

WOODWARD GOVERNOR CO

Form S-3ASR

November 22, 2010

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As filed with the Securities and Exchange Commission on November 22, 2010

Registration No. 333-

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

**Form S-3
REGISTRATION STATEMENT
UNDER
THE SECURITIES ACT OF 1933**

WOODWARD GOVERNOR COMPANY

(Exact name of registrant as specified in its charter)

Delaware

*(State or jurisdiction of
incorporation or organization)*

36-1984010

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

**1000 East Drake Road
Fort Collins, Colorado 80525
(970) 482-5811**

(Address, including zip code, and telephone number, including area code, of registrant's principal executive offices)

Thomas A. Gendron

Chief Executive Officer and President
Woodward Governor Company
1000 East Drake Road
Fort Collins, Colorado 80525
(970) 482-5811

(Names, address, including zip code, and telephone number, including area code, of agent for service)

Robert F. Weber, Jr.

Chief Financial Officer and Treasurer
Woodward Governor Company
1000 East Drake Road
Fort Collins, Colorado 80525
(970) 482-5811

Copies to:

A. Christopher Fawzy

Vice President, General Counsel, Corporate
Secretary and Chief Compliance Officer
Woodward Governor Company
1000 East Drake Road
Fort Collins, Colorado 80525
(970) 482-5811

Timothy J. Melton

Joel T. May
Jones Day
77 West Wacker
Chicago, Illinois 60601
(312) 782-3939

Approximate date of commencement of proposed sale to the public: From time to time after the effective date of this registration statement.

If the only securities being registered on this Form are being offered pursuant to dividend or interest reinvestment plans, please check the following box:

If any of the securities being registered on this Form are to be offered on a delayed or continuous basis pursuant to Rule 415 under the Securities Act of 1933, other than securities offered only in connection with dividend or interest reinvestment plans, check the following box:

If this Form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, please check the following box and list the Securities Act registration statement number of the earlier effective

registration statement for the same offering.

If this Form is a post-effective amendment filed pursuant to Rule 462(c) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering.

If this Form is a registration statement pursuant to General Instruction I.D. or a post-effective amendment thereto that shall become effective upon filing with the Commission pursuant to Rule 462(e) under the Securities Act, check the following box.

If this Form is a post-effective amendment to a registration statement filed pursuant to General Instruction I.D. filed to register additional securities or additional classes of securities pursuant to Rule 413(b) under the Securities Act, check the following box.

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

Large accelerated filer Accelerated filer Non-accelerated filer Smaller reporting company

(Do not check if a smaller reporting company)

CALCULATION OF REGISTRATION FEE

Title of Each Class of Securities to be Registered	Amount to be Registered(1)	Proposed Maximum Aggregate Offering Price(1)	Amount of Registration Fee(1)
Common Stock, par value \$0.001455 per share			
Preferred Stock			
Rights			
Warrants			
Depository Shares			
Purchase Contracts			
Units			
Debt Securities			
Total			

(1) An indeterminate amount of securities offered at indeterminate prices is being registered pursuant to this registration statement. The registrant is deferring payment of the registration fee pursuant to Rule 456(b) and Rule 457(r). Any additional fees will be paid subsequently on a pay-as-you-go basis.

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PROSPECTUS

**Woodward Governor Company
Common Stock
Preferred Stock
Rights
Warrants
Depositary Shares
Purchase Contracts
Units
Debt Securities**

We may offer and sell from time to time, in one or more offerings, together or separately, any combination of the securities described in this prospectus. Such securities may be offered and sold by us in one or more offerings at prices and on other terms to be determined at the time of the offering. This prospectus describes some of the general terms that may apply to these securities. The specific terms of any securities to be offered will be described in a supplement to this prospectus and may be further described in a post-effective amendment to the registration statement of which this prospectus is a part, in a supplement to this prospectus or in any other offering material related to the securities. You should read this prospectus, the applicable prospectus supplement and the documents incorporated by reference in this prospectus and any prospectus supplement carefully before you invest in any of these securities. **This prospectus may not be used to sell securities unless accompanied by a prospectus supplement.**

We may offer and sell these securities to or through one or more underwriters, dealers or agents, or directly to purchasers, on a continuous or delayed basis. Each prospectus supplement will provide the names of the underwriters, dealers or agents, if any, and the amount, price and terms of the plan of distribution relating to the securities to be offered pursuant to such prospectus supplement, as well as the net proceeds we expect to receive from such sale. In addition, the underwriters, if any, may over allot a portion of the securities.

Our common stock trades on The NASDAQ Global Select Market under the symbol WGOV. On November 18, 2010, the last reported sales price for our common stock was \$31.20 per share. If we decide to seek a listing of any securities offered by this prospectus, we will disclose the exchange or market on which the securities will be listed, if any, or where we have made an application for listing, if any, in one or more supplements to this prospectus.

