice shall be deemed to constitute a rejection of the Transfer Prepayment Offer. If so accepted by any holder of a Note, such offered prepayment (equal to such holder's Ratable Portion of the Net Proceeds Amount in respect of such Debt Prepayment Transfer) shall be due and payable on the Transfer Prepayment Date. Such offered prepayment shall be made at 100% of the principal amount of such Notes being so prepaid, together with interest on such principal amount then being prepaid accrued to the Transfer Prepayment Date determined as of the date of such prepayment, plus any Net Loss with respect to any Swapped Note and, subject to Section 8.11, less any Net Gain with respect to any Swapped Note, but without any Make-Whole Amount or penalty or premium of any kind. The prepayment shall be made on the Transfer Prepayment Date.

(c) Other Terms. Each offer to prepay the Notes pursuant to this Section 8.6 shall be accompanied by a certificate, executed by a Senior Financial Officer of the Parent Guarantor and dated the date of such offer, specifying (i) the Transfer Prepayment Date, (ii) the Net Proceeds Amount in respect of the applicable Debt Prepayment Transfer, (iii) that such offer is being made pursuant to this Section 8.6 and Section 10.10 of this Agreement, (iv) the principal amount of each Note offered to be prepaid, (v) the interest that would be due on each Note offered to be prepaid, accrued to the Transfer Prepayment Date, and (vi) in reasonable detail, the nature of the Asset Disposition giving rise to such Debt Prepayment Transfer and certifying that no Default or Event of Default exists or would exist after giving effect to the prepayment contemplated by such offer.

8.7 Allocation of Partial Prepayments of Notes.

In the case of each partial prepayment of the Notes pursuant to Section 8.2, the principal amount of the Notes to be prepaid shall be allocated among all of the Notes of the Series to be prepaid at the time outstanding in proportion, as nearly as practicable, to the respective unpaid principal amounts thereof not theretofore called for prepayment.

8.8 Maturity; Surrender, etc.

In the case of each prepayment of Notes pursuant to this Section 8, the principal amount of each Note to be prepaid shall mature and become due and payable on the date fixed for such prepayment (which shall be a Business Day), together with interest on such principal amount accrued to such date, plus any Net Loss with respect to any Swapped Note and, subject to Section 8.11, less any Net Gain with respect to any Swapped Note and, and the Make-Whole Amount or Modified Make-Whole Amount, if any. From and after such date, unless the Company shall fail to pay such principal amount when so due and payable, together with the interest and Make-Whole Amount or Modified Make-Whole Amount, if any, plus any Net Loss with respect to any Swapped Note and, subject to Section 8.11, less any Net Gain with respect to any Swapped Note, as aforesaid, interest on such principal amount shall cease to accrue. Any Note paid or prepaid in full shall be surrendered to the Company and cancelled and shall not be reissued, and no Note shall be issued in lieu of any prepaid principal amount of any Note.

8.9 Purchase of Notes.

The Parent Guarantor will not and will not permit any Affiliate to purchase, redeem, prepay or otherwise acquire, directly or indirectly, any of the outstanding Notes, except (a) upon the payment or prepayment of the Notes in accordance with the terms of this Agreement and the Notes or (b) pursuant to an offer to purchase made by the Parent Guarantor or an Affiliate pro rata to the holders of any Series of Notes at the time outstanding upon the same terms and conditions; provided that the Parent Guarantor may only make an offer to purchase an individual Series of Notes (rather than all Notes) so long as no Default or Event of Default has occurred and is continuing and such prepayment is not in connection with any solicitation by the Parent Guarantor of any consent, waiver, amendment or similar transaction from any holder of Notes pursuant to Section 18. Any such offer shall provide each holder of such Series with sufficient information to enable it to make an informed decision with respect to such offer, and shall remain open for at least fifteen (15) Business Days. If the holders of more than 30% of the principal amount of the Notes of such Series then outstanding accept such offer, the Parent Guarantor shall promptly notify the remaining holders of such Series of such fact and the expiration date of such offer shall be extended by the number of days necessary to give each such remaining holder of such Series at least five (5) Business Days from its receipt of such notice to accept such offer. The Company will promptly cancel all Notes of such Series acquired by it or any Affiliate pursuant to any payment, prepayment or purchase of Notes of such Series pursuant to any provision of this Agreement and no Notes may be issued in substitution or exchange for any such Notes.

8.10 Make-Whole Amount and Modified Make-Whole Amount.

(a) Make-Whole Amount and Modified Make-Whole Amount with respect to

Non-Swapped Notes. The terms “**Make-Whole Amount**” and “**Modified Make-Whole Amount**” mean, with respect to any Non-Swapped Note, an amount equal to the excess, if any, of the Discounted Value of the Remaining Scheduled Payments with respect to the Called Principal of such Non-Swapped Note, over the amount of such Called Principal, provided that neither the Make-Whole Amount nor the Modified Make-Whole Amount may in any event be less than zero. For the purposes of determining the Make-Whole Amount and Modified Make-Whole Amount with respect to any Non-Swapped Note, the following terms have the following meanings:

“Called Principal” means, with respect to any Non-Swapped Note, the principal of such Non-Swapped Note that is to be prepaid pursuant to this Section 8 or has become or is declared to be immediately due and payable pursuant to Section 12.1, as the context requires.

“Discounted Value” means, with respect to the Called Principal of any Non-Swapped Note, the amount obtained by discounting all Remaining Scheduled Payments with respect to such Called Principal from their respective scheduled due dates to the Settlement Date with respect to such Called Principal, in accordance with accepted financial practice and at a discount factor (applied on the same periodic basis as that on which interest on such Non-Swapped Note is payable) equal to the Reinvestment Yield with respect to such Called Principal.

“Implied Rate Euro Yield” means, with respect to the Called Principal of any Non-Swapped Note, the yield to maturity implied by (i) the ask-side yields reported, as of 10:00 A.M. (New York time) on the second Business Day preceding the Settlement Date with respect to such Called Principal, on the display designated as “Page PXGE” on Bloomberg Financial Markets (or such other display as may replace “Page PXGE” on Bloomberg Financial Markets) for the benchmark German Bund having a maturity equal to the Remaining Average Life of such Called Principal as of such Settlement Date, or (ii) if such yields are not reported as of such time or the yields reported are not ascertainable, the average of the ask-side yields as determined by Recognized German Bund Market Makers. Such implied yield will be determined, if necessary, by (a) converting quotations to bond-equivalent yields in accordance with accepted financial practice and (b) interpolating linearly between (1) the benchmark German Bund with the maturity closest to and greater than the Remaining Average Life of such Called Principal and (2) the benchmark German Bund with the maturity closest to and less than the Remaining Average Life of such Called Principal. The Implied Rate Euro Yield shall be rounded to the number of decimal places as appears in the interest rate of the applicable Non-Swapped Note.

“Non-Swapped Note” means any Note other than a Swapped Note.

“Recognized German Bund Market Makers” means two internationally recognized dealers of German Bunds reasonably selected by the Required Holders (exclusive of Notes then owned by the Parent Guarantor or any of its Affiliates

and any Notes held by parties who are contractually required to abstain from voting with respect to matters affecting the holders of the Notes).

“Reinvestment Yield” means the Applicable Percentage plus the Implied Rate Euro Yield. The Reinvestment Yield shall be rounded to the number of decimal places as appears in the interest rate of the applicable Non-Swapped Note.

“Remaining Average Life” means, with respect to any Called Principal, the number of years obtained by dividing (i) such Called Principal into (ii) the sum of the products obtained by multiplying (a) the principal component of each Remaining Scheduled Payment with respect to such Called Principal by (b) the number of years, computed on the basis of a 360-day year comprised of twelve 30-day months and calculated to two decimal places, that will elapse between the Settlement Date with respect to such Called Principal and the scheduled due date of such Remaining Scheduled Payment.

“Remaining Scheduled Payments” means, with respect to the Called Principal of any Non-Swapped Note, all payments of such Called Principal and interest thereon that would be due after the Settlement Date with respect to such Called Principal if no payment of such Called Principal were made prior to its scheduled due date, provided that if such Settlement Date is not a date on which interest payments are due to be made under such Non-Swapped Note, then the amount of the next succeeding scheduled interest payment will be reduced by the amount of interest accrued to such Settlement Date and required to be paid on such Settlement Date pursuant to this Section 8 or Section 12.1.

“Settlement Date” means, with respect to the Called Principal of any Non-Swapped Note, the date on which such Called Principal is to be prepaid pursuant to this Section 8 or has become or is declared to be immediately due and payable pursuant to Section 12.1, as the context requires.

(b) Make-Whole Amount and Modified Make-Whole Amount with respect to Swapped Notes. The terms **“Make-Whole Amount”** and **“Modified Make-Whole Amount”** mean, with respect to any Swapped Note, an amount equal to the excess, if any, of the Swapped Note Discounted Value with respect to the Swapped Note Called Notional Amount related to such Swapped Note over such Swapped Note Called Notional Amount, provided that neither the Make-Whole Amount nor the Modified Make-Whole Amount may in any event be less than zero. All payments of Make-Whole Amount and Modified Make-Whole Amount in respect of any Swapped Note shall be made in Dollars. For the purposes of determining the Make-Whole Amount and/or Modified Make-Whole Amount, Net Loss, Net Gain or Swap Breakage Amount with respect to any Swapped Note, the following terms have the following meanings:

“New Swap Agreement” means any cross-currency swap agreement pursuant to which the holder of a Swapped Note is to receive payment in Dollars and which is entered into in full or partial replacement of an Original Swap

Agreement as a result of such Original Swap Agreement having terminated for any reason other than a non-scheduled prepayment or a repayment of such Swapped Note prior to its scheduled maturity. The terms of a New Swap Agreement with respect to any Swapped Note do not have to be identical to those of the Original Swap Agreement with respect to such Swapped Note. Any holder of a Swapped Note that enters into, assumes or terminates a New Swap Agreement shall within a reasonable period of time thereafter deliver to the Company a copy of the confirmation, assumption, novation or termination related thereto.

“Original Swap Agreement” means, with respect to any Swapped Note, (x) a cross-currency swap agreement and annexes and schedules thereto (an **“Initial Swap Agreement”**) that is entered into on an arm’s length basis by the original purchaser of such Swapped Note (or any affiliate thereof) in connection with the execution of this Agreement and the purchase of such Swapped Note and relates to the scheduled payments by the Company of interest and principal on such Swapped Note, under which the holder of such Swapped Note is to receive payments from the counterparty thereunder in Dollars and which is more particularly described on Schedule 8.10 hereto, (y) any Initial Swap Agreement that has been assumed by or novated to (without any waiver, amendment, deletion or replacement of any material economic term or provision thereof) a holder of a Swapped Note in connection with a transfer of such Swapped Note and (z) any Replacement Swap Agreement; and a **“Replacement Swap Agreement”** means, with respect to any Swapped Note, a cross-currency swap agreement and annexes and schedules thereto with payment terms and provisions (other than a reduction in notional amount, if applicable) identical to those of the Initial Swap Agreement with respect to such Swapped Note that is entered into on an arm’s length basis by the holder of such Swapped Note in full or partial replacement (by amendment, modification or otherwise) of such Initial Swap Agreement (or any subsequent Replacement Swap Agreement) in a notional amount not exceeding the outstanding principal amount of such Swapped Note following a non-scheduled prepayment or a repayment of such Swapped Note prior to its scheduled maturity. Any holder of a Swapped Note that enters into, assumes or terminates an Initial Swap Agreement or Replacement Swap Agreement shall within a reasonable period of time thereafter deliver to the Company a copy of the confirmation, assumption, novation or termination related thereto.

“Swap Agreement” means, with respect to any Swapped Note, an Original Swap Agreement or a New Swap Agreement, as the case may be.

“Swapped Note” means any Note that as of the date of the Closing for such Note is subject to a Swap Agreement. A “Swapped Note” shall no longer be deemed a “Swapped Note” at such time as the related Swap Agreement ceases to be in force in respect thereof.

“Swapped Note Called Notional Amount” means, with respect to any Swapped Note Called Principal of any Swapped Note, the payment in Dollars due

to the holder of such Swapped Note under the terms of the Swap Agreement to which such holder is a party, attributable to and in exchange for such Swapped Note Called Principal and assuming that such Swapped Note Called Principal is paid on its scheduled maturity date, provided that if such Swap Agreement is not an Initial Swap Agreement, then the “Swapped Note Called Notional Amount” in respect of such Swapped Note shall not exceed the amount in Dollars which would have been due to the holder of such Swapped Note under the terms of the Initial Swap Agreement to which such holder was a party (or if such holder was never party to an Initial Swap Agreement, then the last Initial Swap Agreement to which the most recent predecessor in interest to such holder as a holder of such Swapped Note was a party), attributable to and in exchange for such Swapped Note Called Principal and assuming that such Swapped Note Called Principal is paid on its scheduled maturity date.

“Swapped Note Called Principal” means, with respect to any Swapped Note, the principal of such Swapped Note that is to be prepaid pursuant to Section 8 or has become or is declared to be immediately due and payable pursuant to Section 12.1, as the context requires.

“Swapped Note Discounted Value” means, with respect to the Swapped Note Called Notional Amount of any Swapped Note that is to be prepaid pursuant to Section 8 or has become or is declared to be immediately due and payable pursuant to Section 12.1, as the context requires, the amount obtained by discounting all Swapped Note Remaining Scheduled Swap Payments corresponding to the Swapped Note Called Notional Amount of such Swapped Note from their respective scheduled due dates to the Swapped Note Settlement Date with respect to such Swapped Note Called Notional Amount, in accordance with accepted financial practice and at a discount factor (applied on the same periodic basis as that on which interest on such Swapped Note is payable) equal to the Swapped Note Reinvestment Yield with respect to such Swapped Note Called Notional Amount.

“Swapped Note Reinvestment Yield” means, with respect to the Swapped Note Called Notional Amount of any Swapped Note, the sum of (x) the Applicable Percentage plus (y) the yield to maturity implied by the “Ask Yield(s)” reported as of 10:00 a.m. (New York City time) on the second Business Day preceding the Swapped Note Settlement Date with respect to such Swapped Note Called Notional Amount, on the display designated as “Page PX1” (or such other display as may replace Page PX1) on Bloomberg Financial Markets for the most recently issued actively traded on-the-run U.S. Treasury securities (“**Reported**”) having a maturity equal to the Swapped Note Remaining Average Life of such Swapped Note Called Notional Amount as of such Swapped Note Settlement Date. If there are no such U.S. Treasury securities Reported having a maturity equal to such Swapped Note Remaining Average Life, then such implied yield to maturity will be determined by (a) converting U.S. Treasury bill quotations to bond equivalent yields in accordance with accepted financial practice and (b) interpolating linearly between the “Ask Yield(s)” Reported for

the applicable most recently issued actively traded on-the-run U.S. Treasury securities with the maturities (1) closest to and greater than such Swapped Note Remaining Average Life and (2) closest to and less than such Swapped Note Remaining Average Life.

If such yields are not Reported or the yields Reported as of such time are not ascertainable (including by way of interpolation), then “Swapped Note Reinvestment Yield” means, with respect to the Swapped Note Called Notional Amount of any Swapped Note, the sum of (x) the Applicable Percentage plus (y) the yield to maturity implied by the U.S. Treasury constant maturity yields reported, for the latest day for which such yields have been so reported as of the second Business Day preceding the Swapped Note Settlement Date with respect to such Swapped Note Called Notional Amount, in Federal Reserve Statistical Release H.15 (or any comparable successor publication) for the U.S. Treasury constant maturity having a term equal to the Swapped Note Remaining Average Life of such Swapped Note Called Notional Amount as of such Swapped Note Settlement Date. If there is no such U.S. Treasury constant maturity having a term equal to such Swapped Note Remaining Average Life, such implied yield to maturity will be determined by interpolating linearly between (1) the U.S. Treasury constant maturity so reported with the term closest to and greater than such Swapped Note Remaining Average Life and (2) the U.S. Treasury constant maturity so reported with the term closest to and less than such Swapped Note Remaining Average Life.

The Swapped Note Reinvestment Yield shall be rounded to the number of decimal places as appears in the interest rate of the applicable Swapped Note.

“**Swapped Note Remaining Average Life**” means, with respect to any Swapped Note Called Notional Amount, the number of years (calculated to the nearest one-twelfth year) obtained by dividing (x) such Swapped Note Called Notional Amount into (y) the sum of the products obtained by multiplying (1) the principal component of each Swapped Note Remaining Scheduled Swap Payment with respect to such Swapped Note Called Notional Amount by (2) the number of years, computed on the basis of a 360-day year comprised of twelve 30-day months and calculated to two decimal places, that will elapse between the Swapped Note Settlement Date with respect to such Swapped Note Called Notional Amount and the scheduled due date of such Swapped Note Remaining Scheduled Swap Payments.

“**Swapped Note Remaining Scheduled Swap Payments**” means, with respect to the Swapped Note Called Notional Amount relating to any Swapped Note, the payments due to the holder of such Swapped Note in Dollars under the terms of the Swap Agreement to which such holder is a party which correspond to all payments of the Swapped Note Called Principal of such Swapped Note corresponding to such Swapped Note Called Notional Amount and interest on such Swapped Note Called Principal (other than that portion of the payment due under such Swap Agreement corresponding to the interest accrued on the

Swapped Note Called Principal to the Swapped Note Settlement Date) that would be due after the Swapped Note Settlement Date in respect of such Swapped Note Called Notional Amount assuming that no payment of such Swapped Note Called Principal is made prior to its originally scheduled payment date, provided that if such Swapped Note Settlement Date is not a date on which an interest payment is due to be made under the terms of such Swapped Note, then the amount of the next succeeding scheduled interest payment will be reduced by the amount of interest accrued to such Swapped Note Settlement Date and required to be paid on such Swapped Note Settlement Date pursuant to Section 8 or Section 12.1.

“**Swapped Note Settlement Date**” means, with respect to the Swapped Note Called Notional Amount of any Swapped Note Called Principal of any Swapped Note, the date on which such Swapped Note Called Principal is to be prepaid pursuant to Section 8 or has become or is declared to be immediately due and payable pursuant to Section 12.1, as the context requires.

8.11 Swap Breakage.

If any Swapped Note is prepaid pursuant to Section 8.2, Section 8.3, Section 8.4, Section 8.5, Section 8.6 or purchased pursuant to Section 8.9, or has become or is declared to be immediately due and payable pursuant to Section 12.1, then (a) any resulting Net Loss in connection therewith shall be reimbursed to the holder of such Swapped Note by the Company in Dollars upon any such prepayment or repayment of such Swapped Note and (b) any resulting Net Gain in connection therewith shall be deducted (i) from the Make-Whole Amount or Modified Make-Whole Amount, if any, or any principal or interest to be paid to the holder of such Swapped Note by the Company upon any such prepayment of such Swapped Note pursuant to Section 8.2, Section 8.3, Section 8.4 Section 8.5, Section 8.6 or purchase pursuant to Section 8.9 or (ii) from the Make-Whole Amount or Modified Make-Whole Amount, if any, to be paid to the holder of such Swapped Note by the Company upon any such repayment of such Swapped Note pursuant to Section 12.1, provided that, in either case, the Make-Whole Amount or Modified Make-Whole Amount, as applicable, in respect of such Swapped Note may in no event be less than zero. Each holder of a Swapped Note shall be responsible for calculating its own Net Loss or Net Gain, as the case may be, and Swap Breakage Amount in Dollars upon the prepayment or repayment of all or any portion of such Swapped Note, and such calculations as reported to the Company in reasonable detail shall be binding on the Company absent demonstrable error. Each holder of a Swapped Note agrees that two Business Days prior to any prepayment of such Swapped Note pursuant to Section 8.2, Section 8.3, Section 8.4, Section 8.5 or Section 8.6 or any purchase of such Swapped Note pursuant to Section 8.9, such holder will notify the Company of the estimated Net Loss or Net Gain, as the case may be, and Swap Breakage Amount in Dollars due in connection with such prepayment or purchase (calculated as if the date of such notice were the date of the prepayment or purchase).

As used in this Agreement with respect to any Swapped Note that is prepaid or accelerated: “**Net Loss**” means the amount, if any, by which the Swapped Note Called Notional Amount exceeds the sum of (x) the Swapped Note Called Principal plus (or minus in the case of an amount paid) (y) the Swap Breakage Amount received (or paid) by the holder of such Swapped Note; and “**Net Gain**” means the amount, if any, by which the Swapped Note Called

Notional Amount is exceeded by the sum of (x) the Swapped Note Called Principal plus (or minus in the case of an amount paid) (y) the Swap Breakage Amount received (or paid) by such holder. For purposes of any determination of any “Net Loss” or “Net Gain,” the Swapped Note Called Principal shall be determined by the holder of the affected Swapped Note by converting Euros into Dollars at the current Euro/Dollar exchange rate, in each case, as determined as of 10:00 A.M. (New York City time) on the day such Swapped Note is prepaid or accelerated as indicated on the applicable screen of Bloomberg Financial Markets or the Reuters Screen, respectively, and any such calculation shall be reported to the Company in reasonable detail and shall be binding on the Company absent demonstrable error.

As used in this Agreement, “**Swap Breakage Amount**” means, with respect to the Swap Agreement associated with any Swapped Note, in determining the Net Loss or Net Gain, the Dollar amount that would be received (in which case the Swap Breakage Amount shall be positive) or paid (in which case the Swap Breakage Amount shall be negative) by the holder of such Swapped Note as if such Swap Agreement had terminated due to the occurrence of an event of default or an early termination under the ISDA 1992 Multi-Currency Cross Border Master Agreement or ISDA 2002 Master Agreement, as applicable (the “ISDA Master Agreement”); provided, however, that if such holder (or its predecessor in interest with respect to such Swapped Note) was, but is not at the time, a party to an Original Swap Agreement but is a party to a New Swap Agreement, then the Swap Breakage Amount shall mean the lesser of (x) the gain or loss (if any) which would have been received or incurred (by payment, through off-set or netting or otherwise) by the holder of such Swapped Note under the terms of the Original Swap Agreement (if any) in respect of such Swapped Note to which such holder (or any affiliate thereof) was a party (or if such holder was never a party to an Original Swap Agreement, then the last Original Swap Agreement to which the most recent predecessor in interest to such holder as a holder of a Swapped Note was a party) and which would have arisen as a result of the payment of the Swapped Note Called Principal on the Swapped Note Settlement Date and (y) the gain or loss (if any) actually received or incurred by the holder of such Swapped Note, in connection with the payment of such Swapped Note Called Principal on the Swapped Note Settlement Date, under the terms of the New Swap Agreement to which such holder (or any affiliate thereof) is a party. The holder of such Swapped Note will make all calculations related to the Swap Breakage Amount in good faith and in accordance with its customary practices for calculating such amounts under the ISDA Master Agreement pursuant to which such Swap Agreement shall have been entered into and assuming for the purpose of such calculation that there are no other transactions entered into pursuant to such ISDA Master Agreement (other than such Swap Agreement).

The Swap Breakage Amount shall be payable in Dollars.

8.12 Interest Rate.

Each Note shall bear interest on the outstanding principal amount thereof at the Applicable Rate for such Note and such interest shall be payable as set forth in the applicable Note until the principal amount of such Note in respect of which such interest shall have accrued shall become due and payable, all as more particularly set forth in such Note.

9. AFFIRMATIVE COVENANTS.

The Parent Guarantor and the Company jointly and severally covenant that so long as any of the Notes are outstanding:

9.1 Compliance with Law.

Without limiting Section 10.5, the Obligors will, and will cause each of their Subsidiaries to, comply with all laws, ordinances or governmental rules or regulations to which each of them is subject, including, without limitation, ERISA, the USA Patriot Act, Environmental Laws and the other laws and regulations that are referred to in Section 5.16, and will obtain and maintain in effect all licenses, certificates, permits, franchises and other governmental authorizations necessary to the ownership of their respective properties or to the conduct of their respective businesses, in each case, to the extent necessary to ensure that non-compliance with such laws, ordinances or governmental rules or regulations or failures to obtain or maintain in effect such licenses, certificates, permits, franchises and other governmental authorizations could not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect.

9.2 Insurance.

The Obligors will, and will cause each of the Subsidiary Guarantors to, maintain, with financially sound and reputable insurers, insurance with respect to their respective properties and businesses against such casualties and contingencies, of such types, on such terms and in such amounts (including deductibles, co-insurance and self-insurance, if adequate reserves are maintained with respect thereto) as is customary in the case of entities of established reputations engaged in the same or a similar business and similarly situated.

9.3 Maintenance of Properties.

The Obligors will, and will cause each of their Subsidiaries to, maintain and keep, or cause to be maintained and kept, their respective properties in good repair, working order and condition (other than ordinary wear and tear), so that the business carried on in connection therewith may be properly conducted at all times, provided that this Section 9.3 shall not prevent either Obligor or any Subsidiary from discontinuing the operation and the maintenance of any of its properties if such discontinuance is desirable in the conduct of its business and the Obligors has concluded that such discontinuance could not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect.

9.4 Payment of Taxes and Claims.

The Obligors will, and will cause each of their Subsidiaries to, file all tax returns required to be filed in any jurisdiction and to pay and discharge all taxes shown to be due and payable on such returns and all other taxes, assessments, governmental charges, or levies imposed on them or any of their properties, assets, income or franchises, to the extent the same have become due and payable and before they have become delinquent and all claims for which sums have become due and payable that have or might become a Lien on properties or assets of the Parent Guarantor or any Subsidiary, provided that (a) neither the Parent Guarantor nor any Subsidiary need pay any such tax, assessment, charge, levy or claim if the amount, applicability or validity thereof is contested by the Parent Guarantor or such Subsidiary on a timely basis in good faith and in

appropriate proceedings, and the Parent Guarantor or a Subsidiary has established

adequate reserves therefor in accordance with GAAP on the books of the Parent Guarantor or such Subsidiary or (b) neither the Parent Guarantor nor any Subsidiary need file any such tax return or pay any such tax, assessment, charge, levy or claim if the nonfiling of such tax returns and the nonpayment of all such taxes, assessments, charges and levies in the aggregate could not reasonably be expected to have a Material Adverse Effect.

9.5 Corporate Existence, etc.

Subject to Section 10.2, the Obligors will at all times preserve and keep in full force and effect their respective corporate existence. Subject to Sections 10.2 and 10.3, the Parent Guarantor will at all times preserve and keep in full force and effect the corporate existence of each of its Subsidiaries (unless merged into the Parent Guarantor or a Wholly-Owned Subsidiary) and all rights and franchises of the Parent Guarantor and its Subsidiaries unless, in the good faith judgment of the Parent Guarantor, the termination of or failure to preserve and keep in full force and effect such corporate existence, right or franchise could not, individually or in the aggregate, have a Material Adverse Effect.

9.6 Books and Records.

The Obligors will, and will cause each of their Subsidiaries to, maintain proper books of record and account in conformity with GAAP and all applicable requirements of any Governmental Authority having legal or regulatory jurisdiction over the Parent Guarantor or such Subsidiary, as the case may be.

9.7 Ranking of Obligations.

The Company will ensure that its payment obligations under this Agreement and the Notes will at all times rank at least pari passu, without preference or priority, with all other unsecured unsubordinated Indebtedness of the Company. The Parent Guarantor will ensure that its payment obligations under this Agreement will at all times rank at least pari passu, without preference or priority, with all other unsecured unsubordinated Indebtedness of the Parent Guarantor. The Parent Guarantor will ensure that each Subsidiary Guarantor's payment obligations under the Subsidiary Guaranty Agreement will at all times rank at least pari passu, without preference or priority, with all other unsecured unsubordinated Indebtedness of such Subsidiary Guarantor.

9.8 Guaranty by Subsidiaries; Liens.

(a) If at any time, pursuant to the terms and conditions of any Major Credit Facility, any existing or newly acquired or formed Subsidiary of the Parent Guarantor becomes obligated as a guarantor or obligor under such Major Credit Facility, the Parent Guarantor will, at its sole cost and expense, cause such Subsidiary to concurrently therewith become a Subsidiary Guarantor in respect of this Agreement and the Notes, and within ten (10) Business Days thereafter will deliver to each of the holders of the Notes the following items:

(i) an executed supplement to the Subsidiary Guaranty Agreement in

the form of Exhibit A thereto (a “**Guaranty Supplement**”);

(ii) such documents and evidence with respect to such Subsidiary as the Required Holders may reasonably request in order to establish the existence and good standing of such Subsidiary and the authorization of the transactions contemplated by such Guaranty Supplement;

(iii) an opinion of counsel to the Parent Guarantor and such Subsidiary in form and substance satisfactory to the Required Holders to the effect that (x) such Guaranty Supplement has been duly authorized, executed and delivered by such Subsidiary, (y) the Subsidiary Guaranty Agreement as supplemented by such Guaranty Supplement constitutes the legal, valid and binding contract and agreement of such Subsidiary, enforceable in accordance with its terms (except as enforcement of such terms may be limited by bankruptcy, insolvency, reorganization, moratorium, fraudulent conveyance and similar laws affecting the enforcement of creditors' rights generally and by general equitable principles) and (z) the execution, delivery and performance by such Subsidiary of such Guaranty Supplement do not (A) violate any law, rule or regulation applicable to such Subsidiary, or (B) (1) conflict with or result in any breach of any of the provisions of or constitute a default under or result in the creation or imposition of any Lien not permitted by Section 10.6 or (2) conflict with or result in any breach of any of the provisions of or constitute a default under (I) the provisions of the charter, bylaws, certificate of formation, operating agreement or other constitutive documents of such Subsidiary, or (II) any agreement or other instrument to which such Subsidiary is a party or by which such Subsidiary may be bound; and

(iv) with respect to any Subsidiary Guarantor organized outside the United States of America, evidence of the acceptance by Process Agent of the appointment of designation, as such Subsidiary Guarantors' agent to receive, for it and on its behalf, service of process, for the period from the date of such Subsidiary Guaranty to 1 year after the latest maturity of the Notes (and the payment in full of all fees in respect thereof).

(b) If at any time, pursuant to the terms and conditions of all of the Major Credit Facilities, any Subsidiary Guarantor is discharged and released from its Guaranty of Indebtedness under all of the Major Credit Facilities and (i) such Subsidiary Guarantor is not a co-obligor under any of the Major Credit Facilities and (ii) the Parent Guarantor will have delivered to each holder of Notes an Officer's Certificate certifying that (x) the condition specified in clause (i) above has been satisfied and (y) immediately preceding the release of such Subsidiary Guarantor from the Subsidiary Guaranty Agreement and after giving effect thereto, no Default or Event of Default will have existed or would exist, then, upon receipt by the holders of Notes of such Officer's Certificate, such Subsidiary Guarantor will be discharged and released, automatically and without the need for any further action, from its obligations under the Subsidiary Guaranty Agreement; provided that, if in connection with any release of a Subsidiary Guarantor from its Guaranty of Indebtedness under any Major Credit Facility any fee or other consideration (excluding, for the avoidance of doubt, any repayment of the principal or interest under any Major Credit Facility in connection with such release) is paid or given to any holder of Indebtedness under such Major Credit Facility in connection with such release, each

holder of a Note shall receive equivalent consideration on a pro rata basis in connection with such Subsidiary Guarantor's release from the Subsidiary Guaranty Agreement. Without limiting the foregoing, for purposes of further assurance, each of the holders of the Notes agrees to provide to the Parent Guarantor and such Subsidiary Guarantor, if reasonably requested by the Parent Guarantor or such Subsidiary Guarantor and at the Parent Guarantor's expense, written evidence of such discharge and release signed by such holder.

(c) If at any time, pursuant to the terms and conditions of any Major Credit Facility, the Parent Guarantor or any of its Subsidiaries are required to or elect to grant Liens on any of their assets to secure the Indebtedness evidenced by such Major Credit Facility, the Parent Guarantor will, at its sole cost and expense, grant, or cause such Subsidiary to grant, Liens on such assets in favor of the holders of the Notes (or in favor of a collateral agent reasonably acceptable to the Required Holders for the benefit of the holders of the Notes), and within ten (10) Business Days thereafter will deliver to each of the holders of the Notes the following items:

(i) such security documents as the Required Holders deem reasonably necessary or advisable to grant to the holders of Notes (or such collateral agent for the benefit of the holders of Notes) a perfected first priority security interest to (or for the benefit of) the holders of Notes;

(ii) such documents and evidence with respect to such Liens as the Required Holders may reasonably request in order to establish the existence and priority of such Liens and the authorization of the transactions contemplated by such security documents; and

(iii) an opinion of counsel to the Parent Guarantor or such Subsidiary in form and substance satisfactory to the Required Holders to the effect that (x) such security documents have been duly authorized, executed and delivered by the Parent Guarantor or such Subsidiary, (y) such security documents constitute the legal, valid and binding contract and agreement of the Parent Guarantor or such Subsidiary, enforceable in accordance with their terms (except as enforcement of such terms may be limited by bankruptcy, insolvency, reorganization, moratorium, fraudulent conveyance and similar laws affecting the enforcement of creditors' rights generally and by general equitable principles) and (z) the execution, delivery and performance by the Parent Guarantor or such Subsidiary of such security documents do not violate (A) any law, rule or regulation applicable to the Parent Guarantor or such Subsidiary, or (B)(1) conflict with or result in any breach of any of the provisions of or constitute a default under or result in the creation or imposition of any Lien not permitted by Section 10.6 or (2) conflict with or result in any breach of any of the provisions of or constitute a default under (I) the provisions of the charter, bylaws, certificate of formation, operating agreement or other constitutive documents of the Parent Guarantor or such Subsidiary, or (II) any agreement or other instrument to which the Parent Guarantor or such Subsidiary is a party or by which such Subsidiary may be bound;

(d) If at any time, pursuant to the terms and conditions of any Major Credit Facility, Liens granted by the Parent Guarantor or any Subsidiary are released under all of the Major Credit Facilities and the Parent Guarantor will have delivered to each holder of Notes an Officer's Certificate certifying that immediately preceding the release of such Liens and after giving effect thereto, no Default or Event of Default will have existed or would exist, then, upon receipt by the holders of Notes of such Officer's Certificate, such Liens in favor of the holders of Notes will be discharged and released, automatically and without the need for any further action; provided that, if in connection with any release of such Liens under any Major Credit Facility any fee or other consideration (excluding, for the avoidance of doubt, any repayment of the principal or interest under any Major Credit Facility in connection with such release) is paid or given to any holder of Indebtedness under such Major Credit Facility in connection with such release, each holder of a Note shall receive equivalent consideration on a pro rata basis in connection with such release of Liens securing the Indebtedness evidenced by this Agreement and the Notes. Without limiting the foregoing, for purposes of further assurance, each of the holders of the Notes agrees to provide to the Parent Guarantor, if reasonably requested by the Parent Guarantor and at the Parent Guarantor's expense, written evidence of such discharge and release signed by such holder (or the collateral agent appointed by the holders of Notes).

9.9 Intercreditor Agreement.

If at any time, pursuant to the terms and conditions of any Major Credit Facility, (a) Subsidiaries of the Parent Guarantor are required to provide a Guaranty of the Parent Guarantor's Indebtedness under such Major Credit Facility and such Subsidiaries are required to become a Subsidiary Guarantor in respect of this Agreement and the Notes or (b) the Parent Guarantor or any of its Subsidiaries are required to grant Liens on any of their assets to secure the Indebtedness evidenced by any Major Credit Facility or any guaranty thereof, and the Parent Guarantor or such Subsidiaries are required to grant Liens to secure the Indebtedness evidenced by this Agreement and the Notes, then the Parent Guarantor will, concurrently with the execution thereof or the granting of such Guaranties and/or Liens, cause the lenders under such Major Credit Facility to enter into, and the holders of Notes hereby agree to enter into, an intercreditor agreement in form and substance (including, without limitation, as to the sharing of recoveries and set offs) reasonably satisfactory to the Required Holders (the "**Intercreditor Agreement**") with the holders of Notes, or enter into a joinder agreement to such Intercreditor Agreement in form and substance reasonably satisfactory to the Required Holders (it being acknowledged and agreed that the Second Amended and Restated Intercreditor Agreement is in form and substance satisfactory to the Required Holders with respect to the granting of Guaranties). Within ten (10) Business Days following the execution of any such Intercreditor Agreement (or any joinder thereto), the Parent Guarantor will deliver an executed copy thereof to each holder of Notes.

10. NEGATIVE COVENANTS.

The Parent Guarantor and the Company jointly and severally covenant that so long as any of the Notes are outstanding:

10.1 Transactions with Affiliates.

The Parent Guarantor will not and will not permit any Subsidiary to enter into directly or indirectly any Material transaction or group of related transactions which collectively are Material (including without limitation the purchase, lease, sale or exchange of properties of any kind or the rendering of any service) with any Affiliate (other than the Parent Guarantor or another Subsidiary), except in the ordinary course of business or pursuant to the reasonable requirements of the Parent Guarantor's or such Subsidiary's business and, in each case, upon fair and reasonable terms no less favorable to the Parent Guarantor or such Subsidiary than would be obtainable in a comparable arm's-length transaction with a Person not an Affiliate.

10.2 Merger, Consolidation, etc.

Neither Obligor will, and will not permit any of their Subsidiaries to, consolidate with or merge with any other Person or convey, transfer or lease all or substantially all of its assets in a single transaction or series of transactions to any Person (except that, so long as no Default or Event of Default exists or would result therefrom, a Subsidiary of the Parent Guarantor (other than the Company) may (x) consolidate with or merge with, or convey, transfer or lease all or substantially all of its assets in a single transaction or series of transactions to, the Parent Guarantor, another Subsidiary, or any other Person that will become, and in fact becomes, a Subsidiary immediately following the consummation of such merger, consolidation, conveyance, transfer or lease, so long as in each case involving a Subsidiary Guarantor, the survivor of such merger or consolidation or the transferee of such assets shall have assumed such Subsidiary Guarantor's obligations under the Subsidiary Guaranty Agreement (and to the extent the Subsidiary Guarantor is not the survivor or transferee, the Parent Guarantor shall cause the successor thereto to comply with clauses (a) and (b) of this Section 10.2 as if the Successor Company (as defined below) were the successor to such Subsidiary Guarantor) and (y) convey, transfer or lease all of its assets in compliance with the provisions of Section 10.3), provided that the foregoing restriction does not apply to the consolidation or merger of the Parent Guarantor or the Company with, or the conveyance, transfer or lease of substantially all of the assets of the Parent Guarantor or the Company in a single transaction or series of transactions to, any Person so long as:

(a) the successor formed by such consolidation or the survivor of such merger or the Person that acquires by conveyance, transfer or lease all or substantially all of the assets of such Obligor as an entirety, as the case may be (the "**Successor Company**"), will (i) in respect of the Parent Guarantor, be a solvent corporation or limited liability company organized and existing under the laws of the United States of America, any State thereof or the District of Columbia and (ii) in respect of the Company be a solvent corporation or limited liability company organized and existing under the laws of the United States of America, any State thereof or the District of Columbia or any other Permitted Jurisdiction;

(b) if an Obligor is not the Successor Company, (i) such Successor Company will have executed and delivered to each holder of Notes its assumption of the due and punctual performance and observance of each covenant and condition of this Agreement and the Notes (pursuant to such agreements and instruments as shall be reasonably satisfactory to the Required Holders), (ii) the Parent Guarantor will have caused to be delivered to each holder of Notes an opinion of internationally recognized independent counsel in the appropriate jurisdiction, or other independent counsel reasonably satisfactory to the Required Holders, to the effect that all agreements or instruments

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assumption are enforceable in accordance with their terms (except as enforcement of such terms may be limited by bankruptcy, insolvency, reorganization, moratorium and similar laws affecting the enforcement of creditors' rights generally and by general equitable principles); and (iii) in respect of the Company, to the extent such Successor Corporation is organized outside the United States of America, such corporation or limited liability company shall have provided to the holders evidence of the acceptance by Process Agent of the appointment and designation provided for by Section 24.8(e) for the period of time from the date of such transaction to 1 year after the latest maturity of the Notes (and the payment in full of all fees in respect thereof);

(c) immediately after giving effect to such transaction:

(i) no Default or Event of Default would exist, and

(ii) the Successor Company would be permitted by the provisions of Section 10.8 hereof to incur at least \$1.00 of additional Indebtedness (determined on a pro forma basis based upon EBITDA for the four (4) fiscal quarter period most recently ended for which financial statements have been provided to holders of Notes); and

(d) each Subsidiary Guarantor confirms in writing its obligations under and pursuant to the Subsidiary Guaranty Agreement;

provided, however, that no such conveyance, transfer or lease of all or substantially all of the assets of the Parent Guarantor or the Company will have the effect of releasing the Parent Guarantor or the Company (or any Successor Company) from its liability under this Agreement or the Notes, or of releasing any Subsidiary Guarantor (or any successor) from its liability under the Subsidiary Guaranty Agreement.

10.3 Sale of Assets.

Except as permitted under Section 10.2, the Parent Guarantor will not, and will not permit any of its Subsidiaries to, make any Asset Disposition unless:

(a) in the good faith opinion of the Parent Guarantor, the Asset Disposition is in exchange for consideration having a Fair Market Value at least equal to that of the property exchanged and is in the best interest of the Parent Guarantor or such Subsidiary; and

(b) immediately after giving effect to the Asset Disposition, no Default or Event of Default would exist and the Parent Guarantor would be permitted by the provisions of Section 10.8 hereof to incur at least \$1.00 of additional Indebtedness (determined on a pro forma basis based upon EBITDA for the four (4) fiscal quarter period most recently ended for which financial statements have been provided to holders of Notes); and

(c) immediately after giving effect to the Asset Disposition, the Disposition Value of all property that was the subject of any Asset Disposition occurring during the

then current fiscal year of the Parent Guarantor, would not exceed an amount equal to 15% of Consolidated Total Assets determined as of the end of the then most recently ended fiscal year of the Parent Guarantor.

If the Net Proceeds Amount from any Transfer is applied to a Debt Prepayment Application or a Property Reinvestment Application within 365 days after such Transfer, then such Transfer, only for the purpose of determining compliance with subsection (c) of this Section 10.3 as of any date, shall be deemed not to be an Asset Disposition as of the date of such application.

10.4 Line of Business.

The Parent Guarantor will not and will not permit any Subsidiary to engage in any business if, as a result, the general nature of the business in which the Parent Guarantor and its Subsidiaries, taken as a whole, would then be engaged would be substantially changed from the general nature of the business in which the Parent Guarantor and its Subsidiaries, taken as a whole, are engaged on the date of this Agreement as described in the Investor Presentation.

10.5 Terrorism Sanctions Regulations.

The Parent Guarantor will not and will not permit any Controlled Entity (a) to become (including by virtue of being owned or controlled by a Blocked Person), own or control a Blocked Person or any Person that is the target of sanctions imposed by the United Nations or by the European Union, or (b) directly or indirectly to have any investment in or engage in any dealing or transaction (including, without limitation, any investment, dealing or transaction involving the proceeds of the Notes) with any Person if such investment, dealing or transaction (i) would cause any holder to be in violation of any law or regulation applicable to such holder, or (ii) is prohibited by or subject to sanctions under any U.S. Economic Sanctions applicable to the Parent Guarantor or such Controlled Entity, except, in the case of this clause (b), to the extent that such violation or sanctions, if imposed, could not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect.

10.6 Liens.

The Parent Guarantor will not, and will not permit any of its Subsidiaries to, create, incur, assume or permit to exist (upon the happening of a contingency or otherwise) any Lien on or with respect to any property or asset (including, without limitation, any document or instrument in respect of goods or accounts receivable) of the Parent Guarantor or any such Subsidiary, whether now owned or held or hereafter acquired, or any income or profits therefrom, except:

(a) Permitted Liens; and

(b) Liens in addition to those permitted by clause (a) of this Section 10.6, provided that at the time of incurrence of such other Liens and after giving effect thereto, (i) the total amount of Indebtedness secured by Liens pursuant to this clause (b) at no time exceeds an amount equal to 15% of Consolidated Net Worth and (ii) the Parent Guarantor is in compliance with the terms of Section 10.9.

10.7 Minimum Interest Coverage Ratio.

The Parent Guarantor will not permit, as of the end of each fiscal quarter, beginning with the fiscal quarter ending September 30, 2025, the ratio of (a) EBITDA to (b) Interest Expense, in each case for the period of four (4) consecutive fiscal quarters ending on the end of such fiscal quarter, to be less than 2.00 to 1.00.

10.8 Maximum Leverage Ratio.

The Parent Guarantor and its consolidated Subsidiaries will not permit the ratio (the “**Leverage Ratio**”) of (a) (x) at any time the numerator of the leverage ratio covenant set forth in each Applicable Major Credit Facility is Consolidated Total Net Debt, Consolidated Total Net Debt, or (y) at any other time, Net Indebtedness to (b) EBITDA to be greater than (x) 4.0 to 1.0 during any Material Acquisition Period or (y) 3.5 to 1.0 at any other time. The Leverage Ratio will be calculated, in each case, determined as of the last day of each fiscal quarter of the Parent Guarantor based upon (i) for Net Indebtedness or Consolidated Total Net Debt (as applicable), Net Indebtedness or Consolidated Total Net Debt (as applicable) as of the last day of such fiscal quarter; and (ii) for EBITDA, the actual amount for the four (4) fiscal quarter period ending on such date.

10.9 Priority Debt.

The Parent Guarantor will not at any time permit Priority Debt to exceed 15% of Consolidated Total Assets (determined as of the then most recently ended fiscal quarter of the Parent Guarantor).

10.10 Subsidiary Debt.

The Parent Guarantor will not at any time permit any Subsidiary (other than the Company) to, create, incur, assume, guaranty, permit to exist or otherwise become or remain directly or indirectly liable with respect to any Indebtedness other than:

(a) Indebtedness of a Subsidiary outstanding as of June 30, 2016 as described on Schedule 5.15 and any extension, renewal or refunding thereof if the principal amount thereof is not increased in connection with such extension, renewal or refunding;

(b) Indebtedness of a Subsidiary owed to the Parent Guarantor or a Wholly-Owned Subsidiary;

(c) Guaranties by a Subsidiary of Indebtedness of another Subsidiary that is otherwise permitted under the terms of this Agreement;

(d) Indebtedness evidenced by (i) any Subsidiary Guaranty Agreement (as the same may be supplemented from time to time by any Guaranty Supplement) or (ii) any Guaranty of any Major Credit Facility so long as such Subsidiary has executed and

delivered a Subsidiary Guaranty Agreement and the Parent Guarantor has complied with the provisions of Section 9.8 and Section 9.9;

(e) Indebtedness of a Subsidiary in connection with a Permitted Receivables Securitization program permitted pursuant to Section 10.11;

(f) Indebtedness of a Subsidiary outstanding at the time such Subsidiary becomes a Subsidiary provided that (i) such Indebtedness shall not have been incurred in contemplation of such Subsidiary becoming a Subsidiary and (ii) immediately after such Subsidiary becomes a Subsidiary no Default or Event of Default shall exist, and provided, further, that such Indebtedness may not be extended, renewed or refunded except as otherwise permitted by this Agreement; and

(g) additional Indebtedness of a Subsidiary; provided that on the date the Subsidiary incurs or otherwise becomes liable with respect to any such additional Indebtedness and immediately after giving effect thereto and to the application of the proceeds thereof,

(i) no Default or Event of Default shall exist;

(ii) such Indebtedness can be incurred within the applicable limitations provided in Sections 10.8 and 10.9; and

(iii) the total amount of all Indebtedness permitted under this Section 10.10(g) at no time exceeds an amount equal to 15% of Consolidated Total Assets (determined as of the then most recently ended fiscal quarter of the Parent Guarantor).

10.11 Permitted Receivables Securitization Program.

The Parent Guarantor will not, and will not permit any Subsidiary to, sell any Securitization Assets pursuant to a Permitted Receivables Securitization program or otherwise unless (a) immediately before and after giving effect to such sale, no Default or Event of Default exists, (b) after giving effect to such sale, the aggregate outstanding face amount of Securitization Assets sold by the Parent Guarantor or a Subsidiary pursuant to a Permitted Receivables Securitization program does not exceed \$200,000,000 (or its equivalent in other currencies) and (c) immediately after giving effect to such sale, the Parent Guarantor would be permitted by the provisions of Section 10.8 hereof to incur at least \$1.00 of additional Indebtedness (determined on a pro forma basis based upon EBITDA for the four (4) fiscal quarter period most recently ended for which financial statements have been provided to holders of Notes).

11. EVENTS OF DEFAULT.

An “Event of Default” shall exist if any of the following conditions or events shall occur and be continuing:

(a) the Company defaults in the payment of any principal, or Make-Whole

Amount, Modified Make-Whole Amount or Net Loss with respect to any Swapped Note, if any, on any Note or the Parent Guarantor or any Subsidiary Guarantor defaults in the payment under this Agreement or the Subsidiary Guaranty Agreement when the same becomes due and payable, whether at maturity or at a date fixed for prepayment or by declaration or otherwise; or

(b) the Company defaults in the payment of any interest on any Note or any amount payable pursuant to Section 13 for more than five (5) Business Days after the same becomes due and payable; or either Obligor defaults in the performance of or compliance with any term contained in Section 7.1(d) or Section 10; or

(c) either Obligor defaults in the performance of or compliance with any term contained herein (other than those referred to in Sections 11(a), (b) and (c)) and such default is not remedied within thirty (30) days after the earlier of (i) a Responsible Officer obtaining actual knowledge of such default and (ii) the Parent Guarantor receiving written notice of such default from any holder of a Note (any such written notice to be identified as a “notice of default” and to refer specifically to this Section 11(d)); or

(d) (i) any representation or warranty made in writing by or on behalf of either Obligor or by any officer of either Obligor in this Agreement or in any writing furnished in connection with the transactions contemplated hereby proves to have been false or incorrect in any material respect on the date as of which made, or (ii) any representation or warranty made in writing by or on behalf of any Subsidiary Guarantor or by any officer of such Subsidiary Guarantor in any Subsidiary Guaranty Agreement or any writing furnished in connection with such Subsidiary Guaranty Agreement proves to have been false or incorrect in any material respect on the date as of which made; or

(e) (i) either Obligor or any Significant Subsidiary is in default (as principal or as guarantor or other surety) in the payment of any principal of or premium or make- whole amount or interest on any Indebtedness that is outstanding in an aggregate principal amount of at least \$60,000,000 (or its equivalent in the relevant currency of payment) beyond any period of grace provided with respect thereto, or (ii) either Obligor or any Significant Subsidiary is in default in the performance of or compliance with any Material Covenant of any evidence of any Indebtedness in an aggregate outstanding principal amount of at least \$60,000,000 (or its equivalent in the relevant currency of payment), and as a consequence of such default such Indebtedness has become, or has been declared (or one or more Persons are entitled to declare such Indebtedness to be), due and payable before its stated maturity or before its regularly scheduled dates of payment, or (iii) either Obligor or any Significant Subsidiary is in default in the performance of or compliance with any term of any evidence of any Indebtedness in an aggregate outstanding principal amount of at least \$60,000,000 (or its equivalent in the relevant currency of payment) or any mortgage, indenture or other agreement relating thereto or any other condition exists, and as a consequence of such default or condition such Indebtedness has become, or has been declared, due and payable before its stated maturity or before its regularly scheduled dates of payment, or (iv) as a consequence of the occurrence or continuation of any event or condition (other than the passage of time or the right of the holder of Indebtedness to convert such Indebtedness into equity interests), (x) either Obligor or any Significant

Subsidiary has become obligated to purchase or repay Indebtedness before its regular maturity or before its regularly scheduled dates of payment in an aggregate outstanding principal amount of at least \$60,000,000 (or its equivalent in the relevant currency of payment), or (y) one or more Persons have the right to require either Obligor or any Significant Subsidiary so to purchase or repay such Indebtedness as a result of a default in the performance of or

compliance with any Material Covenant by either Obligor or any Significant Subsidiary;
or

(f) either Obligor or any Significant Subsidiary (i) is generally not paying, or admits in writing its inability to pay, its debts as they become due, (ii) files, or consents by answer or otherwise to the filing against it of, a petition for relief or reorganization or arrangement or any other petition in bankruptcy, for liquidation or to take advantage of any bankruptcy, insolvency, reorganization, moratorium or other similar law of any jurisdiction (including but not limited to a *surseance van betaling* or *faillissement* under Dutch Law), (iii) makes an assignment for the benefit of its creditors, (iv) consents to the appointment of a custodian, receiver, trustee or other officer with similar powers with respect to it or with respect to any substantial part of its property, (v) is adjudicated as insolvent or to be liquidated, or (vi) takes corporate action for the purpose of any of the foregoing; or

(g) a court or Governmental Authority of competent jurisdiction enters an order appointing, without consent by either Obligor or any of its Significant Subsidiaries, a custodian, receiver, trustee or other officer with similar powers with respect to it or with respect to any substantial part of its property, or constituting an order for relief or approving a petition for relief or reorganization or any other petition in bankruptcy or for liquidation or to take advantage of any bankruptcy or insolvency law of any jurisdiction, or ordering the dissolution, winding-up or liquidation of either Obligor or any of its Significant Subsidiaries, or any such petition shall be filed against either Obligor or any of its Significant Subsidiaries and such petition shall not be dismissed within sixty (60) days; or

(h) any event occurs with respect to either Obligor or any Significant Subsidiary which under the laws of any jurisdiction is analogous to any of the events described in Section 11(g) or Section 11(h), provided that the applicable grace period, if any, which shall apply shall be the one applicable to the relevant proceeding which most closely corresponds to the proceeding described in Section 11(g) or Section 11(h)

(i) a final judgment or judgments for the payment of money aggregating in excess of \$60,000,000 (or its equivalent in the relevant currency of payment) are rendered against one or more of the Parent Guarantor and its Significant Subsidiaries (except to the extent covered by independent third party insurance as to which the insurer has acknowledged coverage) and which judgments are not, within sixty (60) days after entry thereof, bonded, discharged or stayed pending appeal, or are not discharged within sixty (60) days after the expiration of such stay; or

(j) if (i) any Plan subject to Title IV of ERISA or Section 412 of the Code shall fail to satisfy the minimum funding standards of ERISA or the Code for any plan year or part thereof or a waiver of such standards or extension of any amortization period is sought or granted under section 412 of the Code, (ii) a notice of intent to terminate any Plan subject to Title IV of ERISA shall have been or is reasonably expected to be filed with the PBGC or the PBGC shall have instituted proceedings under ERISA section 4042 to terminate or appoint a trustee to administer any Plan or the PBGC shall have notified

in writing the Parent Guarantor or any ERISA Affiliate that a Plan may become a subject of any such proceedings, (iii) the aggregate “amount of unfunded benefit liabilities” (within the meaning of section 4001(a)(18) of ERISA) under all Plans (other than Multiemployer Plans) subject to Title IV of ERISA, determined in accordance with Title IV of ERISA, shall exceed \$60,000,000, (iv) the aggregate present value of accrued benefit liabilities under all funded Non-U.S. Plans exceeds the aggregate current value of the assets of such Non-U.S. Plans allocable to such liabilities, (v) the Parent Guarantor or any ERISA Affiliate shall have incurred or is reasonably expected to incur any liability for the failure to comply with the provisions of Title I of ERISA or pursuant to Title IV of ERISA or the penalty or excise tax provisions of the Code relating to employee benefit plans, (vi) the Parent Guarantor or any ERISA Affiliate withdraws from any Multiemployer Plan, or (vii) the Parent Guarantor or any Subsidiary establishes or amends any employee welfare benefit plan that provides post-employment welfare benefits in a manner that would increase the liability of the Parent Guarantor or any Subsidiary thereunder; (viii) the Parent Guarantor or any Subsidiary fails to administer or maintain a Non-U.S. Plan in compliance with the requirements of any and all applicable laws, statutes, rules, regulations or court orders or any Non-U.S. Plan is involuntarily terminated or wound up, or (ix) the Parent Guarantor or any Subsidiary becomes subject to the imposition of a financial penalty (which for this purpose shall mean any tax, penalty or other liability, whether by way of indemnity or otherwise) with respect to one or more Non-U.S. Plans; and any such event or events described in clauses (i) through (ix) above, either individually or together with any other such event or events, could reasonably be expected to have a Material Adverse Effect; or

(k) (i) a default shall occur under the Subsidiary Guaranty Agreement and such default shall continue beyond the period of grace, if any, allowed with respect thereto or (ii) except as expressly permitted under Section 9.8(b), the Subsidiary Guaranty Agreement shall cease to be in full force and effect for any reason whatsoever with respect to one or more Subsidiary Guarantors, including, without limitation, a determination by any Governmental Authority or court that such agreement is invalid, void or unenforceable with respect to one or more Subsidiary Guarantors or any Subsidiary Guarantor shall contest or deny in writing the validity or enforceability of any of its obligations under the Subsidiary Guaranty Agreement.