Investing in our securities involves risks. You should carefully consider the risk factors set forth in this prospectus, in the applicable prospectus supplement and in our periodic reports filed from time to time with the Securities and Exchange Commission, as described under the section entitled Risk Factors on page 4 of this prospectus, before making any decision to invest in any of the securities described in this prospectus.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or passed upon the accuracy or adequacy of this prospectus. Any representation to the contrary is a criminal offense.

The date of this prospectus is November 22, 2010.

As permitted under the rules of the Securities and Exchange Commission, this prospectus incorporates important business information about Woodward Governor Company that is contained in documents that we file with the Securities and Exchange Commission but that are not included in or delivered with this prospectus. You may obtain copies of these documents, without charge, from the website maintained by the Securities and Exchange Commission at www.sec.gov, as well as other sources. See [Where You Can Find More Information](#).

You may also obtain copies of the incorporated documents, without charge, upon written or oral request to the Corporate Secretary, Woodward Governor Company, P. O. Box 1519, 1000 E. Drake Road, Fort Collins, Colorado 80525, (970) 482-5811.

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ABOUT THIS PROSPECTUS

This prospectus is part of a registration statement that we filed with the Securities and Exchange Commission, or the SEC, utilizing a shelf registration process. Under this shelf process, we may from time to time sell the securities described in this prospectus in one or more offerings at prices and on other terms to be determined at the time of the offering. This prospectus provides you with a general description of the securities we may offer. Each time we offer the securities, we will provide a prospectus supplement that will contain specific information about the terms of that offering and the securities being offered. The prospectus supplement may also add, update or amend information contained in this prospectus. You should read this prospectus and any prospectus supplement together with the information incorporated by reference as described below under the caption **Where You Can Find More Information** and **Incorporation of Certain Information by Reference**.

You should rely only on the information contained or incorporated by reference in this prospectus and in any prospectus supplement or in any free writing prospectus that we may provide to you. We have not authorized anyone to provide you with different information. You should not assume that the information contained in this prospectus, any prospectus supplement or any document incorporated by reference is accurate as of any date other than the date mentioned on the cover page of these documents. We are not making offers to sell the securities in any jurisdiction in which an offer or solicitation is not authorized or in which the person making such offer or solicitation is not qualified to do so or to anyone to whom it is unlawful to make an offer or solicitation.

When we refer to **Woodward**, our company, **we**, **us** and **our** in this prospectus under the headings **Woodward Governor Company** and **Ratio of Earnings to Fixed Charges**, we mean Woodward Governor Company and its subsidiaries unless the context indicates otherwise. When such terms are used elsewhere in this prospectus, we refer only to Woodward Governor Company unless the context indicates otherwise.

FORWARD-LOOKING STATEMENTS

This prospectus and the documents it incorporates by reference contain 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**, **forecasts**, **intend**, **continue**, **outlook**, **plan**, **project**, **target**, **strive**, **can**, **could**, **may**, **s**, variations of such words, and similar expressions are intended to identify such forward-looking statements. In addition, any statements that refer to the use of proceeds from the sale of securities to which this prospectus relates or projections of our future financial performance, our anticipated growth and trends in our businesses, regarding our plans, objectives, expectations and intentions and other characteristics of future events or circumstances are forward-looking statements. You are cautioned that these forward-looking statements are only predictions and are subject to risks, uncertainties, and assumptions that are difficult to predict, including:

a decline in business with, or financial distress of, our significant customers;

the instability in the financial markets and prolonged unfavorable economic and other industry conditions;

our ability to obtain financing, on acceptable terms or at all, to implement our business plans, complete acquisitions, or otherwise take advantage of business opportunities or respond to business pressures;

the long sales cycle, customer evaluation process, and implementation period of some of our products and services;

our ability to implement, and realize the intended effects of, our restructuring efforts;

our ability to successfully manage competitive factors, including prices, promotional incentives, industry consolidation, and commodity and other input cost increases;

our ability to manage our expenses while responding to sales increases or decreases;

the ability of our subcontractors to perform contractual obligations and our suppliers to provide us with materials of sufficient quality or quantity required to meet our production needs at favorable prices or at all;

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the success of, or expenses associated with, our product development activities;

our ability to integrate acquisitions and manage costs related thereto;

our debt obligations, our debt service requirements, and our ability to operate our business, pursue business strategies and incur additional debt in light of covenants contained in our outstanding debt agreements;

risks related to our U.S. Government contracting activities;

future impairment charges resulting from changes in the estimates of fair value of reporting units or of long-lived assets;

future subsidiary results or changes in domestic or international tax statutes;

environmental liabilities related to manufacturing activities;

our continued access to a stable workforce and favorable labor relations with our employees;

the geographical location of a significant portion of our Airframe Systems business in California, which historically has been susceptible to natural disasters;

our ability to successfully manage regulatory, tax, and legal matters (including product liability, patent, and intellectual property matters);

liabilities resulting from legal and regulatory proceedings, inquiries, or investigations by private or U.S. Government persons or entities;

risks from operating internationally, including the impact on reported earnings from fluctuations in foreign currency exchange rates, and changes in the legal and regulatory environments of countries in which we operate;

fair value of defined benefit plan assets and assumptions used in determining our retirement pension and other postretirement benefit obligations and related expenses including, among others, discount rates and investment return on pension assets;

certain provisions of our charter documents and Delaware law that could discourage or prevent others from acquiring our company; and

other risks that are discussed under **Risk Factors** in our SEC filings and are incorporated by reference.