As used in Section 11(k), the terms “employee benefit plan” and “employee welfare benefit plan” shall have the respective meanings assigned to such terms in section 3 of ERISA.

12. REMEDIES ON DEFAULT, ETC.

12.1 Acceleration.

(a) If an Event of Default with respect to the Parent Guarantor, the Company or any Subsidiary Guarantor described in Section 11(g), (h) or (i) (other than an Event of Default described in clause (i) of Section 11(g) or described in clause (vi) of Section 11(g) by virtue of the fact that such clause encompasses clause (i) of Section 11(g)) has occurred, all the Notes then outstanding shall automatically become immediately due and payable.

(b) If any other Event of Default has occurred and is continuing, the Required Holders may at any time at their option, by notice or notices to the Parent Guarantor, declare all the Notes then outstanding to be immediately due and payable.

(c) If any Event of Default described in Section 11(a) or (b) has occurred and is continuing, any holder or holders of Notes at the time outstanding affected by such Event of Default may at any time, at its or their option, by notice or notices to the Parent Guarantor, declare all the Notes held by it or them to be immediately due and payable.

Upon any Notes becoming due and payable under this Section 12.1, whether automatically or by declaration, such Notes will forthwith mature and the entire unpaid principal amount of such Notes, plus (x) all accrued and unpaid interest thereon (including, but not limited to, interest accrued thereon at the Default Rate upon the occurrence and during the continuance of an Event of Default), (y) the applicable Make-Whole Amount or Modified Make-Whole Amount, if any, determined in respect of such principal amount (to the full extent permitted by applicable law), as applicable, and (z) any Net Loss with respect to any Swapped Note and, subject to Section 8.11, less the amount of any Net Gain with respect to any Swapped Note, shall all be immediately due and payable, in each and every case without presentment, demand, protest or further notice, all of which are hereby waived. The Obligors acknowledge, and the parties hereto agree, that each holder of a Note has the right to maintain its investment in the Notes free from repayment by the Company (except as herein specifically provided for) and that the provision for payment of a Make-Whole Amount and/or Modified Make-Whole Amount, if any, by the Company if the Notes are prepaid or are accelerated as a result of an Event of Default, is intended to provide compensation for the deprivation of such right under such circumstances.

12.2 Other Remedies.

If any Default or Event of Default has occurred and is continuing, and irrespective of whether any Notes have become or have been declared immediately due and payable under Section 12.1, the holder of any Note at the time outstanding may proceed to protect and enforce the rights of such holder by an action at law, suit in equity or other appropriate proceeding, whether for the specific performance of any agreement contained herein or in any Note or Subsidiary Guaranty Agreement, or for an injunction against a violation of any of the terms hereof or thereof, or in aid of the exercise of any power granted hereby or thereby or by law or otherwise.

12.3 Rescission.

At any time after any Notes have been declared due and payable pursuant to Section 12.1(b) or (c), the Required Holders, by written notice to the Parent Guarantor, may rescind and annul any such declaration and its consequences if (a) the Company has paid all overdue interest on the Notes, all principal of and applicable Make-whole Amount, Modified Make-Whole Amount and/or Net Loss with respect to any Swapped Note, if any, on any Notes that are due and payable and are unpaid other than by reason of such declaration, and all interest on such overdue principal and Make-Whole Amount, Modified Make-Whole Amount and/or Net Loss with respect to any Swapped Note, if any, and (to the extent permitted by applicable law)

any overdue interest in respect of the Notes, at the Default Rate, (b) neither the Company nor any other Person shall have paid any amounts which have become due solely by reason of such declaration, (c) all Events of Default and Defaults, other than non-payment of amounts that have become due solely by reason of such declaration, have been cured or have been waived pursuant to Section 18, and (d) no judgment or decree has been entered for the payment of any monies due pursuant hereto or to the Notes. No rescission and annulment under this Section 12.3 will extend to or affect any subsequent Event of Default or Default or impair any right consequent thereon.

12.4 No Waivers or Election of Remedies, Expenses, etc.

No course of dealing and no delay on the part of any holder of any Note in exercising any right, power or remedy shall operate as a waiver thereof or otherwise prejudice such holder's rights, powers or remedies. No right, power or remedy conferred by this Agreement, the Subsidiary Guaranty Agreement or by any Note upon any holder thereof shall be exclusive of any other right, power or remedy referred to herein or therein or now or hereafter available at law, in equity, by statute or otherwise. Without limiting the obligations of the Company under Section 16, the Company will pay to the holder of each Note on demand such further amount as shall be sufficient to cover all costs and expenses of such holder incurred in any enforcement or collection under this Section 12, including, without limitation, reasonable attorneys' fees, expenses and disbursements.

13. TAX INDEMNIFICATION; FATCA INFORMATION.

(a) All payments whatsoever under this Agreement and the Notes will be made by the Company in lawful currency of the European Union free and clear of, and without liability for withholding or deduction for or on account of, any present or future Taxes of whatever nature imposed or levied by or on behalf of any jurisdiction other than the United States (or any political subdivision or taxing authority of or in such jurisdiction) (hereinafter a "**Taxing Jurisdiction**"), unless the withholding or deduction of such Tax is compelled by law.

(b) If any deduction or withholding for any Tax of a Taxing Jurisdiction shall at any time be required in respect of any amounts to be paid by the Company under this Agreement or the Notes, the Company will pay to the relevant Taxing Jurisdiction the full amount required to be withheld, deducted or otherwise paid before penalties attach thereto or interest accrues thereon and pay to each holder of a Note such additional amounts as may be necessary in order that the net amounts paid to such holder pursuant to the terms of this Agreement or the Notes after such deduction, withholding or payment (including any required deduction or withholding of Tax on or with respect to such additional amount), shall be not less than the amounts then due and payable to such holder under the terms of this Agreement or the Notes before the assessment of such Tax, *provided* that no payment of any additional amounts shall be required to be made for or on account of:

(i) any Tax that would not have been imposed but for the existence of any present or former connection between such holder (or a fiduciary, settlor, beneficiary, member of, shareholder of, or possessor of a power over, such holder,

if such holder is an estate, trust, partnership or corporation or any Person other than the holder to whom the Notes or any amount payable thereon is attributable for the purposes of such Tax) and the Taxing Jurisdiction, other than the mere holding of the relevant Note or the receipt of payments thereunder or in respect thereof or the exercise of remedies in respect thereof, including such holder (or such other Person described in the above parenthetical) being or having been a citizen or resident thereof, or being or having been present or engaged in trade or business therein or having or having had an establishment, office, fixed base or branch therein, *provided* that this exclusion shall not apply with respect to a Tax that would not have been imposed but for the Company, after the date of the Closing, opening an office in, moving an office to, reincorporating in, or changing the Taxing Jurisdiction from or through which payments on account of this Agreement or the Notes are made to, the Taxing Jurisdiction imposing the relevant Tax;

(ii) any Tax that would not have been imposed but for the delay or failure by such holder (following a written request by the Company) in the filing with the relevant Taxing Jurisdiction of Forms (as defined below) that are required to be filed by such holder to avoid or reduce such Taxes (including for such purpose any refilings or renewals of filings that may from time to time be required by the relevant Taxing Jurisdiction), *provided* that the filing of such Forms would not (in such holder's reasonable judgment) impose any unreasonable burden (in time, resources or otherwise) on such holder or result in any confidential or proprietary income tax return information being revealed, either directly or indirectly, to any Person and such delay or failure could have been lawfully avoided by such holder, and *provided further* that such holder shall be deemed to have satisfied the requirements of this clause (b)(ii) upon the good faith completion and submission of such Forms (including refilings or renewals of filings) as may be specified in a written request of the Company no later than 60 days after receipt by such holder of such written request (accompanied by copies of such Forms and related instructions, if any, all in the English language or with an English translation thereof); or

(iii) any combination of clauses (i) and (ii) above;

provided further that in no event shall the Company be obligated to pay such additional amounts to any holder (i) not resident in the United States of America or any other jurisdiction in which an original Purchaser is resident for tax purposes on the date of the Closing in excess of the amounts that the Company would be obligated to pay if such holder had been a resident of the United States of America or such other jurisdiction, as applicable, for purposes of, and eligible for the benefits of, any double taxation treaty from time to time in effect between the United States of America or such other jurisdiction and the relevant Taxing Jurisdiction or (ii) registered in the name of a nominee if under the law of the relevant Taxing Jurisdiction (or the current regulatory interpretation of such law) securities held in the name of a nominee do not qualify for an exemption from the relevant Tax and the Company shall have given timely notice of such law or interpretation to such holder.

(c) By acceptance of any Note, the holder of such Note agrees, subject to the limitations of clause (b)(ii) above, that it will from time to time with reasonable promptness (x) duly complete and deliver to or as reasonably directed by the Company all such forms, certificates, documents and returns provided to such holder by the Company (collectively, together with instructions for completing the same, “Forms”) required to be filed by or on behalf of such holder in order to avoid or reduce any such Tax pursuant to the provisions of an applicable statute, regulation or administrative practice of the relevant Taxing Jurisdiction or of a tax treaty between the United States and such Taxing Jurisdiction and (y) provide the Company with such information with respect to such holder as the Company may reasonably request in order to complete any such Forms, provided that nothing in this Section 13 shall require any holder to provide information with respect to any such Form or otherwise if in the opinion of such holder such Form or disclosure of information would involve the disclosure of tax return or other information that is confidential or proprietary to such holder, and provided further that each such holder shall be deemed to have complied with its obligation under this paragraph with respect to any Form if such Form shall have been duly completed and delivered by such holder to the Company or mailed to the appropriate taxing authority, whichever is applicable, within 60 days following a written request of the Company (which request shall be accompanied by copies of such Form and English translations of any such Form not in the English language) and, in the case of a transfer of any Note, at least 90 days prior to the relevant interest payment date.

(d) On or before the date of the Closing the Company will furnish each Purchaser with copies of the appropriate Form (and English translation if required as aforesaid) currently required to be filed in The Netherlands pursuant to Section 13(b)(ii), if any, and in connection with the transfer of any Note the Company will furnish the transferee of such Note with copies of any Form and English translation then required.

(e) If any payment is made by the Company to or for the account of the holder of any Note after deduction for or on account of any Taxes, and increased payments are made by the Company pursuant to this Section 13, then, if such holder at its sole discretion determines that it has received or been granted a refund of such Taxes, such holder shall, to the extent that it can do so without prejudice to the retention of the amount of such refund, reimburse to the Company such amount as such holder shall, in its sole discretion, determine to be attributable to the relevant Taxes or deduction or withholding. Nothing herein contained shall interfere with the right of the holder of any Note to arrange its tax affairs in whatever manner it thinks fit and, in particular, no holder of any Note shall be under any obligation to claim relief from its corporate profits or similar tax liability in respect of such Tax in priority to any other claims, reliefs, credits or deductions available to it or (other than as set forth in Section 13(b)(ii)) oblige any holder of any Note to disclose any information relating to its tax affairs or any computations in respect thereof.

(f) The Company will furnish the holders of Notes, promptly and in any event within 60 days after the date of any payment by the Company of any Tax in respect of any amounts paid under this Agreement or the Notes, the original tax receipt issued by the relevant taxation or other authorities involved for all amounts paid as aforesaid (or if

such original tax receipt is not available or must legally be kept in the possession of the Company, a duly certified copy of the original tax receipt or any other reasonably satisfactory evidence of payment), together with such other documentary evidence with respect to such payments as may be reasonably requested from time to time by any holder of a Note.

(g) If the Company is required by any applicable law, as modified by the practice of the taxation or other authority of any relevant Taxing Jurisdiction, to make any deduction or withholding of any Tax in respect of which the Company would be required to pay any additional amount under this Section 13, but for any reason does not make such deduction or withholding with the result that a liability in respect of such Tax is assessed directly against the holder of any Note, and such holder pays such liability, then the Company will promptly reimburse such holder for such payment (including any related interest or penalties to the extent such interest or penalties arise by virtue of a default or delay by the Company) upon demand by such holder accompanied by an official receipt (or a duly certified copy thereof) issued by the taxation or other authority of the relevant Taxing Jurisdiction.

(h) If the Company makes payment to or for the account of any holder of a Note and such holder is entitled to a refund of the Tax to which such payment is attributable upon the making of a filing (other than a Form described above), then such holder shall, as soon as practicable after receiving written request from the Company (which shall specify in reasonable detail and supply the refund forms to be filed) use reasonable efforts to complete and deliver such refund forms to or as directed by the Company, subject, however, to the same limitations with respect to Forms as are set forth above.

(i) The obligations of the Company under this Section 13 shall survive the payment or transfer of any Note and the provisions of this Section 13 shall also apply to successive transferees of the Notes.

By acceptance of any Note, the holder of such Note agrees that such holder will with reasonable promptness duly complete and deliver to the Company, or to such other Person as may be reasonably requested by the Company, from time to time (i) in the case of any such holder that is a United States Person, such holder's United States tax identification number or other Forms reasonably requested by the Company necessary to establish such holder's status as a United States Person under FATCA and as may otherwise be necessary for the Company to comply with its obligations under FATCA and (ii) in the case of any such holder that is not a United States Person, such documentation prescribed by applicable law (including as prescribed by section 1471(b)(3)(C)(i) of the Code) and such additional documentation as may be necessary for the Company to comply with its obligations under FATCA and to determine that such holder has complied with such holder's obligations under FATCA or to determine the amount (if any) to deduct and withhold from any such payment made to such holder. Nothing in this Section 13(j) shall require any holder to provide information that is confidential or proprietary to such holder unless the Company is required to obtain such information under FATCA and, in such event, the Company shall treat any such information it receives as confidential.

14. REGISTRATION; EXCHANGE; SUBSTITUTION OF NOTES.

14.1 Registration of Notes.

The Company shall keep at its principal executive office a register for the registration and registration of transfers of Notes. The name and address of each holder of one or more Notes, each transfer thereof and the name and address of each transferee of one or more Notes shall be registered in such register. If any holder of one or more Notes is a nominee, then (a) the name and address of the beneficial owner of such Note or Notes shall also be registered in such register as an owner and holder thereof and (b) at any such beneficial owner's option, either such beneficial owner or its nominee may execute any amendment, waiver or consent pursuant to this Agreement. Prior to due presentment for registration of transfer, the Person in whose name any Note shall be registered shall be deemed and treated as the owner and holder thereof for all purposes hereof, and the Company shall not be affected by any notice or knowledge to the contrary. The Company shall give to any holder of a Note that is an Institutional Investor promptly upon request therefor, a complete and correct copy of the names and addresses of all registered holders of Notes.

14.2 Transfer and Exchange of Notes.

Upon surrender of any Note to the Company at the address and to the attention of the designated officer (all as specified in Section 19(iii)), for registration of transfer or exchange (and in the case of a surrender for registration of transfer accompanied by a written instrument of transfer duly executed by the registered holder of such Note or such holder's attorney duly authorized in writing and accompanied by the relevant name, address and other information for notices of each transferee of such Note or part thereof), within ten Business Days thereafter, the Company shall execute and deliver, at the Company's expense (except as provided below), one or more new Notes of the same Series (as requested by the holder thereof) in exchange therefor, in an aggregate principal amount equal to the unpaid principal amount of the surrendered Note. Each such new Note shall be payable to such Person as such holder may request and, in the case of a Series N Note, shall be substantially in the form of Exhibit 1A and in the case of a Series O Note, shall be substantially in the form of Exhibit 1B. Each such new Note shall be dated and bear interest from the date to which interest shall have been paid on the surrendered Note or dated the date of the surrendered Note if no interest shall have been paid thereon. The Company may require payment of a sum sufficient to cover any stamp tax or governmental charge imposed in respect of any such transfer of Notes. Notes shall not be transferred in denominations of less than €100,000, provided that if necessary to enable the registration of transfer by a holder of its entire holding of Notes of a Series, one Note of such Series may be in a denomination of less than €100,000. Any transferee, by its acceptance of a Note registered in its name (or the name of its nominee), shall be deemed to have made the representation set forth in Section 6.3.

The Notes have not been registered under the Securities Act or under the securities laws of any state and may not be transferred or resold unless registered under the Securities Act and all applicable state securities laws or unless an exemption from the requirement for such registration is available.

14.3 Replacement of Notes.

Upon receipt by the Company at the address and to the attention of the designated officer (all as specified in Section 19(iii)) of evidence reasonably satisfactory to it of the ownership of and the loss, theft, destruction or mutilation of any Note (which evidence shall be, in the case of an Institutional Investor, notice from such Institutional Investor of such ownership and such loss, theft, destruction or mutilation), and

(a) in the case of loss, theft or destruction, of indemnity reasonably satisfactory to it (provided that if the holder of such Note is, or is a nominee for, an original Purchaser or another holder of a Note with a minimum net worth of at least \$50,000,000 or a Qualified Institutional Buyer, such Person's own unsecured agreement of indemnity shall be deemed to be satisfactory), or

(b) in the case of mutilation, upon surrender and cancellation thereof,

within fifteen (15) Business Days thereafter, the Company at its own expense shall execute and deliver, in lieu thereof, a new Note of the same Series, dated and bearing interest from the date to which interest shall have been paid on such lost, stolen, destroyed or mutilated Note or dated the date of such lost, stolen, destroyed or mutilated Note if no interest shall have been paid thereon.

15. PAYMENTS ON NOTES.

15.1 Place of Payment.

Subject to Section 15.2, payments of principal, Make-Whole Amount, Modified Make-Whole Amount and/or Net Loss with respect to any Swapped Note, if any, and interest becoming due and payable on the Notes shall be made in New York, New York at the principal office of Bank of America, N.A. in such jurisdiction. The Company may at any time, by notice to each holder of a Note, change the place of payment of the Notes so long as such place of payment shall be either the principal office of the Company in such jurisdiction or the principal office of a bank or trust company in such jurisdiction.

15.2 Home Office Payment.

So long as any Purchaser or its nominee shall be the holder of any Note, and notwithstanding anything contained in Section 15.1 or in such Note to the contrary, the Company will pay all sums becoming due on such Note for principal, Make-Whole Amount, Modified Make-Whole Amount and/or Net Loss with respect to any Swapped Note, if any, and interest by the method and at the address specified for such purpose below such Purchaser's name in Schedule A, or by such other commercially reasonable method or at such other address as such Purchaser shall have from time to time specified to the Company in writing for such purpose, without the presentation or surrender of such Note or the making of any notation thereon, except that upon written request of the Company made concurrently with or reasonably promptly after payment or prepayment in full of any Note, such Purchaser shall surrender such Note for cancellation, reasonably promptly after any such request, to the Company at its principal executive office or at the place of payment most recently designated by the Company pursuant to Section 15.1. Prior to any sale or other disposition of any Note held by a Purchaser or its nominee, such Purchaser will, at its election, either endorse thereon the amount of principal paid thereon and the last date to

which interest has been paid thereon or surrender such Note to the

Company in exchange for a new Note or Notes pursuant to Section 14.2. The Company will afford the benefits of this Section 15.2 to any Institutional Investor that is the direct or indirect transferee of any Note purchased by a Purchaser under this Agreement and that has made the same agreement relating to such Note as the Purchasers have made in this Section 15.2.

16. EXPENSES, ETC.

16.1 Transaction Expenses.

Whether or not the transactions contemplated hereby are consummated, the Company will pay all costs and expenses (including reasonable attorneys' fees of a special United States counsel and a special Dutch counsel and, if reasonably required by the Required Holders, local or other counsel) incurred by the Purchasers and each other holder of a Note in connection with such transactions and in connection with any amendments, waivers or consents under or in respect of this Agreement, the Subsidiary Guaranty Agreement or the Notes (whether or not such amendment, waiver or consent becomes effective), including, without limitation: (a) the costs and expenses incurred in enforcing or defending (or determining whether or how to enforce or defend) any rights under this Agreement, the Subsidiary Guaranty Agreement or the Notes or in responding to any subpoena or other legal process or informal investigative demand issued in connection with this Agreement, the Subsidiary Guaranty Agreement or the Notes, or by reason of being a holder of any Note, (b) the costs and expenses, including financial advisors' fees, incurred in connection with the insolvency or bankruptcy of the Parent Guarantor or any Subsidiary or in connection with any work-out or restructuring of the transactions contemplated hereby, the Guaranty Agreement and by the Notes and (c) the costs and expenses incurred in connection with the initial filing of this Agreement and all related documents and financial information with the SVO, provided that such costs and expenses under this clause (c) shall not exceed \$6,500.

The Company will pay, and will save each Purchaser and each other holder of a Note harmless from, (i) all claims in respect of any fees, costs or expenses, if any, of brokers and finders (other than those, if any, retained by a Purchaser or other holder in connection with its purchase of the Notes), (ii) any and all wire transfer fees that any bank or other financial institution deducts from any payment under such Note to such holder or otherwise charges to a holder of a Note with respect to a payment under such Note and (iii) any judgment, liability, claim, order, decree, fine, penalty, cost, fee, expense (including reasonable attorneys' fees and expenses) or obligation resulting from the consummation of the transactions contemplated hereby, including the use of the proceeds of the Notes by the Company.

16.2 Certain Taxes.

The Company agrees to pay all stamp, documentary or similar taxes or fees which may be payable in respect of the execution and delivery or the enforcement of this Agreement or any Subsidiary Guaranty or the execution and delivery (but not the transfer) or the enforcement of any of the Notes in the United States or The Netherlands or any other jurisdiction of organization of the Company or the Subsidiary Guaranty Agreement or any other jurisdiction where the Parent Guarantor or any Subsidiary Guarantor has assets or of any amendment of, or waiver or consent under or with respect to, this Agreement or any Subsidiary Guaranty or of any of the Notes, and to pay any value added tax due and payable in respect of reimbursement of costs and expenses by the

Company pursuant to this Section 16, and will save each holder of a Note to the extent permitted by applicable law harmless against any loss or liability resulting from nonpayment or delay in payment of any such tax or fee required to be paid by the Company hereunder.

16.3 Survival.

The obligations of the Company under this Section 16 will survive the payment or transfer of any Note, the enforcement, amendment or waiver of any provision of this Agreement, the Subsidiary Guaranty Agreement or the Notes, and the termination of this Agreement or the Subsidiary Guaranty Agreement.

17. SURVIVAL OF REPRESENTATIONS AND WARRANTIES; ENTIRE AGREEMENT.

All representations and warranties contained herein shall survive the execution and delivery of this Agreement and the Notes, the purchase or transfer by any Purchaser of any Note or portion thereof or interest therein and the payment of any Note, and may be relied upon by any subsequent holder of a Note, regardless of any investigation made at any time by or on behalf of such Purchaser or any other holder of a Note. All statements contained in any certificate or other instrument delivered by or on behalf of the Parent Guarantor, the Company or any Subsidiary Guarantor pursuant to this Agreement or the Subsidiary Guaranty Agreement shall be deemed representations and warranties of the Parent Guarantor, the Company or such Subsidiary Guarantor under this Agreement or the Subsidiary Guaranty Agreement, as applicable. Subject to the preceding sentence, this Agreement, the Notes and the Subsidiary Guaranty Agreement embody the entire agreement and understanding between each Purchaser and the Parent Guarantor, the Company and the Subsidiary Guarantors and supersede all prior agreements and understandings relating to the subject matter hereof.

18. AMENDMENT AND WAIVER.

18.1 Requirements.

This Agreement and the Notes may be amended, and the observance of any term hereof or of the Notes may be waived (either retroactively or prospectively), with (and only with) the written consent of the Parent Guarantor, the Company and the Required Holders, except that (a) no amendment or waiver of any of the provisions of Section 1, 2, 3, 4, 5, 6 or 22 hereof, or any defined term (as it is used therein), will be effective as to any Purchaser unless consented to by such Purchaser in writing, and (b) no such amendment or waiver may, without the written consent of the holder of each Note at the time outstanding affected thereby, (i) subject to the provisions of Section 12 relating to acceleration or rescission, change the amount or time of any prepayment or payment of principal of, or reduce the rate or change the time of payment or method of computation of interest or of the Make-Whole Amount and/or Modified Make-Whole Amount on, the Notes, or the Net Loss, Net Gain or Swap Breakage Amount with respect to any Swapped Note, (ii) change the percentage of the principal amount of the Notes the holders of which are required to consent to any amendment or waiver or the principal amount of the Notes that the Purchasers are to purchase pursuant to Section 2 upon the satisfaction of the conditions to Closing that appear in Section 4, (iii) amend any of Sections 8, 11(a), 11(b), 12, 13, 18, 21 or 24.9 or (iv) release the

Parent Guarantor from the Unconditional Guaranty. No Subsidiary Guarantor may be released from the Subsidiary Guaranty Agreement without the written consent of the holder of each Note at the time outstanding (other than in compliance with Section 9.8(b)). For purposes of Section 10 of the Intercreditor Agreement, the Required Holders shall constitute the requisite number of holders of Notes required under this Agreement to approve an amendment to or waiver of any provision of the Intercreditor Agreement or to consent to a departure by any Lender (as defined in the Intercreditor Agreement) therefrom. For purposes of Section 16 of the Intercreditor Agreement, (x) each of the holders of the Notes shall constitute the requisite parties under this Agreement to whom a Joinder Agreement (as defined in the Intercreditor Agreement) shall be executed and delivered by any New Creditor (as defined in the Intercreditor Agreement) and (y) with respect to the proviso to the first sentence of such Section 16, if any default, event of default or event of termination has occurred and is continuing under any of the Revolving Credit Agreement, the 2008 Note Agreement, the 2009 Note Agreement or any other applicable Financing Agreement (each such term as defined in the Intercreditor Agreement), the Required Holders shall constitute the requisite number of holders of Notes required under this Agreement to approve the addition of any other New Creditor (as defined in the Intercreditor Agreement).

18.2 Solicitation of Holders of Notes.

(a) Solicitation. The Company will provide each holder of a Note (irrespective of the amount of the Notes then owned by it) with sufficient information, sufficiently far in advance of the date a decision is required, to enable such holder to make an informed and considered decision with respect to any proposed amendment, waiver or consent in respect of any of the provisions hereof or of the Notes or the Subsidiary Guaranty Agreement. The Company will deliver executed or true and correct copies of each amendment, waiver or consent effected pursuant to this Section 17 or the Subsidiary Guaranty Agreement to each holder of a Note promptly following the date on which it is executed and delivered by, or receives the consent or approval of, the requisite holders of Notes.

(b) Payment. Neither Obligor will directly or indirectly pay or cause to be paid any remuneration, whether by way of supplemental or additional interest, fee or otherwise, or grant any security or provide other credit support, to any holder of a Note as consideration for or as an inducement to the entering into by such holder of any waiver or amendment of any of the terms and provisions hereof or of any the Subsidiary Guaranty Agreement or any Note unless such remuneration is concurrently paid, or security is concurrently granted or other credit support concurrently provided, on the same terms, ratably to each holder of a Note even if such holder did not consent to such waiver or amendment.

(c) Consent in Contemplation of Transfer. Any consent given pursuant to this Section 18 or the Subsidiary Guaranty Agreement by a holder of a Note that has transferred or has agreed to transfer its Note to (i) the Parent Guarantor, (ii) any Subsidiary or any Affiliate or (iii) any other Person in connection with, or in anticipation of, such other Person acquiring, making a tender offer for or merging with the Company and/or any of its Affiliates, in each case in connection with such consent shall be void and of no force or effect except solely as to such holder, and any amendments effected or waivers granted or

to be effected or granted that would not have been or would not be so effected or granted but for such consent (and the consents of all other holders of Notes that were acquired under the same or similar conditions) shall be void and of no force or effect except solely as to such holder.

18.3 Binding Effect, etc.

Any amendment or waiver consented to as provided in this Section 18 or the Subsidiary Guaranty Agreement applies equally to all holders of Notes and is binding upon them and upon each future holder of any Note and upon the Company without regard to whether such Note has been marked to indicate such amendment or waiver. No such amendment or waiver will extend to or affect any obligation, covenant, agreement, Default or Event of Default not expressly amended or waived or impair any right consequent thereon. No course of dealing between the Obligors and any holder of a Note and no delay in exercising any rights hereunder or under any Note or the Subsidiary Guaranty Agreement shall operate as a waiver of any rights of any holder of such Note. As used herein, the term “**this Agreement**” and references thereto shall mean this Agreement as it may from time to time be amended or supplemented.

18.4 Notes Held by Parent Guarantor, etc.

Solely for the purpose of determining whether the holders of the requisite percentage of the aggregate principal amount of Notes then outstanding approved or consented to any amendment, waiver or consent to be given under this Agreement, the Subsidiary Guaranty Agreement or the Notes, or have directed the taking of any action provided herein or in the Subsidiary Guaranty Agreement or the Notes to be taken upon the direction of the holders of a specified percentage of the aggregate principal amount of Notes then outstanding, Notes directly or indirectly owned by the Parent Guarantor or any of its Affiliates shall be deemed not to be outstanding.

19. NOTICES; ENGLISH LANGUAGE.

All notices and communications provided for hereunder shall be in writing and sent (a) by telecopy if the sender on the same day sends a confirming copy of such notice by a recognized overnight delivery service (charges prepaid), or (b) by registered or certified mail with return receipt requested (postage prepaid), or (c) by a recognized overnight delivery service (with charges prepaid). Any such notice must be sent:

(i) if to any Purchaser or its nominee, to such Purchaser or nominee at the address specified for such communications in Schedule A, or at such other address as such Purchaser or nominee shall have specified to the Company in writing,

(ii) if to any other holder of any Note, to such holder at such address as such other holder shall have specified to the Company in writing, or

(iii) if to the Parent Guarantor or the Company, to the Parent Guarantor at its address at 1081 Woodward Way, Fort Collins, Colorado 80524 to the attention of the Chief Financial Officer, or at such other address as the Parent Guarantor shall

have specified to the holder of each Note in writing.

Notices under this Section 19 will be deemed given only when actually received.

Each document, instrument, financial statement, report, notice or other communication delivered in connection with this Agreement shall be in English or accompanied by an English translation thereof.

This Agreement, the Notes and the Subsidiary Guaranty Agreement have been prepared and signed in English and the parties hereto agree that the English version hereof and thereof (to the maximum extent permitted by applicable law) shall be the only version valid for the purpose of the interpretation and construction hereof and thereof notwithstanding the preparation of any translation into another language hereof or thereof, whether official or otherwise or whether prepared in relation to any proceedings which may be brought in The Netherlands or any other jurisdiction in respect hereof or thereof.

20. REPRODUCTION OF DOCUMENTS.

This Agreement and all documents relating hereto, including, without limitation, (a) consents, waivers and modifications that may hereafter be executed, (b) documents received by any Purchaser at the Closing (except the Notes themselves), and (c) financial statements, certificates and other information previously or hereafter furnished to any Purchaser, may be reproduced by such Purchaser by any photographic, photostatic, electronic, digital, or other similar process and such Purchaser may destroy any original document so reproduced. The Obligors agree and stipulate that, to the extent permitted by applicable law, any such reproduction shall be admissible in evidence as the original itself in any judicial or administrative proceeding (whether or not the original is in existence and whether or not such reproduction was made by such Purchaser in the regular course of business) and any enlargement, facsimile or further reproduction of such reproduction shall likewise be admissible in evidence. This Section 20 shall not prohibit either Obligor or any other holder of Notes from contesting any such reproduction to the same extent that it could contest the original, or from introducing evidence to demonstrate the inaccuracy of any such reproduction.

21. CONFIDENTIAL INFORMATION.

For the purposes of this Section 21, "Confidential Information" means information delivered to any Purchaser or any holder of a Note by or on behalf of the Parent Guarantor or any Subsidiary in connection with the transactions contemplated by or otherwise pursuant to this Agreement that is proprietary in nature and that was clearly marked or labeled or otherwise adequately identified when received by such Purchaser as being confidential information of the Parent Guarantor or such Subsidiary, provided that such term does not include information that (a) was publicly known or otherwise known to such Purchaser prior to the time of such disclosure, (b) subsequently becomes publicly known through no act or omission by such Purchaser or any Person acting on such Purchaser's behalf, (c) otherwise becomes known to such Purchaser other than through disclosure by the Parent Guarantor or any Subsidiary or (d) constitutes financial statements delivered to such Purchaser under Section 7.1 that are otherwise publicly available. Each Purchaser will maintain the confidentiality of such Confidential Information in accordance

with procedures adopted by such Purchaser in good faith to protect confidential information of third parties delivered to such Purchaser, provided that such Purchaser may deliver or disclose Confidential Information to (i) its directors, officers, employees, agents, attorneys, trustees and affiliates (to the extent such disclosure reasonably relates to the administration of the investment represented by its Notes), (ii) its financial advisors and other professional advisors who agree to hold confidential the Confidential Information substantially in accordance with the terms of this Section 21, (iii) any other holder of any Note, (iv) any Institutional Investor to which it sells or offers to sell such Note or any part thereof or any participation therein (if such Person has agreed in writing prior to its receipt of such Confidential Information to be bound by the provisions of this Section 21), (v) any Person from which it offers to purchase any Security of either Obligor (if such Person has agreed in writing prior to its receipt of such Confidential Information to be bound by the provisions of this Section 21), (vi) any federal or state regulatory authority having jurisdiction over such Purchaser, (vii) the NAIC or the SVO or, in each case, any similar organization, or any nationally recognized rating agency that requires access to information about such Purchaser's investment portfolio, or (viii) any other Person to which such delivery or disclosure may be necessary or appropriate (w) to effect compliance with any law, rule, regulation or order applicable to such Purchaser, (x) in response to any subpoena or other legal process, (y) in connection with any litigation to which such Purchaser is a party or (z) if an Event of Default has occurred and is continuing, to the extent such Purchaser may reasonably determine such delivery and disclosure to be necessary or appropriate in the enforcement or for the protection of the rights and remedies under such Purchaser's Notes, this Agreement or the Subsidiary Guaranty Agreement. Each holder of a Note, by its acceptance of a Note, will be deemed to have agreed to be bound by and to be entitled to the benefits of this Section 21 as though it were a party to this Agreement. On reasonable request by the Company in connection with the delivery to any holder of a Note of information required to be delivered to such holder under this Agreement or requested by such holder (other than a holder that is a party to this Agreement or its nominee), such holder will enter into an agreement with the Company embodying the provisions of this Section 21.

In the event that as a condition to receiving access to information relating to the Parent Guarantor or its Subsidiaries in connection with the transactions contemplated by or otherwise pursuant to this Agreement, any Purchaser or holder of a Note is required to agree to a confidentiality undertaking (whether through IntraLinks, another secure website, a secure virtual workspace or otherwise) which is different from this Section 21, this Section 21 shall not be amended thereby and, as between such Purchaser or such holder and the Parent Guarantor, at the time of effectiveness of this Agreement, this Section 21 shall supersede any such other confidentiality undertaking, but only to the extent such undertakings are inconsistent.

22. SUBSTITUTION OF PURCHASER.

Each Purchaser shall have the right to substitute any one of its Affiliates as the purchaser of the Notes that it has agreed to purchase hereunder, by written notice to the Parent Guarantor, which notice shall be signed by both such Purchaser and such Affiliate, shall contain such Affiliate's agreement to be bound by this Agreement and shall contain a confirmation by such Affiliate of the accuracy with respect to it of the representations set forth in Section 6. Upon receipt of such notice, any reference to such Purchaser in this Agreement (other than in this Section 22), shall be deemed to refer to such Affiliate in lieu of such original Purchaser. In the event that such Affiliate is so substituted as a Purchaser hereunder and such Affiliate thereafter transfers to such original Purchaser all of the Notes then held by such Affiliate, upon receipt by the Company of

notice of such transfer, any reference to such Affiliate as a “Purchaser” in this Agreement (other than in this Section 22), shall no longer be deemed to refer to such Affiliate, but shall refer to such original Purchaser, and such original Purchaser shall again have all the rights of an original holder of the Notes under this Agreement.

23. UNCONDITIONAL GUARANTY.

23.1 Unconditional Guaranty. The Parent Guarantor hereby irrevocably and unconditionally guarantees to each holder of Notes, the due and punctual payment in full of (a) the principal of, Make-Whole Amount, if any, Modified Make-Whole Amount, if any, Net Loss with respect to any Swapped Note, if any, and interest on (including, without limitation, interest accruing after the filing of any petition in bankruptcy, or the commencement of any insolvency, reorganization, *surseance van betaling*, *faillissement* or like proceeding, whether or not a claim for post-filing or post-petition interest is allowed in such proceeding), and any other amounts due under the Notes, when and as the same shall become due and payable (whether at stated maturity or by required or optional prepayment or by acceleration or otherwise), and (b) any other sums which may become due under the terms and provisions of this Agreement, the Notes, the Subsidiary Guaranty Agreement or any other instrument referred to herein or therein (all such obligations described in clauses (a) and (b) above are herein called the “**Guaranteed Obligations**”). The guaranty in the preceding sentence (the “**Unconditional Guaranty**”) is an absolute, present and continuing guaranty of payment and not of collectibility and is in no way conditional or contingent upon any attempt to collect from the Company or any other guarantor of the Notes or upon any other action, occurrence or circumstance whatsoever. In the event that the Company shall fail so to pay any of such Guaranteed Obligations, the Parent Guarantor agrees to pay the same when due to the holders of Notes entitled thereto, without demand, presentment, protest or notice of any kind, in lawful money of the United States of America, pursuant to the requirements for payment specified in this Agreement and the Notes. Each default in payment of any of the Guaranteed Obligations shall give rise to a separate cause of action hereunder and separate suits may be brought hereunder as each cause of action arises. The Parent Guarantor agrees that the Notes issued in connection with this Agreement may (but need not) make reference to this Section 23. The Parent Guarantor agrees to pay and to indemnify and save each holder of Notes harmless from and against any damage, loss, cost or expense (including attorneys' fees) which such holder may incur or be subject to as a consequence, direct or indirect, of (x) any breach by the Parent Guarantor or by the Company of any warranty, covenant, term or condition in, or the occurrence of any default under, this Agreement, the Notes, the Subsidiary Guaranty Agreement or any other instrument referred to herein or therein, together with all expenses resulting from the compromise or defense of any claims or liabilities arising as a result of any such breach or default, (y) any legal action commenced to challenge the validity or enforceability of this Agreement, the Notes, the Subsidiary Guaranty Agreement or any other instrument referred to herein or therein and (z) enforcing or defending (or determining whether or how to enforce or defend) the provisions of this Section 23.

The Parent Guarantor hereby acknowledges and agrees that its liability hereunder is joint and several with any other Person(s) who may guarantee the obligations and Indebtedness under and in respect of this Agreement, the Notes and the Subsidiary Guaranty Agreement.

23.2 Obligations Absolute and Unconditional.

The Guaranteed Obligations of the Parent Guarantor hereunder shall be primary, absolute, irrevocable and unconditional, irrespective of the validity or enforceability of this Agreement, the Notes, the Subsidiary Guaranty Agreement or any other instrument referred to herein or therein, shall not be subject to any counterclaim, setoff, deduction or defense based upon any claim the Parent Guarantor may have against the Company or any holder of Notes or otherwise, and shall remain in full force and effect without regard to, and shall not be released, discharged or in any way affected by, any circumstance or condition whatsoever (whether or not the Parent Guarantor shall have any knowledge or notice thereof), including, without limitation:

(a) any amendment to, modification of, supplement to or restatement of this Agreement, the Notes, the Subsidiary Guaranty Agreement or any other instrument referred to herein or therein (it being agreed that the obligations of the Parent Guarantor hereunder shall apply to this Agreement, the Notes, the Subsidiary Guaranty Agreement or any such other instrument as so amended, modified, supplemented or restated) or any assignment or transfer of any thereof or of any interest therein, or any furnishing, acceptance or release of any security for the Notes;

(b) any waiver, consent, extension, indulgence or other action or inaction under or in respect of this Agreement, the Notes, the Subsidiary Guaranty Agreement or any other instrument referred to herein or therein;

(c) any bankruptcy, insolvency, arrangement, reorganization, readjustment, composition, liquidation or similar proceeding with respect to the Company or its property;

(d) any merger, amalgamation or consolidation of the Parent Guarantor or of the Company into or with any other Person or any sale, lease or transfer of any or all of the assets of the Parent Guarantor or of the Company to any Person;

(e) any failure on the part of the Company for any reason to comply with or perform any of the terms of any other agreement with the Parent Guarantor;

(f) any failure on the part of any holder of Notes to obtain, maintain, register or otherwise perfect any security; or

(g) any other event or circumstance which might otherwise constitute a legal or equitable discharge or defense of a guarantor (whether or not similar to the foregoing), and in any event however material or prejudicial it may be to the Parent Guarantor or to any subrogation, contribution or reimbursement rights the Parent Guarantor may otherwise have.

The Parent Guarantor covenants that its obligations hereunder will not be discharged except by indefeasible payment in full in cash of all of the Guaranteed Obligations and all other obligations hereunder.

23.3 Certain Waivers.

The Parent Guarantor unconditionally waives, to the fullest extent permitted by law, (a) notice of acceptance hereof, of any action taken or omitted in reliance hereon and of any default by the Company in the payment of any amounts due under this Agreement, the Notes, the Subsidiary Guaranty Agreement or any other instrument referred to herein or therein, and of any of the matters referred to in Section 23.2 hereof, (b) all notices which may be required by statute, rule of law or otherwise to preserve any of the rights of any holder of Notes against the Parent Guarantor, including, without limitation, presentment to or demand for payment from the Company or the Parent Guarantor with respect to any Note, notice to the Company or to the Parent Guarantor of default or protest for nonpayment or dishonor and the filing of claims with a court in the event of the bankruptcy of the Company, (c) any right to require any holder to enforce, assert or exercise any right, power or remedy including, without limitation, any right, power or remedy conferred in this Agreement or the Notes, (d) any requirement for diligence on the part of any holder of Notes and (e) any other act or omission or thing or delay in doing any other act or thing which might in any manner or to any extent vary the risk of the Parent Guarantor or otherwise operate as a discharge of the Parent Guarantor or in any manner lessen the obligations of the Parent Guarantor hereunder.

23.4 Obligations Unimpaired. The Parent Guarantor authorizes the holders of Notes, without notice or demand to the Parent Guarantor and without affecting its obligations hereunder, from time to time: (a) to renew, compromise, extend, accelerate or otherwise change the time for payment of, all or any part of this Note Agreement, the Notes, the Subsidiary Guaranty Agreement or any other instrument referred to herein or therein; (b) to change any of the representations, covenants, events of default or any other terms or conditions of or pertaining to this Agreement, the Notes, the Subsidiary Guaranty Agreement or any other instrument referred to herein or therein, including, without limitation, decreases or increases in amounts of principal, rates of interest, the Make-Whole Amount, Modified Make-Whole Amount, Net Loss with respect to any Swapped Note or any other obligation; (c) to take and hold security for the payment of the Notes, for the performance of this Agreement or otherwise for the Indebtedness guaranteed hereby and to exchange, enforce, waive, subordinate and release any such security; (d) to apply any such security and to direct the order or manner of sale thereof as the holders of Notes in their sole discretion may determine; (e) to obtain additional or substitute endorsers or guarantors; (f) to exercise or refrain from exercising any rights against the Company and others; and (g) to apply any sums, by whomsoever paid or however realized, to the payment of the Guaranteed Obligations and all other obligations owed hereunder. The holders of Notes shall have no obligation to proceed against any additional or substitute endorsers or guarantors or to pursue or exhaust any security provided by the Company, the Parent Guarantor or any other Person or to pursue any other remedy available to the holders of Notes.

If an event permitting the acceleration of the maturity of the principal amount of any Notes shall exist and such acceleration shall at such time be prevented or the right of any holder of Notes to receive any payment on account of the Guaranteed Obligations shall at such time be delayed or otherwise affected by reason of the pendency against the Company, the Parent Guarantor or any other guarantors of a case or proceeding under a bankruptcy or insolvency law, the Parent Guarantor agrees that, for purposes of the Unconditional Guaranty, the maturity of such principal amount shall be deemed to have been accelerated with the same effect as if the holder thereof had accelerated the same in accordance with the terms of this Section 23, and the Parent Guarantor shall forthwith pay such accelerated Guaranteed Obligations.

23.5 Subrogation and Subordination.

(a) The Parent Guarantor will not exercise any rights which it may have acquired by way of subrogation under this Section 23, by any payment made under the Unconditional Guaranty or otherwise, or accept any payment on account of such subrogation rights, or any rights of reimbursement, contribution or indemnity or any rights or recourse to any security for the Notes or this Agreement unless and until all of the Guaranteed Obligations shall have been indefeasibly paid in full in cash.

(b) The Parent Guarantor hereby subordinates the payment of all Indebtedness and other obligations of the Company or any other guarantor of the Guaranteed Obligations owing to the Parent Guarantor, whether now existing or hereafter arising, including, without limitation, all rights and claims described in clause (a) of this Section 23.5, to the indefeasible payment in full in cash of all of the Guaranteed Obligations. If the Required Holders so request, any such Indebtedness or other obligations shall be enforced and performance received by the Parent Guarantor as trustee for the holders of Notes and the proceeds thereof shall be paid over to the holders of Notes promptly, in the form received (together with any necessary endorsements) to be applied to the Guaranteed Obligations, whether matured or unmatured, as may be directed by the Required Holders, but without reducing or affecting in any manner the liability of the Parent Guarantor under the Unconditional Guaranty.

(c) If any amount or other payment is made to or accepted by the Parent Guarantor in violation of any of the preceding clauses (a) and (b) of this Section 23.5, such amount shall be deemed to have been paid to the Parent Guarantor for the benefit of, and held in trust for the benefit of, the holders of Notes and shall be paid over to the holders of Notes promptly, in the form received (together with any necessary endorsements) to be applied to the Guaranteed Obligations, whether matured or unmatured, as may be directed by the Required Holders, but without reducing or affecting in any manner the liability of the Parent Guarantor under the Unconditional Guaranty.

(d) The Parent Guarantor acknowledges that it will receive direct and indirect benefits from the financing arrangements contemplated by the Unconditional Guaranty and that its agreements set forth in this Section 23.5 are knowingly made in contemplation of such benefits.

23.6 Term; Reinstatement of Guaranty.

The Unconditional Guaranty and all covenants and agreements of the Parent Guarantor contained in this Section 23 shall continue in full force and effect and shall not be discharged until such time as all of the Guaranteed Obligations and all other obligations hereunder shall be indefeasibly paid in full in cash. Notwithstanding the foregoing, the Unconditional Guaranty shall continue to be effective, or be reinstated, as the case may be, if and to the extent at any time payment, in whole or in part, of any of the sums due to any holder of Notes on account of the Guaranteed Obligations is rescinded or must otherwise be restored or returned by a holder upon the insolvency, bankruptcy, dissolution, liquidation or reorganization of the Company or any other guarantors, or upon or as a result of the appointment of a custodian, receiver, trustee or other officer with similar powers with respect to the Company or any other guarantors or any part of its or their property, or otherwise, all as though such payments had not been made.

24. MISCELLANEOUS.**24.1 Successors and Assigns.**

All covenants and other agreements contained in this Agreement by or on behalf of any of the parties hereto bind and inure to the benefit of their respective successors and assigns (including, without limitation, any subsequent holder of a Note) whether so expressed or not, except that neither Obligor may assign or otherwise transfer any of its rights or obligations hereunder or, solely with respect to the Company, under the Notes without the prior written consent of each holder (other than in connection with any transfer permitted under Section 10.2). Nothing in this Agreement, expressed or implied, shall be construed to confer upon any Person (other than the parties hereto and their respective successors and assigns permitted hereby) any legal or equitable right, remedy or claim under or by reason of this Agreement.

24.2 Payments Due on Non-Business Days.

Anything in this Agreement or the Notes to the contrary notwithstanding (but without limiting the requirement in Section 8.8 that the notice of any prepayment specify a Business Day as the date fixed for such prepayment), any payment of principal of or Make- Whole Amount, Modified Make-Whole Amount, Net Loss with respect to any Swapped Note or interest on any Note that is due on a date other than a Business Day shall be made on the next succeeding Business Day without including the additional days elapsed in the computation of the interest payable on such next succeeding Business Day; provided that if the maturity date of any Note is a date other than a Business Day, the payment otherwise due on such maturity date shall be made on the next succeeding Business Day and shall include the additional days elapsed in the computation of interest payable on such next succeeding Business Day.

24.3 Accounting Terms.

(a) All accounting terms used herein which are not expressly defined in this Agreement have the meanings respectively given to them in accordance with GAAP. Except as otherwise specifically provided herein, (i) all computations made pursuant to this Agreement shall be made in accordance with GAAP, and (ii) all financial statements shall

be prepared in accordance with GAAP. For purposes of determining compliance

with this Agreement (including, without limitation, Section 9, Section 10 and the definition of “Indebtedness”), any election by the Parent Guarantor to measure any financial liability using fair value (as permitted by Financial Accounting Standards Board Accounting Standards Codification Topic No. 825-10-25 – *Fair Value Option*, International Accounting Standard 39 – *Financial Instruments: Recognition and Measurement* or any similar accounting standard) shall be disregarded and such determination shall be made as if such election had not been made.

(b) If the Parent Guarantor notifies the holders of Notes that, in the Parent Guarantor’s reasonable opinion, or if the Required Holders notify the Parent Guarantor that, in the Required Holders’ reasonable opinion, as a result of changes in GAAP from time to time (“**Subsequent Changes**”), any of the covenants contained in Sections 10.6 through 10.10, or any of the defined terms used therein no longer apply as intended such that such covenants are materially more or less restrictive to the Parent Guarantor than are such covenants immediately prior to giving effect to such Subsequent Changes, the Parent Guarantor and the holders of Notes shall negotiate in good faith to reset or amend such covenants or defined terms so as to negate such Subsequent Changes, or to establish alternative covenants or defined terms. Until the Parent Guarantor and the Required Holders so expressly agree to reset, amend or establish alternative covenants or defined terms, the covenants contained in Sections 10.6 through 10.10, together with the relevant defined terms, shall continue to apply and compliance therewith shall be determined assuming that the Subsequent Changes shall not have occurred (“**Static GAAP**”). During any period that compliance with any covenants shall be determined pursuant to Static GAAP, the Parent Guarantor shall include relevant reconciliations in reasonable detail between GAAP and Static GAAP with respect to the applicable covenant compliance calculations contained in each certificate of a Senior Financial Officer delivered pursuant to Section 7.2(a) during such period.

24.4 Severability.

Any provision of this Agreement that is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof, and any such prohibition or unenforceability in any jurisdiction shall (to the full extent permitted by law) not invalidate or render unenforceable such provision in any other jurisdiction.

24.5 Construction, etc.

Each covenant contained herein shall be construed (absent express provision to the contrary) as being independent of each other covenant contained herein, so that compliance with any one covenant shall not (absent such an express contrary provision) be deemed to excuse compliance with any other covenant. Where any provision herein refers to action to be taken by any Person, or which such Person is prohibited from taking, such provision shall be applicable whether such action is taken directly or indirectly by such Person.

Defined terms herein shall apply equally to the singular and plural forms of the terms defined. Whenever the context may require, any pronoun shall include the corresponding

masculine, feminine and neuter forms. The words “include,” “includes” and “including” shall be deemed to be followed by the phrase “without limitation.” The word “will” shall be construed to have the same meaning and effect as the word “shall.” Unless the context requires otherwise (a) any definition of or reference to any agreement, instrument or other document herein shall be construed as referring to such agreement, instrument or other document as from time to time amended, supplemented or otherwise modified (subject to any restrictions on such amendments, supplements or modifications set forth herein) and, for purposes of the Notes, shall also include any such notes issued in substitution therefor pursuant to Section 14, (b) subject to Section 24.1, any reference herein to any Person shall be construed to include such Person’s successors and assigns, (c) the words “herein,” “hereof” and “hereunder,” and words of similar import, shall be construed to refer to this Agreement in its entirety and not to any particular provision hereof, (d) all references herein to Sections, Exhibits and Schedules shall be construed to refer to Sections of, and Exhibits and Schedules to, this Agreement, and (e) any reference to any law or regulation herein shall, unless otherwise specified, refer to such law or regulation as amended, modified or supplemented from time to time..

24.6 Counterparts.

This Agreement may be executed in any number of counterparts, each of which shall be an original but all of which together shall constitute one instrument. Each counterpart may consist of a number of copies hereof, each signed by less than all, but together signed by all, of the parties hereto.

24.7 Governing Law.

This Agreement shall be construed and enforced in accordance with, and the rights of the parties shall be governed by, the law of the State of New York excluding choice-of-law principles of the law of such State that would permit the application of the laws of a jurisdiction other than such State.

24.8 Jurisdiction and Process; Waiver of Jury Trial.

(a) Each Obligor irrevocably submits to the non-exclusive jurisdiction of any New York State or federal court sitting in the Borough of Manhattan, The City of New York, over any suit, action or proceeding arising out of or relating to this Agreement or the Notes. To the fullest extent permitted by applicable law, each Obligor irrevocably waives and agrees not to assert, by way of motion, as a defense or otherwise, any claim that it is not subject to the jurisdiction of any such court, any objection that it may now or hereafter have to the laying of the venue of any such suit, action or proceeding brought in any such court and any claim that any such suit, action or proceeding brought in any such court has been brought in an inconvenient forum.