These factors are representative of the risks, uncertainties, and assumptions that could cause actual outcomes and results to differ materially from what is expressed or forecast in our forward-looking statements.

Therefore, actual results could differ materially and adversely from those expressed in any forward-looking statements. These risks and uncertainties are discussed in more detail under **Business, Risk Factors, Management's Discussion and Analysis of Financial Condition and Results of Operations** and **Notes to Consolidated Financial Statements** in our Annual Report on Form 10-K for the fiscal year ended September 30, 2010, in any applicable prospectus supplement and in other documents on file with the SEC. We undertake no obligation to revise or update any forward-looking statements for any reason.

WHERE YOU CAN FIND MORE INFORMATION

We file annual, quarterly and current reports, proxy statements and other information with the SEC. You may read and copy any reports, statements and other information filed by us at the SEC's Public Reference Room at 100 F

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Street, N.E., Washington, D.C. 20549. Please call 1-800-SEC-0330 for further information on the Public Reference Room. The SEC maintains an Internet website that contains reports, proxy and information statements and other information regarding issuers, including us, that file electronically with the SEC. The address for the SEC's website is www.sec.gov.

Our Internet website address is www.woodward.com. Through this Internet website (found in the Investor Information link), we make available, free of charge, our annual reports on Form 10-K, quarterly reports on Form 10-Q and current reports on Form 8-K,

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and all amendments to those reports, as soon as reasonably practicable after these reports are electronically filed or furnished to the SEC. Information contained on our website is not part of this prospectus, and the reference to our website does not constitute incorporation by reference into this prospectus of the information contained at that site.

INCORPORATION OF CERTAIN INFORMATION BY REFERENCE

The SEC allows us to incorporate by reference into this prospectus the information in documents we file with it, which means that we can disclose important information to you by referring you to those documents. The information incorporated by reference is considered to be a part of this prospectus, and information that we file later with the SEC will automatically update and supersede this information. Any statement contained in any document incorporated or deemed to be incorporated by reference herein shall be deemed to be modified or superseded for purposes of this prospectus to the extent that a statement contained in or omitted from this prospectus or any accompanying prospectus supplement, or in any other subsequently filed document which also is or is deemed to be incorporated by reference herein, modifies or supersedes such statement. Any such statement so modified or superseded shall not be deemed, except as so modified or superseded, to constitute a part of this prospectus.

We incorporate by reference the documents listed below and any future filings we make with the SEC under Sections 13(a), 13(c), 14 or 15(d) of the Securities Exchange Act of 1934, or Exchange Act, until the completion of the offering of securities described in this prospectus:

Our description of common stock contained in our Form A-2 (File No. 2-4446) filed with the SEC on June 28, 1940; and

Our Annual Report on Form 10-K for the fiscal year ended September 30, 2010, filed with the SEC on November 18, 2010.

You may request a copy of these filings at no cost, by writing or calling us at the following address and telephone number:

Corporate Secretary
P.O. Box 1519
1000 E. Drake Road
Fort Collins, Colorado 80525
(970) 482-5811

We will not, however, incorporate by reference in this prospectus any documents or portions thereof that are not deemed filed with the SEC, including any information furnished pursuant to Item 2.02 or Item 7.01 of our current reports on Form 8-K after the date of this prospectus unless, and except to the extent, specified in such current reports.

We have filed with the SEC a registration statement on Form S-3 under the Securities Act of 1933, or the Securities Act, covering the securities to be offered and sold by this prospectus and the applicable prospectus supplement. This prospectus does not contain all of the information included in the registration statement, some of which is contained in exhibits to the registration statement. The registration statement, including the exhibits, can be read at the SEC website or at the SEC offices referred to above. Any statement made in this prospectus or the prospectus supplement concerning the contents of any contract, agreement or other document is only a summary of the actual contract, agreement or other document. If we have filed any contract, agreement or other document as an exhibit to the registration statement, you should read the exhibit for a more complete understanding of the document or matter involved. Each statement regarding a contract, agreement or other document is qualified in its entirety by reference to the actual document.

WOODWARD GOVERNOR COMPANY

We are an independent designer, manufacturer, and service provider of energy control and optimization solutions. We design, produce and service reliable, efficient, low-emission, and high-performance energy control products for diverse applications in challenging environments. We have significant production and assembly facilities in the United States, Europe and Asia, and promote our products and services through our worldwide locations.

Our strategic focus is energy control and optimization solutions. The precise and efficient control of energy, including fluid and electrical energy, combustion and motion, 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

military 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,

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combustion, fluid, actuation and electronic systems. We focus primarily on original equipment manufacturers (OEMs) and equipment packagers, partnering with them to bring superior component and system solutions to their demanding applications. We also provide aftermarket repair, replacement and other service support for our installed products.