(b) Each Obligor agrees, to the fullest extent permitted by applicable law, that a final judgment in any suit, action or proceeding of the nature referred to in Section 24.8(a) brought in any such court shall be conclusive and binding upon it subject to rights of appeal, as the case may be, and may be enforced in the courts of the United States of

America or the State of New York (or any other courts to the jurisdiction of which it or any of its assets is or may be subject) by a suit upon such judgment.

(c) Each Obligor consents to process being served by or on behalf of any holder of Notes in any suit, action or proceeding of the nature referred to in Section 24.8(a) by mailing a copy thereof by registered or certified mail (or any substantially similar form of mail), postage prepaid, return receipt requested, to it at its address specified in Section 19 or at such other address of which such holder shall then have been notified pursuant to said Section, or, in the case of the Company, to Process Agent, as the Company's agent for the purpose of accepting service of any process in the United States. Each Obligor agrees that such service upon receipt (i) shall be deemed in every respect effective service of process upon it in any such suit, action or proceeding and (ii) shall, to the fullest extent permitted by applicable law, be taken and held to be valid personal service upon and personal delivery to it. Notices hereunder shall be conclusively presumed received as evidenced by a delivery receipt furnished by the United States Postal Service or any reputable commercial delivery service.

(d) Nothing in this Section 24.8 shall affect the right of any holder of a Note to serve process in any manner permitted by law, or limit any right that the holders of any of the Notes may have to bring proceedings against either Obligor in the courts of any appropriate jurisdiction or to enforce in any lawful manner a judgment obtained in one jurisdiction in any other jurisdiction.

(e) The Company hereby irrevocably appoints the Process Agent to receive for it, and on its behalf, service of process in the United States provided, however, that to the extent that the appointment of a process agent by the Issuer would under Dutch law be deemed to constitute a power of attorney or a mandate such appointment will terminate by force of law without notice upon bankruptcy (faillissement) and will cease to be effective in case of a suspension of payments (surseance van betaling) of the Issuer and that the Issuer may not be able to elect a domicile located outside the Netherlands for the purpose of services of process.

(f) The parties hereto hereby waive trial by jury in any action brought on or with respect to this Agreement, the Subsidiary Guaranty Agreement the Notes or any other document executed in connection herewith or therewith.

24.9 Obligation to Make Payment in Euros.

Any payment on account of an amount that is payable hereunder or under the Notes in Euros which is made to or for the account of any holder in any other currency, whether as a result of any judgment or order or the enforcement thereof or the realization of any security or the liquidation of either Obligor, shall constitute a discharge of the obligations of the Obligors under this Agreement or the Notes only to the extent of the amount of Euros which such holder could purchase in the foreign exchange markets in London, England, with the amount of such other currency in accordance with normal banking procedures at the rate of exchange prevailing on the London Banking Day following receipt of the payment first referred to above. If the amount of Euros that could be so purchased is less than the amount of Euros originally due to

such holder, each Obligor agrees to the fullest extent permitted by law, to indemnify and save harmless such holder from and against all loss or damage arising out of or as a result of such deficiency. This indemnity shall, to the fullest extent permitted by law, constitute an obligation separate and independent from the other obligations contained in this Agreement and the Notes, shall give rise to a separate and independent cause of action, shall apply irrespective of any indulgence granted by such holder from time to time and shall continue in full force and effect notwithstanding any judgment or order for a liquidated sum in respect of an amount due hereunder or under the Notes or under any judgment or order. As used herein the term "London Banking Day" shall mean any day other than Saturday or Sunday or a day on which commercial banks are required or authorized by law to be closed in London, England.

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Schedule B
DEFINED TERMS

As used herein, the following terms have the respective meanings set forth below or set forth in the Section hereof following such term:

“Acquisition” means any transaction, or any series of related transactions, consummated on or after the date of this Agreement, by which the Parent Guarantor or any of its Subsidiaries (other than transactions involving solely the Parent Guarantor and its Subsidiaries) (a) acquires all or substantially all of the assets of any firm, corporation, limited liability company or division thereof, whether through purchase of assets, merger or otherwise or (b) directly or indirectly acquires (in one transaction or as the most recent transaction in a series of transactions) at least a majority (in number of votes) of the Capital Stock of an entity which have ordinary voting power for the election of directors (other than securities having such power only by reason of the happening of a contingency) or a majority (by percentage of voting power) of the outstanding Equity Interests of another Person.

“Affected Noteholder” is defined within the definition of “Noteholder Sanctions Event.”

“Affected Notes” is defined in Section 8.4(a).

“Affiliate” means, at any time, and with respect to any Person, any other Person that at such time directly or indirectly through one or more intermediaries Controls, or is Controlled by, or is under common Control with, such first Person, and, with respect to the Parent Guarantor, shall include (a) any Person beneficially owning or holding, directly or indirectly, (i) 10% or more of any class of voting interests of the Parent Guarantor or any Subsidiary or (ii) non-voting equity interests of the Parent Guarantor or any Subsidiary if such Person’s non-voting equity interests in the Parent Guarantor or such Subsidiary comprise at least 10% of Consolidated Net Worth, and (b) any Person of which the Parent Guarantor and its Subsidiaries beneficially own or hold, in the aggregate, directly or indirectly, (i) 10% or more of any class of voting interests, or (ii) non-voting equity interests if the Parent Guarantor or such Subsidiary’s non-voting equity interests in such Person comprise at least 10% of the stockholders’ equity of such Person and its subsidiaries determined on a consolidated basis in accordance with GAAP. Unless the context otherwise clearly requires, any reference to an “Affiliate” is a reference to an Affiliate of the Parent Guarantor.

“Anti-Corruption Laws” is defined in Section 5.16(d).

“Anti-Money Laundering Laws” is defined in Section 5.16(c).

“Applicable Major Credit Facility” means a Major Credit Facility in respect of which the Company, the Parent Guarantor or any Subsidiary Guarantor is an obligor or otherwise provides a guarantee or other credit support.

“Applicable Percentage” in the case of a computation of the Modified Make-Whole Amount for purposes of Section 8.3 means 1.0% (100 basis points), and in the case of a computation of the Make-Whole Amount for any other purpose means 0.50% (50 basis points).

“**Applicable Rate**” means, with respect to (a) any Series N Note, (i) 2.06% per annum during any fiscal quarter following a fiscal quarter on the last day of which the Leverage Ratio is greater than 3.5 to 1.0 and (ii) 1.31% per annum at all other times and (b) any Series O Note, (i) 2.32% per annum during any fiscal quarter following a fiscal quarter on the last day of which the Leverage Ratio is greater than 3.5 to 1.0 and (ii) 1.57% per annum at all other times.

“**Asset Disposition**” means any Transfer except:

- (a) any Transfer that is:
 - (i) from a Subsidiary to the Parent Guarantor or another Subsidiary,
 - and
 - (ii) from the Parent Guarantor to a Subsidiary,

in each case so long as immediately before and immediately after the consummation of any such Transfer and after giving effect thereto, no Default or Event of Default exists;

(b) any Transfer made in the ordinary course of business and involving only property that is either (i) inventory held for sale or (ii) equipment, fixtures, supplies or materials no longer required in the operation of the business of the Parent Guarantor or any of its Subsidiaries or that is obsolete, damaged, or worn-out; and

(c) any Transfer made pursuant to a Permitted Receivables Securitization permitted pursuant to Section 10.11.

“**Blocked Person**” is defined in Section 5.16(a).

“**Business Day**” means (a) other than as provided in clause (b) below, any day other than a Saturday, a Sunday or a day on which commercial banks in New York, New York or London, England are required or authorized to be closed and which is not a TARGET Settlement Day, and (b) for purposes of Section 8.10, any date which is both (i) any day other than a Saturday, a Sunday or a day on which commercial banks in New York, New York are required or authorized to be closed and (ii) a day on which the Trans-European Automated Real-time Gross Settlement Express Transfer payment system (or any successor thereto) is open for settlement of payments in Euros (a “**TARGET Settlement Day**”).

“**Capital Lease**” means, at any time, a lease with respect to which the lessee is required concurrently to recognize the acquisition of an asset and the incurrence of a liability in accordance with GAAP.

“**Capital Lease Obligations**” of a Person means the amount of the obligations of such Person under Capital Leases which would be capitalized on a balance sheet of such Person prepared in accordance with GAAP.

“**Capital Stock**” means (a) in the case of a corporation, corporate stock, (b) in the case of an association or business entity, any and all shares, interests, participations, rights or other equivalents (however designated) evidencing ownership thereof, (c) in the case of a limited liability company, membership interests, (d) in the case of a partnership, partnership interests (whether general or limited) and (e) any other interest or participation that confers on a Person the right to receive a share of the profits and losses of, or distributions of assets of, the issuing Person; provided, however, that “Capital Stock” shall not include any debt securities convertible into equity securities prior to such conversion.

“**Cash Equivalents**” means (a) marketable direct obligations issued or unconditionally guaranteed by the government of the United States of America and backed by the full faith and credit of the United States government; (b) domestic and Eurocurrency certificates of deposit and time deposits, bankers’ acceptances and floating rate certificates of deposit issued by any commercial bank organized under the laws of the United States, any state thereof, the District of Columbia, any foreign bank, or its branches or agencies, the long-term indebtedness of which institution at the time of acquisition is rated BBB (or better) by S&P or Fitch or Baa (or better) by Moody’s), and which certificates of deposit and time deposits are fully protected against currency fluctuations for any such deposits with a term of more than ninety (90) days; (c) shares of money market, mutual or similar funds having assets in excess of \$100,000,000 and the investments of which are limited to investment grade securities (i.e., securities rated BBB (or better) by S&P or Fitch or Baa (or better) by Moody’s); and (d) commercial paper of United States of America and foreign banks and bank holding companies and their subsidiaries and United States and foreign finance, commercial, industrial or utility companies which, at the time of acquisition, are rated A-2 (or better) by S&P, P-2 (or better) by Moody’s, or F-2 (or better) by Fitch; *provided* that the maturities of such Cash Equivalents (other than as described in clause (c) above) shall not exceed three hundred sixty-five (365) days from the date of acquisition thereof.

“**Change of Control**” shall be deemed to have occurred if any person (as such term is used in Section 13(d) and Section 14(d)(2) of the Exchange Act as in effect on the date hereof) or persons constituting a group (as such term is used in Rule 13d-5 under the Exchange Act), become the “beneficial owners” (as such term is used in Rule 13d-3 under the Exchange Act as in effect on the date hereof), directly or indirectly, of more than 50% of the total voting power of all classes then outstanding of the Parent Guarantor’s voting stock.

“**Closing**” is defined in Section 3.1.

“**Closing Subsidiary Guarantors**” is defined in Section 2.

“**Code**” means the Internal Revenue Code of 1986, as amended from time to time, and the rules and regulations promulgated thereunder from time to time.

“**Company**” is defined in the introductory paragraph of this Agreement.

“**Confidential Information**” is defined in Section 21.

“**Consolidated Net Worth**” means the stockholders’ equity of the Parent Guarantor and

its Subsidiaries determined on a consolidated basis in accordance with GAAP.

“Consolidated Total Assets” means the total assets of the Parent Guarantor and its Subsidiaries determined on a consolidated basis in accordance with GAAP.

“Consolidated Total Net Debt” means, as of any date of determination, the excess, if any, of (a) the aggregate principal amount of the types of Indebtedness described in clauses (a), (b), (d), (e) and (g) of the definition of “Indebtedness” of the Parent Guarantor and its Subsidiaries and, without duplication, Contingent Obligations of the Parent Guarantor and its Subsidiaries in respect of such Indebtedness of other Persons over (b) the Unrestricted Domestic Cash Amount as of such date.

“Contingent Obligation”, as applied to any Person, means any Contractual Obligation, contingent or otherwise, providing for the guaranty of, or having the same economic effect as providing a guaranty of, any Indebtedness of another or other obligation or liability of another, including, without limitation, any such Indebtedness, obligation or liability of another directly or indirectly guaranteed, endorsed (otherwise than for collection or deposit in the ordinary course of business), co-made or discounted or sold with recourse by that Person, or in respect of which that Person is otherwise directly or indirectly liable, including Contractual Obligations (contingent or otherwise) arising through any agreement to purchase, repurchase, or otherwise acquire such Indebtedness, obligation or liability or any security therefor, or to provide funds for the payment or discharge thereof (whether in the form of loans, advances, stock purchases, capital contributions or otherwise), or to maintain solvency, assets, level of income, or other financial condition, or to make payment other than for value received. The amount of any Contingent Obligation shall be equal to the amount of the obligation so guaranteed or otherwise supported in the case of known or recurring obligations and, in all other cases, the maximum reasonably anticipated liability in respect of the portion of the obligation so guaranteed or otherwise supported; *provided* that Contingent Obligations shall not include endorsements for collection in the ordinary course of business.

“Contractual Obligation”, as applied to any Person, means any provision of any equity or debt securities issued by that Person or any indenture, mortgage, deed of trust, security agreement, pledge agreement, guaranty, contract, undertaking, agreement or instrument, in any case in writing, to which that Person is a party or by which it or any of its properties is bound, or to which it or any of its properties is subject.

“Control” means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of a Person, whether through the ownership of voting securities, by contract or otherwise.

“Control Event” means:

(a) the execution by the Parent Guarantor or any of its Subsidiaries or Affiliates of any agreement or letter of intent with respect to any proposed transaction or event or series of transactions or events which, individually or in the aggregate, may reasonably be expected to result in a Change of Control,

(b) the execution of any written agreement which, when fully performed by the parties thereto, would result in a Change of Control, or

(c) the making of any written offer by any person (as such term is used in Section 13(d) and Section 14(d)(2) of the Exchange Act as in effect on the date hereof) or persons constituting a group (as such term is used in Rule 13d-5 under the Exchange Act as in effect on the date hereof) to the holders of the common stock of the Parent Guarantor, which offer, if accepted by the requisite number of holders, would result in a Change of Control.

“Controlled Entity” means (a) any of the Subsidiaries of the Parent Guarantor and any of their or the Parent Guarantor’s respective Controlled Affiliates and (b) if the Parent Guarantor has a parent company, such parent company and its Controlled Affiliates.

“Debt Prepayment Application” means, with respect to any Transfer of property, the application by the Company of cash in an amount equal to the Net Proceeds Amount with respect to such Transfer to pay Senior Indebtedness (other than (a) Indebtedness owing to the Parent Guarantor, any of the Parent Guarantor’s Subsidiaries or any Affiliate of the Parent Guarantor and (b) Indebtedness in respect of any revolving credit or similar credit facility providing the Parent Guarantor or any of its Subsidiaries with the right to obtain loans or other extensions of credit from time to time, except to the extent that in connection with such payment of Senior Indebtedness the availability of credit under such credit facility is permanently reduced by an amount not less than the amount of such proceeds applied to the payment of such Senior Indebtedness), *provided* that in the course of making such application the Company shall offer to prepay each outstanding Note, in accordance with Section 8.6, in a principal amount which equals the Ratable Portion of such Note in respect of such Transfer. If any holder of a Note rejects such offer of prepayment, then, for purposes of the preceding sentence only, the Parent Guarantor and the applicable Subsidiary nevertheless will be deemed to have paid Senior Indebtedness in an amount equal to the Ratable Portion of the holder of such Note in respect of such Transfer.

“Debt Prepayment Transfer” is defined in Section 8.6(a).

“Default” means an event or condition the occurrence or existence of which would, with the lapse of time or the giving of notice or both, become an Event of Default.

“Default Rate” means, with respect to any Note, that rate of interest that is the greater of (a) 2.00% per annum above the Applicable Rate with respect to such Note or (b) 2.00% per annum over the rate of interest publicly announced by JPMorgan Chase Bank, N.A. in New York, New York as its “base” or “prime” rate.

“Disclosure Documents” is defined in Section 5.3.

“Disposition Value” means, at any time, with respect to any property

(a) in the case of property that does not constitute Subsidiary Equity Interests, the book value thereof, valued at the time of such disposition in good faith by the Parent Guarantor, and

(b) in the case of property that constitutes Subsidiary Equity Interests, an amount equal to that percentage of book value of the assets of the Subsidiary that issued such equity interests as is equal to the percentage that the book value of such Subsidiary Equity Interests represents of the book value of all of the outstanding equity interests of such Subsidiary (assuming, in making such calculations, that all Securities convertible into such equity interests are so converted and giving full effect to all transactions that would occur or be required in connection with such conversion) determined at the time of the disposition thereof, in good faith by the Parent Guarantor.

“Disqualified Stock” means any Capital Stock that, by its terms (or by the terms of any security into which it is convertible or for which it is exchangeable), or upon the happening of any event, matures or is mandatorily redeemable, pursuant to a sinking fund obligation or otherwise, or redeemable at the option of the holder thereof, in whole or in part, on or prior to the date that is ninety-one (91) days after the maturity date of the Series O Notes.

“Dollars” or **“\$”** means the lawful money of the United States of America.

“EBITDA” means, means, for any period, on a consolidated basis for the Parent Guarantor and its Subsidiaries, the sum of the amounts for such period, without duplication, of (a) Net Income, plus (b) Interest Expense to the extent deducted in computing Net Income, plus (c) charges against income for foreign, federal, state and local taxes to the extent deducted in computing Net Income, plus (d) depreciation expense to the extent deducted in computing Net Income, plus (e) amortization expense, including, without limitation, amortization of goodwill and other intangible assets to the extent deducted in computing Net Income, plus (f) any unusual non-cash charges to the extent deducted in computing Net Income, plus (g) non-cash stock based compensation paid during such period to the extent deducted in computing Net Income plus (h) up to \$5,000,000 per consecutive four fiscal quarter period in transaction fees, costs and expenses incurred in connection with the consummation of any acquisition permitted hereunder (or any such acquisition proposed and not consummated); provided, that any such fees, costs or expenses are paid within six (6) months of the date incurred; provided further that this clause (h) shall only be effective at any time that each Applicable Major Credit Facility includes such clause (and such clause is effective therein) and shall otherwise have no effect, plus (i) costs, charges, accruals, reserves or expenses attributable to the undertaking and/or implementation of cost savings initiatives or operating expense reductions and similar initiatives, integration, transition, and other restructuring costs, charges, accruals, reserves and expenses (including costs related to the closure or consolidation of facilities and curtailments, consulting and other professional fees, signing costs, retention or completion bonuses, executive recruiting costs, relocation expenses, severance payments and modifications to, or losses on settlement of, pension and post-retirement employee benefit plans); provided that the aggregate amount included in EBITDA pursuant to this clause (i) during any period shall not exceed 10% of EBITDA in the aggregate for any consecutive four fiscal quarter period calculated prior to giving effect to any adjustment pursuant to this clause (i); provided further that this clause (i) shall only be effective at any time that each Applicable Major Credit Facility includes such clause (and such clause is effective therein) and shall otherwise have no effect, minus (j) any unusual non-cash gains to the extent added in computing Net Income. EBITDA shall be calculated on a pro forma basis giving effect to Material Acquisitions and Material Asset Dispositions on a four (4) fiscal quarter basis on the assumption that any such Material Acquisition or Material Asset Disposition shall be deemed to have occurred on the first

day of the fourth full fiscal quarter preceding the date of determination, using historical financial statements containing reasonable adjustments satisfactory to the Required Holders, broken down by fiscal quarter in the Parent Guarantor's reasonable judgment. As used herein, "**Material Acquisition**" means one or more related Acquisitions the net consideration for which is in excess of \$20,000,000 individually or in the aggregate and "**Material Asset Disposition**" means any Asset Disposition or series of Asset Dispositions the Fair Market Value of which is equal to or greater than \$20,000,000 individually or in the aggregate.

"**Electronic Delivery**" is defined in Section 7.1(a).

"**Environmental Laws**" means any and all Federal, state, local, and foreign statutes, laws, regulations, ordinances, rules, judgments, orders, decrees, permits, concessions, grants, franchises, licenses, agreements or governmental restrictions relating to pollution and the protection of the environment or the release of any materials into the environment, including but not limited to those related to Hazardous Materials.

"**Equity Interests**" means Capital Stock and all warrants, options or other rights to acquire Capital Stock (but excluding any debt security that is convertible into, or exchangeable for, Capital Stock).

"**ERISA**" means the Employee Retirement Income Security Act of 1974, as amended from time to time, and the rules and regulations promulgated thereunder from time to time in effect.

"**ERISA Affiliate**" means any trade or business (whether or not incorporated) that is treated as a single employer together with the Parent Guarantor under section 414 of the Code.

"**Euro**" or "**€**" means the unit of single currency of the Participating Member States.

"**Event of Default**" is defined in Section 11.

"**Exchange Act**" means the Securities Exchange Act of 1934, as amended.

"**Fair Market Value**" means, at any time and with respect to any property, the sale value of such property that would be realized in an arm's-length sale at such time between an informed and willing buyer and an informed and willing seller (neither being under a compulsion to buy or sell).

"**FATCA**" means (a) sections 1471 through 1474 of the Code, as of the date of this Agreement (or any amended or successor version that is substantively comparable and not materially more onerous to comply with), together with any current or future regulations or official interpretations thereof, (b) any treaty, law or regulation of any other jurisdiction, or relating to an intergovernmental agreement between the United States of America and any other jurisdiction, which (in either case) facilitates the implementation of the foregoing clause (a), and (c) any agreements entered into pursuant to section 1471(b)(1) of the Code

"**Fitch**" means Fitch, Inc., together with its successors and assigns.

“**Form 10-K**” is defined in Section 7.1(b).
“**Form 10-Q**” is defined in Section 7.1(a).

“**GAAP**” means generally accepted accounting principles as in effect from time to time in the United States of America.

“**Governmental Authority**” means

(a) the government of

(i) The Netherlands, the United States of America or any State or other political subdivision thereof, or

(ii) any other jurisdiction in which the Parent Guarantor or any Subsidiary conducts all or any part of its business, or which asserts jurisdiction over any properties of the Parent Guarantor or any Subsidiary, or

(b) any entity exercising executive, legislative, judicial, regulatory or administrative functions of, or pertaining to, any such government.

“**Governmental Official**” means any governmental official or employee, employee of any foreign government-owned or controlled entity, political party, any official of a political party, candidate for political office, official of any foreign government, public international organization or anyone else acting in an official capacity for a foreign government.

“**Guaranteed Obligations**” is defined in Section 23.1.

“**Guaranty**” means, with respect to any Person, any obligation (except the endorsement in the ordinary course of business of negotiable instruments for deposit or collection) of such Person guarantying or in effect guarantying any indebtedness, dividend or other obligation of any other Person in any manner, whether directly or indirectly, including (without limitation) obligations incurred through an agreement, contingent or otherwise, by such Person:

(a) to purchase such indebtedness or obligation or any property constituting security therefor;

(b) to advance or supply funds (i) for the purchase or payment of such indebtedness or obligation, or (ii) to maintain any working capital or other balance sheet condition or any income statement condition of any other Person or otherwise to advance or make available funds for the purchase or payment of such indebtedness or obligation;

(c) to lease properties or to purchase properties or services primarily for the purpose of assuring the owner of such indebtedness or obligation of the ability of any other Person to make payment of the indebtedness or obligation; or

(d) otherwise to assure the owner of such indebtedness or obligation against loss in respect thereof.

In any computation of the indebtedness or other liabilities of the obligor under any Guaranty, the indebtedness or other obligations that are the subject of such Guaranty shall be assumed to be direct obligations of such obligor.

“**Guaranty Supplement**” is defined in Section 9.8.

“**Hazardous Material**” means any and all pollutants, toxic or hazardous wastes or other substances that might pose a hazard to health and safety, the removal of which may be required or the generation, manufacture, refining, production, processing, treatment, storage, handling, transportation, transfer, use, disposal, release, discharge, spillage, seepage or filtration of which is or shall be restricted, prohibited or penalized by any applicable law including, but not limited to, asbestos, urea formaldehyde foam insulation, polychlorinated biphenyls, petroleum, petroleum products, lead based paint, radon gas or similar restricted, prohibited or penalized substances.

“**Hedging Arrangements**” means agreements, devices or arrangements designed to protect at least one of the parties thereto from the fluctuations of interest rates, commodity prices, exchange rates or forward rates applicable to such party’s assets, liabilities or exchange transactions, including, but not limited to, dollar-denominated or cross-currency interest rate

exchange agreements, forward currency exchange agreements, interest rate cap or collar

protection agreements, forward rate currency or interest rate options, puts and warrants or any similar derivative transactions.

“**Hedging Obligations**” of a Person means any and all obligations of such Person, whether absolute or contingent and howsoever and whensoever created, arising, evidenced or acquired (including all renewals, extensions and modifications thereof and substitutions therefor), under (a) any and all Hedging Arrangements and (b) any and all cancellations, buy backs, reversals, terminations or assignments of any Hedging Arrangements.

“**holder**” means, with respect to any Note the Person in whose name such Note is registered in the register maintained by the Company pursuant to Section 14.1, provided, however, that if such Person is a nominee, then for the purposes of Sections 7, 12, 18.2 and 19 and any related definitions in this Schedule B, “holder” shall mean the beneficial owner of such Note whose name and address appears in such register.

“**Indebtedness**” of a Person means, without duplication, such Person’s:

(a) obligations for borrowed money, including, without limitation, subordinated indebtedness,

(b) obligations representing the deferred purchase price of property or services (other than accounts payable arising in the ordinary course of such Person’s business payable on terms customary in the trade and other than earn-outs or other similar forms of contingent purchase prices),

(c) obligations, whether or not assumed, secured by Liens on or payable out of the proceeds or production from property or assets now or hereafter owned or acquired by such Person,

(d) obligations which are evidenced by notes, acceptances, or other instruments,

(e) Capital Lease Obligations,

(f) Contingent Obligations with respect to the Indebtedness of other Persons,

(g) obligations with respect to letters of credit,

(h) Off-Balance Sheet Liabilities,

(i) Receivables Facility Attributed Indebtedness,

(j) Disqualified Stock, and

(k) net Hedging Obligations, calculated on a marked-to-market basis.

The amount of Indebtedness of any Person at any date shall be without duplication (i) the

outstanding balance at such date of all unconditional obligations as described above and the

maximum liability of any such Contingent Obligations at such date and (ii) in the case of Indebtedness of others secured by a Lien to which the property or assets owned or held by such Person is subject, the lesser of the Fair Market Value at such date of any asset subject to a Lien securing the Indebtedness of others and the amount of the Indebtedness secured.

“**INHAM Exemption**” is defined in Section 6.3(e).

“**Institutional Investor**” means (a) any Purchaser of a Note, (b) any holder of a Note holding (together with one or more of its affiliates) more than 5% of the aggregate principal amount of the Notes then outstanding, (c) any bank, trust company, savings and loan association or other financial institution, any pension plan, any investment company, any insurance company, any broker or dealer, or any other similar financial institution or entity, regardless of legal form, and (d) any Related Fund of any holder of any Note.

“**Intercreditor Agreement**” is defined in Section 9.9.

“**Interest Expense**” means, without duplication, for any period, the total interest expense of the Parent Guarantor and its consolidated Subsidiaries, whether paid or accrued (including the interest component of Capital Leases, commitment, facility and letter of credit fees, Off-Balance Sheet Liabilities and net payments or receipts (if any) pursuant to Hedging Arrangements relating to interest rate protection), all as determined in conformity with GAAP.

“**Investor Presentation**” is defined in Section 5.3.

“**ISDA Master Agreement**” is defined in Section 8.11.

“**Leverage Ratio**” is defined in Section 10.8.

“**Lien**” means, with respect to any Person, any mortgage, lien, pledge, charge, security interest or other encumbrance, or any interest or title of any vendor, lessor, lender or other secured party to or of such Person under any conditional sale or other title retention agreement or Capital Lease, upon or with respect to any property or asset of such Person (including in the case of stock, stockholder agreements, voting trust agreements and all similar arrangements).

“**Major Credit Facility**” means (a) the Revolving Facility, (b) the 2008 Note Purchase Agreement, (c) the 2009 Note Purchase Agreement, (d) the 2013 Note Purchase Agreement and (e) the 2016 Parent Guarantor Note Purchase Agreement and (f) any other credit, loan or borrowing facility or note purchase agreement by the Parent Guarantor or any Subsidiary providing, in each case, for the incurrence of Senior Indebtedness in a principal amount equal to or greater than \$75,000,000 (or the equivalent of such amount in the relevant currency of payment, determined as of the date of the closing of such facility based on the exchange rate of such other currency), in each case under clauses (a) through (f) as amended, restated, supplemented or otherwise modified and together with increases, refinancings and replacements thereof.

“**Make-Whole Amount**” is defined in Section 8.8.

“**Material**” means material in relation to the business, operations, affairs, financial condition, assets, properties, or prospects of the Parent Guarantor and its Subsidiaries taken as a whole.

“**Material Acquisition Amount**” means an amount equal to the greater of (a) \$50,000,000 and (b) the applicable dollar threshold amount for certain permitted acquisitions necessary to increase the leverage ratio applicable to the Parent Guarantor as set forth in the definition of “Leverage Ratio Increase Requirements” in the Revolving Facility.

“**Material Acquisition Period**” means each period of four (4) consecutive fiscal quarters of the Parent Guarantor commencing with the fiscal quarter in which one or more of the Parent Guarantor and any Subsidiary has consummated (a) one or more Acquisitions of equity interests in entities that become Subsidiaries upon such Acquisition or (b) one or more acquisitions from an entity of a business or a brand, if the consideration paid for such Acquisitions under clause (a) and/or (b) (including, without limitation, Indebtedness of the new Subsidiary and, without duplication, any Indebtedness of such entity that is assumed by any one or more of the Parent Guarantor and its Subsidiaries), taken together with the aggregate consideration (including assumed Indebtedness as aforesaid) paid for all other such Acquisitions consummated during the immediately preceding three (3) fiscal quarters of the Parent Guarantor, is equal to or greater than the Material Acquisition Amount; provided that a new Material Acquisition Period may not be commenced until such time as at least two (2) complete consecutive fiscal quarters have elapsed since the expiration of the last previous Material Acquisition Period.

“**Material Adverse Effect**” means a material adverse effect on (a) the business, operations, affairs, financial condition, assets or properties of the Parent Guarantor and its Subsidiaries taken as a whole, (b) the ability of the Parent Guarantor to perform its obligations under this Agreement, (c) the ability of the Company to perform its obligations under this Agreement and the Notes, (d) the ability of any Subsidiary Guarantor to perform its respective obligations under the Subsidiary Guaranty Agreement, or (e) the validity or enforceability of this Agreement, the Notes or the Subsidiary Guaranty Agreement.

“**Material Covenant**” means any covenant or similar term contained in any evidence of any Indebtedness in respect of or that contains provisions that are the same as or similar to (or address the same topic as) the covenants set forth in Sections 10.2, 10.3, 10.6, 10.7, 10.8, 10.9 or 10.10 or any other financial covenant contained in such Indebtedness.

“**Modified Make-Whole Amount**” is defined in Section 8.10.

“**Moody’s**” means Moody’s Investors Service, Inc., together with its successors and assigns.

“**MPC Products**” means MPC Products Corporation, an Illinois corporation.

“**Multiemployer Plan**” means any Plan that is a “multiemployer plan” (as such term is defined in section 4001(a)(3) of ERISA).

“**NAIC**” means the National Association of Insurance Commissioners or any successor thereto.

“**Net Gain**” is defined in Section 8.11.

“**Net Income**” means, for any period, the net income (or loss) after taxes of the Parent Guarantor and its Subsidiaries on a consolidated basis for such period taken as a single accounting period determined in conformity with GAAP.

“**Net Indebtedness**” means, as of any date of determination, the excess, if any, of (a) Indebtedness of the Parent Guarantor and its consolidated Subsidiaries as of such date over (b) the Unrestricted Domestic Cash Amount as of such date.

“**Net Loss**” is defined in Section 8.11.

“**Net Proceeds Amount**” means, with respect to any Transfer of any property by any Person, an amount equal to the difference of

(a) the aggregate amount of the consideration (valued at the Fair Market Value of such consideration at the time of the consummation of such Transfer) received by such Person in respect of such Transfer, minus

(b) all taxes actually paid on account of such Transfer and all ordinary and reasonable out-of-pocket costs and expenses actually incurred by such Person in connection with such Transfer.

“**New Swap Agreement**” is defined in Section 8.8(b).

“**Non-Swapped Note**” is defined in Section 8.8(a).

“**Non-U.S. Plan**” means any plan, fund or other similar program that (a) is established or maintained outside the United States of America by the Parent Guarantor or any Subsidiary primarily for the benefit of employees of the Parent Guarantor or one or more Subsidiaries residing outside the United States of America, which plan, fund or other similar program provides, or results in, retirement income, a deferral of income in contemplation of retirement or payments to be made upon termination of employment, and (b) is not subject to ERISA or the Code.

“**Noteholder Sanctions Event**” means, with respect to any holder of a Note (an “**Affected Noteholder**”), such holder or any of its affiliates being in violation of or subject to sanctions (a) under any U.S. Economic Sanctions Laws as a result of the Parent Guarantor or any Controlled Entity becoming a Blocked Person or, directly or indirectly, having any investment in or engaging in any dealing or transaction (including any investment, dealing or transaction involving the proceeds of the Notes) with any Blocked Person or (b) under any similar laws, regulations or orders adopted by any State within the United States as a result of the name of the Parent Guarantor or any Controlled Entity appearing on a State Sanctions List.

“**Notes**” is defined in Section 1.

“**Obligors**” is defined in in the first paragraph of this Agreement.

“**OFAC**” is defined in Section 5.16(a).

“**OFAC Listed Person**” is defined in Section 5.16(a).

“**OFAC Sanctions Program**” means any economic or trade sanction program that OFAC is responsible for administering and enforcing. A list of OFAC Sanctions Programs may be found at <http://www.treasury.gov/resource-center/sanctions/Programs/Pages/Programs.aspx>.

“**Off-Balance Sheet Liabilities**” of a Person means (a) any Receivables Facility Attributed Indebtedness and repurchase obligations or liabilities of such Person or any of its Subsidiaries with respect to Receivables or notes receivable sold by such Person or any of its Subsidiaries, (b) any liabilities of such Person or any of its Subsidiaries under any sale and leaseback transactions which do not create liabilities on the consolidated balance sheet of such Person, (c) any liabilities of such Person or any of its Subsidiaries under any financing lease or Synthetic Lease transaction, or (d) any obligations of such Person or any of its Subsidiaries arising with respect to any other transaction which is the functional equivalent of or takes the place of borrowing but which, in the case of the foregoing clauses (a) through (d), does not constitute a liability on the consolidated balance sheets of such Person and its Subsidiaries.

“**Officer’s Certificate**” means a certificate of a Senior Financial Officer or of any other officer of the Parent Guarantor or the Company, as applicable, whose responsibilities extend to the subject matter of such certificate.

“**Original Swap Agreement**” is defined in Section 8.10(b).

“**Parent Guarantor**” is defined in the introductory paragraph of this Agreement.

“**Participating Member State**” means any member state of the European Community that adopts or has adopted the euro as its lawful currency in accordance with legislation of the European Community relating to Economic Monetary Union.

“**PBGC**” means the Pension Benefit Guaranty Corporation referred to and defined in ERISA or any successor thereto.

“**Permitted Jurisdiction**” means (a) the United States of America, (b) The Netherlands and (c) any other country that on April 30, 2004 was a member of the European Union (other than Greece, Portugal, Ireland and Italy).

“**Permitted Liens**” means the following:

(a) Liens for taxes, assessments or other governmental charges which are not yet due and payable or the payment of which is not at the time required by Section 9.4;

(b) any attachment or judgment Lien, unless the judgment it secures shall not, within thirty (30) days after the entry thereof, have been discharged or execution thereof

stayed pending appeal, or shall not have been discharged within thirty (30) days after the expiration of any such stay;

(c) statutory Liens of landlords and Liens of carriers, warehousemen, mechanics, materialmen and other similar Liens, in each case, incurred in the ordinary course of business for sums not yet due and payable;

(d) Liens (other than any Lien imposed by ERISA) incidental to the normal conduct of the business of the Parent Guarantor or any Subsidiary or the ownership of its property which are not incurred or made in connection with the incurrence of Indebtedness and which do not, individually or in the aggregate, materially impair the use of such property in the operation of the business of the Parent Guarantor and its Subsidiaries, taken as a whole, or the value of such property for the purposes of such business;

(e) leases or subleases granted to others, easements, encroachments, rights-of-way, licenses, reservations, covenants, utility easements, building restrictions, restrictions and other similar charges or encumbrances, in each case incidental to, and not interfering with, the ordinary conduct of the business of the Parent Guarantor or any of its Subsidiaries, and which do not in the aggregate materially impair the use of such property in the operation of the business of the Parent Guarantor and its Subsidiaries, taken as a whole, or the value of such property for the purposes of such business;

(f) minor survey exceptions and similar Liens, provided that such Liens do not, in the aggregate, materially detract from the value of such property in the operation of the business of the Parent Guarantor and its Subsidiaries;

(g) Liens on property or assets of the Parent Guarantor or any Subsidiary securing Indebtedness owing to the Parent Guarantor or another Subsidiary;

(h) Liens existing on the date of this Agreement and reflected in Schedule 10.6;

(i) any Liens existing on the property of a Person at the time such Person is merged into or consolidated with the Parent Guarantor or a Subsidiary or its becoming a Subsidiary or at the time of a sale, lease or other disposition of the properties of a Person as an entirety to the Parent Guarantor or a Subsidiary, or any Lien existing on any property acquired by the Parent Guarantor or any Subsidiary at the time such property is so acquired (whether or not the Indebtedness secured thereby shall have been assumed), provided that (w) such Liens were not incurred, extended or renewed in contemplation of such merger, consolidation or acquisition of property, (x) each such Lien shall attach solely to the assets so acquired or purchased, (y) the aggregate principal amount of Indebtedness secured by such Liens is otherwise permitted by the terms of this Agreement, and (z) the aggregate principal amount of Indebtedness secured by such Liens shall not exceed 100% of the Fair Market Value of the related property;

(j) Liens incurred after the date of this Agreement on any property acquired, improved or constructed by the Parent Guarantor or a Subsidiary and created

contemporaneously with or within one hundred eighty (180) days of such acquisition, improvement or construction which secure all or any part of the purchase price or cost of construction or improvement of such property, provided that (i) any such Lien shall extend solely to the item or items of such property (or improvement thereon) so acquired or constructed and, if required by the terms of the instrument originally creating such Lien, other property (or improvement thereon) which is an improvement to or is acquired for specific use in connection with such acquired or constructed property (or improvement thereon) or which is real property being improved by such acquired or constructed property (or improvement thereon), (ii) the aggregate principal amount of Indebtedness secured by such Lien and all other Indebtedness secured by any other Lien on such property or such improvement does not exceed in the aggregate 100% of the lesser of (y) the cost of such property or improvement or (z) the Fair Market Value thereof at the time of incurrence, and (iii) all such Indebtedness is otherwise permitted by the terms of this Agreement;

(k) Liens incurred pursuant to a Permitted Receivables Securitization program, provided that such Permitted Receivables Securitization program is permitted pursuant to Section 10.11;

(l) Liens (i) in favor of the holders of the Notes (or in favor of a collateral agent reasonably satisfactory to the Required Holders) created to secure the Indebtedness evidenced by this Agreement and the Notes pursuant to Section 9.8(c) and (ii) granted to secure the Indebtedness evidenced by any Major Credit Facility, in each case under clauses (i) and (ii) in compliance with Section 9.9;

(m) any Lien renewing, extending or refunding any Lien permitted by clauses (h), (i) or (j) of this definition, provided that (i) the principal amount of Indebtedness secured by such Lien immediately prior to such extension, renewal or refunding is not increased or the maturity thereof reduced, (ii) such Lien is not extended to any other property, and (iii) immediately after such extension, renewal or refunding no Default or Event of Default would exist; and

(n) any security right or set-off arrangements entered into by of the Parent Guarantor or any Subsidiary in the ordinary course of its banking arrangements which arise from the general banking conditions (*algemene bankvoorwaarden*) of account banks located in the Netherlands.

“Permitted Receivables Securitization” means a financing program providing for the sale or transfer of accounts receivable (and related assets) by the Parent Guarantor and its Subsidiaries, in transactions purporting to be sales (and treated as sales for GAAP purposes), to one or more limited purpose financing companies, special purpose entities and/or other financial institutions, in each case, on a limited recourse basis as to the Parent Guarantor and its Subsidiaries (not inconsistent with treatment as a sale for GAAP purposes).

“Person” means an individual, partnership, corporation, limited liability company, association, trust, unincorporated organization, business entity or Governmental Authority.

“**Plan**” means an “employee benefit plan” (as defined in section 3(3) of ERISA) subject to Title I of ERISA that is or, within the preceding five years, has been established or maintained, or to which contributions are or, within the preceding five years, have been made or required to be made, by the Parent Guarantor or any ERISA Affiliate or with respect to which the Parent Guarantor or any ERISA Affiliate may have any liability.

“**Priority Debt**” means (a) all unsecured Indebtedness of any Subsidiary of the Parent Guarantor (other than the Company) other than Indebtedness permitted by clauses (a) through (f), inclusive, of Section 10.10, and (b) Indebtedness of the Parent Guarantor or any Subsidiary secured by Liens other than Permitted Liens.

“**Process Agent**” means Corporation Service Company in New York, New York.

“**property**” or “properties” means, unless otherwise specifically limited, real or personal property of any kind, tangible or intangible, choate or inchoate.

“**Property Reinvestment Application**” means, with respect to any Transfer of property, the application of an amount equal to the Net Proceeds Amount with respect to such Transfer to the acquisition by the Parent Guarantor or any Subsidiary of property of a similar nature (excluding, for the avoidance of doubt, cash and Cash Equivalents), and of at least equivalent Fair Market Value to the property so Transferred, to be used in the ordinary course of business of such Person.

“**Proposed Prepayment Date**” is defined in Section 8.5(b).

“**PTE**” is defined in Section 6.3(a).

“**Purchaser**” is defined in the first paragraph of this Agreement.

“**QPAM Exemption**” is defined in Section 6.3(d).

“**Qualified Institutional Buyer**” means any Person who is a “qualified institutional buyer” within the meaning of such term as set forth in Rule 144A(a)(1) under the Securities Act.

“**Ratable Portion**” means, in respect of any holder of any Note and any Transfer contemplated by the definition of Debt Prepayment Application, an amount equal to the product of:

(a) the Net Proceeds Amount being offered to be applied to the payment of Senior Indebtedness, multiplied by

(b) a fraction, the numerator of which is the outstanding principal amount of such Note, and the denominator of which is the aggregate outstanding principal amount of all Senior Indebtedness at the time of such Transfer determined on a consolidated basis in accordance with GAAP.

“**Receivable(s)**” means and includes all of the Parent Guarantor’s and each Subsidiary’s presently existing and hereafter arising or acquired accounts, accounts receivable, and all present

and future rights of the Parent Guarantor or such Subsidiary to payment for goods sold or leased or for services rendered in the ordinary course of the Parent Guarantor's or such Subsidiary's business (except those evidenced by instruments or chattel paper), whether or not they have been earned by performance, and all rights in any merchandise or goods which any of the same may represent, and all rights, title, security and guaranties with respect to each of the foregoing, including, without limitation, any right of stoppage in transit.

"Receivables Facility Attributed Indebtedness" means the amount of obligations outstanding under a receivables purchase facility on any date of determination that would be characterized as principal if such facility were structured as a secured lending transaction rather than as a purchase.

"Rejection Notice" is defined in Section 8.3(a).

"Related Fund" means, with respect to any holder of any Note, any fund or entity that (a) invests in Securities or bank loans, and (b) is advised or managed by such holder, the same investment advisor as such holder or by an affiliate of such holder or such investment advisor.

"Required Holders" means, at any time, the holders of greater than 50% in principal amount of the Notes at the time outstanding (exclusive of Notes then owned by the Parent Guarantor or any of its Affiliates).

"Responsible Officer" means any Senior Financial Officer and any other officer of the Parent Guarantor or the Company, as applicable, with responsibility for the administration of the relevant portion of this Agreement.

"Revolving Facility" means that certain Credit Agreement, dated as of July 10, 2013, by and among the Parent Guarantor, as a borrower, the foreign subsidiary borrowers from time to time parties thereto, the institutions from time to time parties thereto as lenders, and Wells Fargo Bank, National Association, as administrative agent for itself and the other lenders, as amended by that certain Amendment No. 1 to Credit Agreement dated as of April 28, 2015 and as such agreement may be further amended, restated, supplemented, modified, refinanced, extended or replaced.

"S&P" means S&P Global Ratings, together with its successors and assigns.

"Sanctions Prepayment Date" is defined in Section 8.4(a).

"Sanctions Prepayment Offer" is defined in Section 8.4(a).

"Sanctions Prepayment Response Date" is defined in Section 8.4(a).

"SEC" means the Securities and Exchange Commission of the United States, or any successor thereto.

"Second Amended and Restated Intercreditor Agreement" means that certain Second Amended and Restated Intercreditor Agreement, dated as of July 10, 2013, by and among Wells

Fargo Bank, National Association, as administrative agent for the lenders under the Revolving Facility, the holders of the notes issued pursuant to the 2008 Note Purchase Agreement, the holders of the notes issued pursuant to the 2009 Note Purchase Agreement, the holders of the notes issued pursuant to the 2013 Note Purchase Agreement, and each new creditor from time to time party thereto, as such agreement may be further amended, restated, supplemented, modified, refinanced, extended or replaced.

“**Securities**” or “**Security**” shall have the meaning specified in Section 2(a)(1) of the Securities Act.

“**Securities Act**” means the Securities Act of 1933, as amended from time to time, and the rules and regulations promulgated thereunder from time to time in effect.

“**Securitization Assets**” means all accounts receivable, general intangibles, instruments, documents, chattel paper and investment property (whether now existing or arising in the future) of the Parent Guarantor or any of its Subsidiaries which are sold or transferred pursuant to a Permitted Receivables Securitization, and any assets related thereto, including without limitation (a) all such assets constituting collateral given by any of the foregoing, (b) all such assets constituting contracts and all guaranties (but not by the Parent Guarantor or any of its Subsidiaries) or other obligations directly related to any of the foregoing, (c) other related assets set forth in the Securitization Documents, and (d) proceeds of all of the foregoing.

“**Securitization Documents**” means all documentation relating to any Permitted Receivables Securitization.

“**Senior Financial Officer**” means the chief financial officer, principal accounting officer, treasurer or comptroller of the Parent Guarantor.

“**Senior Indebtedness**” means all Indebtedness evidenced by the Notes and all other Indebtedness of the Parent Guarantor or its Subsidiaries for money borrowed ranking *pari passu* or senior in right of payment with the Indebtedness evidenced by the Notes and the Subsidiary Guaranty Agreement.

“**Series**” means any Series of Notes issued under this Agreement.

“**Series N Notes**” is defined in Section 1.

“**Series O Notes**” is defined in Section 1.

“**Significant Subsidiary**” means at any time any Subsidiary that would at such time constitute a “significant subsidiary” (as such term is defined in Regulation S-X of the Securities and Exchange Commission as in effect on the date hereof) of the Parent Guarantor.

“**Source**” is defined in Section 6.3.

“**Static GAAP**” is defined in Section 24.3(b).
“**Subsequent Changes**” is defined in Section 24.3(b).

“**Subsidiary**” means, as to any Person, any other Person in which such first Person or one or more of its Subsidiaries or such first Person and one or more of its Subsidiaries owns sufficient equity or voting interests to enable it or them (as a group) ordinarily, in the absence of contingencies, to elect a majority of the directors (or Persons performing similar functions) of such second Person, and any partnership or joint venture if more than a 50% interest in the profits or capital thereof is owned by such first Person or one or more of its Subsidiaries or such first Person and one or more of its Subsidiaries (unless such partnership or joint venture can and does ordinarily take major business actions without the prior approval of such Person or one or more of its Subsidiaries). Unless the context otherwise clearly requires, any reference to a “Subsidiary” is a reference to a Subsidiary of the Parent Guarantor.

“**Subsidiary Equity Interests**” means, with respect to any Person, the Capital Stock (or any options or warrants to purchase capital stock or similar equity interests or other Securities exchangeable for or convertible into Capital Stock) of any Subsidiary of such Person.

“**Subsidiary Guarantor**” and “**Subsidiary Guarantors**” are defined in Section 2.

“**Subsidiary Guaranty Agreement**” is defined in Section 2.

“**SVO**” means the Securities Valuation Office of the NAIC or any successor to such Office.

“**Swap Agreement**”

is defined in Section 8.10(b).

“**Swap Breakage Amount**”

is defined in Section 8.11.

“**Swapped Note**”

is defined
in Section
8.10(b).

**“Swapped Note Called
Notional Amount”** is defined
in Section 8.10(b). **“Swapped
Note Called Principal”** is

by the lessee at any time) of any property (a) that is accounted for as an operating lease under GAAP and (b) in respect of which the lessee retains or obtains ownership of the property so leased for U.S. federal income tax purposes, other than any such lease under which such Person is the lessor.

“Tax” means any tax (whether income, documentary, sales, stamp, registration, issue, capital, property, excise or otherwise), duty, assessment, levy, impost, fee, compulsory loan, charge or withholding.

“Tax Prepayment Notice” is defined in Section 8.3(a).

“Taxing Jurisdiction” is defined in Section 13(a).

defined in Section 8.10(b).

“Swapped Note Settlement

Date” is defined in Section
8.10(b).

“Synthetic Lease” means, at any time, any
lease (including leases that may be terminated

“Transfer” means, with respect to any Person, any transaction in which such Person sells, conveys, transfers or leases (as lessor) any of its property, including, without limitation, Subsidiary Equity Interests. For purposes of determining the application of the Net Proceeds Amount in respect of any Transfer, the Parent Guarantor may designate any Transfer as one or more separate Transfers each yielding a separate Net Proceeds Amount; in any such case, the Disposition Value of any property subject to each such separate Transfer shall be determined by ratably allocating the aggregate Disposition Value of all property subject to such separate Transfers to each such separate Transfer on a proportionate basis.

“Transfer Prepayment Date” is defined in Section 8.6(a).

“Transfer Prepayment Offer” is defined in Section 8.6(a).

“2008 Note Purchase Agreement” means that certain Note Purchase Agreement, dated as of October 1, 2008, by and among the Parent Guarantor and the purchasers listed in Schedule A attached thereto, as such agreement may be further amended, restated, supplemented, modified, refinanced, extended or replaced.

“2009 Note Purchase Agreement” means that certain Note Purchase Agreement, dated as of April 3, 2009, by and among the Parent Guarantor and the purchasers listed in Schedule A attached thereto, as such agreement may be further amended, restated, supplemented, modified, refinanced, extended or replaced.

“2013 Note Purchase Agreement” means that certain Note Purchase Agreement, dated October 1, 2013, by and among the Parent Guarantor and the purchasers listed in Schedule A attached thereto, as such agreement may be further amended, restated, supplemented, modified, refinanced, extended or replaced.

“2016 Parent Guarantor Note Purchase Agreement” means that certain Note Purchase Agreement, dated September 23, 2016, by and among the Parent Guarantor and the purchasers listed in Schedule A attached thereto, as such agreement may be further amended, restated, supplemented, modified, refinanced, extended or replaced.

“Unconditional Guaranty” is defined in Section 23.1.

“Undisclosed Affiliate” means, at any time and with respect to the Parent Guarantor, any Person (a) that beneficially owns or holds, directly or indirectly, 10% or more of any class of voting or equity interests of the Parent Guarantor or (b) that is an Affiliate of any such Person; provided that, at such time, (i) in the case of clause (a), such Person shall not have given written notice to the Parent Guarantor of its 10% or greater holding in the Parent Guarantor and, in the case of clause (b), such Affiliate of such Person shall not have given the Parent Guarantor written notice of its affiliation to the Parent Guarantor and (ii) the Parent Guarantor shall not otherwise have knowledge of such holding or affiliation to the Parent Guarantor.

“Unrestricted Domestic Cash Amount” means, means, as of any date of determination, that portion of the Parent Guarantor’s and its consolidated Subsidiaries’ aggregate cash and Cash Equivalents in excess of \$10,000,000 that is (a) on deposit with one or more lenders under any Major Credit Facility in the United States of America and (b) not encumbered by or subject to any

Lien (including, without limitation, any Lien permitted hereunder), setoff (other than (x) common law rights of setoff to the extent such cash and Cash Equivalents are subject to an intercreditor agreement as to the sharing of recoveries and setoffs in form and substance reasonably satisfactory to the Required Holders (it being acknowledged and agreed that, to the extent any cash and Cash Equivalents of the Parent Guarantor or any Subsidiary are subject to the agreements as to the sharing of recoveries and setoffs set forth in the Second Amended and Restated Intercreditor Agreement and the Parent Guarantor or such Subsidiary, each holder and the relevant depository bank are parties thereto, such cash and Cash Equivalents will not be excluded from the Unrestricted Domestic Cash Amount as a result of the existence of such setoff rights) and (y) ordinary course setoff rights of a depository bank arising under a bank depository agreement for customary fees, charges and other account-related expenses due to such depository bank thereunder), counterclaim, recoupment, defense or other right in favor of any Person; *provided*, however, that notwithstanding the actual amount of the Unrestricted Domestic Cash Amount, no more than \$20,000,000 of the Unrestricted Domestic Cash Amount may be deducted in the calculation of Net Indebtedness or Consolidated Total Net Debt.

“**U.S. Economic Sanctions**” is defined in Section 5.16(a).

“**USA PATRIOT Act**” means United States Public Law 107-56, Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism (USA PATRIOT ACT) Act of 2001, as amended from time to time, and the rules and regulations promulgated thereunder from time to time in effect.

“**Wholly-Owned Subsidiary**” means, at any time, any Subsidiary one hundred percent of all of the equity interests (except directors’ qualifying shares) and voting interests of which are owned by any one or more of the Parent Guarantor and the Parent Guarantor’s other Wholly-Owned Subsidiaries at such time.

“**Woodward FST**” means Woodward FST, Inc., a Delaware corporation.

“**Woodward HRT**” means Woodward HRT, Inc., a Delaware corporation.

Exhibit 10.16

Conformed Version reflecting
Amendment No. 1 to Note Purchase Agreement, dated February 7, 2020 and
Amendment No. 2 to Note Purchase Agreement, dated October 23, 2025

WOODWARD, INC.

\$85,000,000 Series P Senior Notes due May 30, 2025
\$85,000,000 Series Q Senior Notes due May 30, 2027
\$75,000,000 Series R Senior Notes due May 30, 2029
\$75,000,000 Series S Senior Notes due May 30, 2030
\$80,000,000 Series T Senior Notes due May 30, 2033

NOTE PURCHASE AGREEMENT

Dated May 31, 2018

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- Schedule A -- Information Relating to Purchasers
 - Schedule B -- Defined Terms
 - Schedule 5.3 -- Disclosure Materials
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 - Schedule 10.6 -- Existing Liens
 - Exhibit 1(a) -- Form of Series P Senior Note due May 30, 2025
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 - Exhibit 1(c) -- Form of Series R Senior Note due May 30, 2029
 - Exhibit 1(d) -- Form of Series S Senior Note due May 30, 2030
 - Exhibit 1(e) -- Form of Series T Senior Note due May 30, 2033
 - Exhibit 2 -- Form of Guaranty Agreement
 - Exhibit 4.5(a) -- Form of Opinion of Special Counsel for the Company and the Closing Guarantors
 - Exhibit 4.5(b) -- Form of Opinion of Special Counsel for the Purchasers
-

**Woodward, Inc.
1081 Woodward Way
Fort Collins, Colorado 80524**

\$85,000,000 Series P Senior Notes due May 30, 2025
\$85,000,000 Series Q Senior Notes due May 30, 2027
\$75,000,000 Series R Senior Notes due May 30, 2029
\$75,000,000 Series S Senior Notes due May 30, 2030
\$80,000,000 Series T Senior Notes due May 30, 2033

May 31, 2018

To Each of the Purchasers Listed in
Schedule A Hereto:

Ladies and Gentlemen:

Woodward, Inc., a Delaware corporation (together with any successor thereto that becomes a party hereto pursuant to Section 10.2, the “**Company**”), agrees with each of the purchasers whose names appear at the end hereof (each, a “**Purchaser**” and, collectively, the “**Purchasers**”) as follows:

1. AUTHORIZATION OF NOTES.

The Company will authorize the issue and sale of:

(a) \$85,000,000 aggregate principal amount of its Series P Senior Notes due May 30, 2025 (as amended, restated or otherwise modified from time to time pursuant to Section 17, the “**Series P Notes**”; such term to include any such notes issued in substitution therefor pursuant to Section 13),

(b) \$85,000,000 aggregate principal amount of its Series Q Senior Notes due May 30, 2027 (as amended, restated or otherwise modified from time to time pursuant to Section 17, the “**Series Q Notes**”; such term to include any such notes issued in substitution therefor pursuant to Section 13),

(c) \$75,000,000 aggregate principal amount of its Series R Senior Notes due May 30, 2029 (as amended, restated or otherwise modified from time to time pursuant to Section 17, the “**Series R Notes**”; such term to include any such notes issued in substitution therefor pursuant to Section 13),

(d) \$75,000,000 aggregate principal amount of its Series S Senior Notes due May 30, 2030 (as amended, restated or otherwise modified from time to time pursuant to Section 17, the “**Series S Notes**”; such term to include any such notes issued in substitution therefor pursuant to Section 13), and

Exhibit 10.16

(e) \$80,000,000 aggregate principal amount of its Series T Senior Notes due May 30, 2033 (as amended, restated or otherwise modified from time to time pursuant to Section 17, the “**Series T Notes**”; such term to include any such notes issued in substitution therefor pursuant to Section 13).

The Series P Notes, the Series Q Notes, the Series R Notes, the Series S Notes and the Series T Notes shall be referred to collectively herein as the “**Notes**”. The Series P Notes, the Series Q Notes, the Series R Notes, the Series S Notes and the Series T Notes shall be substantially in the forms set out in Exhibit 1(a), Exhibit 1(b), Exhibit 1(c), Exhibit 1(d) and Exhibit 1(e), respectively. Certain capitalized and other terms used in this Agreement are defined in Schedule B and, for purposes of this Agreement, the rules of construction set forth in Section 22.5 shall govern.

2. SALE AND PURCHASE OF NOTES; GUARANTEES.

Subject to the terms and conditions of this Agreement, the Company will issue and sell to each Purchaser and each Purchaser will purchase from the Company, at the Closing provided for in Section 3, Notes in the principal amount and of the Series specified under such Purchaser’s name in Schedule A at the purchase price of 100% of the principal amount thereof. The Purchasers’ obligations hereunder are several and not joint obligations and no Purchaser shall have any liability to any Person for the performance or non-performance of any obligation by any other Purchaser hereunder.

The obligations of the Company hereunder and under the Notes will be unconditionally guaranteed by Woodward FST, MPC Products and Woodward HRT (each a “**Closing Guarantor**” and, collectively, the “**Closing Guarantors**”), and each other Subsidiary required to guaranty the Notes pursuant to Section 9.8 (together with the Closing Guarantors, each a “**Guarantor**” and, collectively, the “**Guarantors**”), pursuant to that certain Guaranty Agreement dated as of the date of Closing (as from time to time amended, restated, supplemented or otherwise modified, the “**Guaranty Agreement**”) substantially in the form set forth in Exhibit 2.

3. CLOSING.

3.1 Closing.

The sale and purchase of the Notes to be purchased by each Purchaser shall occur at the offices of Morgan, Lewis & Bockius LLP, at 101 Park Avenue, New York, New York 10178, at 10:00 a.m., New York time, at a closing (the “**Closing**”) on May 31, 2018. At the Closing, the Company will deliver to each Purchaser the Notes to be purchased by such Purchaser in the form of a single Note for each Series to be purchased by such Purchaser (or such greater number of Notes for each such Series in denominations of at least \$100,000 as such Purchaser may request) dated the date of Closing and registered in such Purchaser’s name (or in the name of its nominee), against delivery by such Purchaser to the Company or its order of immediately available funds in the amount of the purchase price therefor by wire transfer of immediately available funds for the account of the Company to Wells Fargo Bank, National Association, San Francisco, CA; Account Name: Woodward, Inc.; Account Number: 2079900122855; Bank Routing Number 121-000-248.

3.2 Failure of the Company to Deliver.

Exhibit 10.16

If at the Closing the Company shall fail to tender any Note to any Purchaser on the date of Closing as provided above in this Section 3, or any of the conditions specified in Section 4 shall not have been fulfilled to such Purchaser's satisfaction, such Purchaser shall, at its election, be relieved of all further obligations under this Agreement, without thereby waiving any rights such Purchaser may have by reason of such failure or such nonfulfillment.

4. CONDITIONS TO CLOSING.

Each Purchaser's obligation to purchase and pay for the Notes to be sold to such Purchaser on the date of Closing is subject to the fulfillment to such Purchaser's satisfaction, prior to or at the date of Closing, of the following conditions:

4.1 Representations and Warranties.

(a) The representations and warranties of the Company in this Agreement shall be correct (i) when made as of the date hereof and (ii) on the date of Closing.

(b) The representations and warranties of the Closing Guarantors in the Guaranty Agreement shall be correct (i) when made as of the date hereof and (ii) on the date of Closing.

4.2 Performance; No Default.

The Company and the Closing Guarantors shall have performed and complied with all agreements and conditions contained in this Agreement required to be performed or complied with by the Company or the Closing Guarantors, as applicable, prior to or on the date of Closing and after giving effect to the issue and sale of the Notes (and the application of the proceeds thereof as contemplated by Section 5.14), no Default or Event of Default shall have occurred and be continuing. Neither the Company nor any Subsidiary shall have entered into any transaction since the date of the Memorandum that would have been prohibited by Sections 10.1, 10.2 or 10.3 had such Sections applied since such date.

4.3 Compliance Certificates.

(a) Officer's Certificates.

(i) The Company shall have delivered to such Purchaser an Officer's Certificate, dated the date of Closing, certifying that the conditions specified in Sections 4.1(a), 4.2 and 4.10 have been fulfilled as of the date of Closing.

(ii) Each Closing Guarantor shall have delivered to such Purchaser an Officer's Certificate, dated the date of Closing, certifying that the conditions specified in Sections 4.1(b) and 4.2 (as to such Closing Guarantor) have been fulfilled as of the date of Closing.

(b) Secretary or Treasurer's Certificates.

Exhibit 10.16

(i) The Company shall have delivered to such Purchaser a certificate of its Secretary or Assistant Secretary, dated the date of Closing, certifying as to (A) the resolutions attached thereto and other corporate proceedings relating to the authorization, execution and delivery of the Notes and this Agreement and (B) the Company's organizational documents as then in effect.

(ii) Each Closing Guarantor shall have delivered to such Purchaser a certificate of its Secretary, Assistant Secretary or Treasurer, dated the date of Closing, certifying as to (A) the resolutions attached thereto and other corporate proceedings relating to the authorization, execution and delivery of the Guaranty Agreement and (B) such Closing Guarantor's organizational documents as then in effect.

4.4 Guaranty Agreement.

The Guaranty Agreement shall have been duly authorized, executed and delivered to each Purchaser by the Closing Guarantors, and shall be in full force and effect.

4.5 Opinions of Counsel.

Such Purchaser shall have received opinions in form and substance satisfactory to such Purchaser, dated the date of Closing (a) from Paul Hastings LLP, special counsel for the Company and the Closing Guarantors, covering the matters set forth in Exhibit 4.5(a) and covering such other matters incident to the transactions contemplated hereby as such Purchaser or its counsel may reasonably request (and the Company hereby instructs its counsel to deliver such opinions to the Purchasers) and (b) from Morgan, Lewis & Bockius LLP, the Purchasers' special counsel in connection with such transactions, substantially in the form set forth in Exhibit 4.5(b) and covering such other matters incident to such transactions as such Purchaser may reasonably request.

4.6 Purchase Permitted by Applicable Law, etc.

On the date of Closing, such Purchaser's purchase of Notes to be purchased shall (a) be permitted by the laws and regulations of each jurisdiction to which such Purchaser is subject, without recourse to provisions (such as Section 1405(a)(8) of the New York Insurance Law) permitting limited investments by insurance companies without restriction as to the character of the particular investment, (b) not violate any applicable law or regulation (including, without limitation, Regulation T, U or X of the Board of Governors of the Federal Reserve System) and (c) not subject such Purchaser to any tax, penalty or liability under or pursuant to any applicable law or regulation. If requested by such Purchaser, such Purchaser shall have received an Officer's Certificate certifying as to such matters of fact as such Purchaser may reasonably specify to enable such Purchaser to determine whether such purchase is so permitted.

4.7 Sale of Other Notes.

Contemporaneously with the Closing the Company shall sell to each other Purchaser and each other Purchaser shall purchase the Notes to be purchased by it as specified in Schedule A.

4.8 Payment of Special Counsel Fees.

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Without limiting the provisions of Section 15.1, the Company shall have paid on or before the Closing the reasonable fees, charges and disbursements of the Purchasers' special counsel referred to in Section 4.5 to the extent reflected in a statement of such counsel rendered to the Company at least one Business Day prior to the Closing.

4.9 Private Placement Numbers.

A Private Placement Number issued by Standard & Poor's CUSIP Service Bureau (in cooperation with the SVO) shall have been obtained for each Series of the Notes.

4.10 Changes in Corporate Structure.

Neither the Company, nor any Closing Guarantor, shall have changed its jurisdiction of incorporation or organization, as applicable, or been a party to any merger or consolidation or succeeded to all or any substantial part of the liabilities of any other entity at any time following the date of the most recent financial statements referred to in Schedule 5.5.

4.11 Funding Instructions.

At least three Business Days prior to the date of Closing, each Purchaser shall have received written instructions signed by a Responsible Officer on letterhead of the Company confirming the information specified in Section 3 including (i) the name and address of the transferee bank, (ii) such transferee bank's ABA number and (iii) the account name and number into which the purchase price for the Notes is to be deposited.

4.12 Second Amended and Restated Intercreditor Agreement.

The Company shall have delivered to the Purchasers' special counsel on or before the date of Closing a fully executed copy of the Second Amended and Restated Intercreditor Agreement.

4.13 Proceedings and Documents.

All corporate and other proceedings in connection with the transactions contemplated by this Agreement and all documents and instruments incident to such transactions shall be satisfactory to such Purchaser and its special counsel, and such Purchaser and its special counsel shall have received all such counterpart originals or certified or other copies of such documents as such Purchaser or such special counsel may reasonably request.

5. REPRESENTATIONS AND WARRANTIES OF THE COMPANY.

The Company represents and warrants to each Purchaser that:

5.1 Organization; Power and Authority.

Each of the Company and each Closing Guarantor is a corporation duly organized, validly existing and in good standing under the laws of its respective jurisdiction of incorporation, and is duly qualified as a foreign corporation and is in good standing in each jurisdiction in which such qualification is required by law, other than those jurisdictions as to which the failure to be so

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qualified or in good standing could not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect. Each of the Company and each Closing Guarantor has the corporate power and authority to own or hold under lease the properties it purports to own or hold under lease and to transact the business it transacts and proposes to transact. The Company has the corporate power and authority to execute and deliver this Agreement and the Notes and to perform the provisions hereof and thereof, and each Closing Guarantor has the corporate power and authority to execute and deliver the Guaranty Agreement and to perform the provisions thereof.

5.2 Authorization, etc.

(a) This Agreement and the Notes have been duly authorized by all necessary corporate action on the part of the Company, and this Agreement constitutes, and upon execution and delivery thereof each Note will constitute, a legal, valid and binding obligation of the Company enforceable against the Company in accordance with its terms, except as such enforceability may be limited by (i) applicable bankruptcy, insolvency, reorganization, moratorium or other similar laws affecting the enforcement of creditors' rights generally and (ii) general principles of equity (regardless of whether such enforceability is considered in a proceeding in equity or at law).

(b) The Guaranty Agreement has been duly authorized by all necessary corporate action on the part of the Closing Guarantors, and the Guaranty Agreement constitutes a legal, valid and binding obligation of each Closing Guarantor enforceable against each Closing Guarantor in accordance with its terms, except as such enforceability may be limited by (i) applicable bankruptcy, insolvency, reorganization, moratorium or other similar laws affecting the enforcement of creditors' rights generally and (ii) general principles of equity (regardless of whether such enforceability is considered in a proceeding in equity or at law).

5.3 Disclosure.

The Company, through its agent, J.P. Morgan Securities LLC, has delivered to each Purchaser a copy of a Private Placement Memorandum, dated May 2018 (the "**Memorandum**"), relating to the transactions contemplated hereby. The Memorandum fairly describes, in all material respects, the general nature of the business and principal properties of the Company and its Subsidiaries. This Agreement, the Guaranty Agreement, the Memorandum and the documents, certificates or other writings delivered to the Purchasers by or on behalf of the Company or the Closing Guarantors in connection with the transactions contemplated hereby and identified in Schedule 5.3, and the financial statements listed in Schedule 5.5 (this Agreement, the Guaranty Agreement, the Memorandum and such documents, certificates or other writings and such financial statements delivered to each Purchaser prior to May 17, 2018 being referred to, collectively, as the "**Disclosure Documents**"), taken as a whole, do not contain any untrue statement of a material fact or omit to state any material fact necessary to make the statements therein not misleading in light of the circumstances under which they were made. Except as disclosed in the Disclosure Documents, there has been no change since September 30, 2017 in the financial condition, operations, business, properties or prospects of the Company or any Subsidiary

except changes that individually or in the aggregate could not reasonably be expected to have a Material Adverse Effect.

5.4 Organization and Ownership of Shares of Subsidiaries; Affiliates.

(a) Schedule 5.4 contains (except as noted therein) complete and correct lists (i) of the Company's Subsidiaries, showing, as to each Subsidiary, the correct name thereof, the jurisdiction of its organization, the percentage of shares of each class of its capital stock or similar equity interests outstanding owned by the Company and each other Subsidiary and whether such Subsidiary is a Guarantor, (ii) of the Company's Affiliates, other than Subsidiaries and Undisclosed Affiliates, and (iii) of the Company's directors and senior officers.

(b) All of the outstanding shares of capital stock or similar equity interests of each Subsidiary shown in Schedule 5.4 as being owned by the Company and its Subsidiaries have been validly issued, are fully paid and nonassessable and are owned by the Company or another Subsidiary free and clear of any Lien (except as otherwise disclosed in Schedule 5.4).

(c) Each Subsidiary identified in Schedule 5.4 is a corporation or other legal entity duly organized, validly existing and, to the extent such concept is applicable, in good standing under the laws of its jurisdiction of organization, and is duly qualified as a foreign corporation or other legal entity and is in good standing in each jurisdiction in which such qualification is required by law, other than those jurisdictions as to which the failure to be so qualified or in good standing could not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect. Each such Subsidiary has the corporate or other power and authority to own or hold under lease the properties it purports to own or hold under lease and to transact the business it transacts and proposes to transact.

(d) No Subsidiary is a party to, or otherwise subject to any legal, regulatory, contractual or other restriction (other than this Agreement, the agreements listed on Schedule 5.4 and customary limitations imposed by corporate law or similar statutes, whether foreign or domestic) restricting the ability of such Subsidiary to pay dividends out of profits or make any other similar distributions of profits to the Company or any of its Subsidiaries that owns outstanding shares of capital stock or similar equity interests of such Subsidiary.

5.5 Financial Statements; Material Liabilities.

The Company has delivered to each Purchaser copies of the consolidated financial statements of the Company and its Subsidiaries listed on Schedule 5.5. All such financial statements (including in each case the related schedules and notes) fairly present in all material respects the consolidated financial position of the Company and its Subsidiaries as of the respective dates specified in such Schedule and the consolidated results of their operations and cash flows for the respective periods so specified and have been prepared in accordance with GAAP consistently applied throughout the periods involved except as set forth in the notes thereto (subject, in the case of any interim financial statements, to normal year-end adjustments and the

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absence of footnotes). The Company and its Subsidiaries do not have any Material liabilities that are not disclosed on such financial statements or otherwise disclosed in the Disclosure Documents.

5.6 Compliance with Laws, Other Instruments, etc.

(a) The execution, delivery and performance by the Company of this Agreement and the Notes, and the execution, delivery and performance by the Closing Guarantors of the Guaranty Agreement, will not (i) contravene, result in any breach of, or constitute a default under, or result in the creation of any Lien in respect of any property of the Company or any Subsidiary under, any indenture, mortgage, deed of trust, loan, purchase or credit agreement, lease, corporate charter, memorandum of association, articles of association, regulations, by-laws, shareholders agreement or any other agreement or instrument to which the Company or any Subsidiary is bound or by which the Company or any Subsidiary or any of their respective properties may be bound, (ii) conflict with or result in a breach of any of the terms, conditions or provisions of any order, judgment, decree, or ruling of any court, arbitrator or Governmental Authority applicable to the Company or any Subsidiary or (iii) violate any provision of any statute or other rule or regulation of any Governmental Authority applicable to the Company or any Subsidiary. All obligations under this Agreement are direct and unsecured obligations of the Company ranking *pari passu* as against the assets of the Company with all other unsecured Indebtedness (actual or contingent) of the Company which is not expressed to be subordinated or junior in rank to any other unsecured Indebtedness of the Company.

(b) All obligations under the Guaranty Agreement are direct and unsecured obligations of each Closing Guarantor ranking *pari passu* as against the assets of such Closing Guarantor with all other unsecured Indebtedness (actual or contingent) of such Closing Guarantor which is not expressed to be subordinated or junior in rank to any other unsecured Indebtedness of such Closing Guarantor.

5.7 Governmental Authorizations, etc.

Except with respect to applicable and routine securities laws filings required by the Exchange Act and the filing of a Form D under the Securities Act, no consent, approval or authorization of, or registration, filing or declaration with, any Governmental Authority is required in connection with the execution, delivery or performance by the Company of this Agreement or the Notes, or by the Closing Guarantors of the Guaranty Agreement.

5.8 Litigation; Observance of Agreements, Statutes and Orders.

(a) There are no actions, suits, investigations or proceedings pending or, to the knowledge of the Company, threatened against or affecting the Company or any Subsidiary or any property of the Company or any Subsidiary in any court or before any arbitrator of any kind or before or by any Governmental Authority that, individually or in the aggregate, could reasonably be expected to have a Material Adverse Effect.

(b) Neither the Company nor any Subsidiary is in default under any term of any agreement or instrument to which it is a party or by which it is bound, or any order, judgment, decree or ruling of any court, arbitrator or Governmental Authority or is in

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violation of any applicable law, ordinance, rule or regulation (including without limitation Environmental Laws, the USA PATRIOT Act or any of the other laws and regulations that are referred to in Section 5.16) of any Governmental Authority, which default or violation, individually or in the aggregate, could reasonably be expected to have a Material Adverse Effect.

5.9 Taxes.

The Company and its Subsidiaries have filed all income tax returns that are required to have been filed in any jurisdiction, and have paid all taxes shown to be due and payable on such returns and all other taxes and assessments levied upon them or their properties, assets, income or franchises, to the extent such taxes and assessments have become due and payable and before they have become delinquent, except for any taxes and assessments (i) the amount of which is not individually or in the aggregate Material or (ii) the amount, applicability or validity of which is currently being contested in good faith by appropriate proceedings and with respect to which the Company or a Subsidiary, as the case may be, has established adequate reserves in accordance with GAAP. No Senior Financial Officer of the Company knows of any basis for any other tax or assessment that could reasonably be expected to have a Material Adverse Effect. The charges, accruals and reserves on the books of the Company and its Subsidiaries in respect of Federal, national, state or other taxes for all fiscal periods are adequate in accordance with GAAP. The United States Federal income tax liabilities of the Company and its Subsidiaries have been finally determined (whether by reason of completed audits or the statute of limitations having run) for all fiscal years up to and including the fiscal year ended September 30, 2013.

5.10 Title to Property; Leases.

The Company and its Subsidiaries have good and sufficient title to their respective properties that individually or in the aggregate are Material, including all such properties reflected in the most recent audited balance sheet referred to in Section 5.5 or purported to have been acquired by the Company or any Subsidiary after said date (except as sold or otherwise disposed of in the ordinary course of business), in each case free and clear of Liens prohibited by this Agreement. All leases that individually or in the aggregate are Material are valid and subsisting and are in full force and effect in all material respects.

5.11 Licenses, Permits, etc.

The Company and its Subsidiaries own or possess all licenses, permits, franchises, authorizations, patents, copyrights, proprietary software, service marks, trademarks and trade names, or rights thereto, that individually or in the aggregate are Material, without known conflict with the rights of others, except for those conflicts that, individually or in the aggregate, would not reasonably be expected to have a Material Adverse Effect.

5.12 Compliance with ERISA.

(a) The Company and each ERISA Affiliate have operated and administered each Plan (which is not a Multiemployer Plan) in compliance with all applicable laws except for such instances of noncompliance as have not resulted in and could not, individually or in the aggregate, reasonably be expected to result in a Material Adverse

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Effect. Neither the Company nor any ERISA Affiliate has incurred any liability for failure to comply with the provisions of Title I of ERISA or pursuant to Title IV of ERISA (other than for premium payments to the PBGC paid in a timely manner) or the penalty or excise tax provisions of the Code relating to employee benefit plans (as defined in section 3 of ERISA), and no event, transaction or condition has occurred or exists that could, individually or in the aggregate, reasonably be expected to result in the incurrence of any such liability by the Company or any ERISA Affiliate, or in the imposition of any Lien on any of the rights, properties or assets of the Company or any ERISA Affiliate, in either case pursuant to Title I or IV of ERISA or to section 430(k) of the Code or to any such penalty or excise tax provisions under the Code or federal law or section 4068 of ERISA or by the granting of a security interest in connection with the amendment of a Plan, other than such liabilities or Liens as would not be individually or in the aggregate Material.

(b) The present value of the aggregate benefit liabilities under each of the Plans subject to Title IV of ERISA (other than Multiemployer Plans), determined as of the beginning of such Plan's most recently ended plan year on the basis of the actuarial assumptions specified for funding purposes in such Plan's most recent actuarial valuation report, did not exceed the aggregate current value as of such determination date of the assets of such Plan allocable to such benefit liabilities by more than \$13,000,000 in the case of any single Plan and by more than \$17,000,000 in the aggregate for all Plans. The present value of the accrued benefit liabilities (whether or not vested) under each Non-U.S. Plan that is funded, determined as of the end of the Company's most recently ended fiscal year on the basis of reasonable actuarial assumptions, did not exceed the current value of the assets of such Non-U.S. Plan allocable to such benefit liabilities. The term "benefit liabilities" has the meaning specified in section 4001 of ERISA and the terms "current value" and "present value" have the meaning specified in section 3 of ERISA.

(c) The Company and its ERISA Affiliates have not incurred (i) withdrawal liabilities under section 4201 of ERISA or contingent withdrawal liabilities under section 4204 of ERISA in respect of Multiemployer Plans that individually or in the aggregate are Material or (ii) any obligation in connection with the termination of or withdrawal from any Non-U.S. Plan that individually or in the aggregate are Material.

(d) The expected postretirement benefit obligation (determined as of the last day of the Company's most recently ended fiscal year in accordance with Financial Accounting Standards Board Accounting Standards Codification Topic 715-60, without regard to liabilities attributable to continuation coverage mandated by section 4980B of the Code) of the Company and its Subsidiaries is not Material.

(e) The execution and delivery of this Agreement and the Guaranty Agreement and the issuance and sale of the Notes hereunder will not involve any transaction that is subject to and not exempt from the prohibitions of section 406 of ERISA or in connection with which a tax could be imposed pursuant to section 4975(c)(1)(A)-(D) of the Code. The representation by the Company to each Purchaser in the first sentence of this Section 5.12(e) is made in reliance upon and subject to the accuracy of the Purchasers' representations in Section 6.3 as to the sources of the funds used to pay the purchase price of the Notes to be purchased by the Purchasers.

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(f) All Non-U.S. Plans have been established, operated, administered and maintained in compliance with all laws, regulations and orders applicable thereto, except where failure so to comply could not be reasonably expected to have a Material Adverse Effect. All premiums, contributions and any other amounts required by applicable Non-U.S. Plan documents or applicable laws to be paid or accrued by the Company and its Subsidiaries have been paid or accrued as required, except where failure so to pay or accrue could not be reasonably expected to have a Material Adverse Effect.

5.13 Private Offering by the Company.

Neither the Company nor anyone acting on its behalf has offered the Notes or any similar Securities for sale to, or solicited any offer to buy any of the same from, or otherwise approached or negotiated in respect thereof with, any Person other than the Purchasers and not more than ten (10) other Institutional Investors (as defined in clause (c) to the definition of such term), each of which has been offered the Notes at a private sale for investment. Neither the Company nor anyone acting on its behalf has taken, or will take, any action that would subject the issuance or sale of the Notes to the registration requirements of Section 5 of the Securities Act or to the registration requirements of any securities or blue sky laws of any applicable jurisdiction. For purposes of this Section 5.13 only, each reference to the Notes shall be deemed to include the Guaranty Agreement.

5.14 Use of Proceeds; Margin Regulations.

The Company will apply the proceeds of the sale of the Notes hereunder as set forth in the section titled “Executive Summary” and subsection titled “Acquisition Overview” in the Memorandum under the heading “The Offering and Use of Proceeds”. No part of the proceeds from the sale of the Notes hereunder will be used, directly or indirectly, for the purpose of buying or carrying any margin stock within the meaning of Regulation U of the Board of Governors of the Federal Reserve System (12 CFR 221), or for the purpose of buying or carrying or trading in any securities under such circumstances as to involve the Company in a violation of Regulation X of said Board (12 CFR 224) or to involve any broker or dealer in a violation of Regulation T of said Board (12 CFR 220). Margin stock does not constitute more than 5% of the value of the consolidated assets of the Company and its Subsidiaries and the Company does not have any present intention that margin stock will constitute more than 5% of the value of such assets. As used in this Section, the terms “margin stock” and “purpose of buying or carrying” shall have the meanings assigned to them in said Regulation U.

5.15 Existing Indebtedness; Future Liens.

(a) Except as described therein, Schedule 5.15 sets forth a complete and correct list of all outstanding Indebtedness of the Company and its Subsidiaries as of March 31, 2018 (including a description of the obligors and obligees, principal amount outstanding and collateral therefor, if any, and Guaranty thereof, if any), since which date there has been no Material change in the amounts, interest rates, sinking funds, installment payments or maturities of the Indebtedness of the Company or its Subsidiaries. Neither the Company nor any Subsidiary is in default and no waiver of default is currently in effect, in the payment of any principal or interest on any Indebtedness of the Company or such Subsidiary and no event or condition exists with respect to any Indebtedness of the

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Company or any Subsidiary the aggregate principal amount of which exceeds \$2,000,000 that would permit (or that with notice or the lapse of time, or both, would permit) one or more Persons to cause such Indebtedness to become due and payable before its stated maturity or before its regularly scheduled dates of payment.

(b) Except as disclosed in Schedule 5.15, neither the Company nor any Subsidiary has agreed or consented to cause or permit in the future (upon the happening of a contingency or otherwise) any of its property, whether now owned or hereafter acquired, to be subject to a Lien not permitted by Section 10.6.

(c) Neither the Company nor any Subsidiary is a party to, or otherwise subject to any provision contained in, any instrument evidencing Indebtedness of the Company or such Subsidiary, any agreement relating thereto or any other agreement (including, but not limited to, its charter or other organizational document) which limits the amount of, or otherwise imposes restrictions on the incurring of, Indebtedness of the Company, except as set forth in Schedule 5.15.

5.16 Foreign Assets Control Regulations, etc.

(a) Neither the Company nor any Controlled Entity is (i) a Person whose name appears on the list of Specially Designated Nationals and Blocked Persons published by the Office of Foreign Assets Control, United States Department of the Treasury (“OFAC”) (an “OFAC Listed Person”) (ii) an agent, department, or instrumentality of, or is otherwise beneficially owned by, controlled by or acting on behalf of, directly or indirectly, (x) any OFAC Listed Person or (y) any Person, entity, organization, foreign country or regime that is the subject of any country based OFAC Sanctions Program, or (iii) otherwise blocked, subject to sanctions under or to the Company’s knowledge, after making due inquiry, engaged in any activity now or in the past five years in violation of other applicable United States economic sanctions, including but not limited to, the Trading with the Enemy Act, the International Emergency Economic Powers Act, the Iran Sanctions Act or any similar law or regulation with respect to Iran or any other country, the Sudan Accountability and Divestment Act, any OFAC Sanctions Program, or any economic sanctions regulations administered and enforced by the United States or any enabling legislation or executive order relating to any of the foregoing (collectively, “U.S. Economic Sanctions”) (each OFAC Listed Person and each other Person, entity, organization and government of a country described in clause (ii) or clause (iii), a “Blocked Person”). Neither the Company nor any Controlled Entity has been notified that its name appears or may in the future appear on a state list of Persons that engage in investment or other commercial activities in Iran or any other country that is subject to U.S. Economic Sanctions.

(b) No part of the proceeds from the sale of the Notes hereunder constitutes or will constitute funds obtained on behalf of any Blocked Person or will otherwise be used by the Company or any Controlled Entity, directly or indirectly, (i) in connection with any investment in, or any transactions or dealings with, any Blocked Person, or (ii) otherwise in violation of U.S. Economic Sanctions.

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(c) Neither the Company nor any Controlled Entity (i) has been found in violation of or convicted of, money laundering, drug trafficking, terrorist-related activities or other money laundering predicate crimes under the Currency and Foreign Transactions Reporting Act of 1970 (otherwise known as the Bank Secrecy Act), the USA PATRIOT Act or any other United States law or regulation governing such activities (collectively, “**Anti-Money Laundering Laws**”) or any U.S. Economic Sanctions violations, (ii) to the Company’s actual knowledge after making due inquiry, is under investigation by any Governmental Authority for possible violation of Anti-Money Laundering Laws or any U.S. Economic Sanctions violations, (iii) has been assessed civil penalties under any Anti-Money Laundering Laws or any U.S. Economic Sanctions, or (iv) has had any of its funds seized or forfeited in an action under any Anti-Money Laundering Laws. The Company has established procedures and controls which it reasonably believes are adequate (and otherwise comply with applicable law) to ensure that the Company and each Controlled Entity is and will continue to be in compliance with all applicable Anti-Money Laundering Laws and U.S. Economic Sanctions.

(d) (i) Neither the Company nor any Controlled Entity (A) has been convicted of bribery or any other anti-corruption related activity under any applicable law or regulation in a U.S. or any non-U.S. country or jurisdiction, including but not limited to, the U.S. Foreign Corrupt Practices Act and the U.K. Bribery Act 2010 (collectively, “**Anti-Corruption Laws**”), (B) to the Company’s actual knowledge after making due inquiry, is under investigation by any U.S. or non-U.S. Governmental Authority for possible violation of Anti-Corruption Laws, (C) has been assessed civil or criminal penalties under any Anti-Corruption Laws or (D) has been or is the target of sanctions imposed by the United Nations or the European Union;

(ii) To the Company’s actual knowledge after making due inquiry, neither the Company nor any Controlled Entity has, within the last five years and where to do so would have resulted in a violation of then-applicable Anti-Corruption Laws, directly or indirectly offered, promised, given, paid or authorized the offer, promise, giving or payment of anything of value to a Governmental Official or a commercial counterparty for the purposes of: (A) influencing any act, decision or failure to act by such Governmental Official in his or her official capacity or such commercial counterparty, (B) inducing a Governmental Official to do or omit to do any act in violation of the Governmental Official’s lawful duty, or (C) inducing a Governmental Official or a commercial counterparty to use his or her influence with a government or instrumentality to affect any act or decision of such government or entity; in each case in order to obtain, retain or direct business or to otherwise secure an improper advantage; and

(iii) No part of the proceeds from the sale of the Notes hereunder will be used, directly or indirectly, for any improper payments, including bribes, to any Governmental Official or commercial counterparty in order to obtain, retain or direct business or obtain any improper advantage. The Company has established procedures and controls which it reasonably believes are adequate (and otherwise comply with applicable law) to ensure that the Company and each Controlled Entity

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is and will continue to be in compliance with all applicable current and future Anti-Corruption Laws.

5.17 Status under Certain Statutes.

Neither the Company nor any Subsidiary is (a) required to register as an “investment company,” as such term is defined in the Investment Company Act of 1940, as amended, or (b) subject to regulation under the Public Utility Holding Company Act of 2005, as amended, the ICC Termination Act of 1995, as amended, or the Federal Power Act, as amended.

5.18 Environmental Matters.

(a) Neither the Company nor any Subsidiary has knowledge of any claim or has received any notice of any claim, and no proceeding has been instituted raising any claim against the Company or any of its Subsidiaries or any of their respective real properties now or formerly owned, leased or operated by any of them or other assets, alleging any damage to the environment or violation of any Environmental Laws, except, in each case, such as could not reasonably be expected to result in a Material Adverse Effect.

(b) Neither the Company nor any Subsidiary has knowledge of any facts which would give rise to any claim, public or private, of violation of Environmental Laws or damage to the environment emanating from, occurring on or in any way related to real properties now or formerly owned, leased or operated by any of them or to other assets or their use, except, in each case, such as could not reasonably be expected to result in a Material Adverse Effect.

(c) Neither the Company nor any Subsidiary has stored any Hazardous Materials on real properties now or formerly owned, leased or operated by any of them and has not disposed of any Hazardous Materials in a manner contrary to any Environmental Laws in each case in any manner that could reasonably be expected to result in a Material Adverse Effect.

(d) All buildings on all real properties now owned, leased or operated by the Company or any Subsidiary are in compliance with applicable Environmental Laws, except where failure to comply could not reasonably be expected to result in a Material Adverse Effect.

6. REPRESENTATIONS OF THE PURCHASERS.**6.1 Purchase for Investment.**

Each Purchaser severally represents that it is purchasing the Notes for its own account or for one or more separate accounts maintained by such Purchaser or for the account of one or more pension or trust funds and not with a view to the distribution thereof, provided that the disposition of such Purchaser’s or such pension or trust fund’s property shall at all times be within such Purchaser’s or such pension or trust fund’s control. Each Purchaser understands that the Notes have not been registered under the Securities Act and may be resold only if registered pursuant to the provisions of the Securities Act or if an exemption from registration is available, except under

circumstances where neither such registration nor such an exemption is required by law, and that the Company is not required, nor does it intend, to register the Notes.

6.2 Accredited Investor.

Each Purchaser represents that it is an “accredited investor” (as defined in Rule 501(a)(1), (2), (3) or (7) of Regulation D under the Securities Act acting for its own account (and not for the account of others) or as a fiduciary or agent for others (which others are also “accredited investors”). Each Purchaser further represents that such Purchaser has had the opportunity to ask questions of the Company and received answers concerning the terms and conditions of the sale of the Notes.

6.3 Source of Funds.

Each Purchaser severally represents that at least one of the following statements is an accurate representation as to each source of funds (a “Source”) to be used by such Purchaser to pay the purchase price of the Notes to be purchased by such Purchaser hereunder:

(a) the Source is an “insurance company general account” (as the term is defined in the United States Department of Labor’s Prohibited Transaction Class Exemption (“PTE”) 95-60, as amended) in respect of which the reserves and liabilities (as defined by the annual statement for life insurance companies approved by the NAIC (the “NAIC Annual Statement”)) for the general account contract(s) held by or on behalf of any employee benefit plan together with the amount of the reserves and liabilities (as defined by the NAIC Annual Statement) for the general account contract(s) held by or on behalf of any other employee benefit plans maintained by the same employer (or affiliate thereof as defined in PTE 95-60, as amended) or by the same employee organization in the general account do not exceed 10% of the total reserves and liabilities of the general account (exclusive of separate account liabilities) plus surplus as set forth in the NAIC Annual Statement filed with such Purchaser’s state of domicile; or

(b) the Source is a separate account of an insurance company that is maintained solely in connection with the fixed contractual obligations of the insurance company under which the amounts payable, or credited, to any employee benefit plan (or its related trust) that has any interest in such separate account (or to any participant or beneficiary of such plan (including any annuitant)) are not affected in any manner by the investment performance of the separate account; or

(c) the Source is either (i) an insurance company pooled separate account, within the meaning of PTE 90-1, as amended or (ii) a bank collective investment fund, within the meaning of the PTE 91-38, as amended and, except as disclosed by such Purchaser to the Company in writing pursuant to this clause (c), no employee benefit plan (as defined in such PTEs) or group of plans maintained by the same employer or employee organization beneficially owns more than 10% of all assets allocated to such pooled separate account or collective investment fund; or

(d) (i) the Source constitutes assets of an “investment fund” (within the meaning of Part VI of PTE 84-14, as amended (the “QPAM Exemption”)) managed by a

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“qualified professional asset manager” or “QPAM” (within the meaning of Part VI of the QPAM Exemption), (ii) no employee benefit plan’s assets that are managed by the QPAM in such investment fund, when combined with the assets of all other employee benefit plans established or maintained by the same employer or by an affiliate (within the meaning of Part VI(c)(1) of the QPAM Exemption) of such employer or by the same employee organization and managed by such QPAM, represent more than 20% of the total client assets managed by such QPAM at the time of the purchase of the Notes hereunder, (iii) the conditions of Part I(c) and (g) of the QPAM Exemption are satisfied, (iv) neither the QPAM nor a person controlling or controlled by the QPAM maintains an ownership interest in the Company that would cause the QPAM and the Company to be “related” within the meaning of Part VI(h) of the QPAM Exemption and (v) (A) the identity of such QPAM and (B) the names of any employee benefit plans whose assets in the investment fund, when combined with the assets of all other employee benefit plans established or maintained by the same employer or by an affiliate (within the meaning of Part VI(c)(1) of the QPAM Exemption) of such employer or by the same employee organization, represent 10% or more of the assets of such investment fund, have been disclosed to the Company in writing pursuant to this clause (d); or

(e) (i) the Source constitutes assets of a “plan(s)” (within the meaning of Part IV(h) of PTE 96-23 (the “**INHAM Exemption**”)) managed by an “in-house asset manager” or “INHAM” (within the meaning of Part IV(a) of the INHAM Exemption), (ii) the conditions of Part I(a), (g) and (h) of the INHAM Exemption are satisfied, (iii) neither the INHAM nor a person controlling or controlled by the INHAM (applying the definition of “control” in Part IV(d)(3) of the INHAM Exemption) owns a 10% or more interest in the Company and (iv) (A) the identity of such INHAM and (B) the name(s) of the employee benefit plan(s) whose assets constitute the Source have been disclosed to the Company in writing pursuant to this clause (e); or

(f) the Source is a governmental plan, church plan that has not made an election under section 410(d) of the Code, or a non-U.S. plan and the purchase does not violate any federal, state or other law that regulates its investment in the Notes; or

(g) the Source is one or more employee benefit plans, or a separate account or trust fund comprised of one or more employee benefit plans, each of which has been identified to the Company in writing pursuant to this clause (g); or

(h) the Source does not include assets of any employee benefit plan, governmental plan, church plan that has not made an election under section 410(d) of the Code, or Non-U.S. Plan.

As used in this Section 6.3, the terms “employee benefit plan,” “governmental plan,” “church plan,” and “separate account” shall, unless otherwise indicated, have the respective meanings assigned to such terms in section 3 of ERISA.

7. INFORMATION AS TO COMPANY.

7.1 Financial and Business Information.

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The Company shall deliver to each holder of a Note that is an Institutional Investor:

(a) Quarterly Statements -- within 60 days (or such shorter period as is 15 days greater than the period applicable to the filing of the Company's Quarterly Report on Form 10-Q (the "**Form 10-Q**") with the SEC regardless of whether the Company is subject to the filing requirements thereof after the end of each quarterly fiscal period in each fiscal year of the Company (other than the last quarterly fiscal period of each such fiscal year), duplicate copies of,

(i) a consolidated balance sheet of the Company and its Subsidiaries as at the end of such quarter, and

(ii) consolidated statements of earnings, shareholders' equity and cash flows of the Company and its Subsidiaries, for such quarter and (in the case of the second and third quarters) for the portion of the fiscal year ending with such quarter,

setting forth in each case in comparative form the figures for the corresponding periods in the previous fiscal year, all in reasonable detail, prepared in accordance with GAAP applicable to quarterly financial statements generally, and certified by a Senior Financial Officer as fairly presenting, in all material respects, the financial position of the companies being reported on and their results of operations and cash flows, subject to changes resulting from year-end adjustments and the absence of footnotes, provided that delivery within the time period specified above of copies of the Company's Form 10-Q prepared in compliance in all material respects with the requirements therefor and filed with the SEC shall be deemed to satisfy the requirements of this Section 7.1(a), provided, further, that the Company shall be deemed to have made such delivery of such Form 10-Q if it shall have timely made such Form 10-Q available on "EDGAR" and on its home page on the worldwide web (at the date of this Agreement located at: <http://www.woodward.com>) (such availability being referred to as "**Electronic Delivery**");

(b) Annual Statements -- within 100 days (or such shorter period as is 15 days greater than the period applicable to the filing of the Company's Annual Report on Form 10-K (the "**Form 10-K**") with the SEC regardless of whether the Company is subject to the filing requirements thereof after the end of each fiscal year of the Company, duplicate copies of

(i) a consolidated balance sheet of the Company and its Subsidiaries as at the end of such year, and

(ii) consolidated statements of earnings, shareholders' equity and cash flows of the Company and its Subsidiaries for such year,

setting forth in each case in comparative form the figures for the previous fiscal year, all in reasonable detail, prepared in accordance with GAAP, and accompanied by an opinion thereon of independent public accountants of recognized national standing, which opinion shall state that such financial statements present fairly, in all material respects, the financial position of the companies being reported upon and their results of operations and cash flows and have been prepared in conformity with GAAP, and that the examination of such

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accountants in connection with such financial statements has been made in accordance with generally accepted auditing standards, and that such audit provides a reasonable basis for such opinion in the circumstances, *provided* that the delivery within the time period specified above of the Company's Form 10-K for such fiscal year (together with the Company's annual report to shareholders, if any, prepared pursuant to Rule 14a-3 under the Exchange Act) prepared in all material respects in accordance with the requirements therefor and filed with the SEC shall be deemed to satisfy the requirements of this Section 7.1(b), provided, further, that the Company shall be deemed to have made such delivery of such Form 10-K if it shall have timely made Electronic Delivery thereof;

(c) SEC and Other Reports -- promptly upon their becoming available, one copy of (i) each financial statement, report, notice or proxy statement sent by the Company or any Subsidiary to its public securities holders generally, and (ii) each regular or periodic report, each registration statement (other than a registration statement on Form S-8 and without exhibits except as expressly requested by such holder), and each prospectus and all amendments thereto filed by the Company or any Subsidiary with the SEC and of all press releases and other statements made available generally by the Company or any Subsidiary to the public concerning developments that are Material, provided that the Company shall be deemed to have made such delivery of such materials if it shall have made timely Electronic Delivery thereof;

(d) Notice of Default or Event of Default -- promptly, and in any event within five days after a Responsible Officer becoming aware of the existence of any Default or Event of Default or that any Person has given any written notice or taken any action with respect to a claimed Default hereunder or that any Person has given any notice or taken any action with respect to a claimed Default of the type referred to in Section 11(f), a written notice specifying the nature and period of existence thereof and what action the Company is taking or proposes to take with respect thereto;

(e) ERISA Matters -- promptly, and in any event within five Business Days after a Responsible Officer becoming aware of any of the following, a written notice setting forth the nature thereof and the action, if any, that the Company or an ERISA Affiliate proposes to take with respect thereto:

(i) with respect to any Plan subject to Title IV of ERISA, any reportable event, as defined in section 4043(c) of ERISA and the regulations thereunder, for which notice thereof has not been waived pursuant to such regulations as in effect on the date hereof; or

(ii) the taking by the PBGC of steps to institute, or the threatening by the PBGC of the institution of, proceedings under section 4042 of ERISA for the termination of, or the appointment of a trustee to administer, any Plan, or the receipt by the Company or any ERISA Affiliate of a notice from a Multiemployer Plan that such action has been taken by the PBGC with respect to such Multiemployer Plan; or

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(iii) any event, transaction or condition that could result in the incurrence of any liability by the Company or any ERISA Affiliate for failure to comply with the provisions of Title I of ERISA or pursuant to Title IV of ERISA or the penalty or excise tax provisions of the Code relating to employee benefit plans (as defined in Section 3 of ERISA), or in the imposition of any Lien on any of the rights, properties or assets of the Company or any ERISA Affiliate pursuant to Title I or IV of ERISA or such penalty or excise tax provisions, if such liability or Lien, taken together with any other such liabilities or Liens then existing, could reasonably be expected to have a Material Adverse Effect; or

(iv) receipt of notice of the imposition of a Material financial penalty (which for this purpose shall mean any tax, penalty or other liability, whether by way of indemnity or otherwise) with respect to one or more Non-U.S. Plans;

(f) Notices from Governmental Authority -- promptly, and in any event within 30 days of receipt thereof, copies of any written notice to the Company or any Subsidiary from any Federal, national or state Governmental Authority relating to any order, ruling, statute or other law or regulation that could reasonably be expected to have a Material Adverse Effect;

(g) Major Credit Facility -- substantially concurrent with the transmission thereof, copies (unless otherwise delivered pursuant to the other provisions of this Section 7.1) of all financial statements, notices, reports and other information given by or on behalf of the Company or any of its Subsidiaries to the financial institutions party to any Major Credit Facility (excluding routine matters such as borrowing requests); and

(h) Requested Information -- with reasonable promptness, such other data and information relating to the business, operations, affairs, financial condition, assets or properties of the Company or any of its Subsidiaries (including, but without limitation, actual copies of the Company's Form 10-Q and Form 10-K) or relating to the ability of the Company to perform its obligations hereunder and under the Notes as from time to time may be reasonably requested by any such holder of Note.

7.2 Officer's Certificate.

Each set of financial statements delivered to a holder of a Note pursuant to Section 7.1(a) or Section 7.1(b) shall be accompanied by a certificate of a Senior Financial Officer setting forth (which, in the case of Electronic Delivery of any such financial statements, shall be by separate concurrent delivery of such certificate to each holder of a Note):

(a) Covenant Compliance -- the information (including detailed calculations) required in order to establish whether the Company was in compliance with the requirements of Section 10.3, and Section 10.6 through Section 10.11, inclusive, during the quarterly or annual period covered by the statements then being furnished (including with respect to each such Section, where applicable, the calculations of the maximum or minimum amount, ratio or percentage, as the case may be, permissible under the terms of

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such Sections, and the calculation of the amount, ratio or percentage in existence as of the end of such period); and

(b) Event of Default -- a statement that such Senior Financial Officer has reviewed the relevant terms hereof and has made, or caused to be made, under his or her supervision, a review of the transactions and conditions of the Company and its Subsidiaries from the beginning of the quarterly or annual period covered by the statements then being furnished to the date of the certificate and that such review shall not have disclosed the existence during such period of any condition or event that constitutes a Default or an Event of Default or, if any such condition or event existed or exists, specifying the nature and period of existence thereof and what action the Company shall have taken or proposes to take with respect thereto.

7.3 Visitation.

The Company shall permit the representatives of each holder of a Note that is an Institutional Investor:

(a) No Default -- if no Default or Event of Default then exists, at the expense of such holder and upon reasonable prior notice to the Company, to visit the principal executive office of the Company, to discuss the affairs, finances and accounts of the Company and its Subsidiaries with the Company's officers, and (with the consent of the Company, which consent will not be unreasonably withheld) its independent public accountants, and (with the consent of the Company, which consent will not be unreasonably withheld) to visit the other offices and properties of the Company and each Subsidiary, all at such reasonable times and as often as may be reasonably requested in writing; and

(b) Default -- if a Default or Event of Default then exists, at the expense of the Company to visit and inspect any of the offices or properties of the Company or any Subsidiary, to examine all their respective books of account, records, reports and other papers, to make copies and extracts therefrom, and to discuss their respective affairs, finances and accounts with their respective officers and independent public accountants (and by this provision the Company authorizes said accountants to discuss the affairs, finances and accounts of the Company and its Subsidiaries), all at such times and as often as may be requested.

8. PAYMENT AND PREPAYMENT OF THE NOTES.**8.1 Maturity.**

(a) Series P Notes. As provided therein, the entire unpaid principal balance of the Series P Notes shall be due and payable on May 30, 2025.

(b) Series Q Notes. As provided therein, the entire unpaid principal balance of the Series Q Notes shall be due and payable on May 30, 2027.

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(c) Series R Notes. As provided therein, the entire unpaid principal balance of the Series R Notes shall be due and payable on May 30, 2029.

(d) Series S Notes. As provided therein, the entire unpaid principal balance of the Series S Notes shall be due and payable on May 30, 2030.

(e) Series T Notes. As provided therein, the entire unpaid principal balance of the Series T Notes shall be due and payable on May 30, 2033.

8.2 Optional Prepayments with Make-Whole Amount.

The Company may, at its option, upon notice as provided below, prepay at any time all, or from time to time any part of, the Notes (but, in the case of a partial prepayment, in an amount not less than \$1,000,000 of the aggregate principal amount of the Notes then outstanding), at 100% of the principal amount so prepaid, together with the interest so accrued to the date of prepayment, plus the applicable Make-Whole Amount determined for the prepayment date with respect to such principal amount; provided, however, that the Company may prepay all or any part of any Series (rather than all or any part of all Series) of Notes only so long as (a) no Default or Event of Default shall have occurred and be continuing and (b) such prepayment is not in connection with any solicitation by the Company of any consent, waiver, amendment or other similar transaction from any holder of Notes pursuant to Section 17. The Company will give each holder of Notes written notice of each optional prepayment under this Section 8.2 not less than 30 days and not more than 60 days prior to the date fixed for such prepayment. Each such notice shall specify such date (which shall be a Business Day), the aggregate principal amount of the Notes, designated by Series, if applicable, to be prepaid on such date, the principal amount of each Note held by such holder to be prepaid (determined in accordance with Section 8.5), and the interest to be paid on the prepayment date with respect to such principal amount being prepaid, and shall be accompanied by a certificate of a Senior Financial Officer as to the estimated Make-Whole Amount due with respect to each Series of Notes in connection with such prepayment (calculated as if the date of such notice were the date of the prepayment), setting forth in each case the details of such computation. Two Business Days prior to such prepayment, the Company shall deliver to each holder of Notes a certificate of a Senior Financial Officer specifying the calculation of such Make-Whole Amount as of the specified prepayment date.

8.3 Prepayment Upon Change of Control.

(a) Notice of Change of Control or Control Event; Offer to Prepay if Change of Control has Occurred. The Company will, within five (5) Business Days after any Responsible Officer has knowledge of the occurrence of any Change of Control or Control Event, give written notice of such Change of Control or Control Event to each holder of Notes. If a Change of Control has occurred, such notice shall contain and constitute an offer to prepay Notes as described in clause (b) of this Section 8.3 and shall be accompanied by the certificate described in clause (e) of this Section 8.3.

(b) Offer to Prepay; Time for Payment. The offer to prepay Notes contemplated by clause (a) of this Section 8.3 shall be an offer to prepay, in accordance with and subject to this Section 8.3, all, but not less than all, of the Notes held by each holder (in the case

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of this Section 8.3 only, “holder” in respect of any Note registered in the name of a nominee for a disclosed beneficial owner shall mean such beneficial owner) on a date specified in such offer (the “**Proposed Prepayment Date**”). The Proposed Prepayment Date shall not be less than thirty (30) days and not more than sixty (60) days after the date of such offer (if the Proposed Prepayment Date shall not be specified in such offer, the Proposed Prepayment Date shall be the forty-fifth (45th) day after the date of such offer).

(c) Acceptance; Rejection. A holder of Notes may accept the offer to prepay made pursuant to this Section 8.3 by causing a notice of such acceptance to be delivered to the Company at least ten (10) calendar days prior to the Proposed Prepayment Date. A failure by a holder of Notes to respond to an offer to prepay made pursuant to this Section 8.3, or to accept an offer as to all of the Notes held by the holder, within such time period, shall be deemed to constitute a rejection of such offer by such holder.

(d) Prepayment. Prepayment of the Notes to be prepaid pursuant to this Section 8.3 shall be at 100% of the principal amount of such Notes together with interest on such Notes accrued to the date of prepayment, but without any Make-Whole Amount or penalty or premium of any kind. The prepayment shall be made on the Proposed Prepayment Date.

(e) Officer’s Certificate. Each offer to prepay the Notes pursuant to this Section 8.3 shall be accompanied by a certificate, executed by a Senior Financial Officer of the Company and dated the date of such offer, specifying: (i) the Proposed Prepayment Date, (ii) that such offer is made pursuant to this Section 8.3, (iii) that the entire principal amount of each Note is offered to be prepaid without any premium, (iv) the interest that would be due on each Note offered to be prepaid, accrued to the Proposed Prepayment Date, (v) that the conditions of this Section 8.3 required to be fulfilled prior to the giving of such notice have been fulfilled and (vi) in reasonable detail, the nature and date of the Change of Control.

8.4 Prepayment in Connection with an Asset Disposition.

(a) Notice and Offer. In the event any Debt Prepayment Application is to be used at the election of the Company to make an offer (a “**Transfer Prepayment Offer**”) to prepay Notes pursuant to Section 10.3 of this Agreement (a “**Debt Prepayment Transfer**”), the Company will give written notice of such Debt Prepayment Transfer to each holder of Notes. Such written notice shall contain, and such written notice shall constitute, an irrevocable offer to prepay, at the election of each holder, a portion of the Notes held by such holder equal to such holder’s Ratable Portion of the Net Proceeds Amount in respect of such Debt Prepayment Transfer on a date specified in such notice (the “**Transfer Prepayment Date**”) that is not less than thirty (30) days and not more than sixty (60) days after the date of such notice, together with interest on the amount to be so prepaid accrued to the Transfer Prepayment Date. If the Transfer Prepayment Date shall not be specified in such notice, the Transfer Prepayment Date shall be the forty-fifth (45th) day after the date of such notice.