Our components and integrated systems optimize performance of commercial aircraft, military aircraft, ground vehicles and other equipment, gas and steam turbines, wind turbines, including converters and power grid related equipment, industrial diesel, gas and alternative fuel reciprocating engines, and electrical power systems. Our innovative fluid energy, combustion control, electrical energy, and motion control systems help customers offer more cost-effective, cleaner, and more reliable equipment. Our customers include leading OEMs and end users of their products.

We were established in 1870, incorporated in 1902, and are headquartered in Fort Collins, Colorado. The mailing address of our world headquarters is 1000 East Drake Road, Fort Collins, Colorado 80525. Our telephone number at that location is (970) 482-5811, and our website is www.woodward.com.

RISK FACTORS

An investment in our securities involves a high degree of risk. Before making a decision about investing in our securities, you should carefully consider the risk factors incorporated by reference herein and contained in any applicable prospectus supplement, as well as the risk factors set forth in our Annual Report on Form 10-K for the fiscal year ended September 30, 2010 and other filings we may make from time to time with the SEC. You should also refer to the other information contained in or incorporated by reference in this prospectus and any applicable prospectus supplement, including our financial statements and the related notes incorporated by reference into this prospectus. Additional risks and uncertainties not currently known to us or that we currently deem to be immaterial may also materially and adversely affect our business and operations.

USE OF PROCEEDS

Unless otherwise indicated in any applicable prospectus supplement or other offering materials, we intend to use the net proceeds from the sale of our securities to which this prospectus relates for general corporate purposes. General corporate purposes may include repayment of debt, acquisitions, investments, additions to working capital, capital expenditures and advances to or investments in securities of our subsidiaries. The specific allocation of the net proceeds of a particular offering of securities will be described in the applicable prospectus supplement.

RATIO OF EARNINGS TO FIXED CHARGES

The following table sets forth our ratio of consolidated earnings to fixed charges for the periods presented:

	Year Ended September 30,				
	2010	2009	2008	2007	2006
			(Unaudited)		
Ratio of Earnings to Fixed Charges(1)	6.0	4.5	40.3	26.2	15.9

(1) No shares of our preferred stock were outstanding during the years ended September 30, 2010, 2009, 2008, 2007 and 2006. Accordingly, the ratios of earnings to fixed charges

and preferred dividends are not separately stated from the ratios of earnings to fixed charges for the periods listed above.

Fixed charges represent interest expense, capitalized interest, the portion of rental expense representing the interest factor for continuing operations and amortizations of premiums, discounts and capitalized expenses related to indebtedness. Earnings represent the aggregate of income from continuing operations before extraordinary items (excluding undistributed earnings of unconsolidated entities), income taxes, net adjustments for capitalized interest and fixed charges deducted from earnings.

DESCRIPTION OF CAPITAL STOCK

The following description of our common stock and certain provisions of our restated certificate of incorporation, as amended, or our certificate of incorporation, and our amended and restated bylaws, or our bylaws, is a summary of selected general terms thereof

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and is qualified in its entirety by the provisions of our certificate of incorporation and bylaws, copies of which have been filed with the SEC and are available for inspection. See [Where You Can Find More Information](#).

Our authorized capital stock consists of 150,000,000 shares of common stock, par value \$0.001455 per share, and 10,000,000 shares of preferred stock, par value \$0.003 per share. The transfer agent and registrar for our capital stock is American Stock Transfer & Trust Company, LLC, 59 Maiden Lane, Plaza Level, New York, New York 10038, telephone: (800) 937-5449.

Common Stock

As of November 1, 2010, we had 72,960,000 shares of common stock issued, of which 4,100,896 shares were held as treasury shares. In addition, 4,531,720 shares were reserved for issuance upon exercise of outstanding stock option awards.

Holders of our common stock are entitled to one vote for each share held by such stockholder which has voting power on the matter in question. Holders of our common stock are entitled to cumulative voting for the election of directors, which means that in each election of directors each holder of our common stock is entitled to cast as many votes as the number of shares of common stock held by such holder multiplied by the number of directors to be elected. Holders of common stock may receive dividends, if any, as may be declared by our board of directors at any regular or special meeting. Holders of common stock have no preemptive or redemption rights. All outstanding shares of our common stock are fully paid and nonassessable.

The preceding description sets forth certain general terms and provisions of our common stock and is not complete. We encourage you to read our certificate of incorporation and bylaws for additional information before you decide whether to purchase any shares of our common stock.