(b) Acceptance and Payment. To accept such Transfer Prepayment Offer, a holder of Notes shall cause a notice of such acceptance to be delivered to the Company not

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later than twenty (20) days after the date of such written notice from the Company, provided, that failure to accept such offer in writing within twenty (20) days after the date of such written notice shall be deemed to constitute a rejection of the Transfer Prepayment Offer. If so accepted by any holder of a Note, such offered prepayment (equal to such holder's Ratable Portion of the Net Proceeds Amount in respect of such Debt Prepayment Transfer) shall be due and payable on the Transfer Prepayment Date. Such offered prepayment shall be made at 100% of the principal amount of such Notes being so prepaid, together with interest on such principal amount then being prepaid accrued to the Transfer Prepayment Date determined as of the date of such prepayment, but without any Make-Whole Amount or penalty or premium of any kind. The prepayment shall be made on the Transfer Prepayment Date.

(c) Other Terms. Each offer to prepay the Notes pursuant to this Section 8.4 shall be accompanied by a certificate, executed by a Senior Financial Officer of the Company and dated the date of such offer, specifying (i) the Transfer Prepayment Date, (ii) the Net Proceeds Amount in respect of the applicable Debt Prepayment Transfer, (iii) that such offer is being made pursuant to this Section 8.4 and Section 10.3 of this Agreement, (iv) the principal amount of each Note offered to be prepaid, (v) the interest that would be due on each Note offered to be prepaid, accrued to the Transfer Prepayment Date, and (vi) in reasonable detail, the nature of the Asset Disposition giving rise to such Debt Prepayment Transfer and certifying that no Default or Event of Default exists or would exist after giving effect to the prepayment contemplated by such offer.

8.5 Allocation of Partial Prepayments of Notes.

In the case of each partial prepayment of the Notes pursuant to Section 8.2, the principal amount of the Notes to be prepaid shall be allocated among all of the Notes of each Series to be prepaid at the time outstanding in proportion, as nearly as practicable, to the respective unpaid principal amounts thereof not theretofore called for prepayment.

8.6 Maturity; Surrender, etc.

In the case of each prepayment of Notes pursuant to this Section 8, the principal amount of each Note to be prepaid shall mature and become due and payable on the date fixed for such prepayment (which shall be a Business Day), together with interest on such principal amount accrued to such date and the applicable Make-Whole Amount, if any. From and after such date, unless the Company shall fail to pay such principal amount when so due and payable, together with the interest and Make-Whole Amount, if any, as aforesaid, interest on such principal amount shall cease to accrue. Any Note paid or prepaid in full shall be surrendered to the Company and cancelled and shall not be reissued, and no Note shall be issued in lieu of any prepaid principal amount of any Note.

8.7 Purchase of Notes.

The Company will not and will not permit any Affiliate to purchase, redeem, prepay or otherwise acquire, directly or indirectly, any of the outstanding Notes, except (a) upon the payment or prepayment of the Notes in accordance with the terms of this Agreement and the Notes or (b)

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pursuant to an offer to purchase made by the Company or an Affiliate pro rata to the holders of any Series of Notes at the time outstanding upon the same terms and conditions (except to the extent reasonably necessary to reflect differences in interest rates and maturities); provided that the Company may only make an offer to purchase an individual Series of Notes (rather than all Notes) so long as no Default or Event of Default has occurred and is continuing and such offer is not in connection with any solicitation by the Company of any consent, waiver, amendment or similar transaction from any holder of Notes pursuant to Section 17. Any such offer shall provide each holder of Notes offered to be purchased with sufficient information to enable it to make an informed decision with respect to such offer, and shall remain open for at least fifteen (15) Business Days. If the holders of more than 30% of the principal amount of the Notes then outstanding that are offered to be purchased accept such offer, the Company shall promptly notify the remaining holders of Notes offered to be purchased of such fact and the expiration date of such offer shall be extended by the number of days necessary to give each such remaining holder at least five (5) Business Days from its receipt of such notice to accept such offer. The Company will promptly cancel all Notes acquired by it or any Affiliate pursuant to any payment, prepayment or purchase of Notes pursuant to any provision of this Agreement and no Notes may be issued in substitution or exchange for any such Notes.

8.8 Make-Whole Amount.

The term “**Make-Whole Amount**” means, with respect to any Note, an amount equal to the excess, if any, of the Discounted Value of the Remaining Scheduled Payments with respect to the Called Principal of such Note over the amount of such Called Principal, provided that the Make-Whole Amount may in no event be less than zero. For the purposes of determining the Make-Whole Amount with respect to any Note, the following terms have the following meanings:

“**Called Principal**” means, with respect to any Note, the principal of such Note that is to be prepaid pursuant to Section 8.2 or has become or is declared to be immediately due and payable pursuant to Section 12.1, as the context requires.

“**Discounted Value**” means, with respect to the Called Principal of any Note, the amount obtained by discounting all Remaining Scheduled Payments with respect to such Called Principal from their respective scheduled due dates to the Settlement Date with respect to such Called Principal, in accordance with accepted financial practice and at a discount factor (applied on the same periodic basis as that on which interest on such Note is payable) equal to the Reinvestment Yield with respect to such Called Principal.

“**Reinvestment Yield**” means, with respect to the Called Principal of any Note, the sum of (a) 0.50% plus (b) the yield to maturity implied by the “Ask Yield(s)” reported as of 10:00 a.m. (New York City time) on the second Business Day preceding the Settlement Date with respect to such Called Principal, on the display designated as “Page PX1” (or such other display as may replace Page PX1) on Bloomberg Financial Markets for the most recently issued actively traded on-the-run U.S. Treasury securities (“**Reported**”) having a maturity equal to the Remaining Average Life of such Called Principal as of such Settlement Date. If there are no such U.S. Treasury securities Reported having a maturity equal to such Remaining Average Life, then such implied yield to maturity will be determined by (i) converting U.S. Treasury bill quotations to bond equivalent yields in

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accordance with accepted financial practice and (ii) interpolating linearly between the “Ask Yields” Reported for the applicable most recently issued actively traded on-the-run U.S. Treasury securities with the maturities (1) closest to and greater than such Remaining Average Life and (2) closest to and less than such Remaining Average Life. The Reinvestment Yield shall be rounded to the number of decimal places as appears in the interest rate of the applicable Note.

If such yields are not Reported or the yields Reported as of such time are not ascertainable (including by way of interpolation), then “**Reinvestment Yield**” means, with respect to the Called Principal of any Note, the sum of (x) 0.50% plus (y) the yield to maturity implied by the U.S. Treasury constant maturity yields reported, for the latest day for which such yields have been so reported as of the second Business Day preceding the Settlement Date with respect to such Called Principal, in Federal Reserve Statistical Release H.15 (or any comparable successor publication) for the U.S. Treasury constant maturity having a term equal to the Remaining Average Life of such Called Principal as of such Settlement Date. If there is no such U.S. Treasury constant maturity having a term equal to such Remaining Average Life, such implied yield to maturity will be determined by interpolating linearly between (1) the U.S. Treasury constant maturity so reported with the term closest to and greater than such Remaining Average Life and (2) the U.S. Treasury constant maturity so reported with the term closest to and less than such Remaining Average Life. The Reinvestment Yield shall be rounded to the number of decimal places as appears in the interest rate of the applicable Note.

“**Remaining Average Life**” means, with respect to any Called Principal, the number of years obtained by dividing (i) such Called Principal into (ii) the sum of the products obtained by multiplying (a) the principal component of each Remaining Scheduled Payment with respect to such Called Principal by (b) the number of years, computed on the basis of a 360-day year comprised of twelve 30-day months and calculated to two decimal places, that will elapse between the Settlement Date with respect to such Called Principal and the scheduled due date of such Remaining Scheduled Payment.

“**Remaining Scheduled Payments**” means, with respect to the Called Principal of any Note, all payments of such Called Principal and interest thereon that would be due after the Settlement Date with respect to such Called Principal if no payment of such Called Principal were made prior to its scheduled due date, provided that if such Settlement Date is not a date on which interest payments are due to be made under such Note, then the amount of the next succeeding scheduled interest payment will be reduced by the amount of interest accrued to such Settlement Date and required to be paid on such Settlement Date pursuant to Section 8.2 or Section 12.1.

“**Settlement Date**” means, with respect to the Called Principal of any Note, the date on which such Called Principal is to be prepaid pursuant to Section 8.2 or has become or is declared to be immediately due and payable pursuant to Section 12.1, as the context requires.

9. AFFIRMATIVE COVENANTS.

The Company covenants that so long as any of the Notes are outstanding:

9.1 Compliance with Law.

Without limiting Section 10.5, the Company will, and will cause each of its Subsidiaries to, comply with all laws, ordinances or governmental rules or regulations to which each of them is subject, including, without limitation, ERISA, the USA PATRIOT Act, Environmental Laws and the other laws and regulations that are referred to in Section 5.16, and will obtain and maintain in effect all licenses, certificates, permits, franchises and other governmental authorizations necessary to the ownership of their respective properties or to the conduct of their respective businesses, in each case, to the extent necessary to ensure that non-compliance with such laws, ordinances or governmental rules or regulations or failures to obtain or maintain in effect such licenses, certificates, permits, franchises and other governmental authorizations could not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect.

9.2 Insurance.

The Company will, and will cause each of the Guarantors to, maintain, with financially sound and reputable insurers, insurance with respect to their respective properties and businesses against such casualties and contingencies, of such types, on such terms and in such amounts (including deductibles, co-insurance and self-insurance, if adequate reserves are maintained with respect thereto) as is customary in the case of entities of established reputations engaged in the same or a similar business and similarly situated.

9.3 Maintenance of Properties.

The Company will, and will cause each of its Subsidiaries to, maintain and keep, or cause to be maintained and kept, their respective properties in good repair, working order and condition (other than ordinary wear and tear), so that the business carried on in connection therewith may be properly conducted at all times, provided that this Section 9.3 shall not prevent the Company or any Subsidiary from discontinuing the operation and the maintenance of any of its properties if such discontinuance is desirable in the conduct of its business and the Company has concluded that such discontinuance could not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect.

9.4 Payment of Taxes and Claims.

The Company will, and will cause each of its Subsidiaries to, file all tax returns required to be filed in any jurisdiction and to pay and discharge all taxes shown to be due and payable on such returns and all other taxes, assessments, governmental charges, or levies imposed on them or any of their properties, assets, income or franchises, to the extent the same have become due and payable and before they have become delinquent and all claims for which sums have become due and payable that have or might become a Lien on properties or assets of the Company or any Subsidiary, provided that (a) neither the Company nor any Subsidiary need pay any such tax, assessment, charge, levy or claim if the amount, applicability or validity thereof is contested by the Company or such Subsidiary on a timely basis in good faith and in appropriate proceedings, and the Company or a Subsidiary has established adequate reserves therefor in accordance with GAAP on the books of the Company or such Subsidiary or (b) neither the Company nor any

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Subsidiary need file any such tax return or pay any such tax, assessment, charge, levy or claim if the nonfiling of such tax returns and the nonpayment of all such taxes, assessments, charges and levies in the aggregate could not reasonably be expected to have a Material Adverse Effect.

9.5 Corporate Existence, etc.

Subject to Section 10.2, the Company will at all times preserve and keep in full force and effect its corporate existence. Subject to Sections 10.2 and 10.3, the Company will at all times preserve and keep in full force and effect the corporate existence of each of its Subsidiaries (unless merged into the Company or a Wholly-Owned Subsidiary) and all rights and franchises of the Company and its Subsidiaries unless, in the good faith judgment of the Company, the termination of or failure to preserve and keep in full force and effect such corporate existence, right or franchise could not, individually or in the aggregate, have a Material Adverse Effect.

9.6 Books and Records.

The Company will, and will cause each of its Subsidiaries to, maintain proper books of record and account in conformity with GAAP and all applicable requirements of any Governmental Authority having legal or regulatory jurisdiction over the Company or such Subsidiary, as the case may be.

9.7 Ranking of Obligations.

The Company will ensure that its payment obligations under this Agreement and the Notes will at all times rank at least pari passu, without preference or priority, with all other unsecured unsubordinated Indebtedness of the Company. The Company will ensure that each Guarantor's payment obligations under the Guaranty Agreement will at all times rank at least pari passu, without preference or priority, with all other unsecured unsubordinated Indebtedness of such Guarantor.

9.8 Guaranty by Subsidiaries; Liens.

(a) If at any time, pursuant to the terms and conditions of any Major Credit Facility, any existing or newly acquired or formed Subsidiary of the Company becomes obligated as a guarantor or obligor under such Major Credit Facility, the Company will, at its sole cost and expense, cause such Subsidiary to concurrently therewith become a Guarantor in respect of this Agreement and the Notes, and within ten (10) Business Days thereafter will deliver to each of the holders of the Notes the following items:

(i) an executed supplement to the Guaranty Agreement in the form of Exhibit A thereto (a "**Guaranty Supplement**");

(ii) such documents and evidence with respect to such Subsidiary as the Required Holders may reasonably request in order to establish the existence and good standing of such Subsidiary and the authorization of the transactions contemplated by such Guaranty Supplement; and

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(iii) an opinion of counsel to the Company and such Subsidiary in form and substance satisfactory to the Required Holders to the effect that (x) such Guaranty Supplement has been duly authorized, executed and delivered by such Subsidiary, (y) the Guaranty Agreement as supplemented by such Guaranty Supplement constitutes the legal, valid and binding contract and agreement of such Subsidiary, enforceable in accordance with its terms (except as enforcement of such terms may be limited by bankruptcy, insolvency, reorganization, moratorium, fraudulent conveyance and similar laws affecting the enforcement of creditors' rights generally and by general equitable principles) and (z) the execution, delivery and performance by such Subsidiary of such Guaranty Supplement do not (A) violate any law, rule or regulation applicable to such Subsidiary, or (B) (1) conflict with or result in any breach of any of the provisions of or constitute a default under or result in the creation or imposition of any Lien not permitted by Section 10.6 or (2) conflict with or result in any breach of any of the provisions of or constitute a default under (I) the provisions of the charter, bylaws, certificate of formation, operating agreement or other constitutive documents of such Subsidiary, or (II) any agreement or other instrument to which such Subsidiary is a party or by which such Subsidiary may be bound;

provided, that notwithstanding anything contained in this Section 9.8(a) to the contrary, the Company shall be under no obligation to (but may in its sole discretion) require any Foreign Subsidiary to become a Guarantor in respect of this Agreement and the Notes to the extent such Foreign Subsidiary's obligations under all Major Credit Facilities consist solely of direct borrowings solely to such Foreign Subsidiary (a "**Foreign Borrowing**") or guaranties of a Foreign Borrowing by another Foreign Subsidiary.

(b) If at any time, pursuant to the terms and conditions of all of the Major Credit Facilities, (i) any Guarantor is discharged and released from its Guaranty of Indebtedness under all of the Major Credit Facilities and such Guarantor is not a co-obligor under any of the Major Credit Facilities and (ii) the Company shall have delivered to each holder of Notes an Officer's Certificate certifying that (x) the condition specified in clause (i) above has been satisfied and (y) immediately preceding the release of such Guarantor from the Guaranty Agreement and after giving effect thereto, no Default or Event of Default will have existed or would exist, then, upon receipt by the holders of Notes of such Officer's Certificate, such Guarantor will be discharged and released, automatically and without the need for any further action, from its obligations under the Guaranty Agreement; provided that, if in connection with any release of a Guarantor from its Guaranty of Indebtedness under any Major Credit Facility any fee or other consideration (excluding, for the avoidance of doubt, any repayment of the principal or interest under any Major Credit Facility in connection with such release) is paid or given to any holder of Indebtedness under such Major Credit Facility in connection with such release, each holder of a Note shall receive equivalent consideration on a pro rata basis in connection with such Guarantor's release from the Guaranty Agreement. Without limiting the foregoing, for purposes of further assurance, each of the holders of the Notes agrees to provide to the Company and such Guarantor, if reasonably requested by the Company or such Guarantor and at the Company's expense, written evidence of such discharge and release signed by such holder.

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(c) If at any time, pursuant to the terms and conditions of any Major Credit Facility, the Company or any of its Subsidiaries are required to or elect to grant Liens on any of their assets to secure the Indebtedness evidenced by such Major Credit Facility, the Company will, at its sole cost and expense, grant, or cause such Subsidiary to grant, Liens on such assets (other than the Capital Stock of a Foreign Subsidiary if the pledge of such Capital Stock would result in adverse tax consequences to the Company or such Subsidiary not also caused by the grant of such Lien in respect of such Major Credit Facility) in favor of the holders of the Notes (or in favor of a collateral agent reasonably acceptable to the Required Holders for the benefit of the holders of the Notes), and within ten (10) Business Days thereafter will deliver to each of the holders of the Notes the following items:

(i) such security documents as the Required Holders deem reasonably necessary or advisable to grant to the holders of Notes (or such collateral agent for the benefit of the holders of Notes) a perfected first priority security interest to (or for the benefit of) the holders of Notes;

(ii) such documents and evidence with respect to such Liens as the Required Holders may reasonably request in order to establish the existence and priority of such Liens and the authorization of the transactions contemplated by such security documents; and

(iii) an opinion of counsel to the Company or such Subsidiary in form and substance satisfactory to the Required Holders to the effect that (x) such security documents have been duly authorized, executed and delivered by the Company or such Subsidiary, (y) such security documents constitute the legal, valid and binding contract and agreement of the Company or such Subsidiary, enforceable in accordance with their terms (except as enforcement of such terms may be limited by bankruptcy, insolvency, reorganization, moratorium, fraudulent conveyance and similar laws affecting the enforcement of creditors' rights generally and by general equitable principles) and (z) the execution, delivery and performance by the Company or such Subsidiary of such security documents do not violate (A) any law, rule or regulation applicable to the Company or such Subsidiary, or (B)(1) conflict with or result in any breach of any of the provisions of or constitute a default under or result in the creation or imposition of any Lien not permitted by Section 10.6 or (2) conflict with or result in any breach of any of the provisions of or constitute a default under (I) the provisions of the charter, bylaws, certificate of formation, operating agreement or other constitutive documents of the Company or such Subsidiary, or (II) any agreement or other instrument to which the Company or such Subsidiary is a party or by which such Subsidiary may be bound;

(d) If at any time, pursuant to the terms and conditions of any Major Credit Facility, Liens granted by the Company or any Subsidiary are released under all of the Major Credit Facilities and the Company shall have delivered to each holder of Notes an Officer's Certificate certifying that immediately preceding the release of such Liens and after giving effect thereto, no Default or Event of Default will have existed or would exist, then, upon receipt by the holders of Notes of such Officer's Certificate, such Liens in favor

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of the holders of Notes will be discharged and released, automatically and without the need for any further action; provided that, if in connection with any release of such Liens under any Major Credit Facility any fee or other consideration (excluding, for the avoidance of doubt, any repayment of the principal or interest under any Major Credit Facility in connection with such release) is paid or given to any holder of Indebtedness under such Major Credit Facility in connection with such release, each holder of a Note shall receive equivalent consideration on a pro rata basis in connection with such release of Liens securing the Indebtedness evidenced by this Agreement and the Notes. Without limiting the foregoing, for purposes of further assurance, each of the holders of the Notes agrees to provide to the Company, if reasonably requested by the Company and at the Company's expense, written evidence of such discharge and release signed by such holder (or the collateral agent appointed by the holders of Notes).

9.9 Intercreditor Agreement.

If at any time, pursuant to the terms and conditions of any Major Credit Facility, (a) Subsidiaries of the Company are required to provide a Guaranty of the Company's Indebtedness under such Major Credit Facility and such Subsidiaries are required to become a Guarantor in respect of this Agreement and the Notes or (b) the Company or any of its Subsidiaries are required to grant Liens on any of their assets to secure the Indebtedness evidenced by any Major Credit Facility or any guaranty thereof, and the Company or such Subsidiaries are required to grant Liens to secure the Indebtedness evidenced by this Agreement and the Notes, then the Company will, concurrently with the execution thereof or the granting of such Guaranties and/or Liens, cause the lenders under such Major Credit Facility to enter into, and the holders of Notes hereby agree to enter into, an intercreditor agreement in form and substance (including, without limitation, as to the sharing of recoveries and set offs) reasonably satisfactory to the Required Holders (the "**Intercreditor Agreement**") with the holders of Notes, or enter into a joinder agreement to such Intercreditor Agreement in form and substance reasonably satisfactory to the Required Holders (it being acknowledged and agreed that the Second Amended and Restated Intercreditor Agreement is in form and substance satisfactory to the Required Holders with respect to the granting of Guaranties). Within ten (10) Business Days following the execution of any such Intercreditor Agreement (or any joinder thereto), the Company will deliver an executed copy thereof to each holder of Notes.

10. NEGATIVE COVENANTS.

The Company covenants that so long as any of the Notes are outstanding:

10.1 Transactions with Affiliates.

The Company will not and will not permit any Subsidiary to enter into directly or indirectly any Material transaction or group of related transactions which collectively are Material (including without limitation the purchase, lease, sale or exchange of properties of any kind or the rendering of any service) with any Affiliate (other than the Company or another Subsidiary), except in the ordinary course of business or pursuant to the reasonable requirements of the Company's or such Subsidiary's business and, in each case, upon fair and reasonable terms no less favorable to the

Company or such Subsidiary than would be obtainable in a comparable arm's-length transaction with a Person not an Affiliate.

10.2 Merger, Consolidation, etc.

The Company will not, and will not permit any of its Subsidiaries to, consolidate with or merge with any other Person or convey, transfer or lease all or substantially all of its assets in a single transaction or series of transactions to any Person (except that, so long as no Default or Event of Default exists or would result therefrom, a Subsidiary of the Company may (x) consolidate with or merge with, or convey, transfer or lease all or substantially all of its assets in a single transaction or series of transactions to, the Company, another Subsidiary, or any other Person that will become, and in fact becomes, a Subsidiary immediately following the consummation of such merger, consolidation, conveyance, transfer or lease, so long as in each case involving a Guarantor, the survivor of such merger or consolidation or the transferee of such assets shall have assumed such Guarantor's obligations under the Guaranty Agreement (and to the extent the Guarantor is not the survivor or transferee, the Company shall cause the successor thereto to comply with clauses (a) and (b) of this Section 10.2 as if the Successor Company (as defined below) were the successor to such Guarantor) and (y) convey, transfer or lease all of its assets in compliance with the provisions of Section 10.3), provided that the foregoing restriction does not apply to the consolidation or merger of the Company with, or the conveyance, transfer or lease of substantially all of the assets of the Company in a single transaction or series of transactions to, any Person so long as:

(a) the successor formed by such consolidation or the survivor of such merger or the Person that acquires by conveyance, transfer or lease all or substantially all of the assets of the Company as an entirety, as the case may be (the "**Successor Company**"), will be a solvent corporation or limited liability company organized and existing under the laws of the United States of America, any State thereof or the District of Columbia;

(b) if the Company is not the Successor Company, such Successor Company will have executed and delivered to each holder of Notes its assumption of the due and punctual performance and observance of each covenant and condition of this Agreement and the Notes (pursuant to such agreements and instruments as shall be reasonably satisfactory to the Required Holders), and the Company will have caused to be delivered to each holder of Notes an opinion of nationally recognized independent counsel, or other independent counsel reasonably satisfactory to the Required Holders, to the effect that all agreements or instruments effecting such assumption are enforceable in accordance with their terms (except as enforcement of such terms may be limited by bankruptcy, insolvency, reorganization, moratorium and similar laws affecting the enforcement of creditors' rights generally and by general equitable principles);

(c) immediately after giving effect to such transaction:

(i) no Default or Event of Default would exist, and

(ii) the Successor Company would be permitted by the provisions of Section 10.8 hereof to incur at least \$1.00 of additional Indebtedness (determined

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on a pro forma basis based upon EBITDA for the four (4) fiscal quarter period most recently ended for which financial statements have been provided to holders of Notes); and

(d) each Guarantor confirms in writing its obligations under and pursuant to the Guaranty Agreement;

provided, however, that no such conveyance, transfer or lease of all or substantially all of the assets of the Company will have the effect of releasing the Company (or any Successor Company) from its liability under this Agreement or the Notes, or of releasing any Guarantor (or any successor) from its liability under the Guaranty Agreement.

10.3 Sale of Assets.

Except as permitted under Section 10.2, the Company will not, and will not permit any of its Subsidiaries to, make any Asset Disposition unless:

(a) in the good faith opinion of the Company, the Asset Disposition is in exchange for consideration having a Fair Market Value at least equal to that of the property exchanged and is in the best interest of the Company or such Subsidiary; and

(b) immediately after giving effect to the Asset Disposition, no Default or Event of Default would exist and the Company would be permitted by the provisions of Section 10.8 hereof to incur at least \$1.00 of additional Indebtedness (determined on a pro forma basis based upon EBITDA for the four (4) fiscal quarter period most recently ended for which financial statements have been provided to holders of Notes); and

(c) immediately after giving effect to the Asset Disposition, the Disposition Value of all property that was the subject of any Asset Disposition occurring during the then current fiscal year of the Company, would not exceed an amount equal to 15% of Consolidated Total Assets determined as of the end of the then most recently ended fiscal year of the Company.

If the Net Proceeds Amount from any Transfer is applied to a Debt Prepayment Application or a Property Reinvestment Application within 365 days after such Transfer, then such Transfer, only for the purpose of determining compliance with subsection (c) of this Section 10.3 as of any date, shall be deemed not to be an Asset Disposition as of the date of such application.

10.4 Line of Business.

The Company will not and will not permit any Subsidiary to engage in any business if, as a result, the general nature of the business in which the Company and its Subsidiaries, taken as a whole, would then be engaged would be substantially changed from the general nature of the business in which the Company and its Subsidiaries, taken as a whole, are engaged on the date of this Agreement as described in the Memorandum.

10.5 Terrorism Sanctions Regulations.

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The Company will not and will not permit any Controlled Entity (a) to become (including by virtue of being owned or controlled by a Blocked Person), own or control a Blocked Person or any Person that is the target of sanctions imposed by the United Nations or by the European Union, or (b) directly or indirectly to have any investment in or engage in any dealing or transaction (including, without limitation, any investment, dealing or transaction involving the proceeds of the Notes) with any Person if such investment, dealing or transaction (i) would cause any holder or any Affiliate of such holder to be in violation of, or subject to sanctions under, any law or regulation applicable to such holder, or (ii) is prohibited by or subject to sanctions under any U.S. Economic Sanctions.

10.6 Liens.

The Company will not, and will not permit any of its Subsidiaries to, create, incur, assume or permit to exist (upon the happening of a contingency or otherwise) any Lien on or with respect to any property or asset (including, without limitation, any document or instrument in respect of goods or accounts receivable) of the Company or any such Subsidiary, whether now owned or held or hereafter acquired, or any income or profits therefrom, except:

(a) Permitted Liens; and

(b) Liens in addition to those permitted by clause (a) of this Section 10.6, provided that at the time of incurrence of such other Liens and after giving effect thereto, (i) the total amount of Indebtedness secured by Liens pursuant to this clause (b) at no time exceeds an amount equal to 15% of Consolidated Net Worth and (ii) the Company is in compliance with the terms of Section 10.9.

10.7 Minimum Interest Coverage Ratio.

The Company will not permit, as of the end of each fiscal quarter, beginning with the fiscal quarter ending September 30, 2025, the ratio of (a) EBITDA to (b) Interest Expense, in each case for the period of four (4) consecutive fiscal quarters ending on the end of such fiscal quarter, to be less than 2.00 to 1.00.”

10.8 Maximum Leverage Ratio.

The Company and its consolidated Subsidiaries will not permit the ratio (the “**Leverage Ratio**”) of (a) (x) at any time the numerator of the leverage ratio covenant set forth in each Applicable Major Credit Facility is Consolidated Total Net Debt, Consolidated Total Net Debt, or (y) at any other time, Net Indebtedness to (b) EBITDA to be greater than (x) 4.0 to 1.0 during any Material Acquisition Period or (y) 3.5 to 1.0 at any other time. The Leverage Ratio will be calculated, in each case, determined as of the last day of each fiscal quarter of the Company based upon (i) for Net Indebtedness or Consolidated Total Net Debt (as applicable), Net Indebtedness or Consolidated Total Net Debt (as applicable) as of the last day of such fiscal quarter; and (ii) for EBITDA, the actual amount for the four (4) fiscal quarter period ending on such date.

10.9 Priority Debt.

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The Company will not at any time permit Priority Debt to exceed 15% of Consolidated Total Assets (determined as of the then most recently ended fiscal quarter of the Company).

10.10 Subsidiary Debt.

The Company will not at any time permit any Subsidiary to, create, incur, assume, guaranty, permit to exist or otherwise become or remain directly or indirectly liable with respect to any Indebtedness other than:

(a) Indebtedness of a Subsidiary outstanding as of March 31, 2018 as described on Schedule 5.15 and any extension, renewal or refunding thereof if the principal amount thereof is not increased in connection with such extension, renewal or refunding;

(b) Indebtedness of a Subsidiary owed to the Company or a Wholly-Owned Subsidiary;

(c) Guaranties by a Subsidiary of Indebtedness of another Subsidiary that is otherwise permitted under the terms of this Agreement;

(d) Indebtedness evidenced by (i) any Guaranty Agreement (as the same may be supplemented from time to time by any Guaranty Supplement) or (ii) any Guaranty of any Major Credit Facility so long as such Subsidiary has executed and delivered a Guaranty Agreement and the Company has complied with the provisions of Section 9.8 and Section 9.9;

(e) Indebtedness of a Subsidiary in connection with a Permitted Receivables Securitization program permitted pursuant to Section 10.11;

(f) Indebtedness of a Subsidiary outstanding at the time such Subsidiary becomes a Subsidiary provided that (i) such Indebtedness shall not have been incurred in contemplation of such Subsidiary becoming a Subsidiary and (ii) immediately after such Subsidiary becomes a Subsidiary no Default or Event of Default shall exist, and provided, further, that such Indebtedness may not be extended, renewed or refunded except as otherwise permitted by this Agreement; and

(g) additional Indebtedness of a Subsidiary; provided that on the date the Subsidiary incurs or otherwise becomes liable with respect to any such additional Indebtedness and immediately after giving effect thereto and to the application of the proceeds thereof,

(i) no Default or Event of Default shall exist;

(ii) such Indebtedness can be incurred within the applicable limitations provided in Sections 10.8 and 10.9; and

(iii) the total amount of all Indebtedness permitted under this Section 10.10(g) at no time exceeds an amount equal to 15% of Consolidated Total Assets (determined as of the then most recently ended fiscal quarter of the Company).

10.11 Permitted Receivables Securitization Program.

The Company will not, and will not permit any Subsidiary to, sell any Securitization Assets pursuant to a Permitted Receivables Securitization program or otherwise unless (a) immediately before and after giving effect to such sale, no Default or Event of Default exists, (b) after giving effect to such sale, the aggregate outstanding face amount of Securitization Assets sold by the Company or a Subsidiary pursuant to a Permitted Receivables Securitization program does not exceed \$200,000,000 (or its equivalent in other currencies) and (c) immediately after giving effect to such sale, the Company would be permitted by the provisions of Section 10.8 hereof to incur at least \$1.00 of additional Indebtedness (determined on a pro forma basis based upon EBITDA for the four (4) fiscal quarter period most recently ended for which financial statements have been provided to holders of Notes).

11. EVENTS OF DEFAULT.

An “**Event of Default**” shall exist if any of the following conditions or events shall occur and be continuing:

(a) the Company defaults in the payment of any principal or Make-Whole Amount, if any, on any Note or any Guarantor defaults in the payment under the Guaranty Agreement when the same becomes due and payable, whether at maturity or at a date fixed for prepayment or by declaration or otherwise; or

(b) the Company defaults in the payment of any interest on any Note for more than five (5) Business Days after the same becomes due and payable; or

(c) the Company defaults in the performance of or compliance with any term contained in Section 7.1(d) or Section 10; or

(d) the Company defaults in the performance of or compliance with any term contained herein (other than those referred to in Sections 11(a), (b) and (c)) and such default is not remedied within thirty (30) days after the earlier of (i) a Responsible Officer obtaining actual knowledge of such default and (ii) the Company receiving written notice of such default from any holder of a Note (any such written notice to be identified as a “notice of default” and to refer specifically to this Section 11(d)); or

(e) (i) any representation or warranty made in writing by or on behalf of the Company or by any officer of the Company in this Agreement or in any writing furnished in connection with the transactions contemplated hereby proves to have been false or incorrect in any material respect on the date as of which made, or (ii) any representation or warranty made in writing by or on behalf of any Guarantor or by any officer of such Guarantor in any Guaranty Agreement or any writing furnished in connection with such Guaranty Agreement proves to have been false or incorrect in any material respect on the date as of which made; or

(f) (i) the Company or any Significant Subsidiary is in default (as principal or as guarantor or other surety) in the payment of any principal of or premium or make-whole amount or interest on any Indebtedness that is outstanding in an aggregate principal amount

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of at least \$60,000,000 beyond any period of grace provided with respect thereto, or (ii) the Company or any Significant Subsidiary is in default in the performance of or compliance with any Material Covenant of any evidence of any Indebtedness in an aggregate outstanding principal amount of at least \$60,000,000, and as a consequence of such default such Indebtedness has become, or has been declared (or one or more Persons are entitled to declare such Indebtedness to be), due and payable before its stated maturity or before its regularly scheduled dates of payment, or (iii) the Company or any Significant Subsidiary is in default in the performance of or compliance with any term of any evidence of any Indebtedness in an aggregate outstanding principal amount of at least \$60,000,000 or any mortgage, indenture or other agreement relating thereto or any other condition exists, and as a consequence of such default or condition such Indebtedness has become, or has been declared, due and payable before its stated maturity or before its regularly scheduled dates of payment, or (iv) as a consequence of the occurrence or continuation of any event or condition (other than the passage of time or the right of the holder of Indebtedness to convert such Indebtedness into equity interests), (x) the Company or any Significant Subsidiary has become obligated to purchase or repay Indebtedness before its regular maturity or before its regularly scheduled dates of payment in an aggregate outstanding principal amount of at least \$60,000,000, or (y) one or more Persons have the right to require the Company or any Significant Subsidiary so to purchase or repay such Indebtedness as a result of a default in the performance of or compliance with any Material Covenant by the Company or any Significant Subsidiary; or

(g) the Company or any Significant Subsidiary (i) is generally not paying, or admits in writing its inability to pay, its debts as they become due, (ii) files, or consents by answer or otherwise to the filing against it of, a petition for relief or reorganization or arrangement or any other petition in bankruptcy, for liquidation or to take advantage of any bankruptcy, insolvency, reorganization, moratorium or other similar law of any jurisdiction, (iii) makes an assignment for the benefit of its creditors, (iv) consents to the appointment of a custodian, receiver, trustee or other officer with similar powers with respect to it or with respect to any substantial part of its property, (v) is adjudicated as insolvent or to be liquidated, or (vi) takes corporate action for the purpose of any of the foregoing; or

(h) a court or Governmental Authority of competent jurisdiction enters an order appointing, without consent by the Company or any of its Significant Subsidiaries, a custodian, receiver, trustee or other officer with similar powers with respect to it or with respect to any substantial part of its property, or constituting an order for relief or approving a petition for relief or reorganization or any other petition in bankruptcy or for liquidation or to take advantage of any bankruptcy or insolvency law of any jurisdiction, or ordering the dissolution, winding-up or liquidation of the Company or any of its Significant Subsidiaries, or any such petition shall be filed against the Company or any of its Significant Subsidiaries and such petition shall not be dismissed within sixty (60) days; or

(i) a final judgment or judgments for the payment of money aggregating in excess of \$60,000,000 are rendered against one or more of the Company and its Significant Subsidiaries (except to the extent covered by independent third party insurance as to which the insurer has acknowledged coverage) and which judgments are not, within sixty (60)

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days after entry thereof, bonded, discharged or stayed pending appeal, or are not discharged within sixty (60) days after the expiration of such stay; or

(j) if (i) any Plan subject to Title IV of ERISA or section 412 of the Code shall fail to satisfy the minimum funding standards of ERISA or the Code for any plan year or part thereof or a waiver of such standards or extension of any amortization period is sought or granted under section 412 of the Code, (ii) a notice of intent to terminate any Plan subject to Title IV of ERISA shall have been or is reasonably expected to be filed with the PBGC or the PBGC shall have instituted proceedings under ERISA section 4042 to terminate or appoint a trustee to administer any Plan or the PBGC shall have notified in writing the Company or any ERISA Affiliate that a Plan may become a subject of any such proceedings, (iii) the aggregate “amount of unfunded benefit liabilities” (within the meaning of section 4001(a)(18) of ERISA) under all Plans (other than Multiemployer Plans) subject to Title IV of ERISA, determined in accordance with Title IV of ERISA, shall exceed \$60,000,000, (iv) the aggregate present value of accrued benefit liabilities under all funded Non-U.S. Plans exceeds the aggregate current value of the assets of such Non-U.S. Plans allocable to such liabilities, (v) the Company or any ERISA Affiliate shall have incurred or is reasonably expected to incur any liability for the failure to comply with the provisions of Title I of ERISA or pursuant to Title IV of ERISA or the penalty or excise tax provisions of the Code relating to employee benefit plans, (vi) the Company or any ERISA Affiliate withdraws from any Multiemployer Plan, or (vii) the Company or any Subsidiary establishes or amends any employee welfare benefit plan that provides post-employment welfare benefits in a manner that would increase the liability of the Company or any Subsidiary thereunder, (viii) the Company or any Subsidiary fails to administer or maintain a Non-U.S. Plan in compliance with the requirements of any and all applicable laws, statutes, rules, regulations or court orders or any Non-U.S. Plan is involuntarily terminated or wound up, or (ix) the Company or any Subsidiary becomes subject to the imposition of a financial penalty (which for this purpose shall mean any tax, penalty or other liability, whether by way of indemnity or otherwise) with respect to one or more Non-U.S. Plans; and any such event or events described in clauses (i) through (ix) above, either individually or together with any other such event or events, could reasonably be expected to have a Material Adverse Effect; or

(k) (i) a default shall occur under the Guaranty Agreement and such default shall continue beyond the period of grace, if any, allowed with respect thereto or (ii) except as expressly permitted under Section 9.8(b), the Guaranty Agreement shall cease to be in full force and effect for any reason whatsoever with respect to one or more Guarantors, including, without limitation, a determination by any Governmental Authority or court that such agreement is invalid, void or unenforceable with respect to one or more Guarantors or any Guarantor shall contest or deny in writing the validity or enforceability of any of its obligations under the Guaranty Agreement.

As used in Section 11(j), the terms “employee benefit plan” and “employee welfare benefit plan” shall have the respective meanings assigned to such terms in section 3 of ERISA.

12. REMEDIES ON DEFAULT, ETC.

12.1 Acceleration.

(a) If an Event of Default with respect to the Company or any Guarantor described in Section 11(g) or (h) (other than an Event of Default described in clause (i) of Section 11(g) or described in clause (vi) of Section 11(g) by virtue of the fact that such clause encompasses clause (i) of Section 11(g)) has occurred, all the Notes then outstanding shall automatically become immediately due and payable.

(b) If any other Event of Default has occurred and is continuing, the Required Holders may at any time at their option, by notice or notices to the Company, declare all the Notes then outstanding to be immediately due and payable.

(c) If any Event of Default described in Section 11(a) or (b) has occurred and is continuing, any holder or holders of Notes at the time outstanding affected by such Event of Default may at any time, at its or their option, by notice or notices to the Company, declare all the Notes held by it or them to be immediately due and payable.

Upon any Notes becoming due and payable under this Section 12.1, whether automatically or by declaration, such Notes will forthwith mature and the entire unpaid principal amount of such Notes, plus (x) all accrued and unpaid interest thereon (including, but not limited to, interest accrued thereon at the applicable Default Rate upon the occurrence and during the continuance of an Event of Default) and (y) the applicable Make-Whole Amount, if any, determined in respect of such principal amount (to the full extent permitted by applicable law), as applicable, shall all be immediately due and payable, in each and every case without presentment, demand, protest or further notice, all of which are hereby waived. The Company acknowledges, and the parties hereto agree, that each holder of a Note has the right to maintain its investment in the Notes free from repayment by the Company (except as herein specifically provided for) and that the provision for payment of a Make-Whole Amount, if any, by the Company if the Notes are prepaid or are accelerated as a result of an Event of Default, is intended to provide compensation for the deprivation of such right under such circumstances.

12.2 Other Remedies.

If any Default or Event of Default has occurred and is continuing, and irrespective of whether any Notes have become or have been declared immediately due and payable under Section 12.1, the holder of any Note at the time outstanding may proceed to protect and enforce the rights of such holder by an action at law, suit in equity or other appropriate proceeding, whether for the specific performance of any agreement contained herein or in any Note or Guaranty Agreement, or for an injunction against a violation of any of the terms hereof or thereof, or in aid of the exercise of any power granted hereby or thereby or by law or otherwise.

12.3 Rescission.

At any time after any Notes have been declared due and payable pursuant to Section 12.1(b) or (c), the Required Holders, by written notice to the Company, may rescind and annul any such declaration and its consequences if (a) the Company has paid all overdue interest on the Notes, all principal of and Make-Whole Amount, if any, on any Notes that are due and payable and are unpaid other than by reason of such declaration, and all interest on such overdue principal and

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Make-Whole Amount, if any, and (to the extent permitted by applicable law) any overdue interest in respect of the Notes, at the applicable Default Rate, (b) neither the Company nor any other Person shall have paid any amounts which have become due solely by reason of such declaration, (c) all Events of Default and Defaults, other than non-payment of amounts that have become due solely by reason of such declaration, have been cured or have been waived pursuant to Section 17, and (d) no judgment or decree has been entered for the payment of any monies due pursuant hereto or to the Notes. No rescission and annulment under this Section 12.3 will extend to or affect any subsequent Event of Default or Default or impair any right consequent thereon.

12.4 No Waivers or Election of Remedies, Expenses, etc.

No course of dealing and no delay on the part of any holder of any Note in exercising any right, power or remedy shall operate as a waiver thereof or otherwise prejudice such holder's rights, powers or remedies. No right, power or remedy conferred by this Agreement, the Guaranty Agreement or by any Note upon any holder thereof shall be exclusive of any other right, power or remedy referred to herein or therein or now or hereafter available at law, in equity, by statute or otherwise. Without limiting the obligations of the Company under Section 15, the Company will pay to the holder of each Note on demand such further amount as shall be sufficient to cover all costs and expenses of such holder incurred in any enforcement or collection under this Section 12, including, without limitation, reasonable attorneys' fees, expenses and disbursements.

13. REGISTRATION; EXCHANGE; SUBSTITUTION OF NOTES.**13.1 Registration of Notes.**

The Company shall keep at its principal executive office a register for the registration and registration of transfers of Notes. The name and address of each holder of one or more Notes, each transfer thereof and the name and address of each transferee of one or more Notes shall be registered in such register. If any holder of one or more Notes is a nominee, then (a) the name and address of the beneficial owner of such Note or Notes shall also be registered in such register as an owner and holder thereof and (b) at any such beneficial owner's option, either such beneficial owner or its nominee may execute any amendment, waiver or consent pursuant to this Agreement. Prior to due presentment for registration of transfer, the Person in whose name any Note shall be registered shall be deemed and treated as the owner and holder thereof for all purposes hereof, and the Company shall not be affected by any notice or knowledge to the contrary. The Company shall give to any holder of a Note that is an Institutional Investor promptly upon request therefor, a complete and correct copy of the names and addresses of all registered holders of Notes.

13.2 Transfer and Exchange of Notes.

Upon surrender of any Note to the Company at the address and to the attention of the designated officer (all as specified in Section 18(iii)), for registration of transfer or exchange (and in the case of a surrender for registration of transfer accompanied by a written instrument of transfer duly executed by the registered holder of such Note or such holder's attorney duly authorized in writing and accompanied by the relevant name, address and other information for notices of each transferee of such Note or part thereof), within ten Business Days thereafter, the Company shall execute and deliver, at the Company's expense (except as provided below), one or

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more new Notes of the same Series (as requested by the holder thereof) in exchange therefor, in an aggregate principal amount equal to the unpaid principal amount of the surrendered Note. Each such new Note shall be payable to such Person as such holder may request and, in the case of a Series P Note shall be substantially in the form of Exhibit 1(a), in the case of a Series Q Note shall be substantially in the form of Exhibit 1(b), in the case of a Series R Note shall be substantially in the form of Exhibit 1(c), in the case of a Series S Note shall be substantially in the form of Exhibit 1(d), and in the case of a Series T Note shall be substantially in the form of Exhibit 1(e). Each such new Note shall be dated and bear interest from the date to which interest shall have been paid on the surrendered Note or dated the date of the surrendered Note if no interest shall have been paid thereon. The Company may require payment of a sum sufficient to cover any stamp tax or governmental charge imposed in respect of any such transfer of Notes. Notes shall not be transferred in denominations of less than \$100,000, provided that if necessary to enable the registration of transfer by a holder of its entire holding of Notes of a Series, one Note of such Series may be in a denomination of less than \$100,000. Any transferee, by its acceptance of a Note registered in its name (or the name of its nominee), shall be deemed to have made the representation set forth in Section 6.3.

The Notes have not been registered under the Securities Act or under the securities laws of any state and may not be transferred or resold unless registered under the Securities Act and all applicable state securities laws or unless an exemption from the requirement for such registration is available.

13.3 Replacement of Notes.

Upon receipt by the Company at the address and to the attention of the designated officer (all as specified in Section 18(iii)) of evidence reasonably satisfactory to it of the ownership of and the loss, theft, destruction or mutilation of any Note (which evidence shall be, in the case of an Institutional Investor, notice from such Institutional Investor of such ownership and such loss, theft, destruction or mutilation), and

(a) in the case of loss, theft or destruction, of indemnity reasonably satisfactory to it (provided that if the holder of such Note is, or is a nominee for, an original Purchaser or another holder of a Note with a minimum net worth of at least \$50,000,000 or a Qualified Institutional Buyer, such Person's own unsecured agreement of indemnity shall be deemed to be satisfactory), or

(b) in the case of mutilation, upon surrender and cancellation thereof,

within fifteen (15) Business Days thereafter, the Company at its own expense shall execute and deliver, in lieu thereof, a new Note of the same Series, dated and bearing interest from the date to which interest shall have been paid on such lost, stolen, destroyed or mutilated Note or dated the date of such lost, stolen, destroyed or mutilated Note if no interest shall have been paid thereon.

14. PAYMENTS ON NOTES.**14.1 Place of Payment.**

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Subject to Section 14.2, payments of principal, Make-Whole Amount, if any, and interest becoming due and payable on the Notes shall be made in New York, New York at the principal office of Bank of America, N.A. in such jurisdiction. The Company may at any time, by notice to each holder of a Note, change the place of payment of the Notes so long as such place of payment shall be either the principal office of the Company in such jurisdiction or the principal office of a bank or trust company in such jurisdiction.

14.2 Home Office Payment.

So long as any Purchaser or its nominee shall be the holder of any Note, and notwithstanding anything contained in Section 14.1 or in such Note to the contrary, the Company will pay all sums becoming due on such Note for principal, Make-Whole Amount, if any, and interest by the method and at the address specified for such purpose below such Purchaser's name in Schedule A, or by such other commercially reasonable method or at such other address as such Purchaser shall have from time to time specified to the Company in writing for such purpose, without the presentation or surrender of such Note or the making of any notation thereon, except that upon written request of the Company made concurrently with or reasonably promptly after payment or prepayment in full of any Note, such Purchaser shall surrender such Note for cancellation, reasonably promptly after any such request, to the Company at its principal executive office or at the place of payment most recently designated by the Company pursuant to Section 14.1. Prior to any sale or other disposition of any Note held by a Purchaser or its nominee, such Purchaser will, at its election, either endorse thereon the amount of principal paid thereon and the last date to which interest has been paid thereon or surrender such Note to the Company in exchange for a new Note or Notes pursuant to Section 13.2. The Company will afford the benefits of this Section 14.2 to any Institutional Investor that is the direct or indirect transferee of any Note purchased by a Purchaser under this Agreement and that has made the same agreement relating to such Note as the Purchasers have made in this Section 14.2.

14.3 FATCA Information.

By acceptance of any Note, the holder of such Note agrees that such holder will with reasonable promptness duly complete and deliver to the Company, or to such other Person as may be reasonably requested by the Company, from time to time (a) in the case of any such holder that is a United States Person, such holder's United States tax identification number or other Forms reasonably requested by the Company necessary to establish such holder's status as a United States Person under FATCA and as may otherwise be necessary for the Company to comply with its obligations under FATCA and (b) in the case of any such holder that is not a United States Person, such documentation prescribed by applicable law (including as prescribed by section 1471(b)(3)(C)(i) of the Code) and such additional documentation as may be necessary for the Company to comply with its obligations under FATCA and to determine that such holder has complied with such holder's obligations under FATCA or to determine the amount (if any) to deduct and withhold from any such payment made to such holder. Nothing in this Section 14.3 shall require any holder to provide information that is confidential or proprietary to such holder unless the Company is required to obtain such information under FATCA and, in such event, the Company shall treat any such information it receives as confidential

15. EXPENSES, ETC.

15.1 Transaction Expenses.

Whether or not the transactions contemplated hereby are consummated, the Company will pay all costs and expenses (including reasonable attorneys' fees of a special counsel and, if reasonably required by the Required Holders, local or other counsel) incurred by the Purchasers and each other holder of a Note in connection with such transactions and in connection with any amendments, waivers or consents under or in respect of this Agreement, the Guaranty Agreement or the Notes (whether or not such amendment, waiver or consent becomes effective), including, without limitation: (a) the costs and expenses incurred in enforcing or defending (or determining whether or how to enforce or defend) any rights under this Agreement, the Guaranty Agreement or the Notes or in responding to any subpoena or other legal process or informal investigative demand issued in connection with this Agreement, the Guaranty Agreement or the Notes, or by reason of being a holder of any Note, (b) the costs and expenses, including financial advisors' fees, incurred in connection with the insolvency or bankruptcy of the Company or any Subsidiary or in connection with any work-out or restructuring of the transactions contemplated hereby, by the Guaranty Agreement and by the Notes and (c) the costs and expenses incurred in connection with the initial filing of this Agreement and all related documents and financial information with the SVO, provided that such costs and expenses under this clause (c) shall not exceed \$8,000.

The Company will pay, and will save each Purchaser and each other holder of a Note harmless from, (i) all claims in respect of any fees, costs or expenses, if any, of brokers and finders (other than those, if any, retained by a Purchaser or other holder in connection with its purchase of the Notes), (ii) any and all wire transfer fees that any bank or other financial institution deducts from any payment under such Note to such holder or otherwise charges to a holder of a Note with respect to a payment under such Note and (iii) any judgment, liability, claim, order, decree, fine, penalty, cost, fee, expense (including reasonable attorneys' fees and expenses) or obligation resulting from the consummation of the transactions contemplated hereby, including the use of the proceeds of the Notes by the Company.

15.2 Certain Taxes.

The Company agrees to pay all stamp, documentary or similar taxes or fees which may be payable in respect of the execution and delivery or the enforcement of this Agreement or the Guaranty Agreement or the execution and delivery (but not the transfer) or the enforcement of any of the Notes in the United States or any other jurisdiction where the Company or any Subsidiary Guarantor has assets or of any amendment of, or waiver or consent under or with respect to, this Agreement or the Guaranty Agreement or of any of the Notes, and to pay any value added tax due and payable in respect of reimbursement of costs and expenses by the Company pursuant to this Section 15, and will save each holder of a Note to the extent permitted by applicable law harmless against any loss or liability resulting from nonpayment or delay in payment of any such tax or fee required to be paid by the Company hereunder

15.3 Survival.

The obligations of the Company under this Section 15 will survive the payment or transfer of any Note, the enforcement, amendment or waiver of any provision of this Agreement, the

Guaranty Agreement or the Notes, and the termination of this Agreement or the Guaranty Agreement.

16. SURVIVAL OF REPRESENTATIONS AND WARRANTIES; ENTIRE AGREEMENT.

All representations and warranties contained herein shall survive the execution and delivery of this Agreement and the Notes, the purchase or transfer by any Purchaser of any Note or portion thereof or interest therein and the payment of any Note, and may be relied upon by any subsequent holder of a Note, regardless of any investigation made at any time by or on behalf of such Purchaser or any other holder of a Note. All statements contained in any certificate or other instrument delivered by or on behalf of the Company or any Guarantor pursuant to this Agreement or the Guaranty Agreement shall be deemed representations and warranties of the Company or such Guarantor under this Agreement or the Guaranty Agreement, as applicable. Subject to the preceding sentence, this Agreement, the Notes and the Guaranty Agreement embody the entire agreement and understanding between each Purchaser, the Company and the Guarantors and supersede all prior agreements and understandings relating to the subject matter hereof.

17. AMENDMENT AND WAIVER.

17.1 Requirements.

This Agreement and the Notes may be amended, and the observance of any term hereof or of the Notes may be waived (either retroactively or prospectively), with (and only with) the written consent of the Company and the Required Holders, except that (a) no amendment or waiver of any of the provisions of Section 1, 2, 3, 4, 5, 6 or 21 hereof, or any defined term (as it is used therein), will be effective as to any Purchaser unless consented to by such Purchaser in writing, and (b) no such amendment or waiver may, without the written consent of the holder of each Note at the time outstanding affected thereby, (i) subject to the provisions of Section 12 relating to acceleration or rescission, change the amount or time of any prepayment or payment of principal of, or reduce the rate or change the time of payment or method of computation of interest or of the Make-Whole Amount on, the Notes, (ii) change the percentage of the principal amount of the Notes the holders of which are required to consent to any amendment or waiver or the principal amount of the Notes that the Purchasers are to purchase pursuant to Section 2 upon the satisfaction of the conditions to Closing that appear in Section 4, or (iii) amend any of Sections 8, 11(a), 11(b), 12, 17 or 20. No Guarantor may be released from the Guaranty Agreement without the written consent of the holder of each Note at the time outstanding (other than in compliance with Section 9.8(b)). For purposes of Section 10 of the Intercreditor Agreement, the Required Holders shall constitute the requisite number of holders of Notes required under this Agreement to approve an amendment to or waiver of any provision of the Intercreditor Agreement or to consent to a departure by any Lender (as defined in the Intercreditor Agreement) therefrom. For purposes of Section 16 of the Intercreditor Agreement, (x) each of the holders of the Notes shall constitute the requisite parties under this Agreement to whom a Joinder Agreement (as defined in the Intercreditor Agreement) shall be executed and delivered by any New Creditor (as defined in the Intercreditor Agreement) and (y) with respect to the proviso to the first sentence of such Section 16, if any default, event of default or event of termination has occurred and is continuing under any of the Revolving Credit Agreement, the 2008 Note Agreement, the 2009 Note Agreement or any other applicable

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Financing Agreement (each such term as defined in the Intercreditor Agreement), the Required Holders shall constitute the requisite number of holders of Notes required under this Agreement to approve the addition of any other New Creditor (as defined in the Intercreditor Agreement).