Preferred Stock

Our board of directors is authorized to establish one or more series of preferred stock and to fix the dividend rights and terms, conversion rights, voting rights, redemption rights and terms, liquidation preferences, and any other rights, preferences, privileges and restrictions applicable to each series of preferred stock. The applicable prospectus supplement will describe the terms of any series of preferred stock in respect of which this prospectus is being delivered, including, to the extent applicable, the following:

- the designation of such series;

- the dividend rate of such series, the conditions and dates upon which such dividends shall be payable, the relation that such dividends shall bear to the dividends payable on any other class or classes or series of our capital stock, and whether such dividends shall be cumulative or non-cumulative;

- whether the shares of such series shall be subject to redemption for cash, property or rights, including our securities or the securities of any other corporation, by us at either our option or the option of the holder or both or upon the happening of a specified event, and, if made subject to any such redemption, the times or events, prices and other terms and conditions of such redemption;

- the terms and amount of any sinking fund provided for the purchase or redemption of the shares of such series;

- whether or not the shares of such series shall be convertible into, or exchangeable for, at the option of either the holder or us or upon the happening of a specified event, shares of any other class or classes or of any other series of the same or any other class or classes of our capital stock, and, if provision be made for conversion or exchange, the times or events, prices, rates, adjustments and other terms and conditions of such conversions or exchanges;

- the restrictions, if any, on the issue or reissue of any additional preferred stock;

- the rights of the holders of the shares of such series upon our voluntary or involuntary liquidation, dissolution or winding up; and

the provisions as to voting (which may be one or more votes per share or a fraction of a vote per share), optional or other special rights and preferences, if any.

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Delaware law provides that the holders of preferred stock have the right to vote separately as a class on any proposal involving fundamental changes in the rights of holders of that preferred stock. This right is in addition to any voting rights that may be provided for in the applicable certificate of designation for preferred stock.

The preceding description of our preferred stock is a summary of certain general terms and provisions of the preferred stock to which any prospectus supplement may relate. The particular terms of the preferred stock to which any prospectus supplement may relate and the extent, if any, to which the general provisions may apply to the preferred stock so offered will be described in the applicable prospectus supplement. To the extent that any particular terms of the certificate of designation described in a prospectus supplement differ from any of the terms described above, then the terms described above will be deemed to have been superseded by that prospectus supplement. We encourage you to read our certificate of incorporation and bylaws for additional information before you decide whether to purchase any shares of our preferred stock. See [Where You Can Find More Information](#).

Purposes and Effects of Certain Provisions of Our Certificate of Incorporation and Bylaws

General

Our certificate of incorporation and bylaws contain provisions that could make more difficult the acquisition of control of Woodward by means of a tender offer, open market purchases, a proxy contest or otherwise. A description of these provisions is set forth below.

Classified Board of Directors; Removal Only for Cause

Our certificate of incorporation divides our board of directors into three classes of directors, with each class serving staggered, three-year terms. In addition, any director or the entire board of directors may be removed 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. The classification of our board of directors means that, unless directors are removed for cause, it could require at least two annual meetings of stockholders for a majority of stockholders to make a change of control of the board of directors, because only a portion of the directors will be elected at each meeting. A significant effect of a classified board of directors may be to deter hostile takeover attempts, because an acquirer could experience delay in replacing a majority of the directors. A classified board of directors also makes it more difficult for stockholders to effect a change of control of the board of directors, even if such a change of control were to be sought due to dissatisfaction with the performance of our directors.

Board Vacancies

Our certificate of incorporation authorizes our board of directors to fill vacant directorships or to increase the size of our board of directors, which may deter a stockholder from removing incumbent directors and simultaneously gaining control of our board of directors by filling the vacancies created by this removal with its own nominees.

Advance Notice of Director Nominees and Other Matters to Come Before Stockholder Meetings

Our bylaws require stockholders to notify us prior to the date which is not less than 90 days nor more than 120 days prior to the anniversary date of the immediately preceding annual meeting of stockholders of any nominations they will propose for directors or other matters they wish to propose at the annual meeting, subject to certain exceptions if the annual meeting is called for a date that is not within 30 days before or after such anniversary date or the size of the board of directors is increased. This provision may have the effect of precluding a nomination for the election of directors at a particular annual meeting if the proper procedures are not followed and may discourage or deter a third party from conducting a solicitation of proxies to elect its own slate of directors or otherwise attempting to obtain control of Woodward.

No Stockholder Action by Written Consent

Our certificate of incorporation provides that all action by stockholders must be taken at a meeting duly called and held. The stockholders may not act by written consent. This provision prevents our stockholders from initiating or effecting any action by written consent, thereby limiting the ability of our stockholders to take actions opposed by our board of directors.

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Special Meetings of Stockholders

Our certificate of incorporation provides that special meetings of stockholders may be called by the board of directors or the chairman of the board of directors, and must be called only when requested in writing and signed by the holders of two-thirds of the outstanding shares of our common stock. This provision could have the effect of inhibiting stockholder actions that require a special meeting of stockholders, unless our board of directors or chairman calls such a meeting.

Limitation of Director Liability

Our certificate of incorporation provides that, unless otherwise prohibited under the Delaware General Corporation Law, no director will be liable to Woodward or to our stockholders for monetary damages for breach of fiduciary duty as a director. The effect of this provision may be to reduce the likelihood of derivative litigation against our directors for breach of their duty of care, even though such an action, if successful, might otherwise have benefited Woodward and our stockholders. This provision does not limit a stockholder's ability to seek or obtain relief under federal securities laws.

Supermajority Voting

Our certificate of incorporation requires the affirmative vote of two-thirds of the outstanding shares of our common stock:

for the adoption of any amendment, alteration, change or repeal of any provision of the certificate of incorporation;

for the adoption of any agreement for the merger or consolidation of Woodward with or into any other corporation;

to authorize any sale, lease or exchange of all or substantially all of the assets of Woodward; and

to authorize the dissolution of Woodward.

The supermajority voting provision described above regarding any amendment, alteration, change or repeal of any provision of the certificate of incorporation is primarily designed to prevent an acquirer from circumventing the takeover defense provisions contained in our governing documents. The other supermajority voting provisions described above discourage attempts to take over the company by significant stockholders and may enable a minority of the stockholders to prevent consummation of significant business combinations or other transactions.

Our certificate of incorporation also expressly authorizes each of our board of directors and our stockholders to independently adopt, amend or repeal our bylaws. However, our stockholders may only adopt, amend or repeal our bylaws upon the affirmative vote of the holders of two-thirds of the outstanding shares of our common stock, and no bylaw may be adopted by the stockholders that impairs or impedes the power of the board of directors under the certificate of incorporation. This supermajority voting provision could enable holders of just over one-third of our common stock to prevent holders of a substantial majority of our common stock who do not approve of certain provisions of the bylaws from amending or repealing such provisions. This supermajority voting provision also promotes continuity with respect to the management of our day-to-day operations and may prevent a purchaser who acquires a majority of the shares of our common stock from adopting bylaws that are not in the best interests of the minority stockholders or from repealing bylaws that are in such minority stockholders' best interests.

Authorized but Unissued Shares

Subject to the rules and regulations of The NASDAQ Global Select Market, our authorized but unissued shares of common stock and preferred stock are available for future issuance without stockholder approval. These shares may be utilized for a variety of corporate purposes, including future public offerings to raise additional capital, corporate acquisitions and employee benefit plans. The existence of authorized but unissued shares of common stock and preferred stock could render more difficult or discourage an attempt to obtain control of a majority of our common stock by means of a proxy contest, tender offer, merger or otherwise.

Section 203 of Delaware General Corporation Law

We are subject to Section 203 of the Delaware General Corporation Law. Section 203 prohibits publicly held Delaware corporations from engaging in a business combination with an interested stockholder for a period of three years following the time of the transaction in which the person or entity became an interested stockholder, unless:

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prior to that time, either the business combination or the transaction which resulted in the stockholder becoming an interested stockholder is approved by the board of directors of the corporation;

upon consummation of the transaction which resulted in the stockholder becoming an interested stockholder, the interested stockholder owned at least 85% of the outstanding voting stock of the corporation, excluding for this purpose shares owned by persons who are directors and also officers of the corporation and by specified employee benefit plans; or

at or after such time the business combination is approved by the board of directors of the corporation and by the affirmative vote of at least 66 2/3% of the outstanding voting stock which is not owned by the interested stockholder.

For the purposes of Section 203, a business combination is broadly defined to include mergers, asset sales and other transactions resulting in a financial benefit to the interested stockholder. An interested stockholder is a person who, together with affiliates and associates, owns or within the immediately preceding three years owned 15% or more of the corporation's voting stock. The statute could prohibit or delay mergers or other takeover or change in control attempts with respect to us and, accordingly, may discourage attempts to acquire us.

DESCRIPTION OF RIGHTS

We may issue subscription rights to purchase common stock, preferred stock, depositary shares, debt securities or other securities. These subscription rights may be issued independently or together with any other security offered by us and may or may not be transferable by the securityholder receiving the subscription rights in such offering. In connection with any offering of subscription rights, we may enter into a standby arrangement with one or more underwriters or other investors pursuant to which the underwriters or other investors may be required to purchase any securities remaining unsubscribed for after such offering.

To the extent appropriate, the applicable prospectus supplement will describe the specific terms of the rights to purchase shares of our securities offered thereby, including the following:

the date of determining the securityholders entitled to the rights distribution;

the price, if any, for the subscription rights;

the exercise price payable for the common stock, preferred stock, depositary shares, debt securities or other securities upon the exercise of the subscription right;

the number of subscription rights issued to each securityholder;

the amount of common stock, preferred stock, depositary shares, debt securities or other securities that may be purchased per each subscription right;

any provisions for adjustment of the amount of securities receivable upon exercise of the subscription rights or of the exercise price of the subscription rights;

the extent to which the subscription rights are transferable;

the date on which the right to exercise the subscription rights shall commence, and the date on which the subscription rights shall expire;

the extent to which the subscription rights may include an over-subscription privilege with respect to unsubscribed securities;

the material terms of any standby underwriting or purchase arrangement entered into by us in connection with the offering of subscription rights;

any applicable federal income tax considerations; and

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any other terms of the subscription rights, including the terms, procedures and limitations relating to the transferability, exchange and exercise of the subscription rights.