17.2 Solicitation of Holders of Notes.

(a) Solicitation. The Company will provide each holder of a Note (irrespective of the amount of the Notes then owned by it) with sufficient information, sufficiently far in advance of the date a decision is required, to enable such holder to make an informed and considered decision with respect to any proposed amendment, waiver or consent in respect of any of the provisions hereof or of the Notes or the Guaranty Agreement. The Company will deliver executed or true and correct copies of each amendment, waiver or consent effected pursuant to this Section 17 or the Guaranty Agreement to each holder of a Note promptly following the date on which it is executed and delivered by, or receives the consent or approval of, the requisite holders of Notes.

(b) Payment. The Company will not directly or indirectly pay or cause to be paid any remuneration, whether by way of supplemental or additional interest, fee or otherwise, or grant any security or provide other credit support, to any holder of a Note as consideration for or as an inducement to the entering into by such holder of any waiver or amendment of any of the terms and provisions hereof or of any the Guaranty Agreement or any Note unless such remuneration is concurrently paid, or security is concurrently granted or other credit support concurrently provided, on the same terms, ratably to each holder of a Note even if such holder did not consent to such waiver or amendment.

(c) Consent in Contemplation of Transfer. Any consent given pursuant to this Section 17 or the Guaranty Agreement by a holder of a Note that has transferred or has agreed to transfer its Note to (i) the Company, (ii) any Subsidiary or any Affiliate or (iii) any other Person in connection with, or in anticipation of, such other Person acquiring, making a tender offer for or merging with the Company and/or any of its Affiliates, in each case in connection with such consent, shall be void and of no force or effect except solely as to such holder, and any amendments effected or waivers granted or to be effected or granted that would not have been or would not be so effected or granted but for such consent (and the consents of all other holders of Notes that were acquired under the same or similar conditions) shall be void and of no force or effect except solely as to such holder.

17.3 Binding Effect, etc.

Any amendment or waiver consented to as provided in this Section 17 or the Guaranty Agreement applies equally to all holders of Notes and is binding upon them and upon each future holder of any Note and upon the Company without regard to whether such Note has been marked to indicate such amendment or waiver. No such amendment or waiver will extend to or affect any obligation, covenant, agreement, Default or Event of Default not expressly amended or waived or impair any right consequent thereon. No course of dealing between the Company and any holder of a Note and no delay in exercising any rights hereunder or under any Note or the Guaranty Agreement shall operate as a waiver of any rights of any holder of such Note. As used herein, the

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term “this Agreement” and references thereto shall mean this Agreement as it may from time to time be amended or supplemented.

17.4 Notes Held by Company, etc.

Solely for the purpose of determining whether the holders of the requisite percentage of the aggregate principal amount of Notes then outstanding approved or consented to any amendment, waiver or consent to be given under this Agreement, the Guaranty Agreement or the Notes, or have directed the taking of any action provided herein or in the Guaranty Agreement or the Notes to be taken upon the direction of the holders of a specified percentage of the aggregate principal amount of Notes then outstanding, Notes directly or indirectly owned by the Company or any of its Affiliates shall be deemed not to be outstanding.

18. NOTICES.

All notices and communications provided for hereunder shall be in writing and sent (a) by telecopy if the sender on the same day sends a confirming copy of such notice by a recognized overnight delivery service (charges prepaid), or (b) by registered or certified mail with return receipt requested (postage prepaid), or (c) by a recognized overnight delivery service (with charges prepaid). Any such notice must be sent:

(i) if to any Purchaser or its nominee, to such Purchaser or nominee at the address specified for such communications in Schedule A, or at such other address as such Purchaser or nominee shall have specified to the Company in writing,

(ii) if to any other holder of any Note, to such holder at such address as such other holder shall have specified to the Company in writing, or

(iii) if to the Company, to the Company at its address set forth at the beginning hereof to the attention of the Chief Financial Officer, or at such other address as the Company shall have specified to the holder of each Note in writing.

Notices under this Section 18 will be deemed given only when actually received.

19. REPRODUCTION OF DOCUMENTS.

This Agreement and all documents relating hereto, including, without limitation, (a) consents, waivers and modifications that may hereafter be executed, (b) documents received by any Purchaser at the Closing (except the Notes themselves), and (c) financial statements, certificates and other information previously or hereafter furnished to any Purchaser, may be reproduced by such Purchaser by any photographic, photostatic, electronic, digital, or other similar process and such Purchaser may destroy any original document so reproduced. The Company agrees and stipulates that, to the extent permitted by applicable law, any such reproduction shall be admissible in evidence as the original itself in any judicial or administrative proceeding (whether or not the original is in existence and whether or not such reproduction was made by such Purchaser in the regular course of business) and any enlargement, facsimile or further reproduction of such reproduction shall likewise be admissible in evidence. This Section 19 shall not prohibit

the Company or any other holder of Notes from contesting any such reproduction to the same extent that it could contest the original, or from introducing evidence to demonstrate the inaccuracy of any such reproduction.

20. CONFIDENTIAL INFORMATION.

For the purposes of this Section 20, “Confidential Information” means information delivered to any Purchaser or any holder of a Note by or on behalf of the Company or any Subsidiary in connection with the transactions contemplated by or otherwise pursuant to this Agreement that is proprietary in nature and that was clearly marked or labeled or otherwise adequately identified when received by such Purchaser as being confidential information of the Company or such Subsidiary, provided that such term does not include information that (a) was publicly known or otherwise known to such Purchaser prior to the time of such disclosure, (b) subsequently becomes publicly known through no act or omission by such Purchaser or any Person acting on such Purchaser’s behalf, (c) otherwise becomes known to such Purchaser other than through disclosure by the Company or any Subsidiary or (d) constitutes financial statements delivered to such Purchaser under Section 7.1 that are otherwise publicly available. Each Purchaser will maintain the confidentiality of such Confidential Information in accordance with procedures adopted by such Purchaser in good faith to protect confidential information of third parties delivered to such Purchaser, provided that such Purchaser may deliver or disclose Confidential Information to (i) its directors, officers, employees, agents, attorneys, trustees and affiliates (to the extent such disclosure reasonably relates to the administration of the investment represented by its Notes), (ii) its financial advisors and other professional advisors who agree to hold confidential the Confidential Information substantially in accordance with the terms of this Section 20, (iii) any other holder of any Note, (iv) any Institutional Investor to which it sells or offers to sell such Note or any part thereof or any participation therein (if such Person has agreed in writing prior to its receipt of such Confidential Information to be bound by the provisions of this Section 20), (v) any Person from which it offers to purchase any Security of the Company (if such Person has agreed in writing prior to its receipt of such Confidential Information to be bound by the provisions of this Section 20), (vi) any federal or state regulatory authority having jurisdiction over such Purchaser, (vii) the NAIC or the SVO or, in each case, any similar organization, or any nationally recognized rating agency that requires access to information about such Purchaser’s investment portfolio, or (viii) any other Person to which such delivery or disclosure may be necessary or appropriate (w) to effect compliance with any law, rule, regulation or order applicable to such Purchaser, (x) in response to any subpoena or other legal process, (y) in connection with any litigation to which such Purchaser is a party or (z) if an Event of Default has occurred and is continuing, to the extent such Purchaser may reasonably determine such delivery and disclosure to be necessary or appropriate in the enforcement or for the protection of the rights and remedies under such Purchaser’s Notes, this Agreement or the Guaranty Agreement. Each holder of a Note, by its acceptance of a Note, will be deemed to have agreed to be bound by and to be entitled to the benefits of this Section 20 as though it were a party to this Agreement. On reasonable request by the Company in connection with the delivery to any holder of a Note of information required to be delivered to such holder under this Agreement or requested by such holder (other than a holder that is a party to this Agreement or its nominee), such holder will enter into an agreement with the Company embodying the provisions of this Section 20.

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In the event that as a condition to receiving access to information relating to the Company or its Subsidiaries in connection with the transactions contemplated by or otherwise pursuant to this Agreement, any Purchaser or holder of a Note is required to agree to a confidentiality undertaking (whether through IntraLinks, another secure website, a secure virtual workspace or otherwise) which is different from this Section 20, this Section 20 shall not be amended thereby and, as between such Purchaser or such holder and the Company, at the time of effectiveness of this Agreement, this Section 20 shall supersede any such other confidentiality undertaking, but only to the extent such undertakings are inconsistent.

21. SUBSTITUTION OF PURCHASER.

Each Purchaser shall have the right to substitute any one of its Affiliates as the purchaser of the Notes that it has agreed to purchase hereunder, by written notice to the Company, which notice shall be signed by both such Purchaser and such Affiliate, shall contain such Affiliate's agreement to be bound by this Agreement and shall contain a confirmation by such Affiliate of the accuracy with respect to it of the representations set forth in Section 6. Upon receipt of such notice, any reference to such Purchaser in this Agreement (other than in this Section 21), shall be deemed to refer to such Affiliate in lieu of such original Purchaser. In the event that such Affiliate is so substituted as a Purchaser hereunder and such Affiliate thereafter transfers to such original Purchaser all of the Notes then held by such Affiliate, upon receipt by the Company of notice of such transfer, any reference to such Affiliate as a "Purchaser" in this Agreement (other than in this Section 21), shall no longer be deemed to refer to such Affiliate, but shall refer to such original Purchaser, and such original Purchaser shall again have all the rights of an original holder of the Notes under this Agreement.

22. MISCELLANEOUS.**22.1 Successors and Assigns.**

All covenants and other agreements contained in this Agreement by or on behalf of any of the parties hereto bind and inure to the benefit of their respective successors and assigns (including, without limitation, any subsequent holder of a Note) whether so expressed or not, except that the Company may not assign or otherwise transfer any of its rights or obligations hereunder or under the Notes without the prior written consent of each holder (other than in connection with any transfer permitted under Section 10.2). Nothing in this Agreement, expressed or implied, shall be construed to confer upon any Person (other than the parties hereto and their respective successors and assigns permitted hereby) any legal or equitable right, remedy or claim under or by reason of this Agreement.

22.2 Payments Due on Non-Business Days.

Anything in this Agreement or the Notes to the contrary notwithstanding (but without limiting the requirement in Section 8.6 that the notice of any prepayment specify a Business Day as the date fixed for such prepayment), any payment of principal of or Make-Whole Amount or interest on any Note that is due on a date other than a Business Day shall be made on the next succeeding Business Day without including the additional days elapsed in the computation of the interest payable on such next succeeding Business Day; provided that if the maturity date of any

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Note is a date other than a Business Day, the payment otherwise due on such maturity date shall be made on the next succeeding Business Day and shall include the additional days elapsed in the computation of interest payable on such next succeeding Business Day.

22.3 Accounting Terms.

(a) All accounting terms used herein which are not expressly defined in this Agreement have the meanings respectively given to them in accordance with GAAP. Except as otherwise specifically provided herein, (i) all computations made pursuant to this Agreement shall be made in accordance with GAAP, and (ii) all financial statements shall be prepared in accordance with GAAP. For purposes of determining compliance with this Agreement (including, without limitation, Section 9, Section 10 and the definition of “Indebtedness”), any election by the Company to measure any financial liability using fair value (as permitted by Financial Accounting Standards Board Accounting Standards Codification Topic No. 825-10-25 – *Fair Value Option*, International Accounting Standard 39 – *Financial Instruments: Recognition and Measurement* or any similar accounting standard) shall be disregarded and such determination shall be made as if such election had not been made.

(b) If the Company notifies the holders of Notes that, in the Company’s reasonable opinion, or if the Required Holders notify the Company that, in the Required Holders’ reasonable opinion, as a result of changes in GAAP from time to time (“**Subsequent Changes**”), any of the covenants contained in Sections 10.6 through 10.10, or any of the defined terms used therein no longer apply as intended such that such covenants are materially more or less restrictive to the Company than are such covenants immediately prior to giving effect to such Subsequent Changes, the Company and the holders of Notes shall negotiate in good faith to reset or amend such covenants or defined terms so as to negate such Subsequent Changes, or to establish alternative covenants or defined terms. Until the Company and the Required Holders so expressly agree to reset, amend or establish alternative covenants or defined terms, the covenants contained in Sections 10.6 through 10.10, together with the relevant defined terms, shall continue to apply and compliance therewith shall be determined assuming that the Subsequent Changes shall not have occurred (“**Static GAAP**”). During any period that compliance with any covenants shall be determined pursuant to Static GAAP, the Company shall include relevant reconciliations in reasonable detail between GAAP and Static GAAP with respect to the applicable covenant compliance calculations contained in each certificate of a Senior Financial Officer delivered pursuant to Section 7.2(a) during such period.

22.4 Severability.

Any provision of this Agreement that is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof, and any such prohibition or unenforceability in any jurisdiction shall (to the full extent permitted by law) not invalidate or render unenforceable such provision in any other jurisdiction.

22.5 Construction, etc.

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Each covenant contained herein shall be construed (absent express provision to the contrary) as being independent of each other covenant contained herein, so that compliance with any one covenant shall not (absent such an express contrary provision) be deemed to excuse compliance with any other covenant. Where any provision herein refers to action to be taken by any Person, or which such Person is prohibited from taking, such provision shall be applicable whether such action is taken directly or indirectly by such Person.

Defined terms herein shall apply equally to the singular and plural forms of the terms defined. Whenever the context may require, any pronoun shall include the corresponding masculine, feminine and neuter forms. The words “include,” “includes” and “including” shall be deemed to be followed by the phrase “without limitation.” The word “will” shall be construed to have the same meaning and effect as the word “shall.” Unless the context requires otherwise (a) any definition of or reference to any agreement, instrument or other document herein shall be construed as referring to such agreement, instrument or other document as from time to time amended, supplemented or otherwise modified (subject to any restrictions on such amendments, supplements or modifications set forth herein) and, for purposes of the Notes, shall also include any such notes issued in substitution therefor pursuant to Section 13, (b) subject to Section 22.1, any reference herein to any Person shall be construed to include such Person’s successors and assigns, (c) the words “herein,” “hereof” and “hereunder,” and words of similar import, shall be construed to refer to this Agreement in its entirety and not to any particular provision hereof, (d) all references herein to Sections, Exhibits and Schedules shall be construed to refer to Sections of, and Exhibits and Schedules to, this Agreement, and (e) any reference to any law or regulation herein shall, unless otherwise specified, refer to such law or regulation as amended, modified or supplemented from time to time.

22.6 Counterparts.

This Agreement may be executed in any number of counterparts, each of which shall be an original but all of which together shall constitute one instrument. Each counterpart may consist of a number of copies hereof, each signed by less than all, but together signed by all, of the parties hereto.

22.7 Governing Law.

This Agreement shall be construed and enforced in accordance with, and the rights of the parties shall be governed by, the law of the State of New York excluding choice-of-law principles of the law of such State that would permit the application of the laws of a jurisdiction other than such State.

22.8 Jurisdiction and Process; Waiver of Jury Trial.

(a) The Company irrevocably submits to the non-exclusive jurisdiction of any New York State or federal court sitting in the Borough of Manhattan, The City of New York, over any suit, action or proceeding arising out of or relating to this Agreement or the Notes. To the fullest extent permitted by applicable law, the Company irrevocably waives and agrees not to assert, by way of motion, as a defense or otherwise, any claim that it is not subject to the jurisdiction of any such court, any objection that it may now or hereafter

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have to the laying of the venue of any such suit, action or proceeding brought in any such court and any claim that any such suit, action or proceeding brought in any such court has been brought in an inconvenient forum.

(b) The Company agrees, to the fullest extent permitted by applicable law, that a final judgment in any suit, action or proceeding of the nature referred to in Section 22.8(a) brought in any such court shall be conclusive and binding upon it subject to rights of appeal, as the case may be, and may be enforced in the courts of the United States of America or the State of New York (or any other courts to the jurisdiction of which it or any of its assets is or may be subject) by a suit upon such judgment.

(c) The Company consents to process being served by or on behalf of any holder of Notes in any suit, action or proceeding of the nature referred to in Section 22.8(a) by mailing a copy thereof by registered or certified mail (or any substantially similar form of mail), postage prepaid, return receipt requested, to it at its address specified in Section 18 or at such other address of which such holder shall then have been notified pursuant to said Section. The Company agrees that such service upon receipt (i) shall be deemed in every respect effective service of process upon it in any such suit, action or proceeding and (ii) shall, to the fullest extent permitted by applicable law, be taken and held to be valid personal service upon and personal delivery to it. Notices hereunder shall be conclusively presumed received as evidenced by a delivery receipt furnished by the United States Postal Service or any reputable commercial delivery service.

(d) Nothing in this Section 22.8 shall affect the right of any holder of a Note to serve process in any manner permitted by law, or limit any right that the holders of any of the Notes may have to bring proceedings against the Company in the courts of any appropriate jurisdiction or to enforce in any lawful manner a judgment obtained in one jurisdiction in any other jurisdiction.

(e) The parties hereto hereby waive trial by jury in any action brought on or with respect to this Agreement, the Guaranty Agreement the Notes or any other document executed in connection herewith or therewith.

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Schedule B**DEFINED TERMS**

As used herein, the following terms have the respective meanings set forth below or set forth in the Section hereof following such term:

“Acquisition” means any transaction, or any series of related transactions, consummated on or after the date of this Agreement, by which the Company or any of its Subsidiaries (other than transactions involving solely the Company and its Subsidiaries) (a) acquires all or substantially all of the assets of any firm, corporation, limited liability company or division thereof, whether through purchase of assets, merger or otherwise or (b) directly or indirectly acquires (in one transaction or as the most recent transaction in a series of transactions) at least a majority (in number of votes) of the Capital Stock of an entity which have ordinary voting power for the election of directors (other than securities having such power only by reason of the happening of a contingency) or a majority (by percentage of voting power) of the outstanding Equity Interests of another Person.

“Affiliate” means, at any time, and with respect to any Person, any other Person that at such time directly or indirectly through one or more intermediaries Controls, or is Controlled by, or is under common Control with, such first Person, and, with respect to the Company, shall include (a) any Person beneficially owning or holding, directly or indirectly, (i) 10% or more of any class of voting interests of the Company or any Subsidiary or (ii) non-voting equity interests of the Company or any Subsidiary if such Person’s non-voting equity interests in the Company or such Subsidiary comprise at least 10% of Consolidated Net Worth, and (b) any Person of which the Company and its Subsidiaries beneficially own or hold, in the aggregate, directly or indirectly, (i) 10% or more of any class of voting interests, or (ii) non-voting equity interests if the Company or such Subsidiary’s non-voting equity interests in such Person comprise at least 10% of the stockholders’ equity of such Person and its subsidiaries determined on a consolidated basis in accordance with GAAP. Unless the context otherwise clearly requires, any reference to an “Affiliate” is a reference to an Affiliate of the Company.

“Agreement” means this Note Purchase Agreement, including all Schedules and Exhibits attached hereto.

“Anti-Corruption Laws” is defined in Section 5.16(d).

“Anti-Money Laundering Laws” is defined in Section 5.16(c).

“Applicable Major Credit Facility” means a Major Credit Facility in respect of which the Company or any Guarantor is an obligor or otherwise provides a guarantee or other credit support.

“Applicable Rate” means:

(a) with respect to any Series P Note, (i) 5.02% per annum during any fiscal quarter following a fiscal quarter on the last day of which the Leverage Ratio is greater than 3.5 to 1.0 and (ii) 4.27% per annum at all other times,

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(b) with respect to any Series Q Note, (i) 5.10% per annum during any fiscal quarter following a fiscal quarter on the last day of which the Leverage Ratio is greater than 3.5 to 1.0 and (ii) 4.35% per annum at all other times,

(c) with respect to any Series R Note, (i) 5.16% per annum during any fiscal quarter following a fiscal quarter on the last day of which the Leverage Ratio is greater than 3.5 to 1.0 and (ii) 4.41% per annum at all other times,

(d) with respect to any Series S Note, (i) 5.21% per annum during any fiscal quarter following a fiscal quarter on the last day of which the Leverage Ratio is greater than 3.5 to 1.0 and (ii) 4.46% per annum at all other times, and

(e) with respect to any Series T Note, (i) 5.36% per annum during any fiscal quarter following a fiscal quarter on the last day of which the Leverage Ratio is greater than 3.5 to 1.0 and (ii) 4.61% per annum at all other times.

“**Asset Disposition**” means any Transfer except:

(a) any Transfer that is:

- (i) from a Subsidiary to the Company or another Subsidiary, and
- (ii) from the Company to a Subsidiary,

in each case so long as immediately before and immediately after the consummation of any such Transfer and after giving effect thereto, no Default or Event of Default exists;

(b) any Transfer made in the ordinary course of business and involving only property that is either (i) inventory held for sale or (ii) equipment, fixtures, supplies or materials no longer required in the operation of the business of the Company or any of its Subsidiaries or that is obsolete, damaged, or worn-out; and

(c) any Transfer made pursuant to a Permitted Receivables Securitization permitted pursuant to Section 10.11.

“**Blocked Person**” is defined in Section 5.16(a).

“**Business Day**” means (a) for the purposes of Section 8.8 only, any day other than a Saturday, a Sunday or a day on which commercial banks in New York, New York are required or authorized to be closed, and (b) for the purposes of any other provision of this Agreement, any day other than a Saturday, a Sunday or a day on which commercial banks in New York, New York or Chicago, Illinois are required or authorized to be closed.

“**Capital Lease**” means, at any time, a lease with respect to which the lessee is required concurrently to recognize the acquisition of an asset and the incurrence of a liability in accordance with GAAP.

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“**Capital Lease Obligations**” of a Person means the amount of the obligations of such Person under Capital Leases which would be capitalized on a balance sheet of such Person prepared in accordance with GAAP.

“**Capital Stock**” means (a) in the case of a corporation, corporate stock, (b) in the case of an association or business entity, any and all shares, interests, participations, rights or other equivalents (however designated) evidencing ownership thereof, (c) in the case of a limited liability company, membership interests, (d) in the case of a partnership, partnership interests (whether general or limited) and (e) any other interest or participation that confers on a Person the right to receive a share of the profits and losses of, or distributions of assets of, the issuing Person; provided, however, that “Capital Stock” shall not include any debt securities convertible into equity securities prior to such conversion.

“**Cash Equivalents**” means (a) marketable direct obligations issued or unconditionally guaranteed by the government of the United States of America and backed by the full faith and credit of the United States government; (b) domestic and Eurocurrency certificates of deposit and time deposits, bankers’ acceptances and floating rate certificates of deposit issued by any commercial bank organized under the laws of the United States, any state thereof, the District of Columbia, any foreign bank, or its branches or agencies, the long-term indebtedness of which institution at the time of acquisition is rated BBB (or better) by S&P or Fitch or Baa (or better) by Moody’s), and which certificates of deposit and time deposits are fully protected against currency fluctuations for any such deposits with a term of more than ninety (90) days; (c) shares of money market, mutual or similar funds having assets in excess of \$100,000,000 and the investments of which are limited to investment grade securities (i.e., securities rated BBB (or better) by S&P or Fitch or Baa (or better) by Moody’s); and (d) commercial paper of United States of America and foreign banks and bank holding companies and their subsidiaries and United States and foreign finance, commercial, industrial or utility companies which, at the time of acquisition, are rated A-2 (or better) by S&P, P-2 (or better) by Moody’s, or F-2 (or better) by Fitch; *provided* that the maturities of such Cash Equivalents (other than as described in clause (c) above) shall not exceed three hundred sixty-five (365) days from the date of acquisition thereof.

“**Change of Control**” shall be deemed to have occurred if any person (as such term is used in Section 13(d) and Section 14(d)(2) of the Exchange Act as in effect on the date hereof) or persons constituting a group (as such term is used in Rule 13d-5 under the Exchange Act), become the “beneficial owners” (as such term is used in Rule 13d-3 under the Exchange Act as in effect on the date hereof), directly or indirectly, of more than 50% of the total voting power of all classes then outstanding of the Company’s voting stock.

“**Closing**” is defined in Section 3.1.

“**Closing Guarantors**” is defined in Section 2.

“**Code**” means the Internal Revenue Code of 1986, as amended from time to time, and the rules and regulations promulgated thereunder from time to time.

“**Company**” is defined in the first paragraph of this Agreement.

“**Confidential Information**” is defined in Section 20.

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“Consolidated Net Worth” means the stockholders’ equity of the Company and its Subsidiaries determined on a consolidated basis in accordance with GAAP.

“Consolidated Total Assets” means the total assets of the Company and its Subsidiaries determined on a consolidated basis in accordance with GAAP.

“Consolidated Total Net Debt” means, as of any date of determination, the excess, if any, of (a) the aggregate principal amount of the types of Indebtedness described in clauses (a), (b), (d), (e) and (g) of the definition of “Indebtedness” of the Company and its Subsidiaries and, without duplication, Contingent Obligations of the Company and its Subsidiaries in respect of such Indebtedness of other Persons over (b) the Unrestricted Domestic Cash Amount as of such date.

“Contingent Obligation”, as applied to any Person, means any Contractual Obligation, contingent or otherwise, providing for the guaranty of, or having the same economic effect as providing a guaranty of, any Indebtedness of another or other obligation or liability of another, including, without limitation, any such Indebtedness, obligation or liability of another directly or indirectly guaranteed, endorsed (otherwise than for collection or deposit in the ordinary course of business), co-made or discounted or sold with recourse by that Person, or in respect of which that Person is otherwise directly or indirectly liable, including Contractual Obligations (contingent or otherwise) arising through any agreement to purchase, repurchase, or otherwise acquire such Indebtedness, obligation or liability or any security therefor, or to provide funds for the payment or discharge thereof (whether in the form of loans, advances, stock purchases, capital contributions or otherwise), or to maintain solvency, assets, level of income, or other financial condition, or to make payment other than for value received. The amount of any Contingent Obligation shall be equal to the amount of the obligation so guaranteed or otherwise supported in the case of known or recurring obligations and, in all other cases, the maximum reasonably anticipated liability in respect of the portion of the obligation so guaranteed or otherwise supported; *provided* that Contingent Obligations shall not include endorsements for collection in the ordinary course of business.

“Contractual Obligation”, as applied to any Person, means any provision of any equity or debt securities issued by that Person or any indenture, mortgage, deed of trust, security agreement, pledge agreement, guaranty, contract, undertaking, agreement or instrument, in any case in writing, to which that Person is a party or by which it or any of its properties is bound, or to which it or any of its properties is subject.

“Control” means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of a Person, whether through the ownership of voting securities, by contract or otherwise.

“Control Event” means:

- (a) the execution by the Company or any of its Subsidiaries or Affiliates of any agreement or letter of intent with respect to any proposed transaction or event or series of transactions or events which, individually or in the aggregate, may reasonably be expected to result in a Change of Control,

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(b) the execution of any written agreement which, when fully performed by the parties thereto, would result in a Change of Control, or

(c) the making of any written offer by any person (as such term is used in Section 13(d) and Section 14(d)(2) of the Exchange Act as in effect on the date hereof) or persons constituting a group (as such term is used in Rule 13d-5 under the Exchange Act as in effect on the date hereof) to the holders of the common stock of the Company, which offer, if accepted by the requisite number of holders, would result in a Change of Control.

“**Controlled Entity**” means (a) any of the Subsidiaries of the Company and any of their or the Company’s respective Controlled Affiliates and (b) if the Company has a parent company, such parent company and its Controlled Affiliates.

“**Debt Prepayment Application**” means, with respect to any Transfer of property, the application by the Company of cash in an amount equal to the Net Proceeds Amount with respect to such Transfer to pay Senior Indebtedness (other than (a) Indebtedness owing to the Company, any of the Company’s Subsidiaries or any Affiliate of the Company and (b) Indebtedness in respect of any revolving credit or similar credit facility providing the Company or any of its Subsidiaries with the right to obtain loans or other extensions of credit from time to time, except to the extent that in connection with such payment of Senior Indebtedness the availability of credit under such credit facility is permanently reduced by an amount not less than the amount of such proceeds applied to the payment of such Senior Indebtedness), *provided* that in the course of making such application the Company shall offer to prepay each outstanding Note, in accordance with Section 8.4, in a principal amount which equals the Ratable Portion of such Note in respect of such Transfer. If any holder of a Note rejects such offer of prepayment, then, for purposes of the preceding sentence only, the Company and the applicable Subsidiary nevertheless will be deemed to have paid Senior Indebtedness in an amount equal to the Ratable Portion of the holder of such Note in respect of such Transfer.

“**Debt Prepayment Transfer**” is defined in Section 8.4(a).

“**Default**” means an event or condition the occurrence or existence of which would, with the lapse of time or the giving of notice or both, become an Event of Default.

“**Default Rate**” means, with respect to any Note, that rate of interest that is the greater of (a) 2.00% per annum above the Applicable Rate with respect to such Note or (b) 2.00% per annum over the rate of interest publicly announced by JPMorgan Chase Bank, N.A. in New York, New York as its “base” or “prime” rate.

“**Disclosure Documents**” is defined in Section 5.3.

“**Disposition Value**” means, at any time, with respect to any property

(a) in the case of property that does not constitute Subsidiary Equity Interests, the book value thereof, valued at the time of such disposition in good faith by the Company, and

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(b) in the case of property that constitutes Subsidiary Equity Interests, an amount equal to that percentage of book value of the assets of the Subsidiary that issued such equity interests as is equal to the percentage that the book value of such Subsidiary Equity Interests represents of the book value of all of the outstanding equity interests of such Subsidiary (assuming, in making such calculations, that all Securities convertible into such equity interests are so converted and giving full effect to all transactions that would occur or be required in connection with such conversion) determined at the time of the disposition thereof, in good faith by the Company.

“Disqualified Stock” means any Capital Stock that, by its terms (or by the terms of any security into which it is convertible or for which it is exchangeable), or upon the happening of any event, matures or is mandatorily redeemable, pursuant to a sinking fund obligation or otherwise, or redeemable at the option of the holder thereof, in whole or in part, on or prior to the date that is ninety-one (91) days after the maturity date of the Series of Notes with the latest maturity.

“Dollars” or **“\$”** means the lawful money of the United States of America.

“EBITDA” means, for any period, on a consolidated basis for the Company and its Subsidiaries, the sum of the amounts for such period, without duplication, of (a) Net Income, plus (b) Interest Expense to the extent deducted in computing Net Income, plus (c) charges against income for foreign, federal, state and local taxes to the extent deducted in computing Net Income, plus (d) depreciation expense to the extent deducted in computing Net Income, plus (e) amortization expense, including, without limitation, amortization of goodwill and other intangible assets to the extent deducted in computing Net Income, plus (f) any unusual non-cash charges to the extent deducted in computing Net Income, plus (g) non-cash stock based compensation paid during such period to the extent deducted in computing Net Income plus (h) up to \$5,000,000 per consecutive four fiscal quarter period in transaction fees, costs and expenses incurred in connection with the consummation of any acquisition permitted hereunder (or any such acquisition proposed and not consummated); provided, that any such fees, costs or expenses are paid within six (6) months of the date incurred; provided further that this clause (h) shall only be effective at any time that each Applicable Major Credit Facility includes such clause (and such clause is effective therein) and shall otherwise have no effect, plus (i) costs, charges, accruals, reserves or expenses attributable to the undertaking and/or implementation of cost savings initiatives or operating expense reductions and similar initiatives, integration, transition, and other restructuring costs, charges, accruals, reserves and expenses (including costs related to the closure or consolidation of facilities and curtailments, consulting and other professional fees, signing costs, retention or completion bonuses, executive recruiting costs, relocation expenses, severance payments and modifications to, or losses on settlement of, pension and post-retirement employee benefit plans); provided that the aggregate amount included in EBITDA pursuant to this clause (i) during any period shall not exceed 10% of EBITDA in the aggregate for any consecutive four fiscal quarter period calculated prior to giving effect to any adjustment pursuant to this clause (i); provided further that this clause (i) shall only be effective at any time that each Applicable Major Credit Facility includes such clause (and such clause is effective therein) and shall otherwise have no effect, minus (j) any unusual non-cash gains to the extent added in computing Net Income. EBITDA shall be calculated on a pro forma basis giving effect to Material Acquisitions and Material Asset Dispositions on a four (4) fiscal quarter basis on the assumption that any such Material Acquisition or Material Asset Disposition shall be deemed to have occurred on the first

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day of the fourth full fiscal quarter preceding the date of determination, using historical financial statements containing reasonable adjustments satisfactory to the Required Holders, broken down by fiscal quarter in the Company's reasonable judgment. As used herein, "**Material Acquisition**" means one or more related Acquisitions the net consideration for which is in excess of \$20,000,000 individually or in the aggregate and "**Material Asset Disposition**" means any Asset Disposition or series of Asset Dispositions the Fair Market Value of which is equal to or greater than \$20,000,000 individually or in the aggregate.

"**Electronic Delivery**" is defined in Section 7.1(a).

"**Environmental Laws**" means any and all Federal, state, local, and foreign statutes, laws, regulations, ordinances, rules, judgments, orders, decrees, permits, concessions, grants, franchises, licenses, agreements or governmental restrictions relating to pollution and the protection of the environment or the release of any materials into the environment, including but not limited to those related to Hazardous Materials.

"**Equity Interests**" means Capital Stock and all warrants, options or other rights to acquire Capital Stock (but excluding any debt security that is convertible into, or exchangeable for, Capital Stock).

"**ERISA**" means the Employee Retirement Income Security Act of 1974, as amended from time to time, and the rules and regulations promulgated thereunder from time to time in effect.

"**ERISA Affiliate**" means any trade or business (whether or not incorporated) that is treated as a single employer together with the Company under section 414 of the Code.

"**Event of Default**" is defined in Section 11.

"**Exchange Act**" means the Securities Exchange Act of 1934, as amended.

"**Fair Market Value**" means, at any time and with respect to any property, the sale value of such property that would be realized in an arm's-length sale at such time between an informed and willing buyer and an informed and willing seller (neither being under a compulsion to buy or sell).

"**FATCA**" means (a) sections 1471 through 1474 of the Code, as of the date of this Agreement (or any amended or successor version that is substantively comparable and not materially more onerous to comply with), together with any current or future regulations or official interpretations thereof, (b) any treaty, law or regulation of any other jurisdiction, or relating to an intergovernmental agreement between the United States of America and any other jurisdiction, which (in either case) facilitates the implementation of the foregoing clause (a), and (c) any agreements entered into pursuant to section 1471(b)(1) of the Code.

"**Fitch**" means Fitch, Inc., together with its successors and assigns.

"**Foreign Borrowing**" is defined in Section 9.8(a).

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“**Foreign Subsidiary**” means any Subsidiary of the Company which is not organized under the laws of the United States of America, any State thereof or the District of Columbia.

“**Form 10-K**” is defined in Section 7.1(b).

“**Form 10-Q**” is defined in Section 7.1(a).

“**GAAP**” means generally accepted accounting principles as in effect from time to time in the United States of America.

“**Governmental Authority**” means

- (a) the government of
 - (i) the United States of America or any State or other political subdivision thereof, or
 - (ii) any other jurisdiction in which the Company or any Subsidiary conducts all or any part of its business, or which asserts jurisdiction over any properties of the Company or any Subsidiary, or
- (b) any entity exercising executive, legislative, judicial, regulatory or administrative functions of, or pertaining to, any such government.

“**Governmental Official**” means any governmental official or employee, employee of any foreign government-owned or controlled entity, political party, any official of a political party, candidate for political office, official of any foreign government, public international organization or anyone else acting in an official capacity for a foreign government.

“**Guarantor**” and “**Guarantors**” are defined in Section 2.

“**Guaranty**” means, with respect to any Person, any obligation (except the endorsement in the ordinary course of business of negotiable instruments for deposit or collection) of such Person guarantying or in effect guarantying any indebtedness, dividend or other obligation of any other Person in any manner, whether directly or indirectly, including (without limitation) obligations incurred through an agreement, contingent or otherwise, by such Person:

- (a) to purchase such indebtedness or obligation or any property constituting security therefor;
- (b) to advance or supply funds (i) for the purchase or payment of such indebtedness or obligation, or (ii) to maintain any working capital or other balance sheet condition or any income statement condition of any other Person or otherwise to advance or make available funds for the purchase or payment of such indebtedness or obligation;
- (c) to lease properties or to purchase properties or services primarily for the purpose of assuring the owner of such indebtedness or obligation of the ability of any other Person to make payment of the indebtedness or obligation; or

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(d) otherwise to assure the owner of such indebtedness or obligation against loss in respect thereof.

In any computation of the indebtedness or other liabilities of the obligor under any Guaranty, the indebtedness or other obligations that are the subject of such Guaranty shall be assumed to be direct obligations of such obligor.

“**Guaranty Agreement**” is defined in Section 2.

“**Guaranty Supplement**” is defined in Section 9.8(a).

“**Hazardous Material**” means any and all pollutants, toxic or hazardous wastes or other substances that might pose a hazard to health and safety, the removal of which may be required or the generation, manufacture, refining, production, processing, treatment, storage, handling, transportation, transfer, use, disposal, release, discharge, spillage, seepage or filtration of which is or shall be restricted, prohibited or penalized by any applicable law including, but not limited to, asbestos, urea formaldehyde foam insulation, polychlorinated biphenyls, petroleum, petroleum products, lead based paint, radon gas or similar restricted, prohibited or penalized substances.

“**Hedging Arrangements**” means agreements, devices or arrangements designed to protect at least one of the parties thereto from the fluctuations of interest rates, commodity prices, exchange rates or forward rates applicable to such party’s assets, liabilities or exchange transactions, including, but not limited to, dollar-denominated or cross-currency interest rate exchange agreements, forward currency exchange agreements, interest rate cap or collar protection agreements, forward rate currency or interest rate options, puts and warrants or any similar derivative transactions.

“**Hedging Obligations**” of a Person means any and all obligations of such Person, whether absolute or contingent and howsoever and whensoever created, arising, evidenced or acquired (including all renewals, extensions and modifications thereof and substitutions therefor), under (a) any and all Hedging Arrangements and (b) any and all cancellations, buy backs, reversals, terminations or assignments of any Hedging Arrangements.

“**holder**” means, with respect to any Note the Person in whose name such Note is registered in the register maintained by the Company pursuant to Section 13.1, provided, however, that if such Person is a nominee, then for the purposes of Sections 7, 12, 17.2 and 18 and any related definitions in this Schedule B, “holder” shall mean the beneficial owner of such Note whose name and address appears in such register..

“**Indebtedness**” of a Person means, without duplication, such Person’s:

(a) obligations for borrowed money, including, without limitation, subordinated indebtedness,

(b) obligations representing the deferred purchase price of property or services (other than accounts payable arising in the ordinary course of such Person’s business payable on terms customary in the trade and other than earn-outs or other similar forms of contingent purchase prices),

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- (c) obligations, whether or not assumed, secured by Liens on or payable out of the proceeds or production from property or assets now or hereafter owned or acquired by such Person,
- (d) obligations which are evidenced by notes, acceptances, or other instruments,
- (e) Capital Lease Obligations,
- (f) Contingent Obligations with respect to the Indebtedness of other Persons,
- (g) obligations with respect to letters of credit,
- (h) Off-Balance Sheet Liabilities,
- (i) Receivables Facility Attributed Indebtedness,
- (j) Disqualified Stock, and
- (k) net Hedging Obligations, calculated on a marked-to-market basis.

The amount of Indebtedness of any Person at any date shall be without duplication (i) the outstanding balance at such date of all unconditional obligations as described above and the maximum liability of any such Contingent Obligations at such date and (ii) in the case of Indebtedness of others secured by a Lien to which the property or assets owned or held by such Person is subject, the lesser of the Fair Market Value at such date of any asset subject to a Lien securing the Indebtedness of others and the amount of the Indebtedness secured.

“INHAM Exemption” is defined in Section 6.3(e).

“Institutional Investor” means (a) any Purchaser of a Note, (b) any holder of a Note holding (together with one or more of its affiliates) more than 5% of the aggregate principal amount of the Notes then outstanding, (c) any bank, trust company, savings and loan association or other financial institution, any pension plan, any investment company, any insurance company, any broker or dealer, or any other similar financial institution or entity, regardless of legal form, and (d) any Related Fund of any holder of any Note.

“Intercreditor Agreement” is defined in Section 9.9.

“Interest Expense” means, without duplication, for any period, the total interest expense of the Company and its consolidated Subsidiaries, whether paid or accrued (including the interest component of Capital Leases, commitment, facility and letter of credit fees, Off-Balance Sheet Liabilities and net payments or receipts (if any) pursuant to Hedging Arrangements relating to interest rate protection), all as determined in conformity with GAAP.

“Leverage Ratio” is defined in Section 10.8.

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“**Lien**” means, with respect to any Person, any mortgage, lien, pledge, charge, security interest or other encumbrance, or any interest or title of any vendor, lessor, lender or other secured party to or of such Person under any conditional sale or other title retention agreement or Capital Lease, upon or with respect to any property or asset of such Person (including in the case of stock, stockholder agreements, voting trust agreements and all similar arrangements).

“**Major Credit Facility**” means (a) the Revolving Facility, (b) the 2008 Note Purchase Agreement, (c) the 2009 Note Purchase Agreement, (d) the 2013 Note Purchase Agreement, (e) the 2016 Cross-Border Note Purchase Agreement, (f) the 2016 Note Purchase Agreement, and (g) any other credit, loan or borrowing facility or note purchase agreement by the Company or any Subsidiary providing, in each case, for the incurrence of Senior Indebtedness in a principal amount equal to or greater than \$75,000,000, in each case under clauses (a) through (g) as amended, restated, supplemented or otherwise modified and together with increases, refinancings and replacements thereof.

“**Make-Whole Amount**” is defined in Section 8.8.

“**Material**” means material in relation to the business, operations, affairs, financial condition, assets, properties, or prospects of the Company and its Subsidiaries taken as a whole.

“**Material Acquisition Amount**” means an amount equal to the greater of (a) \$50,000,000 and (b) the applicable dollar threshold amount for certain permitted acquisitions necessary to increase the leverage ratio applicable to the Company as set forth in the definition of “Leverage Ratio Increase Requirements” in the Revolving Facility.

“**Material Acquisition Period**” means each period of four (4) consecutive fiscal quarters of the Company commencing with the fiscal quarter in which one or more of the Company and any Subsidiary has consummated (a) one or more Acquisitions of equity interests in entities that become Subsidiaries upon such Acquisition or (b) one or more acquisitions from an entity of a business or a brand, if the consideration paid for such Acquisitions under clause (a) and/or (b) (including, without limitation, Indebtedness of the new Subsidiary and, without duplication, any Indebtedness of such entity that is assumed by any one or more of the Company and its Subsidiaries), taken together with the aggregate consideration (including assumed Indebtedness as aforesaid) paid for all other such Acquisitions consummated during the immediately preceding three (3) fiscal quarters of the Company, is equal to or greater than the Material Acquisition Amount; provided that a new Material Acquisition Period may not be commenced until such time as at least two (2) complete consecutive fiscal quarters have elapsed since the expiration of the last previous Material Acquisition Period.

“**Material Adverse Effect**” means a material adverse effect on (a) the business, operations, affairs, financial condition, assets or properties of the Company and its Subsidiaries taken as a whole, (b) the ability of the Company to perform its obligations under this Agreement and the Notes, (c) the ability of any Guarantor to perform its respective obligations under the Guaranty Agreement, or (d) the validity or enforceability of this Agreement, the Notes or the Guaranty Agreement.

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“**Material Covenant**” means any covenant or similar term contained in any evidence of any Indebtedness in respect of or that contains provisions that are the same as or similar to (or address the same topic as) the covenants set forth in Sections 10.2, 10.3, 10.6, 10.7, 10.8, 10.9 or 10.10 or any other financial covenant contained in such Indebtedness.

“**Memorandum**” is defined in Section 5.3.

“**Moody’s**” means Moody’s Investors Service, Inc., together with its successors and assigns.

“**MPC Products**” means MPC Products Corporation, an Illinois corporation.

“**Multiemployer Plan**” means any Plan that is a “multiemployer plan” (as such term is defined in section 4001(a)(3) of ERISA).

“**NAIC**” means the National Association of Insurance Commissioners or any successor thereto.

“**Net Income**” means, for any period, the net income (or loss) after taxes of the Company and its Subsidiaries on a consolidated basis for such period taken as a single accounting period determined in conformity with GAAP.

“**Net Indebtedness**” means, as of any date of determination, the excess, if any, of (a) Indebtedness of the Company and its consolidated Subsidiaries as of such date over (b) the Unrestricted Domestic Cash Amount as of such date.

“**Net Proceeds Amount**” means, with respect to any Transfer of any property by any Person, an amount equal to the difference of

(a) the aggregate amount of the consideration (valued at the Fair Market Value of such consideration at the time of the consummation of such Transfer) received by such Person in respect of such Transfer, minus

(b) all taxes actually paid on account of such Transfer and all ordinary and reasonable out-of-pocket costs and expenses actually incurred by such Person in connection with such Transfer.

“**Non-U.S. Plan**” means any plan, fund or other similar program that (a) is established or maintained outside the United States of America by the Company or any Subsidiary primarily for the benefit of employees of the Company or one or more Subsidiaries residing outside the United States of America, which plan, fund or other similar program provides, or results in, retirement income, a deferral of income in contemplation of retirement or payments to be made upon termination of employment, and (b) is not subject to ERISA or the Code.

“**Notes**” is defined in Section 1.

“**OFAC**” is defined in Section 5.16(a).

“**OFAC Listed Person**” is defined in Section 5.16(a).

“**OFAC Sanctions Program**” means any economic or trade sanction program that OFAC is responsible for administering and enforcing. A list of OFAC Sanctions Programs may be found at <http://www.treasury.gov/resource-center/sanctions/Programs/Pages/Programs.aspx>.

“**Off-Balance Sheet Liabilities**” of a Person means (a) any Receivables Facility Attributed Indebtedness and repurchase obligations or liabilities of such Person or any of its Subsidiaries with respect to Receivables or notes receivable sold by such Person or any of its Subsidiaries, (b) any liabilities of such Person or any of its Subsidiaries under any sale and leaseback transactions which do not create liabilities on the consolidated balance sheet of such Person, (c) any liabilities of such Person or any of its Subsidiaries under any financing lease or Synthetic Lease transaction, or (d) any obligations of such Person or any of its Subsidiaries arising with respect to any other transaction which is the functional equivalent of or takes the place of borrowing but which, in the case of the foregoing clauses (a) through (d), does not constitute a liability on the consolidated balance sheets of such Person and its Subsidiaries.

“**Officer’s Certificate**” means (a) with respect to the Company, a certificate of a Senior Financial Officer or of any other officer of the Company whose responsibilities extend to the subject matter of such certificate and (b) with respect to any Guarantor, a certificate of any officer of such Guarantor whose responsibilities extend to the subject matter of such certificate.

“**PBGC**” means the Pension Benefit Guaranty Corporation referred to and defined in ERISA or any successor thereto.

“**Permitted Liens**” means the following:

(a) Liens for taxes, assessments or other governmental charges which are not yet due and payable or the payment of which is not at the time required by Section 9.4;

(b) any attachment or judgment Lien, unless the judgment it secures shall not, within thirty (30) days after the entry thereof, have been discharged or execution thereof stayed pending appeal, or shall not have been discharged within thirty (30) days after the expiration of any such stay;

(c) statutory Liens of landlords and Liens of carriers, warehousemen, mechanics, materialmen and other similar Liens, in each case, incurred in the ordinary course of business for sums not yet due and payable;

(d) Liens (other than any Lien imposed by ERISA) incidental to the normal conduct of the business of the Company or any Subsidiary or the ownership of its property which are not incurred or made in connection with the incurrence of Indebtedness and which do not, individually or in the aggregate, materially impair the use of such property in the operation of the business of the Company and its Subsidiaries, taken as a whole, or the value of such property for the purposes of such business;

(e) leases or subleases granted to others, easements, encroachments, rights-of-way, licenses, reservations, covenants, utility easements, building restrictions, restrictions

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and other similar charges or encumbrances, in each case incidental to, and not interfering with, the ordinary conduct of the business of the Company or any of its Subsidiaries, and which do not in the aggregate materially impair the use of such property in the operation of the business of the Company and its Subsidiaries, taken as a whole, or the value of such property for the purposes of such business;

(f) minor survey exceptions and similar Liens, provided that such Liens do not, in the aggregate, materially detract from the value of such property in the operation of the business of the Company and its Subsidiaries;

(g) Liens on property or assets of the Company or any Subsidiary securing Indebtedness owing to the Company or another Subsidiary;

(h) Liens existing on the date of this Agreement and reflected in Schedule 10.6;

(i) any Liens existing on the property of a Person at the time such Person is merged into or consolidated with the Company or a Subsidiary or its becoming a Subsidiary or at the time of a sale, lease or other disposition of the properties of a Person as an entirety to the Company or a Subsidiary, or any Lien existing on any property acquired by the Company or any Subsidiary at the time such property is so acquired (whether or not the Indebtedness secured thereby shall have been assumed), provided that (w) such Liens were not incurred, extended or renewed in contemplation of such merger, consolidation or acquisition of property, (x) each such Lien shall attach solely to the assets so acquired or purchased, (y) the aggregate principal amount of Indebtedness secured by such Liens is otherwise permitted by the terms of this Agreement, and (z) the aggregate principal amount of Indebtedness secured by such Liens shall not exceed 100% of the Fair Market Value of the related property;

(j) Liens incurred after the date of this Agreement on any property acquired, improved or constructed by the Company or a Subsidiary and created contemporaneously with or within one hundred eighty (180) days of such acquisition, improvement or construction which secure all or any part of the purchase price or cost of construction or improvement of such property, provided that (i) any such Lien shall extend solely to the item or items of such property (or improvement thereon) so acquired or constructed and, if required by the terms of the instrument originally creating such Lien, other property (or improvement thereon) which is an improvement to or is acquired for specific use in connection with such acquired or constructed property (or improvement thereon) or which is real property being improved by such acquired or constructed property (or improvement thereon), (ii) the aggregate principal amount of Indebtedness secured by such Lien and all other Indebtedness secured by any other Lien on such property or such improvement does not exceed in the aggregate 100% of the lesser of (y) the cost of such property or improvement or (z) the Fair Market Value thereof at the time of incurrence, and (iii) all such Indebtedness is otherwise permitted by the terms of this Agreement;

(k) Liens incurred pursuant to a Permitted Receivables Securitization program, provided that such Permitted Receivables Securitization program is permitted pursuant to Section 10.11;

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(l) Liens (i) in favor of the holders of the Notes (or in favor of a collateral agent reasonably satisfactory to the Required Holders) created to secure the Indebtedness evidenced by this Agreement and the Notes pursuant to Section 9.8(c) and (ii) granted to secure the Indebtedness evidenced by any Major Credit Facility, in each case under clauses (i) and (ii) in compliance with Section 9.9; and

(m) any Lien renewing, extending or refunding any Lien permitted by clauses (h), (i) or (j) of this definition, provided that (i) the principal amount of Indebtedness secured by such Lien immediately prior to such extension, renewal or refunding is not increased or the maturity thereof reduced, (ii) such Lien is not extended to any other property, and (iii) immediately after such extension, renewal or refunding no Default or Event of Default would exist.

“Permitted Receivables Securitization” means a financing program providing for the sale or transfer of accounts receivable (and related assets) by the Company and its Subsidiaries, in transactions purporting to be sales (and treated as sales for GAAP purposes), to one or more limited purpose financing companies, special purpose entities and/or other financial institutions, in each case, on a limited recourse basis as to the Company and its Subsidiaries (not inconsistent with treatment as a sale for GAAP purposes).

“Person” means an individual, partnership, corporation, limited liability company, association, trust, unincorporated organization, business entity or Governmental Authority.

“Plan” means an “employee benefit plan” (as defined in section 3(3) of ERISA) subject to Title I of ERISA that is or, within the preceding five years, has been established or maintained, or to which contributions are or, within the preceding five years, have been made or required to be made, by the Company or any ERISA Affiliate or with respect to which the Company or any ERISA Affiliate may have any liability.

“Priority Debt” means (a) all unsecured Indebtedness of any Subsidiary other than Indebtedness permitted by clauses (a) through (f), inclusive, of Section 10.10, and (b) Indebtedness of the Company or any Subsidiary secured by Liens other than Permitted Liens.

“property” or “properties” means, unless otherwise specifically limited, real or personal property of any kind, tangible or intangible, choate or inchoate.

“Property Reinvestment Application” means, with respect to any Transfer of property, the application of an amount equal to the Net Proceeds Amount with respect to such Transfer to the acquisition by the Company or any Subsidiary of property of a similar nature (excluding, for the avoidance of doubt, cash and Cash Equivalents), and of at least equivalent Fair Market Value to the property so Transferred, to be used in the ordinary course of business of such Person.

“Proposed Prepayment Date” is defined in Section 8.3(b).

“PTE” is defined in Section 6.3(a).

“Purchaser” is defined in the first paragraph of this Agreement.

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“**QPAM Exemption**” is defined in Section 6.3(d).

“**Qualified Institutional Buyer**” means any Person who is a “qualified institutional buyer” within the meaning of such term as set forth in Rule 144A(a)(1) under the Securities Act.

“**Ratable Portion**” means, in respect of any holder of any Note and any Transfer contemplated by the definition of Debt Prepayment Application, an amount equal to the product of:

(a) the Net Proceeds Amount being offered to be applied to the payment of Senior Indebtedness, multiplied by

(b) a fraction, the numerator of which is the outstanding principal amount of such Note, and the denominator of which is the aggregate outstanding principal amount of all Senior Indebtedness at the time of such Transfer determined on a consolidated basis in accordance with GAAP.

“**Receivable(s)**” means and includes all of the Company’s and each Subsidiary’s presently existing and hereafter arising or acquired accounts, accounts receivable, and all present and future rights of the Company or such Subsidiary to payment for goods sold or leased or for services rendered in the ordinary course of the Company’s or such Subsidiary’s business (except those evidenced by instruments or chattel paper), whether or not they have been earned by performance, and all rights in any merchandise or goods which any of the same may represent, and all rights, title, security and guaranties with respect to each of the foregoing, including, without limitation, any right of stoppage in transit.

“**Receivables Facility Attributed Indebtedness**” means the amount of obligations outstanding under a receivables purchase facility on any date of determination that would be characterized as principal if such facility were structured as a secured lending transaction rather than as a purchase.

“**Related Fund**” means, with respect to any holder of any Note, any fund or entity that (a) invests in Securities or bank loans, and (b) is advised or managed by such holder, the same investment advisor as such holder or by an affiliate of such holder or such investment advisor.

“**Required Holders**” means, at any time, the holders of greater than 50% in principal amount of the Notes at the time outstanding (exclusive of Notes then owned by the Company or any of its Affiliates).

“**Responsible Officer**” means any Senior Financial Officer and any other officer of the Company with responsibility for the administration of the relevant portion of this Agreement.

“**Revolving Facility**” means that certain Credit Agreement, dated as of July 10, 2013, by and among the Company, as a borrower, the foreign subsidiary borrowers from time to time parties thereto, the institutions from time to time parties thereto as lenders, and Wells Fargo Bank, National Association, as administrative agent for itself and the other lenders, as amended by that certain Amendment No. 1 to Credit Agreement dated as of April 28, 2015 and that certain

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Amendment No. 2 to Credit Agreement dated as of March 30, 2018 and as such agreement may be further amended, restated, supplemented, modified, refinanced, extended or replaced.

“**S&P**” means S&P Global Ratings, together with its successors and assigns.

“**SEC**” means the Securities and Exchange Commission of the United States, or any successor thereto.

“**Second Amended and Restated Intercreditor Agreement**” means that certain Second Amended and Restated Intercreditor Agreement, dated as of July 10, 2013, by and among Wells Fargo Bank, National Association, as administrative agent for the lenders under the Revolving Facility, the holders of the notes issued pursuant to the 2008 Note Purchase Agreement, the holders of the notes issued pursuant to the 2009 Note Purchase Agreement, the holders of the notes issued pursuant to the 2013 Note Purchase Agreement, the holders of the notes issued pursuant to the 2016 Note Purchase Agreement, the holders of the notes issued pursuant to the 2016 Cross-Border Note Purchase Agreement, and each new creditor from time to time party thereto, as such agreement may be further amended, restated, supplemented, modified, refinanced, extended or replaced.

“**Securities**” or “**Security**” shall have the meaning specified in Section 2(a)(1) of the Securities Act.

“**Securities Act**” means the Securities Act of 1933, as amended from time to time, and the rules and regulations promulgated thereunder from time to time in effect.

“**Securitization Assets**” means all accounts receivable, general intangibles, instruments, documents, chattel paper and investment property (whether now existing or arising in the future) of the Company or any of its Subsidiaries which are sold or transferred pursuant to a Permitted Receivables Securitization, and any assets related thereto, including without limitation (a) all such assets constituting collateral given by any of the foregoing, (b) all such assets constituting contracts and all guaranties (but not by the Company or any of its Subsidiaries) or other obligations directly related to any of the foregoing, (c) other related assets set forth in the Securitization Documents, and (d) proceeds of all of the foregoing.

“**Securitization Documents**” means all documentation relating to any Permitted Receivables Securitization.

“**Senior Financial Officer**” means the chief financial officer, principal accounting officer, treasurer or comptroller of the Company.

“**Senior Indebtedness**” means all Indebtedness evidenced by the Notes and all other Indebtedness of the Company or its Subsidiaries for money borrowed ranking *pari passu* or senior in right of payment with the Indebtedness evidenced by the Notes and the Guaranty Agreement.

“**Series**” means any Series of Notes issued under this Agreement.

“**Series P Notes**” is defined in Section 1.

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“**Series Q Notes**” is defined in Section 1.

“**Series R Notes**” is defined in Section 1.

“**Series S Notes**” is defined in Section 1.

“**Series T Notes**” is defined in Section 1.

“**Significant Subsidiary**” means at any time any Subsidiary that would at such time constitute a “significant subsidiary” (as such term is defined in Regulation S-X of the SEC as in effect on the date hereof) of the Company.

“**Source**” is defined in Section 6.3.

“**Static GAAP**” is defined in Section 22.3(b).

“**Subsequent Changes**” is defined in Section 22.3(b).

“**Subsidiary**” means, as to any Person, any other Person in which such first Person or one or more of its Subsidiaries or such first Person and one or more of its Subsidiaries owns sufficient equity or voting interests to enable it or them (as a group) ordinarily, in the absence of contingencies, to elect a majority of the directors (or Persons performing similar functions) of such second Person, and any partnership or joint venture if more than a 50% interest in the profits or capital thereof is owned by such first Person or one or more of its Subsidiaries or such first Person and one or more of its Subsidiaries (unless such partnership or joint venture can and does ordinarily take major business actions without the prior approval of such Person or one or more of its Subsidiaries). Unless the context otherwise clearly requires, any reference to a “Subsidiary” is a reference to a Subsidiary of the Company.

“**Subsidiary Equity Interests**” means, with respect to any Person, the Capital Stock (or any options or warrants to purchase capital stock or similar equity interests or other Securities exchangeable for or convertible into Capital Stock) of any Subsidiary of such Person.

“**SVO**” means the Securities Valuation Office of the NAIC or any successor to such Office.

“**Synthetic Lease**” means, at any time, any lease (including leases that may be terminated by the lessee at any time) of any property (a) that is accounted for as an operating lease under GAAP and (b) in respect of which the lessee retains or obtains ownership of the property so leased for U.S. federal income tax purposes, other than any such lease under which such Person is the lessor.

“**Transfer**” means, with respect to any Person, any transaction in which such Person sells, conveys, transfers or leases (as lessor) any of its property, including, without limitation, Subsidiary Equity Interests. For purposes of determining the application of the Net Proceeds Amount in respect of any Transfer, the Company may designate any Transfer as one or more separate Transfers each yielding a separate Net Proceeds Amount; in any such case, the Disposition Value of any property subject to each such separate Transfer shall be determined by ratably allocating

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the aggregate Disposition Value of all property subject to such separate Transfers to each such separate Transfer on a proportionate basis.

“Transfer Prepayment Date” is defined in Section 8.4(a).

“Transfer Prepayment Offer” is defined in Section 8.4(a).

“2008 Note Purchase Agreement” means that certain Note Purchase Agreement, dated as of October 1, 2008, by and among the Company and the purchasers listed in Schedule A attached thereto, as amended by that certain Amendment No. 1 to Note Purchase Agreement dated as of October 1, 2013 and as such agreement may be further amended, restated, supplemented, modified, refinanced, extended or replaced.

“2009 Note Purchase Agreement” means that certain Note Purchase Agreement, dated as of April 3, 2009, by and among the Company and the purchasers listed in Schedule A attached thereto, as amended by that certain Amendment No. 1 to Note Purchase Agreement dated as of October 1, 2013 and as such agreement may be further amended, restated, supplemented, modified, refinanced, extended or replaced.

“2013 Note Purchase Agreement” means that certain Note Purchase Agreement, dated October 1, 2013, by and among the Company and the purchasers listed in Schedule A attached thereto, as amended by that certain Amendment No. 1 to Note Purchase Agreement dated as of May 31, 2018 and as such agreement may be further amended, restated, supplemented, modified, refinanced, extended or replaced.

“2016 Cross-Border Note Purchase Agreement” means that certain Note Purchase Agreement, dated September 23, 2016, by and among the Company, Woodward International Holding B.V. and the purchasers listed in Schedule A attached thereto, as amended by that certain Amendment No. 1 to Note Purchase Agreement dated as of May 31, 2018 and as such agreement may be further amended, restated, supplemented, modified, refinanced, extended or replaced.

“2016 Note Purchase Agreement” means that certain Note Purchase Agreement, dated September 23, 2016, by and among the Company and the purchasers listed in Schedule A attached thereto, as amended by that certain Amendment No. 1 to Note Purchase Agreement dated as of May 31, 2018 and as such agreement may be further amended, restated, supplemented, modified, refinanced, extended or replaced.

“Undisclosed Affiliate” means, at any time and with respect to the Company, any Person (a) that beneficially owns or holds, directly or indirectly, 10% or more of any class of voting or equity interests of the Company or (b) that is an Affiliate of any such Person; provided that, at such time, (i) in the case of clause (a), such Person shall not have given written notice to the Company of its 10% or greater holding in the Company and, in the case of clause (b), such Affiliate of such Person shall not have given the Company written notice of its affiliation to the Company and (ii) the Company shall not otherwise have knowledge of such holding or affiliation to the Company.

“Unrestricted Domestic Cash Amount” means, as of any date of determination, that portion of the Company’s and its consolidated Subsidiaries’ aggregate cash and Cash Equivalents

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in excess of \$10,000,000 that is (a) on deposit with one or more lenders under any Major Credit Facility in the United States of America and (b) not encumbered by or subject to any Lien (including, without limitation, any Lien permitted hereunder), setoff (other than (x) common law rights of setoff to the extent such cash and Cash Equivalents are subject to an intercreditor agreement as to the sharing of recoveries and setoffs in form and substance reasonably satisfactory to the Required Holders (it being acknowledged and agreed that, to the extent any cash and Cash Equivalents of the Company or any Subsidiary are subject to the agreements as to the sharing of recoveries and setoffs set forth in the Second Amended and Restated Intercreditor Agreement and the Company or such Subsidiary, each holder and the relevant depository bank are parties thereto, such cash and Cash Equivalents will not be excluded from the Unrestricted Domestic Cash Amount as a result of the existence of such setoff rights) and (y) ordinary course setoff rights of a depository bank arising under a bank depository agreement for customary fees, charges and other account-related expenses due to such depository bank thereunder), counterclaim, recoupment, defense or other right in favor of any Person; *provided*, however, that notwithstanding the actual amount of the Unrestricted Domestic Cash Amount, no more than \$20,000,000 of the Unrestricted Domestic Cash Amount may be deducted in the calculation of Net Indebtedness or Consolidated Total Net Debt.

“**U.S. Economic Sanctions**” is defined in Section 5.16(a).

“**USA PATRIOT Act**” means United States Public Law 107-56, Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism (USA PATRIOT ACT) Act of 2001, as amended from time to time, and the rules and regulations promulgated thereunder from time to time in effect.

“**Wholly-Owned Subsidiary**” means, at any time, any Subsidiary one hundred percent of the equity interests (except directors’ qualifying shares) and voting interests of which are owned by any one or more of the Company and the Company’s other Wholly-Owned Subsidiaries at such time.

“**Woodward FST**” means Woodward FST, Inc., a Delaware corporation.

“**Woodward HRT**” means Woodward HRT, Inc., a Delaware corporation.

Woodward, Inc.

OUTSIDE DIRECTOR COMPENSATION POLICY

(Effective October 1, 2025)

Woodward, Inc. (the “Company”) believes that the granting of equity and cash compensation to its members of the Board of Directors (the “Board,” and members of the Board, the “Directors”) represents an effective tool to attract, retain and fairly compensate Directors who are not employees of the Company (the “Outside Directors”). This Outside Director Compensation Policy, as amended effective October 1, 2025 (the “Policy”) is intended to formalize the Company’s policy regarding cash compensation and grants of equity to its Outside Directors. Unless otherwise defined herein, capitalized terms used in this Policy will have the meaning given such term in the Woodward, Inc. 2017 Omnibus Incentive Plan, as amended (the “Plan”). Each Outside Director will be solely responsible for any income tax obligations incurred as a result of the equity and cash payments received under this Policy. To the extent any provisions of the Policy are in conflict with the terms of any previously granted equity awards (such as the vesting schedule of such awards), the terms of such previously granted awards shall prevail.

1. CASH COMPENSATION*Annual Cash Retainer*

Each Outside Director will be paid an annual cash retainer in such amount as may be determined by the Board from time to time in accordance with Section 4, below. As of the date hereof, the annual cash retainer for each Outside Director has been established to be \$90,000. If an Outside Director serves for less than a full fiscal year, the retainer fee and the applicable additional annual cash retainers listed below will be pro-rated on a monthly basis based on the calendar months such Outside Director serves on the Board for such fiscal year.

Additional Annual Cash Retainers

Each Outside Director who serves as a member of a committee of the Board or as the Lead Director will be paid additional annual fees as follows:

Lead Director	\$30,000
Audit Committee – Chair	\$23,000
Audit Committee – Non-Chair Members	\$13,000
Human Capital and Compensation Committee – Chair	\$16,000
Human Capital and Compensation Committee – Non-Chair Members	\$ 7,500
Nominating & Governance Committee – Chair	\$16,000
Nominating & Governance Committee – Non-Chair Members	\$ 7,500

Annual, Lead Director, and Committee membership retainers are paid in four equal quarterly installments. Directors do not receive additional compensation for individual Board or Committee meetings held.

The Board in its discretion may change and otherwise revise the terms of the cash compensation granted under this Policy, including without limitation the amount of cash compensation to be paid.

2. EQUITY COMPENSATION

Outside Directors will be entitled to receive all types of Awards (except Incentive Stock Options) under the Plan (or the applicable equity plan in place at the time of grant), including discretionary Awards not covered under this Policy. All grants of Awards to Outside Directors pursuant to Section 2 of this Policy (each, a "Policy Grant") will be automatic and nondiscretionary, except as otherwise provided herein, and will be made in accordance with the following provisions:

- a. Annual Grant. Outside Directors are annually awarded equity compensation on the first day of the Company's fiscal year with a Grant Date fair value of \$155,000 (the "Annual Director Grant"). Each Outside Director shall elect, on an annual basis, whether their Annual Director Grant is to be comprised of (i) 100% non-qualified stock options ("options"), (ii) 100% restricted stock units ("RSUs"), or (iii) 50% options and 50% RSUs.
 - b. Initial Grant. In the event an Outside Director is appointed to the Board at any time other than as of the first day of the Company's fiscal year, such Outside Director shall be entitled to receive an initial, interim grant (the "Initial Grant") comprised of 100% RSUs. The Initial Grant shall have a Grant Date fair value equal to the Grant Date fair value of the Annual Director Grant that immediately preceded such Initial Grant, pro-rated on an annual basis for the number of days of service such Outside Director will serve until the anticipated date of the Company's next Annual Director Grant. The Grant Date for any Initial Grant shall be the earlier of (i) the date of the Company's next regularly scheduled quarterly grant date (for its employee participants) following the Outside Director's appointment to the Board, and (ii) the date of the next Annual Director Grant. For the avoidance of doubt, any Initial Grant shall be in addition to and not in lieu of the next Annual Director Grant for such Outside Director.
 - c. Calculation of Awards. The number of options, if any, awarded to an Outside Director in the Annual Director Grant shall be based on the Grant Date fair value of the option award divided by the Black-Scholes value of an option as calculated by the Company at or near the Grant Date. The number of RSUs, if any, awarded to an Outside Director in the Annual Director Grant or any Initial Grant shall be based on the Grant Date fair value of the RSU award divided by the closing price of the Company's stock price as quoted by Nasdaq on the effective Grant Date.
 - d. No Discretion. Unless otherwise determined by the Board, no person will have any discretion to select which Outside Directors will be granted an Initial Grant or Annual Director Grant under this Policy or to determine the number of options and/or RSUs to be covered by such Initial Grant or Annual Director Grant, as applicable (except as provided in Sections 7 and 10 below).
 - e. Grant Date Must be a Nasdaq Trading Day. If the contemplated Grant Date for any Annual Director Grant or Initial Grant is not a Nasdaq trading day, the effective Grant Date of such award shall be the next day that is a Nasdaq trading day.
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- f. Terms. The exercise price of any options awarded will be determined on the Grant Date and will be equal to the closing price of the Company's stock as quoted on Nasdaq on that day. All options and RSUs granted pursuant to this Policy will fully vest on the first anniversary of the Grant Date, subject to certain limited exceptions set forth in the applicable award agreement. All stock options that vest will continue to be exercisable until the expiration of the options, regardless of whether the Outside Director departs the Board prior to such expiration. Each Policy Grant will be subject to the terms of the Company's applicable form Award Agreement for Outside Directors, as approved by the Human Capital and Compensation Committee from time to time. The applicable Award Agreements for Outside Directors will be included as exhibits to the Company's Annual Report on Form 10-K.

3. NON-QUALIFIED DEFERRED COMPENSATION PLAN

Our Outside Directors are eligible to participate in a non-qualified deferred compensation plan, the Woodward Executive Benefit Plan ("EBP"). Under the EBP, our Outside Directors are able to defer up to 100% of their cash compensation, including retainer fees, and any fees for participation as a committee member, committee chair, or Lead Director.

4. EVALUATION OF BOARD COMPENSATION PROGRAM

The Nominating & Governance Committee evaluates the market competitiveness of the Company's Board compensation program on an annual basis. As a part of such evaluation, the Nominating & Governance Committee commissions the Company's independent compensation consultant to conduct a competitive assessment of the Company's Board compensation program relative to market practice. Based on the results of the competitive assessment, the Nominating & Governance Committee recommends to the Board changes (if any) to the cash and/or equity compensation granted to Outside Directors, including any additional compensation paid for service as a member of a committee of the Board or as the Lead Director.

5. EXPENSES

All expenses reasonably incurred by each Outside Director in connection with such individual's services on the Board will be reimbursed by the Company.

6. ADDITIONAL PROVISIONS

Except as specifically described in this Policy, all provisions of the Plan will apply to Awards granted to Outside Directors.

7. ADJUSTMENTS

In accordance with the Plan, in the event that any dividend or other distribution (whether in the form of cash, Shares, other securities or other property), recapitalization, stock split, reverse stock split, reorganization, reincorporation, reclassification, merger, consolidation, split-up, spin-off, combination,

repurchase, or exchange of Shares or other securities of the Company or other change in the corporate structure of the Company affecting the Shares occurs, the Administrator, in order to prevent diminution or enlargement of the benefits or potential benefits intended to be made available under this Policy, will adjust the number and class of shares of stock that may be issued under this Policy and/or the number, class and price of shares of stock covered by each outstanding Award, and the numerical share limits applicable to Outside Directors in Sections 3 and 5 of Plan.

8. LIMITATIONS

As of the date of adoption of this Policy, the Plan provides that no Outside Director may be granted, in any Fiscal Year, Awards (the value of which will be based on their Grant Date fair value determined in accordance with generally accepted accounting principles) which, in the aggregate, exceed \$300,000, provided that such amount is increased to \$450,000 in the Fiscal Year of his or her initial service as an Outside Director. Any Awards or other compensation provided to an individual for his or her services as an Employee, or for his or her services as a Consultant other than as an Outside Director, will be excluded for purposes of the limitations in this Section 8.

9. SECTION 409A

Policy Grants and all payments made hereunder will be in accordance with the Plan, which as of the date of adoption of this Policy provides that they are to be designed and operated in such a manner that they are either exempt from the application of, or comply with, the requirements of Section 409A such that the grant, payment, settlement or deferral thereof, as applicable, will not be subject to the additional tax or interest applicable under Section 409A, except as otherwise determined in the sole discretion of the Administrator. This Policy, the Plan and each Award Agreement is intended to meet the requirements of Section 409A, to the extent applicable, and will be construed and interpreted in accordance with such intent, except as otherwise determined in the sole discretion of the Administrator. To the extent that a Policy Grant or other payment, or the settlement or deferral thereof, is subject to Section 409A, such grant or payment will be granted, paid, settled or deferred in a manner that will meet the requirements of Section 409A, such that the grant, payment, settlement or deferral will not be subject to the additional tax or interest applicable under Section 409A. In no event will the Company or other Employer have any obligation under this Policy or the Plan to reimburse an Outside Director for any taxes or other costs that may be imposed on an Outside Director as a result of Section 409A.

10. REVISIONS

The Board or any committee designated by the Board may amend, alter, suspend or terminate this Policy at any time and for any reason. No amendment, alteration, suspension or termination of this Policy will materially impair the rights of an Outside Director with respect to compensation that already has been paid or awarded, unless otherwise mutually agreed between the Outside Director and the Company. Termination or modification of this Policy will not affect the Board's or the Administrator's ability to exercise the powers granted to it under the Plan with respect to Awards granted under the Plan and pursuant to this Policy prior to the date of such termination or modification.

Woodward, Inc.

2017 Omnibus Incentive Plan

Non-Qualified Stock Option Grant Notice

Woodward, Inc., a Delaware corporation (the "Company"), hereby grants to the Participant an award of Non-Qualified Stock Options (the "Award" or "Options") under the Company's 2017 Omnibus Incentive Plan (the "Plan") in accordance with and subject to the terms and conditions of this Non-Qualified Stock Option Grant Notice (this "Grant Notice"), the Non-Qualified Stock Option Agreement (the "Agreement") and the Plan. Capitalized terms used but not defined herein shall have the meaning set forth in the Agreement or the Plan, as applicable, which are incorporated herein by reference.

Participant Name: _____

Grant Date: _____

Number of Options: _____

Exercise Price _____

Vesting of Options

Vesting Date	# of Options Vested

The Participant represents that he or she is familiar with the terms and provisions of this Grant Notice, the Agreement and the Plan, and by accepting this Award agrees to the terms and provisions hereof and thereof. The Participant has reviewed this Grant Notice, the Agreement and the Plan in their entirety, has had an opportunity to obtain the advice of counsel prior to accepting this Award and fully understands all provisions of this Grant Notice, the Agreement and the Plan.

Woodward, Inc.

2017 Omnibus Incentive Plan

Non-Qualified Stock Option Agreement

This Non-Qualified Stock Option Agreement (this "Agreement") is made between the Company and the Participant specified in the accompanying Grant Notice, effective as of the Grant Date set forth therein. References herein to this Agreement shall be deemed to include the Grant Notice unless the context clearly requires otherwise.

1. *Grant of Options.* The Company hereby grants to the Participant Options to purchase shares of Common Stock of the Company at the closing price on the Nasdaq stock market on the Grant Date described in the Grant Notice, subject to the terms and conditions of this Agreement and the Plan. The number and kind of Shares subject to these Options and the purchase price per share are subject to adjustment as provided in the Plan.

2. *Vesting of Options.* The Options shall vest as set forth in the Grant Notice.

3. *Exercise of Options.* Subject to the terms of the Plan and this Agreement, these Options may be exercised only by the Participant at such time as the Options become vested and remain exercisable pursuant to this Agreement. Except as otherwise provided below, these Options shall expire as of market close on the last trading day before the tenth (10th) anniversary of the Grant Date (the "expiration of the Options").

These Options shall be exercised by delivery of written notice (or, if permitted by the stock plan administrator, electronic notice) to the stock plan administrator stating the number of Shares with respect to which the Options are being exercised, together with full payment of the Exercise Price (including satisfaction of all Tax Obligations with respect to such exercise) and such other representations and/or agreements as may be required by the stock plan administrator pursuant to the provisions of the Plan. Payment of the Exercise Price shall be made such manner as determined by the Administrator (or its delegate) under the Plan.

4. *Termination as a Service Provider.*

- A. Termination for Reason Other Than Retirement, Death, Disability or for Cause. Subject to the limited exceptions set forth in this Agreement, if the Participant's ceases to be a Service Provider for any reason other than Retirement, death, Disability or for Cause before the Participant vests in any portion of the Options granted hereunder, then the Options that are not vested and exercisable on the date of the Participant's termination as a Service Provider shall immediately terminate and be forfeited notwithstanding the expiration of the Options described above ("lapse"). Further, the vested Options granted hereunder shall lapse to the extent unexercised on the earlier of the expiration of the Options or as of market close on the date three (3) months following the date of such termination.

- B. Termination While Retirement Eligible. If the Participant ceases to be a Service Provider for any reason other than due to death, Disability, or a termination by the Company for Cause while eligible for Retirement (as defined hereunder), the Options granted hereunder shall (i) continue to vest in accordance with the schedule set forth the Grant Notice (or earlier in the event of Death or Disability as provided below), and (ii) upon vesting (including any earlier vesting as a result of Death or Disability), continue to be exercisable until the expiration of the Options.

If the Participant is an Employee (including an Employee who subsequently becomes a Consultant), "Retirement" for purposes of this Agreement shall mean termination as a Service Provider, other than for "Cause", after achieving any of the following: (a) the Participant is at least age 55 with 10 years of service as a Service Provider, (b) the Participant is at least age 65 (with no minimum years of service requirement), or (c) the Participant first becomes an Employee when he or she is age 55 or older and the Participant thereafter achieves 2 or more years of service as a Service Provider. Notwithstanding any of the foregoing, the following shall be disregarded in determining the number of years of service completed for purposes of determining Retirement eligibility of the Participant: (A) any period of service as a Consultant prior to becoming an Employee; and (B) if a Participant terminates his or her employment with the Company and all affiliates and is subsequently reemployed by the Company or an affiliate following a period of 12 months or longer, any period of service completed prior to such termination. The definition of Retirement for purposes of this Agreement will not have any effect under other Company plans or programs.

- C. Death of Participant. If the Participant dies, whether while a Service Provider or after a termination while eligible for Retirement, (i) any portion of the Options not yet vested and exercisable will become immediately vested and exercisable on the date of the Participant's death, and (ii) the Options shall continue to be exercisable until the expiration of the Options and, for the avoidance of doubt, shall not lapse earlier on account of such death.
- D. Disability of Participant. If the Participant's status as a Service Provider is terminated by reason of Disability of the Participant (as determined by the Administrator), or if the Participant's status as a Service Provider was initially terminated while eligible for Retirement and the Participant subsequently suffers a Disability (as determined by the Administrator), (i) any portion of the Options not yet vested and exercisable will become immediately vested and exercisable on the date of the Participant's termination by reason of Disability or on the date of the Participant's Disability following a termination while eligible for Retirement, as the case may be, and (ii) the Options granted hereunder shall continue to be exercisable until the expiration of the Options and, for the avoidance of doubt, shall not lapse earlier on account of such Disability.
- E. Termination for Cause. If the Participant's status as a Service Provider is terminated for Cause, the Options shall lapse upon the earlier of (a) the expiration of the Options or (b) upon the earlier of the receipt by the Participant of notice of such termination as a Service Provider or the effective
-

date of such termination as a Service Provider. For purposes of this Agreement, "Cause" shall mean the occurrence, prior to any termination of a Participant's status as a Service Provider, of any one or more of the following: (i) the Participant's willful and continued failure to substantially perform the Participant's duties with the Company (other than any such failure resulting from the incapacity due to physical or mental illness), after a written demand for substantial performance is delivered to the Participant that specifically identifies the manner in which the Company (or in the case of the Company's officers, the Administrator) believes that the Participant has not substantially performed the Participant's duties, and the Participant has failed to remedy the situation within fifteen (15) business days of such written notice from the Committee, (ii) the Participant's commission of an act materially and demonstrably detrimental to the financial condition and/or goodwill of the Company or any of its subsidiaries, which act constitutes gross negligence or willful misconduct by the Participant in the performance of the Participant's material duties to the Company or any of its subsidiaries, (iii) the Participant's commission of any material act of dishonesty or breach of trust resulting or intended to result in material personal gain or enrichment of the Participant at the expense of the Company or any of its subsidiaries; or (iv) the Participant's conviction of a felony involving moral turpitude, but specifically excluding any conviction based entirely on vicarious liability. No act or failure to act will be considered "willful" unless it is done, or omitted to be done, by the Participant in bad faith or without reasonable belief that the Participant's action or omission was in the best interests of the Company.

5. *Change in Control.* Notwithstanding anything to the contrary in this Agreement, in the event of both (i) a Change in Control, and (ii) the termination of the Participant's status as a Service Provider with the Company (or any Parent or Subsidiary) or its successor without Cause or by the Participant for Good Reason (as defined below) within the time period beginning on the date that is three (3) months prior to the Change in Control and ending on the date that is twenty-four (24) months following a Change in Control, (A) any portion of the Options not yet vested and exercisable will become immediately vested and exercisable on the later of (x) the date of such termination, and (y) the date of such Change in Control, and (B) the Options granted hereunder shall continue to be exercisable until the expiration of the Options, subject to applicable federal and state securities laws.

For purposes of this Agreement, if the Participant is an Employee, "Good Reason" means without the Participant's express written consent, the occurrence of any one or more of the following (whether on account of a single action or a series of actions): (i) the material diminution in the Participant's authorities, duties or responsibilities as an employee of the Company, (ii) the Company's requiring the Participant to have a principal job location in excess of fifty (50) miles from the location of the Participant's principal job location at any time during the 12 month period immediately preceding the Change in Control, except for required travel on the Company's business to an extent substantially consistent with the Participant's then present business travel obligations, (iii) a reduction by the Company of the Participant's regular annual rate of pay which the Participant is receiving as base salary by more than 10%, (iv) a reduction by the Company of more than 10% in the Participant's overall compensation, including short and long term incentive compensation opportunities (including, but not limited to, equity compensation awards at target grant date fair value), employee benefits and retirement plans, policies, practices or other compensation arrangements in which the Participant participates, or (v) a material breach of this Agreement by the

Company. Unless the Participant becomes Disabled, the Participant's right to terminate employment for Good Reason shall not be affected by such person's incapacity due to physical or mental illness. A termination of employment by the Participant for one of the reasons set forth in subparagraphs (i) through (v), above, will not constitute "Good Reason" unless, within the 90 day period immediately following the occurrence of such Good Reason event, the Participant has given written notice to the Company specifying the event or events relied upon for such termination, the Company has not remedied such event or events within 30 days of the receipt of such notice, and the Participant resigns within six months following the occurrence of the Good Reason event or at such later time as the Participant and the Company mutually agree (it being understood that the parties consider any effects of Section 409A, if applicable, before reaching agreement).

6. *Assignment or Transfer.* These Options are not transferable except by will or by the laws of descent and distribution and shall be exercisable only by the Participant during the Participant's lifetime, unless otherwise authorized by the Administrator as set forth in the Plan. Upon any attempt to transfer, assign, pledge, hypothecate or otherwise dispose of these Options, or any right or privilege conferred hereby, or upon any attempted sale under any execution, attachment or similar process, these Options and any rights and privileges conferred hereby immediately will become null and void.

7. *Plan and Administrator.* The construction of the terms of this Agreement shall be controlled by the Plan and the rights of the Participant are subject to modification and termination in certain events as provided in the Plan. The Administrator's interpretations of and determinations under any of the provisions of the Plan or this Agreement shall be conclusive and binding upon the Participant and any person claiming under or through the Participant. Subject to Section 17.1 of the Plan, in the event of a conflict between the terms and conditions of the Plan and this Agreement, the terms and conditions of the Plan shall prevail. Neither the Administrator nor any person acting on behalf of the Administrator will be personally liable for any action, determination, or interpretation made in good faith with respect to the Plan or this Agreement.

8. *Compliance with Securities Laws.* These Options may not be exercised and no Shares shall be issued in respect hereof, unless in compliance with applicable federal and state securities laws. If an exemption from registration is not available under applicable federal and state securities laws, the Company shall have no obligation to file a registration statement. The Administrator may place any legends on Shares, require the Participant to deliver representations, place restrictions on resale or take such other actions as it determines necessary or appropriate to comply with federal and state securities laws.

9. *Notice.* All notices or other communication relating to this Agreement shall be in writing and shall be considered duly given when mailed or delivered to the party for whom it is intended at such address as may from time to time be designated by such party. All notices to the Company should be mailed to the attention of its Corporate Secretary at 1081 Woodward Way, Fort Collins, Colorado 80524, and all notices to the Participant may be given to the Participant personally or may be mailed to the Participant at the most recent address which the Participant has provided in writing to the Company.

10. *Consent to Electronic Delivery.* The Company may choose to deliver certain materials relating to the Plan in electronic form. By accepting this Option Award, the Participant agrees that the Company may deliver these materials in an electronic format. If at any time the Participant would prefer to receive paper copies of these documents, as the Participant is entitled to, the Company would be pleased to provide copies free of charge. Please contact the Company's stock plan administrator to request paper copies of these documents.

11. *Tax Treatment.* These Options are non-qualified stock options and shall not be treated as incentive stock options pursuant to Section 422 of the Internal Revenue Code of 1986, as amended. The Participant acknowledges that the tax treatment of these Options, the Shares subject to these Options or any events or transactions with respect thereto may be dependent upon various factors or events which are not determined by the Plan or this Agreement. Neither the Company nor the Administrator make any representations with respect to, and hereby disclaim all responsibility as to, such tax treatment.

12. *Tax Obligations.* The Company shall deduct or withhold, or require the Participant to remit to the Company, an amount sufficient to satisfy all Tax Obligations by all legal means, including, but not limited to, withholding from the Participant's wages, salary or other cash compensation, withholding from any cash proceeds (if any) received upon the sale of any Shares received in connection with the exercise of the Options and, at the time of payment, withholding Shares to meet Tax Obligations, up to the maximum statutory tax rates for the applicable jurisdictions, prior to the issuance and delivery of any Shares acquired by the exercise of the Options granted hereunder, in accordance with Section 16 of the Plan.

13. *Rights as Stockholder.* Neither the Participant nor any person claiming under or through the Participant will have any of the rights or privileges of a stockholder of the Company in respect of any Shares deliverable hereunder unless and until certificates representing such Shares (which may be in book entry form) will have been issued, recorded on the records of the Company or its transfer agents or registrars, and delivered to the Participant (including through electronic delivery to a brokerage account). After such issuance, recordation, and delivery, the Participant will have all the rights of a stockholder of the Company with respect to voting such Shares and receipt of dividends and distributions on such Shares.

14. *No Guarantee of Continued Service.* The Participant understands and agrees that this Agreement does not impact the right of the Company or any of its affiliates employing or engaging the services of the Participant to terminate or change the terms of the Participant's employment or other service at any time for any reason, with or without Cause. The Participant understands and agrees that the Participant's employment or other service with the Company or any of its affiliates is on an "at-will" basis.

15. *Beneficiary Designation.* The Participant may, from time to time, name any beneficiary or beneficiaries (who may be named contingently or successively) to whom any benefit under this Agreement is to be paid in case of the Participant's death before the Participant receives any or all of such benefit. Each such designation shall revoke all prior designations by the Participant and will be effective only when filed by the Participant in writing with the stock plan administrator during the Participant's lifetime. In the absence of any such designation, benefits remaining unpaid at the Participant's death shall be paid to the Participant's estate.

16. *Severability.* In the event any provision of this Agreement is held illegal or invalid for any reason, such illegality or invalidity shall not affect the remaining provisions of this Agreement, which shall nonetheless remain in full force and effect. Upon any determination that any provision is invalid, illegal or incapable of being enforced, such provision shall be modified to the extent necessary to render it valid, legal and enforceable while preserving its intent, or if such modification is not possible, by substituting therefor another provision that is legal and enforceable and that achieves substantially the same objective; provided, however, that if neither modification nor substitution is possible, then such provision shall be deemed severed from this Agreement without affecting the remaining provisions hereof.

17. *No Waiver.* Either party's failure to enforce any provision or provisions of this Agreement shall not in any way be construed as a waiver of any such provision or provisions, nor prevent that party from thereafter enforcing such provision or any other provision of this Agreement. The rights granted both parties herein are cumulative and shall not constitute a waiver of either party's right to assert all other legal remedies available to it under the circumstances.

18. *Successors and Assigns.* The Company may assign any of its rights under this Agreement to single or multiple assignees, and this Agreement shall inure to the benefit of the successors and assigns of the Company. Subject to the restrictions on transfer herein set forth, this Agreement shall be binding upon the Participant and his or her heirs, executors, administrators, successors and assigns. The rights and obligations of the Participant under this Agreement may only be assigned with the prior written consent of the Company.

19. *Captions.* Captions provided herein are for convenience only and are not to serve as a basis for interpretation or construction of this Agreement.

20. *Amendment, Suspension or Termination of the Plan.* The Participant understands that the Plan is discretionary in nature and may be amended, suspended or terminated by the Administrator at any time.

21. *Modifications to the Agreement.* Modifications to this Agreement can be made only in an express written contract executed by a duly authorized officer of the Company and the Participant. Notwithstanding anything to the contrary in the Plan or this Agreement, the Company reserves the right to revise this Agreement as it deems necessary or advisable, in its sole discretion and without the consent of the Participant, to comply with Section 409A or to otherwise avoid imposition of any additional tax or income recognition under Section 409A in connection with this Award of Options.

22. *Governing Law; Venue.* This Agreement shall be governed by the laws of the State of Delaware, excluding any conflicts or choice of law rule or principle that might otherwise refer construction or interpretation of this Agreement to the substantive law of another jurisdiction. For purposes of litigating any dispute that arises under these Options, this Agreement, or the Plan, the parties hereby submit to and consent to the jurisdiction of the State of Colorado, and agree that such litigation will be conducted in the courts of Denver County, Colorado, or the United States federal courts for the District of Colorado, and no other courts, where this Agreement is made and/or to be performed.

23. *Entire Agreement.* The Plan and this Agreement constitute the entire agreement of the parties with respect to the subject matter hereof and supersede in their entirety all prior undertakings and agreements of the Company and the Participant with respect to the subject matter hereof, and may not be modified adversely to the Participant's interest except by means of a writing signed by the Company and the Participant. For the avoidance of doubt, nothing in this Agreement shall be a basis for providing or calculating severance or similar pay, unless required by Applicable Laws. Notwithstanding the foregoing, (i) the terms of any Executive Severance and Change in Control Agreement (or similar agreement, plan or program) shall be incorporated into this Agreement to the extent necessary to give such arrangement effect, and (ii) any amounts payable under this Agreement are subject to any compensation recovery or clawback policy the Company may adopt from time to time to the extent covered by the terms and conditions of such policy.

Woodward, Inc.
2017 Omnibus Incentive Plan
Restricted Stock Unit Grant Notice

Woodward, Inc., a Delaware corporation (the “Company”), hereby grants to the Participant an award of Restricted Stock Units (the “Award” or “RSUs”) under the Company’s 2017 Omnibus Incentive Plan (the “Plan”) in accordance with and subject to the terms and conditions of this Restricted Stock Unit Grant Notice (this “Grant Notice”), the Restricted Stock Unit Agreement (the “Agreement”) and the Plan. Capitalized terms used but not defined herein shall have the meaning set forth in the Agreement or the Plan, as applicable, which are incorporated herein by reference.

Participant Name: _____

Grant Date: _____

Number of RSUs: _____

Vesting of RSUs

Vesting Date	# of RSUs Vested

The Participant represents that he or she is familiar with the terms and provisions of this Grant Notice, the Agreement and the Plan, and by accepting this Award agrees to the terms and provisions hereof and thereof. The Participant has reviewed this Grant Notice, the Agreement and the Plan in their entirety, has had an opportunity to obtain the advice of counsel prior to accepting this Award and fully understands all provisions of this Grant Notice, the Agreement and the Plan.

Woodward, Inc.
2017 Omnibus Incentive Plan
Restricted Stock Unit Agreement

This Restricted Stock Unit Agreement (this “Agreement”) is made between the Company and the Participant specified in the accompanying Grant Notice, effective as of the Grant Date set forth therein. References herein to this Agreement shall be deemed to include the Grant Notice unless the context clearly requires otherwise.

1. *Grant of RSUs.* The Company hereby grants to the Participant RSUs on the Grant Date, subject to the terms and conditions of this Agreement and the Plan. The number and kind of shares subject to this grant of RSUs are subject to adjustment as provided by the Plan.

2. *Vesting of RSUs.* The RSUs shall vest as set forth in the Grant Notice.

3. *Dividend Equivalents.* The Participant will have no rights as a holder of the Shares subject to the RSUs granted hereunder unless and until issued to the Participant in settlement of thereof. The vested RSUs, if any, will be credited with Dividend Equivalents. “Dividend Equivalents” shall mean the cash dividend the Participant would have received in connection with the aggregate of each vested RSU if the Shares subject to each such vested RSU had been held by the Participant between the Grant Date and the settlement date, all as determined by the Administrator. The Dividend Equivalents, if any, shall be deemed to be reinvested in additional Shares (which may thereafter accrue additional Dividend Equivalents). All Dividend Equivalents, if any, will vest and will otherwise be subject to the same conditions applicable to the underlying RSUs. Unless expressly provided otherwise, as used elsewhere in this Agreement “RSUs” shall include any Dividend Equivalents that have been credited to Participant.

4. *Termination as a Service Provider.*

A. Termination for Reason Other Than Retirement, Death, Disability or for Cause. Subject to the limited exceptions set forth in this Agreement, if the Participant ceases to be a Service Provider for any reason other than Retirement, death, Disability or for Cause before Participant vests in any portion of the RSUs granted hereunder, such portion of RSUs that remain unvested (and Participant’s right to acquire any corresponding Shares hereunder) shall immediately terminate.

B. Termination While Retirement Eligible. If the Participant ceases to be a Service Provider for any reason other than due to death, Disability or a termination by the Company for Cause while eligible for Retirement (as defined hereunder), the RSUs granted hereunder shall, subject to Sections 4(c) and 4(d) below, continue to vest in accordance with the schedule set forth in the Grant Notice.

If the Participant is an Employee (including an Employee who subsequently becomes a Consultant), “Retirement” for purposes of this Agreement shall mean termination as a Service Provider, other than for “Cause”, after achieving any of the following: (a) the Participant is at least age 55 with 10 years of service as a Service Provider, (b) the Participant is at least age 65 (with no minimum years of service requirement), or (c) the Participant first becomes an Employee when he or she is age 55 or older and the Participant thereafter achieves 2 or more years

of service as a Service Provider. Notwithstanding any of the foregoing, the following shall be disregarded in determining the number of years of service completed for purposes of determining Retirement eligibility of the Participant: (A) any period of service as a Consultant prior to becoming an Employee; and (B) if a Participant terminates his or her employment with the Company and all affiliates and is subsequently reemployed by the Company or an affiliate following a period of 12 months or longer, any period of service completed prior to such termination. The definition of Retirement for purposes of this Agreement will not have any effect under other Company plans or programs.

- C. Death of Participant. If the Participant dies, whether while a Service Provider or after a termination while eligible for Retirement, any portion of the RSUs not yet vested, will become immediately vested on the date of the Participant's death.
- D. Disability of Participant. If the Participant ceases to be a Service Provider by reason of Disability of the Participant (as determined by the Administrator), or if the Participant's status as a Service Provider was initially terminated while eligible for Retirement and the Participant subsequently suffers a Disability (as determined by the Administrator), any portion of the RSUs not yet vested, will become immediately vested on the date of the Participant's termination by reason of Disability or, provided such Disability constitutes a "disability" within the meaning of Section 409A (as defined below), on the date of the Participant's Disability following a termination while eligible for Retirement, as the case may be.
- E. Termination for Cause. If the Participant's status as a Service Provider is terminated for Cause, the RSUs shall be forfeited upon the earlier of the receipt by the Participant of notice of such termination of Service Provider status or the effective date of such termination of Service Provider status. For purposes of this Agreement, "Cause" shall mean the occurrence, prior to any termination of a Participant's status as a Service Provider, of any one or more of the following: (i) the Participant's willful and continued failure to substantially perform the Participant's duties with the Company (other than any such failure resulting from the incapacity due to physical or mental illness), after a written demand for substantial performance is delivered to the Participant that specifically identifies the manner in which the Company (or in the case of the Company's officers, the Administrator) believes that the Participant has not substantially performed the Participant's duties, and the Participant has failed to remedy the situation within fifteen (15) business days of such written notice from the Committee, (ii) the Participant's commission of an act materially and demonstrably detrimental to the financial condition and/or goodwill of the Company or any of its subsidiaries, which act constitutes gross negligence or willful misconduct by the Participant in the performance of the Participant's material duties to the Company or any of its subsidiaries, (iii) the Participant's commission of any material act of dishonesty or breach of trust resulting or intended to result in material personal gain or enrichment of the Participant at the expense of the Company or any of its subsidiaries; or (iv) the Participant's conviction of a felony involving moral

turpitude, but specifically excluding any conviction based entirely on vicarious liability. No act or failure to act will be considered "willful" unless it is done, or omitted to be done, by the Participant in bad faith or without reasonable belief that the Participant's action or omission was in the best interests of the Company.

5. *Change in Control.* Notwithstanding anything to the contrary in this Agreement, in the event of both (i) a Change in Control, and (ii) the termination of the Participant's status as a Service Provider with the Company (or any Parent or Subsidiary) or its successor without Cause or by the Participant for Good Reason (as defined below) within the time period beginning on the date that is three (3) months prior to the Change in Control and ending on the date that is twenty-four (24) months following a Change in Control, any portion of the RSUs not yet vested, will become immediately vested on the later of (A) the date of such termination and (B) the date of such Change in Control, subject in all cases to applicable federal and state securities laws.

For purposes of this Agreement, if the Participant is an Employee, then "Good Reason" means without the Participant's express written consent, the occurrence of any one or more of the following (whether on account of a single action or a series of actions): (i) the material diminution in the Participant's authorities, duties or responsibilities as an employee of the Company, (ii) the Company's requiring the Participant to have a principal job location in excess of fifty (50) miles from the location of the Participant's principal job location at any time during the 12 month period immediately preceding the Change in Control; except for required travel on the Company's business to an extent substantially consistent with the Participant's then present business travel obligations, (iii) a reduction by the Company of the Participant's regular annual rate of pay which the Participant is receiving as base salary by more than 10%, (iv) a reduction by the Company of more than 10% in the Participant's overall compensation, including short and long term incentive compensation opportunities (including, but not limited to, equity compensation awards at target grant date fair value), employee benefits and retirement plans, policies, practices or other compensation arrangements in which the Participant participates, or (v) a material breach of this Agreement by the Company. Unless the Participant becomes Disabled, the Participant's right to terminate employment for Good Reason shall not be affected by such person's incapacity due to physical or mental illness. A termination of employment by the Participant for one of the reasons set forth in subparagraphs (i) through (v), above, will not constitute "Good Reason" unless, within the 90 day period immediately following the occurrence of such Good Reason event, the Participant has given written notice to the Company specifying the event or events relied upon for such termination, the Company has not remedied such event or events within 30 days of the receipt of such notice and the Participant resigns within six months following the occurrence of the Good Reason event or at such later time as the Participant and the Company mutually agree (it being understood that the parties consider any effects of Section 409A, if applicable, before reaching agreement).

6. *Payment after Vesting.* Any RSUs (including Dividend Equivalents) that vest will be paid to the Participant (or in the event of the Participant's death, to his or her properly designated beneficiary or estate) in whole Shares. Such vested RSUs shall be paid in whole Shares as soon as practicable after the applicable Vesting Date, but in each such case within sixty (60) days following the applicable Vesting Date. In no event will the Participant be permitted, directly or indirectly, to specify the taxable year of payment of any RSUs payable under this Agreement.

7. *Assignment or Transfer.* Except to the limited extent provided in Section 18, this grant as it pertains to unvested RSUs, and the rights and privileges conferred thereby, will not be transferred, assigned, pledged or hypothecated in any way (whether by operation of law or otherwise) and will not be subject to sale under execution, attachment or similar process. Upon any attempt to transfer, assign,

pledge, hypothecate or otherwise dispose of any unvested RSUs, or any right or privilege conferred thereby, or upon any attempted sale under any execution, attachment or similar process, any unvested RSUs, and the rights and privileges conferred thereby, immediately will become null and void.

8. *Plan and Administrator.* The construction of the terms of this Agreement shall be controlled by the Plan and the rights of the Participant are subject to modification and termination in certain events as provided in the Plan. The Administrator's interpretations of and determinations under any of the provisions of the Plan or this Agreement shall be conclusive and binding upon the Participant and any person claiming under or through the Participant. Subject to Section 17.1 of the Plan, in the event of a conflict between the terms and conditions of the Plan and this Agreement, the terms and conditions of the Plan shall prevail. Neither the Administrator nor any person acting on behalf of the Administrator will be personally liable for any action, determination, or interpretation made in good faith with respect to the Plan or this Agreement.

9. *Compliance with Securities Laws.* No Shares shall be issued in respect of any RSUs, unless in compliance with applicable federal and state securities laws. If an exemption from registration is not available under applicable federal and state securities laws, the Company shall have no obligation to file a registration statement. The Administrator may place any legends on Shares, require the Participant to deliver representations, place restrictions on resale or take such other actions as it determines necessary or appropriate to comply with federal and state securities laws.

10. *Notice.* All notices or other communication relating to this Agreement shall be in writing and shall be considered duly given when mailed or delivered to the party for whom it is intended at such address as may from time to time be designated by such party. All notices to the Company should be mailed to the attention of its Corporate Secretary at 1081 Woodward Way, Fort Collins, Colorado 80524, and all notices to the Participant may be given to the Participant personally or may be mailed to the Participant at the most recent address which the Participant has provided in writing to the Company.

11. *Consent to Electronic Delivery.* The Company may choose to deliver certain materials relating to the Plan in electronic form. By accepting this RSU Award, the Participant agrees that the Company may deliver these materials in an electronic format. If at any time the Participant would prefer to receive paper copies of these documents, as the Participant is entitled to, the Company would be pleased to provide copies free of charge. Please contact the Administrator to request paper copies of these documents.

12. *Tax Obligations.* The Company shall deduct or withhold, or require the Participant to remit to the Company, an amount sufficient to satisfy all Tax Obligations by all legal means, including, but not limited to, withholding from the Participant's wages, salary or other cash compensation, withholding from any cash proceeds (if any) received upon the sale of any Shares received in payment for the RSUs and, at the time of payment, withholding Shares to meet Tax Obligations, prior to the issuance and delivery of any Shares acquired pursuant to the settlement of the RSUs granted hereunder, in accordance with Section 16 of the Plan. To the extent applicable, the Participant authorizes the Company to satisfy any tax withholding obligation arising upon the lapse of any risk of forfeiture (including FICA due upon such lapse) by accelerating the settlement and withholding of the number of Shares subject to the RSUs required to satisfy such tax withholding obligation (including the additional FICA tax and income tax withholding attributable to the pyramiding of FICA tax and income tax withholding due to the foregoing payments). The Company may withhold Shares up to the maximum statutory tax rates for the applicable jurisdictions. Any Shares sold or withheld pursuant to this Section shall be exempt from Section 16 pursuant to Rule 16b-3.

13. *Rights as Stockholder.* Neither the Participant nor any person claiming under or through the Participant will have any of the rights or privileges of a stockholder of the Company in respect of any Shares deliverable hereunder unless and until certificates representing such Shares (which may be in book entry form) will have been issued, recorded on the records of the Company or its transfer agents or registrars, and delivered to the Participant (including through electronic delivery to a brokerage account). After such issuance, recordation, and delivery, the Participant will have all the rights of a stockholder of the Company with respect to voting such Shares and receipt of dividends and distributions on such Shares.

14. *No Guarantee of Continued Service.* The Participant understands and agrees that this Agreement does not impact the right of the Company or any of its affiliates employing or engaging the services of the Participant to terminate or change the terms of the Participant's employment or other service at any time for any reason, with or without Cause. The Participant understands and agrees that the Participant's employment or other service with the Company or any of its affiliates is on an "at-will" basis.

15. *Beneficiary Designation.* The Participant may, from time to time, name any beneficiary or beneficiaries (who may be named contingently or successively) to whom any benefit under this Agreement is to be paid in case of the Participant's death before the Participant receives any or all of such benefit. Each such designation shall revoke all prior designations by the Participant and will be effective only when filed by the Participant in writing with the stock plan administrator during the Participant's lifetime. In the absence of any such designation, benefits remaining unpaid at the Participant's death shall be paid to the Participant's estate.

16. *Severability.* In the event any provision of this Agreement is held illegal or invalid for any reason, such illegality or invalidity shall not affect the remaining provisions of this Agreement, which shall nonetheless remain in full force and effect. Upon any determination that any provision is invalid, illegal or incapable of being enforced, such provision shall be modified to the extent necessary to render it valid, legal and enforceable while preserving its intent, or if such modification is not possible, by substituting therefor another provision that is legal and enforceable and that achieves substantially the same objective; provided, however, that if neither modification nor substitution is possible, then such provision shall be deemed severed from this Agreement without affecting the remaining provisions hereof.

17. *No Waiver.* Either party's failure to enforce any provision or provisions of this Agreement shall not in any way be construed as a waiver of any such provision or provisions, nor prevent that party from thereafter enforcing such provision or any other provision of this Agreement. The rights granted both parties herein are cumulative and shall not constitute a waiver of either party's right to assert all other legal remedies available to it under the circumstances.

18. *Successors and Assigns.* The Company may assign any of its rights under this Agreement to single or multiple assignees, and this Agreement shall be binding on the successors and assigns of the Company. Subject to the restrictions on transfer herein set forth, this Agreement shall be binding upon the Participant and his or her heirs, executors, administrators, successors and assigns. The rights and obligations of the Participant under this Agreement may only be assigned with the prior written consent of the Company.

19. *Captions.* Captions provided herein are for convenience only and are not to serve as a basis for interpretation or construction of this Agreement.

20. *Amendment, Suspension or Termination of the Plan.* The Participant understands that the Plan is discretionary in nature and may be amended, suspended or terminated by the Administrator at any time.

21. *Modifications to the Agreement.* Modifications to this Agreement can be made only in an express written contract executed by a duly authorized officer of the Company and the Participant. Notwithstanding anything to the contrary in the Plan or this Agreement, the Company reserves the right to revise this Agreement as it deems necessary or advisable, in its sole discretion and without the consent of the Participant, to comply with Section 409A or to otherwise avoid imposition of any additional tax or income recognition under Section 409A in connection with this Award of RSUs.

22. *Governing Law; Venue.* This Agreement shall be governed by the laws of the State of Delaware, excluding any conflicts or choice of law rule or principle that might otherwise refer construction or interpretation of this Agreement to the substantive law of another jurisdiction. For purposes of litigating any dispute that arises under these RSUs, this Agreement, or the Plan, the parties hereby submit to and consent to the jurisdiction of the State of Colorado, and agree that such litigation will be conducted in the courts of Denver County, Colorado, or the United States federal courts for the District of Colorado, and no other courts, where this Agreement is made and/or to be performed.

23. *Section 409A.* It is the intent of this Agreement that all payments and benefits to U.S. taxpayers hereunder be exempt from, or comply with, the requirements of Section 409A so that none of the RSUs provided under this Agreement or Shares issuable thereunder will be subject to the additional tax imposed under Section 409A, and any ambiguities herein will be interpreted to be so exempt or so comply. To the extent required to be exempt from or comply with Section 409A, references to the Participant's termination as a Service Provider or similar phrases used in this Agreement will mean the Participant's "separation from service" within the meaning of Section 409A. Each payment payable under this Agreement is intended to constitute a separate payment for purposes of Treasury Regulation Section 1.409A-2(b)(2). However, in no event will the Company reimburse, or be otherwise responsible for, any taxes or costs that may be imposed on the Participant or any other person as a result of Section 409A. For purposes of this Agreement, "Section 409A" means Section 409A of the Code, and any final Treasury Regulations and Internal Revenue Service guidance thereunder, as each may be amended from time to time.

Notwithstanding anything in the Plan or this Agreement or any other agreement (whether entered into before, on or after the Grant Date), if the vesting of the balance, or some lesser portion of the balance, of the RSUs is accelerated in connection with the Participant's termination as a Service Provider (provided that such termination is a "separation from service" within the meaning of Section 409A, as determined by the Company), other than due to the Participant's death, and if (x) the Participant is a U.S. taxpayer and a "specified employee" within the meaning of Section 409A at the time of such termination as a Service Provider and (y) the payment of such accelerated RSUs would result in the imposition of additional tax under Section 409A if paid to the Participant on or within the six (6) month period following the Participant's termination as a Service Provider, then the payment of such accelerated RSUs will not be made until the date six (6) months and one (1) day following the date of the Participant's termination as a Service Provider, unless the Participant dies following his or her termination as a Service Provider, in which case, the RSUs will be paid in Shares to the Participant's estate as soon as practicable following his or her death.