DESCRIPTION OF WARRANTS

We may issue warrants for the purchase of our debt securities, common stock, preferred stock or depositary shares or any combination thereof. Warrants may be issued independently or together with any other securities offered by a prospectus supplement. Warrants may be attached to or separate from such securities. Warrants may be issued under warrant agreements to be entered into between us and a warrant agent specified in the applicable prospectus supplement. The warrant agent will act solely as our agent in connection with the warrants of a particular series and will not assume any obligation or relationship of agency or trust for or with any holders or beneficial owners of warrants. In connection with any warrants, we may enter into a standby underwriting agreement with one or more underwriters or other investors pursuant to which the underwriters or other investors will agree to purchase any securities underlying such warrants that remain unpurchased upon the expiration of such warrants.

To the extent appropriate, the applicable prospectus supplement will describe the specific terms of the warrants offered thereby, including the following:

the title of such warrants;

the aggregate number of such warrants;

the price or prices, if any, at which such warrants will be issued;

the extent to which the warrants are not transferable;

the designation, number or principal amount and terms of our debt securities, common stock, preferred stock or depositary shares or combination thereof, purchasable upon exercise of such warrants;

the designation and terms of the other securities, if any, with which such warrants are issued and the number of such warrants issued with each such security;

the date, if any, on and after which such warrants and the related underlying securities will be separately transferable;

whether the warrants will be issued in registered or bearer form;

the price at which each underlying security purchasable upon exercise of such warrants may be purchased;

the date on which the right to exercise such warrants shall commence and the date on which such right shall expire;

the identity of the warrant agent;

the maximum or minimum amount of such warrants which may be exercised at any one time;

information with respect to book-entry procedures, if any;

the material terms of any standby underwriting agreement entered into by us in connection with any warrants;

any applicable federal income tax considerations; and

any other terms of such warrants, including terms, procedures and limitations relating to the transferability, exchange and exercise of such warrants.

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DESCRIPTION OF DEPOSITARY SHARES

We may offer depositary shares (either separately or together with other securities) representing fractional interests in our debt securities or preferred stock of any series.

The following description sets forth certain general terms and provisions of the depositary shares to which any prospectus supplement may relate. The particular terms of the depositary shares to which any prospectus supplement may relate and the extent, if any, to which the general provisions may apply to the depositary shares so offered will be described in the applicable prospectus supplement. To the extent that any particular terms of the depositary shares, deposit agreements and depositary receipts described in a prospectus supplement differ from any of the terms described below, then the terms described below will be deemed to have been superseded by that prospectus supplement. We encourage you to read the applicable deposit agreement and depositary receipts for additional information before you decide whether to purchase any of our depositary shares.

In connection with the issuance of any depositary shares, we will enter into a deposit agreement with a bank or trust company, as depositary, which will be named in the applicable prospectus supplement. Depositary shares will be evidenced by depositary receipts issued pursuant to the related deposit agreement. Immediately following our issuance of the security related to the depositary shares, we will deposit the shares of our debt securities or preferred stock with the relevant depositary and will cause the depositary to issue, on our behalf, the related depositary receipts. Subject to the terms of the deposit agreement, each owner of a depositary receipt will be entitled, in proportion to the fractional interest in the debt security or share of preferred stock represented by the related depositary share, to all the rights, preferences and privileges of, and will be subject to all of the limitations and restrictions on, the debt security or preferred stock represented by the depositary receipt (including, if applicable, dividend, voting, conversion, exchange, redemption, sinking fund, repayment at maturity, subscription and liquidation rights).

DESCRIPTION OF PURCHASE CONTRACTS

We may issue purchase contracts, including contracts obligating holders of such contracts to purchase from us, and for us to sell to holders, a specific or variable number of debt securities, shares of our common stock or preferred stock, depositary shares, warrants, rights or other property, or any combination of the above, at a future date or dates. Alternatively, the purchase contracts may obligate us to purchase from holders, and obligate holders to sell to us, a specific or varying number of debt securities, shares of our common stock or preferred stock, depositary shares, warrants, rights or other property, or any combination of the above. The price of the securities or other property subject to the purchase contracts may be fixed at the time the purchase contracts are issued or may be determined by reference to a specific formula described in the purchase contracts. We may issue purchase contracts separately or as a part of units each consisting of a purchase contract and one or more of our other securities described in this prospectus or securities or other obligations of third parties, including U.S. Treasury securities, securing the holder's obligations under the purchase contract. The purchase contracts may require us to make periodic payments to holders or vice versa and the payments may be unsecured or pre-funded on some basis. The purchase contracts may require holders to secure the holder's obligations in a manner specified in the applicable prospectus supplement.