24. *Entire Agreement; Order of Precedence.* The Plan and this Agreement constitute the entire agreement of the parties with respect to the subject matter hereof and supersede in their entirety all prior undertakings and agreements of the Company and the Participant with respect to the subject matter

Exhibit 10.29

hereof, and may not be modified adversely to the Participant's interest except by means of a writing signed by the Company and the Participant. For the avoidance of doubt, nothing in this Agreement shall be a basis for providing or calculating severance or similar pay, unless required by Applicable Laws. Notwithstanding the foregoing, (i) the terms of any Executive Severance and Change in Control Agreement (or similar agreement, plan or program) shall be incorporated into this Agreement to the extent necessary to give such arrangement effect, and (ii) any amounts payable under this Agreement are subject to any compensation recovery or clawback policy the Company may adopt from time to time to the extent covered by the terms and conditions of such policy.

Woodward, Inc.

2017 Omnibus Incentive Plan

rTSR Performance Restricted Stock Unit Grant Notice

Woodward, Inc., a Delaware corporation (the "Company"), hereby grants to the Participant an award of rTSR Performance Restricted Stock Units (the "Award" or "PSUs") under the Company's 2017 Omnibus Incentive Plan (the "Plan") in accordance with and subject to the terms and conditions of this rTSR Performance Restricted Stock Unit Grant Notice (this "Grant Notice"), the rTSR Performance Restricted Stock Unit Agreement (the "Agreement") and the Plan. Capitalized terms used but not defined herein shall have the meaning set forth in the Agreement or the Plan, as applicable, which are incorporated herein by reference.

Participant Name: _____

Grant Date: _____

Target Number of PSUs: _____

The Participant represents that he or she is familiar with the terms and provisions of this Grant Notice, the Agreement and the Plan, and by accepting this Award agrees to the terms and provisions hereof and thereof. The Participant has reviewed this Grant Notice, the Agreement and the Plan in their entirety, has had an opportunity to obtain the advice of counsel prior to accepting this Award and fully understands all provisions of this Grant Notice, the Agreement and the Plan.

Woodward, Inc.

2017 Omnibus Incentive Plan

rTSR Performance Restricted Stock Unit Agreement

This rTSR Performance Restricted Stock Unit Agreement (this “Agreement”) is made between the Company and the Participant specified in the accompanying Grant Notice, effective as of the Grant Date set forth therein. References herein to this Agreement shall be deemed to include the Grant Notice unless the context clearly requires otherwise.

1. *Grant of PSUs.* The Company hereby grants to the Participant PSUs on the Grant Date, subject to the terms and conditions of this Agreement and the Plan. The number and kind of shares subject to this grant of PSUs are subject to adjustment as provided by the Plan.

2. *Vesting of PSUs.*

- A. General. The PSUs shall vest contingent on the Participant’s continued service with the Company from the Grant Date through the end of the Performance Period (as defined below) and the achievement of specified performance criteria (the “Performance Goal”) as set forth in further detail below. The number of PSUs that will vest and become payable, if any, under this Agreement shall be determined by the Administrator based on the level of achievement of the Performance Goal and shall be rounded to the nearest whole PSU.
 - B. Performance Period. The period during which the Performance Goal may be achieved begins on the Grant Date and ends on the third anniversary of the Grant Date (such period being the “Performance Period”).
 - C. Performance Goal. The Performance Goal applicable to the PSUs relates to the Total Shareholder Return (“TSR”) achieved by the Company (“Company TSR”) relative to the TSR achieved by the companies set forth in Exhibit A, with the index of companies referred to as the “Index,” such companies, the “Index Companies,” and such relative TSR, the “Relative TSR”. The specific method for determining Company TSR and Relative TSR, including potential adjustments thereto for certain events, is set forth in Exhibit A.
 - D. Determining Relative TSR. Relative TSR will be calculated by ranking Company TSR against the TSR of each Index Company, with (i) the highest ranking applied to the highest positive TSR (or any TSR of zero, if no TSRs are positive; or the smallest negative TSR, if no TSRs are positive or zero); and (ii) the lowest ranking applied to the highest negative TSR (or any TSR of zero, if no TSRs are negative, or lowest positive TSR, if no TSRs are negative or zero). Relative TSR will be expressed as a percentile based on the rankings described in this subsection (D) (“Company Percentile Rank”).
 - E. Determining the Number of PSUs that Vest. The number of PSUs that will vest, if any, will be determined according to the methodology set forth in Exhibit A.
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- F. Negative Company TSR. Notwithstanding the Applicable Percentages (as defined in Exhibit A) actually achieved, in the event that the Company TSR achieved in the Performance Period is negative, the maximum Applicable Percentage used to determine the number of PSUs that will vest will be the Target Percentage (as defined in Exhibit A).
- G. Dividend Equivalents. The Participant will have no rights as a holder of the Shares subject to the PSUs granted hereunder unless and until issued to the Participant in settlement thereof. The Vested PSUs (as defined in Exhibit A), if any, will be credited with Dividend Equivalents. "Dividend Equivalents" shall mean the cash dividend the Participant would have received in connection with the aggregate of each Vested PSU if the Shares subject to each such Vested PSU had been held by the Participant between the Grant Date and the settlement date, all as determined by the Administrator. The Dividend Equivalents, if any, shall be deemed to be reinvested in additional Shares (which may thereafter accrue additional Dividend Equivalents). All Dividend Equivalents, if any, will vest after the Performance Period has completed, and will otherwise be subject to the same conditions applicable to the underlying PSUs and any Dividend Equivalents attributable to the period following the completion of the Performance Period and prior to the settlement date shall be immediately fully vested. Unless expressly provided otherwise, as used elsewhere in this Agreement "PSUs" shall include any Dividend Equivalents that have been credited to Participant.
- H. Certification. The achievement of the Performance Goal will be measured and certified in writing ("Certification") by the Administrator no later than sixty (60) days following completion of the Performance Period. In the event of a Change in Control after the Performance Period while this Award of PSUs remains outstanding, the Administrator will complete the Certification prior to the completion of such Change in Control.
- I. PSUs that Do Not Vest. Any PSUs that have not vested as of the end of the Performance Period in accordance with this Agreement (as evidenced by the Certification) will be forfeited immediately and automatically as of such time and the Participant's right to acquire any Shares subject to such unvested PSUs will simultaneously terminate.

3. *Termination as a Service Provider.*

- A. Voluntary Termination of Service. If the Participant ceases to be a Service Provider due to the Participant's voluntary termination of service prior to becoming eligible for Retirement (as defined below) and prior to the last day of the Performance Period, then all PSUs granted hereunder shall immediately be forfeited and canceled.
 - B. Termination by the Company Other Than for Cause. In the event the Company terminates the Participant's status as a Service Provider for any reason other than Cause prior to the last day of the Performance Period, and provided that such Participant is not eligible for Retirement as of the termination date, the Participant's payout, if any, will equal (i) the Participant's Target Number of PSUs
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multiplied by a fraction the numerator of which equals the number of days that the Participant was a Service Provider during the Performance Period and the denominator of which equals 1095, multiplied by (ii) the Applicable Percentage determined according to Exhibit A.

- C. Termination While Retirement Eligible. If the Participant ceases to be a Service Provider for any reason other than a termination by the Company for Cause while eligible for Retirement (as defined hereunder) prior to the first anniversary of the Grant Date, and subject to Sections 3(D) and 3(E), the Participant's payout, if any, will equal (i) the Participant's Target Number of PSUs multiplied by a fraction, not greater than 1, the numerator of which equals the number of days that the Participant was a Service Provider from the Grant Date through the termination date and the denominator of which equals 365, multiplied by (ii) the Applicable Percentage determined according to Exhibit A.

If the Participant ceases to be a Service Provider for any reason other than a termination by the Company for Cause while eligible for Retirement (as defined hereunder) on or after the first anniversary of the Grant Date but prior to the completion of the Performance Period, and subject to Sections 3(D) and 3(E), the Participant's payout, if any, will equal the number of PSUs earned pursuant to actual achievement of the Performance Goal during the Performance Period (and for the avoidance of doubt, without proration).

If the Participant is an Employee (including an Employee who subsequently becomes a Consultant), "Retirement" for purposes of this Agreement shall mean termination as a Service Provider, other than for "Cause", after achieving any of the following: (a) the Participant is at least age 55 with 10 years of service as a Service Provider, (b) the Participant is at least age 65 (with no minimum years of service requirement), or (c) the Participant first becomes an Employee when he or she is age 55 or older and the Participant thereafter achieves 2 or more years of service as a Service Provider. Notwithstanding any of the foregoing, the following shall be disregarded in determining the number of years of service completed for purposes of determining Retirement eligibility of the Participant: (A) any period of service as a Consultant prior to becoming an Employee; and (B) if a Participant terminates his or her employment with the Company and all affiliates and is subsequently reemployed by the Company or an affiliate following a period of 12 months or longer, any period of service completed prior to such termination. The definition of Retirement for purposes of this Agreement will not have any effect under other Company plans or programs.

- D. Death of Participant. If the Participant dies prior to the last day of the Performance Period, either while a Service Provider or after a termination while eligible for Retirement, then on the date of the Participant's death all outstanding PSUs shall immediately vest as if the Target Goal had been achieved (and for the avoidance of doubt, without proration).
- E. Disability of Participant. If, prior to the last day of the Performance Period, the Participant ceases to be a Service Provider by reason of Disability of the Participant (as determined by the Administrator), or if the Participant's status as
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a Service Provider was initially terminated while eligible for Retirement, and the Participant subsequently suffers a Disability (as determined by the Administrator), then on the date of the Participant's termination by reason of Disability or, provided such Disability constitutes a "disability" within the meaning of Section 409A (as defined below, on the date of the Participant's Disability following a termination while eligible for Retirement, as the case may be, all of the outstanding PSUs shall immediately vest as if the Target Goal had been achieved (and for the avoidance of doubt, without proration).

- F. Termination for Cause. If the Participant's status as a Service Provider is terminated for Cause prior to Certification, the PSUs shall be forfeited upon the earlier of the receipt by the Participant of notice of such termination of Service Provider status or the effective date of such termination of Service Provider status. For purposes of this Agreement, "Cause" shall mean the occurrence, prior to any termination of a Participant's status as a Service Provider, of any one or more of the following: (i) the Participant's willful and continued failure to substantially perform the Participant's duties with the Company (other than any such failure resulting from the incapacity due to physical or mental illness), after a written demand for substantial performance is delivered to the Participant that specifically identifies the manner in which the Company (or in the case of the Company's officers, the Administrator) believes that the Participant has not substantially performed the Participant's duties, and the Participant has failed to remedy the situation within fifteen (15) business days of such written notice from the Committee, (ii) the Participant's commission of an act materially and demonstrably detrimental to the financial condition and/or goodwill of the Company or any of its subsidiaries, which act constitutes gross negligence or willful misconduct by the Participant in the performance of the Participant's material duties to the Company or any of its subsidiaries, (iii) the Participant's commission of any material act of dishonesty or breach of trust resulting or intended to result in material personal gain or enrichment of the Participant at the expense of the Company or any of its subsidiaries; or (iv) the Participant's conviction of a felony involving moral turpitude, but specifically excluding any conviction based entirely on vicarious liability. No act or failure to act will be considered "willful" unless it is done, or omitted to be done, by the Participant in bad faith or without reasonable belief that the Participant's action or omission was in the best interests of the Company.
- G. Change in Control. If a Change in Control occurs during the Performance Period and the Administrator determines that the PSUs have been assumed or substituted in accordance with Section 14.3 of the Plan, then as of the effective date of the Change in Control, the performance conditions applicable to the PSUs shall be deemed waived and the PSUs shall be deemed to have been earned (and eligible to vest) based on the higher of the (i) Target Number of PSUs and (ii) Target Number of PSUs multiplied by the Applicable Percentage based on actual Company performance through the date of the Change in Control, as determined by the Administrator (such higher number of PSUs, the "CIC Earned PSUs"). For purposes of determining Relative TSR, the Company's ending price for determining Company TSR for the shortened Performance Period will be equal to the sum of the amount of any cash consideration received by the Company's
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stockholders (or the Company, as applicable, such as in the case of a Change in Control that results from the sale of assets of the Company), as determined by the Administrator in its sole discretion.

Notwithstanding anything to the contrary in this Agreement, in the event of (i) a Change in Control, and (ii) the termination of the Participant's status as a Service Provider by the Company (or any Parent or Subsidiary) without Cause (as defined in Paragraph 3(F)) or by the Participant for Good Reason (as defined below) within the time period beginning on the date that is three (3) months prior to the Change in Control and ending on the date that is twenty-four (24) months following a Change in Control, then the Participant will immediately vest in the CIC Earned PSUs. For purposes of this Agreement, if the Participant is an Employee, then "Good Reason" means without the Participant's express written consent, the occurrence of any one or more of the following (whether on account of a single action or a series of actions): (i) the material diminution in the Participant's authorities, duties or responsibilities as an employee of the Company, (ii) the Company's requiring the Participant to have a principal job location in excess of fifty (50) miles from the location of the Participant's principal job location at any time during the 12 month period immediately preceding the Change in Control; except for required travel on the Company's business to an extent substantially consistent with the Participant's then present business travel obligations, (iii) a reduction by the Company of the Participant's regular annual rate of pay which the Participant is receiving as base salary by more than 10%, (iv) a reduction by the Company of more than 10% in the Participant's overall compensation, including short and long term incentive compensation opportunities (including, but not limited to, equity compensation awards at target grant date fair value), employee benefits and retirement plans, policies, practices or other compensation arrangements in which the Participant participates, or (v) a material breach of this Agreement by the Company. Unless the Participant becomes Disabled, the Participant's right to terminate employment for Good Reason shall not be affected by such person's incapacity due to physical or mental illness. A termination of employment by the Participant for one of the reasons set forth in subparagraphs (i) through (v), above, will not constitute "Good Reason" unless, within the 90 day period immediately following the occurrence of such Good Reason event, the Participant has given written notice to the Company specifying the event or events relied upon for such termination, the Company has not remedied such event or events within 30 days of the receipt of such notice and the Participant resigns within six months following the occurrence of the Good Reason event or at such later time as the Participant and the Company mutually agree (it being understood that the parties consider any effects of Section 409A, if applicable, before reaching agreement).

For the avoidance of doubt, if at any time following a Change in Control, the Participant ceases to be a Service Provider due to the events set forth in Paragraphs 3(B) (that is not otherwise covered by the paragraph above), 3(C), 3(D), or 3(E) above then the applicable vesting treatment and payment timing set forth above shall continue to apply, provided that such vesting treatment (including proration) and/or payment timing shall be applied with respect to the CIC Earned PSUs.

4. *Payment after Vesting.* Subject to Section 10, any PSUs that vest will be paid to the Participant (or in the event of the Participant's death, to his or her properly designated beneficiary or estate) in whole Shares. Such vested PSUs shall be paid in whole Shares as soon as practicable, but in each such case within sixty (60) days following the first anniversary of the end of the Performance Period. In no event will (i) the Participant be permitted, directly or indirectly, to specify the taxable year of payment of any PSUs payable under this Agreement, or (ii) payment of any vested PSUs be made after the applicable short-term deferral period under Section 409A. Notwithstanding the foregoing, in the event a Participant's employment terminates due to an event described in Section 3(D), (E) or (G), the Company shall pay any amounts payable under this Agreement as soon as practicable, but in all cases within sixty (60) days following the occurrence of such event.

5. *Assignment or Transfer.* Except to the limited extent provided in Section 16, this grant as it pertains to unvested PSUs, and the rights and privileges conferred thereby, will not be transferred, assigned, pledged or hypothecated in any way (whether by operation of law or otherwise) and will not be subject to sale under execution, attachment or similar process. Upon any attempt to transfer, assign, pledge, hypothecate or otherwise dispose of any unvested PSUs, or any right or privilege conferred thereby, or upon any attempted sale under any execution, attachment or similar process, any unvested PSUs, and the rights and privileges conferred thereby, immediately will become null and void.

6. *Plan and Administrator.* The construction of the terms of this Agreement shall be controlled by the Plan and the rights of the Participant are subject to modification and termination in certain events as provided in the Plan. The Administrator's interpretations of and determinations under any of the provisions of the Plan or this Agreement shall be conclusive and binding upon the Participant and any person claiming under or through the Participant. Subject to Section 17.1 of the Plan, in the event of a conflict between the terms and conditions of the Plan and this Agreement, the terms and conditions of the Plan shall prevail. Neither the Administrator nor any person acting on behalf of the Administrator will be personally liable for any action, determination, or interpretation made in good faith with respect to the Plan or this Agreement.

7. *Compliance with Securities Laws.* No Shares shall be issued in respect of any PSUs, unless in compliance with applicable federal and state securities laws. If an exemption from registration is not available under applicable federal and state securities laws, the Company shall have no obligation to file a registration statement. The Administrator may place any legends on Shares, require the Participant to deliver representations, place restrictions on resale or take such other actions as it determines necessary or appropriate to comply with federal and state securities laws.

8. *Notice.* All notices or other communication relating to this Agreement shall be in writing and shall be considered duly given when mailed or delivered to the party for whom it is intended at such address as may from time to time be designated by such party. All notices to the Company should be mailed to the attention of its Corporate Secretary at 1081 Woodward Way, Fort Collins, Colorado 80524, and all notices to the Participant may be given to the Participant personally or may be mailed to the Participant at the most recent address which the Participant has provided in writing to the Company.

9. *Consent to Electronic Delivery.* The Company may choose to deliver certain materials relating to the Plan in electronic form. By accepting this PSU Award, the Participant agrees that the Company may deliver these materials in an electronic format. If at any time the Participant would prefer to receive paper copies of these documents, as the Participant is entitled to, the Company would be

pleased to provide copies free of charge. Please contact the Company's stock plan administrator to request paper copies of these documents.

10. *Tax Obligations.* The Company shall deduct or withhold, or require the Participant to remit to the Company, an amount sufficient to satisfy all Tax Obligations by all legal means, including, but not limited to, withholding from the Participant's wages, salary or other cash compensation, withholding from any cash proceeds (if any) received upon the sale of any Shares received in payment for the PSUs and, at the time of payment, withholding Shares to meet Tax Obligations, prior to the issuance and delivery of any Shares acquired pursuant to the settlement of the PSUs granted hereunder, in accordance with Section 16 of the Plan. To the extent applicable, the Participant authorizes the Company to satisfy any tax withholding obligation arising upon the lapse of any risk of forfeiture (including FICA due upon such lapse) by accelerating the settlement and withholding of the number of Shares subject to the PSUs required to satisfy such tax withholding obligation (including the additional FICA tax and income tax withholding attributable to the pyramiding of FICA tax and income tax withholding due to the foregoing payments). The Company may withhold Shares up to the maximum statutory rates for the applicable jurisdictions. Any Shares sold or withheld pursuant to this Section shall be exempt from Section 16 pursuant to Rule 16b-3.

11. *Rights as Stockholder.* Neither the Participant nor any person claiming under or through the Participant will have any of the rights or privileges of a stockholder of the Company in respect of any Shares deliverable hereunder unless and until certificates representing such Shares (which may be in book entry form) will have been issued, recorded on the records of the Company or its transfer agents or registrars, and delivered to the Participant (including through electronic delivery to a brokerage account). After such issuance, recordation, and delivery, the Participant will have all the rights of a stockholder of the Company with respect to voting such Shares and receipt of dividends and distributions on such Shares.

12. *No Guarantee of Continued Service.* The Participant understands and agrees that this Agreement does not impact the right of the Company or any of its affiliates employing or engaging the services of the Participant to terminate or change the terms of the Participant's employment or other service at any time for any reason, with or without Cause. The Participant understands and agrees that the Participant's employment or other service with the Company or any of its affiliates is on an "at-will" basis.

13. *Beneficiary Designation.* The Participant may, from time to time, name any beneficiary or beneficiaries (who may be named contingently or successively) to whom any benefit under this Agreement is to be paid in case of the Participant's death before the Participant receives any or all of such benefit. Each such designation shall revoke all prior designations by the Participant and will be effective only when filed by the Participant in writing with the stock plan administrator during the Participant's lifetime. In the absence of any such designation, benefits remaining unpaid at the Participant's death shall be paid to the Participant's estate.

14. *Severability.* In the event any provision of this Agreement is held illegal or invalid for any reason, such illegality or invalidity shall not affect the remaining provisions of this Agreement, which shall nonetheless remain in full force and effect. Upon any determination that any provision is invalid, illegal or incapable of being enforced, such provision shall be modified to the extent necessary to render it valid, legal and enforceable while preserving its intent, or if such modification is not possible, by substituting therefor another provision that is legal and enforceable and that achieves substantially the same objective; provided, however, that if neither modification nor substitution is possible, then such provision shall be deemed severed from this Agreement without affecting the remaining provisions hereof.

15. *No Waiver.* Either party's failure to enforce any provision or provisions of this Agreement shall not in any way be construed as a waiver of any such provision or provisions, nor prevent that party from thereafter enforcing such provision or any other provision of this Agreement. The rights granted both parties herein are cumulative and shall not constitute a waiver of either party's right to assert all other legal remedies available to it under the circumstances.

16. *Successors and Assigns.* The Company may assign any of its rights under this Agreement to single or multiple assignees, and this Agreement shall be binding on the successors and assigns of the Company. Subject to the restrictions on transfer herein set forth, this Agreement shall be binding upon the Participant and his or her heirs, executors, administrators, successors and assigns. The rights and obligations of the Participant under this Agreement may only be assigned with the prior written consent of the Company.

17. *Captions.* Captions provided herein are for convenience only and are not to serve as a basis for interpretation or construction of this Agreement.

18. *Amendment, Suspension or Termination of the Plan.* The Participant understands that the Plan is discretionary in nature and may be amended, suspended or terminated by the Administrator at any time.

19. *Modifications to the Agreement.* Modifications to this Agreement can be made only in an express written contract executed by a duly authorized officer of the Company and the Participant. Notwithstanding anything to the contrary in the Plan or this Agreement, the Company reserves the right to revise this Agreement as it deems necessary or advisable, in its sole discretion and without the consent of the Participant, to comply with Section 409A or to otherwise avoid imposition of any additional tax or income recognition under Section 409A in connection with this Award of PSUs.

20. *Governing Law; Venue.* This Agreement shall be governed by the laws of the State of Delaware, excluding any conflicts or choice of law rule or principle that might otherwise refer construction or interpretation of this Agreement to the substantive law of another jurisdiction. For purposes of litigating any dispute that arises under these PSUs, this Agreement, or the Plan, the parties hereby submit to and consent to the jurisdiction of the State of Colorado, and agree that such litigation will be conducted in the courts of Denver County, Colorado, or the United States federal courts for the District of Colorado, and no other courts, where this Agreement is made and/or to be performed.

21. *Section 409A.* It is the intent of this Agreement that all payments and benefits to U.S. taxpayers hereunder be exempt from, or comply with, the requirements of Section 409A so that none of the PSUs provided under this Agreement or Shares issuable thereunder will be subject to the additional tax imposed under Section 409A, and any ambiguities herein will be interpreted to be so exempt or so comply. To the extent required to be exempt from or comply with Section 409A, references to the Participant's termination as a Service Provider or similar phrases used in this Agreement will mean the Participant's "separation from service" within the meaning of Section 409A. Each payment payable under this Agreement is intended to constitute a separate payment for purposes of Treasury Regulation Section 1.409A-2(b)(2). However, in no event will the Company reimburse, or be otherwise responsible for, any taxes or costs that may be imposed on the Participant or any other person as a result of Section 409A. For purposes of this Agreement, "Section 409A" means Section 409A of the Code, and any final Treasury Regulations and Internal Revenue Service guidance thereunder, as each may be amended from time to time.

Notwithstanding anything in the Plan or this Agreement or any other agreement (whether entered into before, on or after the Grant Date), if the vesting of the balance, or some lesser portion of the balance, of the PSUs is accelerated in connection with the Participant's termination as a Service Provider (provided that such termination is a "separation from service" within the meaning of Section 409A, as determined by the Company), other than due to the Participant's death, and if (x) the Participant is a U.S. taxpayer and a "specified employee" within the meaning of Section 409A at the time of such termination as a Service Provider and (y) the payment of such accelerated PSUs would result in the imposition of additional tax under Section 409A if paid to the Participant on or within the six (6) month period following the Participant's termination as a Service Provider, then the payment of such accelerated PSUs will not be made until the date six (6) months and one (1) day following the date of the Participant's termination as a Service Provider, unless the Participant dies following his or her termination as a Service Provider, in which case, the PSUs will be paid in Shares to the Participant's estate as soon as practicable following his or her death.

22. Entire Agreement; Order of Precedence. The Plan and this Agreement constitute the entire agreement of the parties with respect to the subject matter hereof and supersede in their entirety all prior undertakings and agreements of the Company and the Participant with respect to the subject matter hereof, and may not be modified adversely to the Participant's interest except by means of a writing signed by the Company and the Participant. For the avoidance of doubt, nothing in this Agreement shall be a basis for providing or calculating severance or similar pay, unless required by Applicable Laws. Notwithstanding the foregoing, (i) the terms of any Executive Severance and Change in Control Agreement (or similar agreement, plan or program) shall be incorporated into this Agreement to the extent necessary to give such arrangement effect, and (ii) any amounts payable under this Agreement are subject to any compensation recovery or clawback policy the Company may adopt from time to time to the extent covered by the terms and conditions of such policy.

Woodward, Inc.

2017 Omnibus Incentive Plan

ROIC Performance Restricted Stock Unit Grant Notice

Woodward, Inc., a Delaware corporation (the "Company"), hereby grants to the Participant an award of ROIC Performance Restricted Stock Units (the "Award" or "PSUs") under the Company's 2017 Omnibus Incentive Plan (the "Plan") in accordance with and subject to the terms and conditions of this ROIC Performance Restricted Stock Unit Grant Notice (this "Grant Notice"), the ROIC Performance Restricted Stock Unit Agreement (the "Agreement") and the Plan. Capitalized terms used but not defined herein shall have the meaning set forth in the Agreement or the Plan, as applicable, which are incorporated herein by reference.

Participant Name:

Grant Date:

Target Number of PSUs:

The Participant represents that he or she is familiar with the terms and provisions of this Grant Notice, the Agreement and the Plan, and by accepting this Award agrees to the terms and provisions hereof and thereof. The Participant has reviewed this Grant Notice, the Agreement and the Plan in their entirety, has had an opportunity to obtain the advice of counsel prior to accepting this Award and fully understands all provisions of this Grant Notice, the Agreement and the Plan.

Woodward, Inc.

2017 Omnibus Incentive Plan

ROIC Performance Restricted Stock Unit Agreement

This ROIC Performance Restricted Stock Unit Agreement (this “Agreement”) is made between the Company and the Participant specified in the accompanying Grant Notice, effective as of the Grant Date set forth therein. References herein to this Agreement shall be deemed to include the Grant Notice unless the context clearly requires otherwise.

1. *Grant of PSUs.* The Company hereby grants to the Participant PSUs on the Grant Date subject to the terms and conditions of this Agreement and the Plan. The number and kind of shares subject to this grant of PSUs are subject to adjustment as provided by the Plan.

2. *Vesting of PSUs.*

- A. General. The PSUs shall vest contingent on the Participant’s continued service with the Company from the Grant Date through the third anniversary of the Grant Date (as defined below) and the achievement of specified performance criteria (the “Performance Goal”) as set forth in further detail below. The number of PSUs that will vest and become payable, if any, under this Agreement shall be determined by the Administrator based on the level of achievement of the Performance Goal and shall be rounded to the nearest whole PSU.
 - B. Performance Period. The period during which the Performance Goal may be achieved is the Company’s fiscal year in which the Grant Date occurs and the immediately following two subsequent fiscal years (such period being the “Performance Period”).
 - C. Performance Goal. The Performance Goal applicable to the PSUs relates to the return on invested capital (“ROIC”) achieved by the Company during each of the Company’s fiscal years listed above. The specific method for determining the Company’s ROIC is set forth in Exhibit A.
 - D. Determining the Number of PSUs that Vest. The number of PSUs that will vest, if any, will be determined according to the methodology set forth in Exhibit A.
 - E. Dividend Equivalents. The Participant will have no rights as a holder of the Shares subject to the PSUs granted hereunder unless and until issued to the Participant in settlement thereof. The Vested PSUs (as defined in Exhibit A), if any, will be credited with Dividend Equivalents. “Dividend Equivalents” shall mean the cash dividend the Participant would have received in connection with the aggregate of each Vested PSU if the Shares subject to each such Vested PSU had been held by the Participant between the grant date and the settlement date, all as determined by the Administrator. The Dividend Equivalents, if any, shall be deemed to be reinvested in additional Shares (which may thereafter accrue additional Dividend Equivalents). All Dividend Equivalents, if any, will vest after
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the third anniversary of the Grant Date, contingent on (i) the Participant's continued service with the Company from the Grant Date through such third anniversary, and (ii) the achievement of the Performance Goal, and will otherwise be subject to the same conditions applicable to the underlying PSUs. Unless expressly provided otherwise, as used elsewhere in this Agreement "PSUs" shall include any Dividend Equivalents that have been credited to Participant.

- F. Certification. The achievement of the Performance Goal will be measured on an annual basis and certified in writing ("Certification") by the Administrator following completion of each fiscal year during the Performance Period with final Certification to occur no later than sixty (60) days following the third anniversary of the Grant Date. In the event of a Change in Control after the Performance Period while this Award of PSUs remains outstanding, the Administrator will complete the Certification prior to the completion of such Change in Control.
- G. PSUs that Do Not Vest. Any PSUs that have not vested as of the end of the Performance Period in accordance with this Agreement (as evidenced by the Certification) will be forfeited immediately and automatically as of such time and the Participant's right to acquire any Shares subject to such unvested PSUs will simultaneously terminate.

3. *Termination as a Service Provider.*

- A. Voluntary Termination of Service. If the Participant ceases to be a Service Provider due to the Participant's voluntary termination of service prior to becoming eligible for Retirement (as defined below) and prior to the third anniversary of the Grant Date, then all PSUs granted hereunder shall immediately be forfeited and canceled.
 - B. Termination by the Company Other Than for Cause. In the event the Company terminates the Participant's status as a Service Provider for any reason other than Cause prior to the third anniversary of the Grant Date, and provided that such Participant is not eligible for Retirement as of the termination date, the Participant's payout, if any, will equal (i) the Participant's Target Number of PSUs multiplied by a fraction the numerator of which equals the number of days that the Participant was a Service Provider from the Grant Date through the termination date and the denominator of which equals 1095, multiplied by (ii) the Funding Percentage determined according to Exhibit A.
 - C. Termination While Retirement Eligible. If the Participant ceases to be a Service Provider for any reason other than a termination by the Company for Cause while eligible for Retirement (as defined hereunder) prior to the first anniversary of the Grant Date, and subject to Sections 3(D) and 3(E), the Participant's payout, if any, will equal (i) the Participant's Target Number of PSUs multiplied by a fraction, not greater than 1, the numerator of which equals the number of days that the Participant was a Service Provider from the Grant Date through the termination date and the denominator of which equals 365, multiplied by (ii) the Funding Percentage determined according to Exhibit A.
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If the Participant ceases to be a Service Provider for any reason other than a termination by the Company for Cause while eligible for Retirement (as defined hereunder) on or after the first anniversary of the Grant Date but prior to the third anniversary of the Grant Date, and subject to Sections 3(D) and 3(E), the Participant's payout, if any, will equal the number of PSUs earned pursuant to actual achievement of the Performance Goal during the Performance Period (and for the avoidance of doubt, without proration).

If the Participant is an Employee (including an Employee who subsequently becomes a Consultant), "Retirement" for purposes of this Agreement shall mean termination as a Service Provider, other than for "Cause", after achieving any of the following: (a) the Participant is at least age 55 with 10 years of service as a Service Provider, (b) the Participant is at least age 65 (with no minimum years of service requirement), or (c) the Participant first becomes an Employee when he or she is age 55 or older and the Participant thereafter achieves 2 or more years of service as a Service Provider. Notwithstanding any of the foregoing, the following shall be disregarded in determining the number of years of service completed for purposes of determining Retirement eligibility of the Participant: (A) any period of service as a Consultant prior to becoming an Employee; and (B) if a Participant terminates his or her employment with the Company and all affiliates and is subsequently reemployed by the Company or an affiliate following a period of 12 months or longer, any period of service completed prior to such termination. The definition of Retirement for purposes of this Agreement will not have any effect under other Company plans or programs.

- D. Death of Participant. If the Participant dies prior to the third anniversary of the Grant Date, either while a Service Provider or after a termination while eligible for Retirement, then on the date of the Participant's death all outstanding PSUs shall immediately vest based on the greater of (i) actual performance for any completed fiscal years plus target performance for any fiscal years not completed, or (ii) target performance over the entire Performance Period (and for the avoidance of doubt, without proration).
- E. Disability of Participant. If, prior to the third anniversary of the Grant Date, the Participant ceases to be a Service Provider by reason of Disability of the Participant (as determined by the Administrator), or if the Participant's status as a Service Provider was initially terminated while eligible for Retirement, and the Participant subsequently suffers a Disability (as determined by the Administrator), then on the date of the Participant's termination by reason of Disability or, provided such Disability constitutes a "disability" within the meaning of Section 409A (as defined below), on the date of the Participant's Disability following a termination while eligible for Retirement, as the case may be, all of the outstanding PSUs shall immediately vest based on the greater of (i) actual performance for any completed fiscal years plus target performance for any fiscal years not completed, or (ii) target performance over the entire Performance Period (and for the avoidance of doubt, without proration).
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- F. Termination for Cause. If the Participant's status as a Service Provider is terminated for Cause prior to Certification, the PSUs shall be forfeited upon the earlier of the receipt by the Participant of notice of such termination of Service Provider status or the effective date of such termination of Service Provider status. For purposes of this Agreement, "Cause" shall mean the occurrence, prior to any termination of a Participant's status as a Service Provider, of any one or more of the following: (i) the Participant's willful and continued failure to substantially perform the Participant's duties with the Company (other than any such failure resulting from the incapacity due to physical or mental illness), after a written demand for substantial performance is delivered to the Participant that specifically identifies the manner in which the Company (or in the case of the Company's officers, the Administrator) believes that the Participant has not substantially performed the Participant's duties, and the Participant has failed to remedy the situation within fifteen (15) business days of such written notice from the Committee, (ii) the Participant's commission of an act materially and demonstrably detrimental to the financial condition and/or goodwill of the Company or any of its subsidiaries, which act constitutes gross negligence or willful misconduct by the Participant in the performance of the Participant's material duties to the Company or any of its subsidiaries, (iii) the Participant's commission of any material act of dishonesty or breach of trust resulting or intended to result in material personal gain or enrichment of the Participant at the expense of the Company or any of its subsidiaries; or (iv) the Participant's conviction of a felony involving moral turpitude, but specifically excluding any conviction based entirely on vicarious liability. No act or failure to act will be considered "willful" unless it is done, or omitted to be done, by the Participant in bad faith or without reasonable belief that the Participant's action or omission was in the best interests of the Company.
- G. Change in Control. If a Change in Control occurs during the Performance Period and the Administrator determines that the PSUs have been assumed or substituted in accordance with Section 14.3 of the Plan, then as of the effective date of the Change in Control, the performance conditions applicable to the PSUs shall be deemed waived and the PSUs shall be deemed to have been earned (and eligible to vest) based on the greater of (i) actual performance for any completed fiscal years plus target performance for any fiscal years not completed, or (ii) target performance over the entire Performance Period (such higher number of PSUs, the "CIC Earned PSUs").

Notwithstanding anything to the contrary in this Agreement, in the event of (i) a Change in Control, and (ii) the termination of the Participant's status as a Service Provider by the Company (or any Parent or Subsidiary) without Cause (as defined in Paragraph 3(F)) or by the Participant for Good Reason (as defined below) within the time period beginning on the date that is three (3) months prior to the Change in Control and ending on the date that is twenty-four (24) months following a Change in Control, then the Participant will immediately vest in the CIC Earned PSUs. For purposes of this Agreement, if the Participant is an Employee, then "Good Reason" means without the Participant's express written consent, the occurrence of any one or more of the following (whether on account of a single

action or a series of actions): (i) the material diminution in the Participant's authorities, duties or responsibilities as an employee of the Company, (ii) the Company's requiring the Participant to have a principal job location in excess of fifty (50) miles from the location of the Participant's principal job location at any time during the 12 month period immediately preceding the Change in Control; except for required travel on the Company's business to an extent substantially consistent with the Participant's then present business travel obligations, (iii) a reduction by the Company of the Participant's regular annual rate of pay which the Participant is receiving as base salary by more than 10%, (iv) a reduction by the Company of more than 10% in the Participant's overall compensation, including short and long term incentive compensation opportunities (including, but not limited to, equity compensation awards at target grant date fair value), employee benefits and retirement plans, policies, practices or other compensation arrangements in which the Participant participates, or (v) a material breach of this Agreement by the Company. Unless the Participant becomes Disabled, the Participant's right to terminate employment for Good Reason shall not be affected by such person's incapacity due to physical or mental illness. A termination of employment by the Participant for one of the reasons set forth in subparagraphs (i) through (v), above, will not constitute "Good Reason" unless, within the 90 day period immediately following the occurrence of such Good Reason event, the Participant has given written notice to the Company specifying the event or events relied upon for such termination, the Company has not remedied such event or events within 30 days of the receipt of such notice and the Participant resigns within six months following the occurrence of the Good Reason event or at such later time as the Participant and the Company mutually agree (it being understood that the parties consider any effects of Section 409A, if applicable, before reaching agreement).

For the avoidance of doubt, if at any time following a Change in Control, the Participant ceases to be a Service Provider due to the events set forth in Paragraphs 3(B) (that is not otherwise covered by the paragraph above), 3(C), 3(D), or 3(E) above then the applicable vesting treatment and payment timing set forth above shall continue to apply, provided that such vesting treatment (including proration) and/or payment timing shall be applied with respect to the CIC Earned PSUs.

4. *Payment after Vesting.* Subject to Section 10, any PSUs that vest will be paid to the Participant (or in the event of the Participant's death, to his or her properly designated beneficiary or estate) in whole Shares. Such vested PSUs shall be paid in whole Shares as soon as practicable, but in each such case within sixty (60) days following the third anniversary of the Grant Date. In no event will (i) the Participant be permitted, directly or indirectly, to specify the taxable year of payment of any PSUs payable under this Agreement, or (ii) payment of any vested PSUs be made after the applicable short-term deferral period under Section 409A. Notwithstanding the foregoing, in the event a Participant's employment terminates due to an event described in Section 3(D), (E) or (G), the Company shall pay any amounts payable under this Agreement as soon as practicable, but in all cases within sixty (60) days following the occurrence of such event.

5. *Assignment or Transfer.* Except to the limited extent provided in Section 16, this grant as it pertains to unvested PSUs, and the rights and privileges conferred thereby, will not be transferred, assigned, pledged or hypothecated in any way (whether by operation of law or otherwise) and will not be subject to sale under execution, attachment or similar process. Upon any attempt to transfer, assign, pledge, hypothecate or otherwise dispose of any unvested PSUs, or any right or privilege conferred thereby, or upon any attempted sale under any execution, attachment or similar process, any unvested PSUs, and the rights and privileges conferred thereby, immediately will become null and void.

6. *Plan and Administrator.* The construction of the terms of this Agreement shall be controlled by the Plan and the rights of the Participant are subject to modification and termination in certain events as provided in the Plan. The Administrator's interpretations of and determinations under any of the provisions of the Plan or this Agreement shall be conclusive and binding upon the Participant and any person claiming under or through the Participant. Subject to Section 17.1 of the Plan, in the event of a conflict between the terms and conditions of the Plan and this Agreement, the terms and conditions of the Plan shall prevail. Neither the Administrator nor any person acting on behalf of the Administrator will be personally liable for any action, determination, or interpretation made in good faith with respect to the Plan or this Agreement.

7. *Compliance with Securities Laws.* No Shares shall be issued in respect of any PSUs, unless in compliance with applicable federal and state securities laws. If an exemption from registration is not available under applicable federal and state securities laws, the Company shall have no obligation to file a registration statement. The Administrator may place any legends on Shares, require the Participant to deliver representations, place restrictions on resale or take such other actions as it determines necessary or appropriate to comply with federal and state securities laws.

8. *Notice.* All notices or other communication relating to this Agreement shall be in writing and shall be considered duly given when mailed or delivered to the party for whom it is intended at such address as may from time to time be designated by such party. All notices to the Company should be mailed to the attention of its Corporate Secretary at 1081 Woodward Way, Fort Collins, Colorado 80524, and all notices to the Participant may be given to the Participant personally or may be mailed to the Participant at the most recent address which the Participant has provided in writing to the Company.

9. *Consent to Electronic Delivery.* The Company may choose to deliver certain materials relating to the Plan in electronic form. By accepting this PSU Award, the Participant agrees that the Company may deliver these materials in an electronic format. If at any time the Participant would prefer to receive paper copies of these documents, as the Participant is entitled to, the Company would be pleased to provide copies free of charge. Please contact the Company's stock plan administrator to request paper copies of these documents.

10. *Tax Obligations.* The Company shall deduct or withhold, or require the Participant to remit to the Company, an amount sufficient to satisfy all Tax Obligations by all legal means, including, but not limited to, withholding from the Participant's wages, salary or other cash compensation, withholding from any cash proceeds (if any) received upon the sale of any Shares received in payment for the PSUs and, at the time of payment, withholding Shares to meet Tax Obligations, prior to the issuance and delivery of any Shares acquired pursuant to the settlement of the PSUs granted hereunder, in accordance with Section 16 of the Plan. To the extent applicable, the Participant authorizes the Company to satisfy any tax withholding obligation arising upon the lapse of any risk of forfeiture (including FICA due upon such lapse) by accelerating the settlement and withholding of the number of Shares subject to the PSUs

required to satisfy such tax withholding obligation (including the additional FICA tax and income tax withholding attributable to the pyramiding of FICA tax and income tax withholding due to the foregoing payments). The Company may withhold Shares up to the maximum statutory tax rates for the applicable jurisdictions. Any Shares sold or withheld pursuant to this Section shall be exempt from Section 16 pursuant to Rule 16b-3.

11. *Rights as Stockholder.* Neither the Participant nor any person claiming under or through the Participant will have any of the rights or privileges of a stockholder of the Company in respect of any Shares deliverable hereunder unless and until certificates representing such Shares (which may be in book entry form) will have been issued, recorded on the records of the Company or its transfer agents or registrars, and delivered to the Participant (including through electronic delivery to a brokerage account). After such issuance, recordation, and delivery, the Participant will have all the rights of a stockholder of the Company with respect to voting such Shares and receipt of dividends and distributions on such Shares.

12. *No Guarantee of Continued Service.* The Participant understands and agrees that this Agreement does not impact the right of the Company or any of its affiliates employing or engaging the services of the Participant to terminate or change the terms of the Participant's employment or other service at any time for any reason, with or without Cause. The Participant understands and agrees that the Participant's employment or other service with the Company or any of its affiliates is on an "at-will" basis.

13. *Beneficiary Designation.* The Participant may, from time to time, name any beneficiary or beneficiaries (who may be named contingently or successively) to whom any benefit under this Agreement is to be paid in case of the Participant's death before the Participant receives any or all of such benefit. Each such designation shall revoke all prior designations by the Participant, shall be in a form prescribed by the Company, and will be effective only when filed by the Participant in writing with the stock plan administrator during the Participant's lifetime. In the absence of any such designation, benefits remaining unpaid at the Participant's death shall be paid to the Participant's estate.

14. *Severability.* In the event any provision of this Agreement is held illegal or invalid for any reason, such illegality or invalidity shall not affect the remaining provisions of this Agreement, which shall nonetheless remain in full force and effect. Upon any determination that any provision is invalid, illegal or incapable of being enforced, such provision shall be modified to the extent necessary to render it valid, legal and enforceable while preserving its intent, or if such modification is not possible, by substituting therefor another provision that is legal and enforceable and that achieves substantially the same objective; provided, however, that if neither modification nor substitution is possible, then such provision shall be deemed severed from this Agreement without affecting the remaining provisions hereof.

15. *No Waiver.* Either party's failure to enforce any provision or provisions of this Agreement shall not in any way be construed as a waiver of any such provision or provisions, nor prevent that party from thereafter enforcing such provision or any other provision of this Agreement. The rights granted both parties herein are cumulative and shall not constitute a waiver of either party's right to assert all other legal remedies available to it under the circumstances.

16. *Successors and Assigns.* The Company may assign any of its rights under this Agreement to single or multiple assignees, and this Agreement shall be binding on of the successors and assigns of the Company. Subject to the restrictions on transfer herein set forth, this Agreement shall be binding upon the Participant and his or her heirs, executors, administrators, successors and assigns. The rights and

obligations of the Participant under this Agreement may only be assigned with the prior written consent of the Company.

17. *Captions.* Captions provided herein are for convenience only and are not to serve as a basis for interpretation or construction of this Agreement.

18. *Amendment, Suspension or Termination of the Plan.* The Participant understands that the Plan is discretionary in nature and may be amended, suspended or terminated by the Administrator at any time.

19. *Modifications to the Agreement.* Modifications to this Agreement can be made only in an express written contract executed by a duly authorized officer of the Company and the Participant. Notwithstanding anything to the contrary in the Plan or this Agreement, the Company reserves the right to revise this Agreement as it deems necessary or advisable, in its sole discretion and without the consent of the Participant, to comply with Section 409A or to otherwise avoid imposition of any additional tax or income recognition under Section 409A in connection with this Award of PSUs.

20. *Governing Law; Venue.* This Agreement shall be governed by the laws of the State of Delaware, excluding any conflicts or choice of law rule or principle that might otherwise refer construction or interpretation of this Agreement to the substantive law of another jurisdiction. For purposes of litigating any dispute that arises under these PSUs, this Agreement, or the Plan, the parties hereby submit to and consent to the jurisdiction of the State of Colorado, and agree that such litigation will be conducted in the courts of Denver County, Colorado, or the United States federal courts for the District of Colorado, and no other courts, where this Agreement is made and/or to be performed.

21. *Section 409A.* It is the intent of this Agreement that all payments and benefits to U.S. taxpayers hereunder be exempt from, or comply with, the requirements of Section 409A so that none of the PSUs provided under this Agreement or Shares issuable thereunder will be subject to the additional tax imposed under Section 409A, and any ambiguities herein will be interpreted to be so exempt or so comply. To the extent required to be exempt from or comply with Section 409A, references to the Participant's termination as a Service Provider or similar phrases used in this Agreement will mean the Participant's "separation from service" within the meaning of Section 409A. Each payment payable under this Agreement is intended to constitute a separate payment for purposes of Treasury Regulation Section 1.409A-2(b)(2). However, in no event will the Company reimburse, or be otherwise responsible for, any taxes or costs that may be imposed on the Participant or any other person as a result of Section 409A. For purposes of this Agreement, "Section 409A" means Section 409A of the Code, and any final Treasury Regulations and Internal Revenue Service guidance thereunder, as each may be amended from time to time.

Notwithstanding anything in the Plan or this Agreement or any other agreement (whether entered into before, on or after the Grant Date), if the vesting of the balance, or some lesser portion of the balance, of the PSUs is accelerated in connection with the Participant's termination as a Service Provider (provided that such termination is a "separation from service" within the meaning of Section 409A, as determined by the Company), other than due to the Participant's death, and if (x) the Participant is a U.S. taxpayer and a "specified employee" within the meaning of Section 409A at the time of such termination as a Service Provider and (y) the payment of such accelerated PSUs would result in the imposition of additional tax under Section 409A if paid to the Participant on or within the six (6) month period following the Participant's termination as a Service Provider, then the payment of such accelerated PSUs will not be made until the date six (6) months and one (1) day following the date of the Participant's

termination as a Service Provider, unless the Participant dies following his or her termination as a Service Provider, in which case, the PSUs will be paid in Shares to the Participant's estate as soon as practicable following his or her death.

22. Entire Agreement; Order of Precedence. The Plan and this Agreement constitute the entire agreement of the parties with respect to the subject matter hereof and supersede in their entirety all prior undertakings and agreements of the Company and the Participant with respect to the subject matter hereof, and may not be modified adversely to the Participant's interest except by means of a writing signed by the Company and the Participant. For the avoidance of doubt, nothing in this Agreement shall be a basis for providing or calculating severance or similar pay, unless required by Applicable Laws. Notwithstanding the foregoing, (i) the terms of any Executive Severance and Change in Control Agreement (or similar agreement, plan or program) shall be incorporated into this Agreement to the extent necessary to give such arrangement effect, and (ii) any amounts payable under this Agreement are subject to any compensation recovery or clawback policy the Company may adopt from time to time to the extent covered by the terms and conditions of such policy.

Woodward, Inc.
Subsidiaries of the Registrant

<u>Entity Name</u>	<u>Jurisdiction of Organization</u>
Convergence Fuel Systems, LLC (Joint Venture)	Delaware, USA
Fluid Mechanics, LLC	Delaware, USA
Superturbo Technologies, Inc.	Delaware, USA
Techni-Core, Inc	Delaware, USA
MPC Products Corporation dba Woodward MPC, Inc.	Illinois, USA
Woodward FST, Inc.	Delaware, USA
Woodward Controls, LLC	Delaware, USA
Woodward International, Inc	Delaware, USA
Woodward Aken GmbH	Aken, Germany
Woodward Swiss Holding GmbH	Lucerne, Switzerland
Woodward India Private Limited	New Delhi, India
Woodward International Holding B.V.	Hoofddorp, The Netherlands
Woodward Nederland B.V.	Hoofddorp, The Netherlands
Woodward Nederland Holding B.V.	Hoofddorp, The Netherlands
Woodward (Japan) LLC	Chiba, Japan
Woodward Poland Sp. z o.o.	Krakow, Poland
Woodward Regulateur (Quebec), Inc.	Quebec, Canada
Woodward Comercio de Sistemas de Controle e Protecao Electrica Ltda.	Sao Paulo, Brazil
Woodward GmbH	Stuttgart, Germany
Woodward Hong Kong Limited	Hong Kong, China
Woodward (Tianjin) Controls Company Limited	Tianjin, China
Woodward Controls (Suzhou) Co., Ltd.	Suzhou, China
Woodward HRT, Inc.	Delaware, USA
Woodward Energy Controls Singapore Pte. Ltd.	Singapore
WWARD Asia Holdings Pte. Ltd.	Singapore
N1870G Leasing LLC	Delaware, USA
Woodward Switzerland GmbH	Zug, Switzerland
Woodward Bulgaria EOOD	Sofia, Bulgaria
Woodward Fuel Systems Holdings, LLC	Delaware, USA

Woodward (Barbados) Financing, SRL	Barbados
Woodward (Barbados) Euro Financing, SRL	Barbados
Woodward Financing, LLC	Delaware, USA
Woodward France S.A.S.	France
Woodward German Holding GmbH & Co KG	Stuttgart, Germany
Woodward German Holding Management GmbH	Stuttgart, Germany
L'Orange Fuel Injection Trading (Suzhou) Co., LTD	Suzhou, China
Woodward L'Orange GmbH	Stuttgart, Germany
Woodward L'Orange Unterstutzungskasse GmbH	Stuttgart, Germany
Woodward Technology Ventures, LLC	Delaware, USA
Woodward Inc. LLC – Saudi Arabia	Al-Khobar, Saudi Arabia
PM Control Systems Pte. Ltd.	Singapore
PM Control Systems (Aust) Pty. Ltd.	Australia
PT Woodward Controls Indonesia	Indonesia
Woodward Canada Inc.	Ontario, Canada

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We consent to the incorporation by reference in Registration Statement Nos. 333-10409, 333-66422, 333-82302, 333-112521, 333-133640, 333-179248, 333-217435, 333-222697, 333-227584, 333-229655, 333-236525, 333-253044, 333-262818, 333-262827, 333-269800 and 333-280825 on Form S-8 of our report dated November 25, 2025, relating to the financial statements of Woodward, Inc. and the effectiveness of Woodward, Inc.'s internal control over financial reporting appearing in this Annual Report on Form 10-K of Woodward, Inc. for the year ended September 30, 2025.

/s/ DELOITTE & TOUCHE LLP

Denver, Colorado

November 25, 2025

Woodward, Inc.
Rule 13a-14(a)/15d-14(a) certifications

CERTIFICATION

I, Charles Blankenship, Jr., certify that:

1. I have reviewed this Annual Report on Form 10-K for the period ended September 30, 2025, of Woodward, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: November 25, 2025

/s/ Charles Blankenship, Jr.

Charles Blankenship, Jr.
*Chairman of the Board and
Chief Executive Officer
(Principal Executive Officer)*

A signed original of this written statement required by Rule 13a-14(a)/15d-14(a), or other document authenticating, acknowledging, or otherwise adopting the signature that appears in typed form within the electronic version of this written statement required by Rule 13a-14(a)/15d-14(a), has been provided to Woodward and will be retained by Woodward and furnished to the Securities and Exchange Commission or its staff upon request.

Woodward, Inc.
Rule 13a-14(a)/15d-14(a) certifications

CERTIFICATION

I, William Lacey, certify that:

1. I have reviewed this Annual Report on Form 10-K for the period ended September 30, 2025, of Woodward, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: November 25, 2025

/s/ William Lacey
William Lacey
Chief Financial Officer
(Principal Financial and Accounting Officer)

A signed original of this written statement required by Rule 13a-14(a)/15d-14(a), or other document authenticating, acknowledging, or otherwise adopting the signature that appears in typed form within the electronic version of this written statement required by Rule 13a-14(a)/15d-14(a), has been provided to Woodward and will be retained by Woodward and furnished to the Securities and Exchange Commission or its staff upon request.

Woodward, Inc.
Section 1350 certifications

We hereby certify, pursuant to 18 U.S.C. Section 1350, that the accompanying Annual Report on Form 10-K for the period ended September 30, 2025 (the "Annual Report"), of Woodward, Inc., fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934 and that information contained in the Annual Report fairly presents, in all material respects, the financial condition and results of operations of Woodward, Inc.

Date: November 25, 2025

/s/ Charles Blankenship, Jr.

Charles Blankenship, Jr.

Chairman of the Board and Chief Executive Officer

Date: November 25, 2025

/s/ William Lacey

William Lacey

Chief Financial Officer

A signed original of this written statement required by Rule 13a-14(b)/15d-14(b) and 18 U.S.C. Section 1350, or other document authenticating, acknowledging, or otherwise adopting the signature that appears in typed form within the electronic version of this written statement, has been provided to Woodward and will be retained by Woodward and furnished to the Securities and Exchange Commission or its staff upon request.