To the extent appropriate, the applicable prospectus supplement will describe the specific terms of any purchase contracts offered thereby, including the following:

whether the purchase contracts obligate the holder or us to purchase or sell, or both purchase and sell, the securities subject to purchase under the purchase contract, and the nature and amount of each of those securities, or the method of determining those amounts;

whether the purchase contracts are to be prepaid or not;

whether the purchase contracts are to be settled by delivery, or by reference or linkage to the value, performance or level of the securities subject to purchase under the purchase contract;

any acceleration, cancellation, termination or other provisions relating to the settlement of the purchase contracts;

any applicable federal income tax considerations; and

whether the purchase contracts will be issued in fully registered or global form.

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DESCRIPTION OF UNITS

We may issue units comprising one or more of our securities described in this prospectus in any combination. Units may also include debt obligations of third parties, such as U.S. Treasury securities. Each unit may be issued so that the holder of the unit also is the holder of each security included in the unit. Thus, the holder of a unit may have the rights and obligations of a holder of each included security. The unit agreement under which a unit is issued may provide that the securities included in the unit may not be held or transferred separately at any time or at any time before a specified date or occurrence.

To the extent appropriate, the applicable prospectus supplement will describe the specific terms of any units offered thereby, including the following:

the designation and terms of the units and the securities included in the units, including whether and under what circumstances those securities may be held or transferred separately;

any provision for the issuance, payment, settlement, transfer or exchange of the units or of the securities included in the units;

any applicable federal income tax considerations; and

whether the units will be issued in fully registered or global form.

DESCRIPTION OF DEBT SECURITIES

We have summarized below certain general terms and provisions of the debt securities that we may offer under this prospectus. The particular terms of a series of debt securities offered by a prospectus supplement will be described in that prospectus supplement.

The debt securities will be issued under, and entitled to the benefits of, an indenture to be entered into between us and Wells Fargo Bank, National Association, as trustee, which we refer to as the indenture.

We have summarized selected provisions of the indenture below. The following summary does not purport to be a complete description of the indenture, which has been incorporated by reference in this prospectus, and is subject to the detailed provisions of, and qualified in its entirety by reference to, the indenture, including any terms deemed to be a part thereof by the Trust Indenture Act of 1939, as amended, or the Trust Indenture Act. Capitalized terms used herein without definition have the respective meanings given such terms in the indenture. You may obtain a copy of the indenture as described under [Where You Can Find More Information](#).

As used under this heading [Description of the Debt Securities](#), the words company, we, our, ours and us refer to Woodward Governor Company, the issuer of the debt securities, and not to any of its consolidated subsidiaries.

General

We may issue an unlimited aggregate principal amount of debt securities under the indenture, from time to time in one or more series with the same or different terms. All debt securities of any one series need not be issued at the same time, and unless otherwise provided, a series of debt securities may be reopened, without the consent of the holders of outstanding debt securities, for issuances of additional debt securities of that series or to establish additional terms of that series of debt securities (with such additional terms applicable only to unissued or additional debt securities of that series). The terms of each series of debt securities will be established by or pursuant to a resolution of our board of directors or in one or more supplemental indentures, and will be set forth in an officers' certificate.

We will describe the particular terms of the debt securities we offer, as well as any modifications or additions to the general terms of the indenture, in a prospectus supplement relating to the offer of those debt securities, including some or all of the following terms:

the title of the debt securities, including, as applicable, whether the debt securities will be issued as senior debt securities, senior subordinated debt securities or subordinated debt securities, any subordination provisions particular to the series of debt securities and whether the debt securities are convertible or exchangeable for other securities;

any limit on the aggregate principal amount of the debt securities;

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if other than 100% of the aggregate principal amount, the percentage of the aggregate principal amount at which we will sell the debt securities;

the date or dates, whether fixed or extendable, on which we will pay the principal on the debt securities;

the rate or rates, which may be fixed or variable, at which the debt securities will bear interest, if any, the date or dates from which any such interest will accrue, the interest payment dates on which we will pay any such interest, the basis upon which interest will be calculated if other than that of a 360-day year consisting of twelve 30-day months, and, in the case of registered securities, the record dates for the determination of holders to whom interest is payable;

any provisions relating to the issuance of the debt securities at an original issue discount;

the place or places where the principal of, premium, if any, and interest on the debt securities will be payable and where the debt securities may be surrendered for conversion or exchange;

whether we may, at our option, redeem the debt securities, and if so, the price or prices at which, the period or periods within which, and the terms and conditions upon which we may redeem the debt securities, pursuant to any sinking fund or otherwise;

if other than 100% of the aggregate principal amount thereof, the portion of the principal amount of the debt securities which will be payable upon declaration of acceleration of the maturity date thereof or provable in bankruptcy, or, if applicable, which is convertible or exchangeable in accordance with the provisions of the debt securities;

any obligation we may have to redeem, purchase or repay the debt securities pursuant to any sinking fund or analogous provisions or at the option of a holder of debt securities, and the price or prices, in the currency in which the debt securities are payable, at which, the period or periods within which and the terms and conditions upon which the debt securities will be redeemed, purchased or repaid, in whole or in part, pursuant to any