

WD 40 CO  
Form DEF 14A  
October 30, 2014

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

SCHEDULE 14A

Proxy Statement Pursuant to Section 14(a) of the

Securities Exchange Act of 1934

(Amendment No.     )

Filed by the Registrant

Filed by a Party other than the Registrant

Check the appropriate box:

Preliminary Proxy Statement

Confidential, for Use of the Commission Only

(as permitted by Rule 14a-6(e)(2))

Definitive Proxy Statement

Definitive Additional Materials

Soliciting Material Pursuant to §240.14a-12

WD-40 COMPANY

(Name of Registrant as Specified In Its Charter)

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

Payment of Filing Fee (Check the appropriate box):

No fee required.

Fee computed on table below per Exchange Act Rules 14a-6(i)(4) and 0-11.

1. Title of each class of securities to which transaction applies:
2. Aggregate number of securities to which transaction applies:
3. Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11  
(set forth the amount on which the filing fee is calculated and state how it was determined):

4. Proposed maximum aggregate value of transaction:
5. Total fee paid:

Fee paid previously with preliminary materials.

Check box if any part of the fee is offset as provided by Exchange Act Rule 0-11(a)(2) and identify the filing for which the offsetting fee was paid previously. Identify the previous filing by registration statement number, or the Form or Schedule and the date of its filing.

1. Amount Previously Paid:
  2. Form, Schedule or Registration Statement No.:
  3. Filing Party:
  4. Date Filed:
-

WD-40 COMPANY

1061 Cudahy Place

San Diego, California 92110

NOTICE OF ANNUAL MEETING OF STOCKHOLDERS

To the Stockholders:

The 2014 Annual Meeting of Stockholders of WD-40 Company will be held at the following location and for the following purposes:

When: Tuesday, December 9,  
2014, at 2:00 p.m.

Where: Joan B. Kroc Institute for  
Peace & Justice

University of San Diego

5998 Alcalá Park

San Diego, California  
92110

- Items of Business:
1. To elect a Board of Directors for the ensuing year and until their successors are elected and qualified;
  2. To hold an advisory vote to approve executive compensation;
  3. To ratify the appointment of PricewaterhouseCoopers LLP as the Company's

- independent registered  
public accounting firm for  
fiscal year 2015; and
4. To consider and act upon  
such other business as  
may properly come  
before the meeting.

Who Can Vote: Only the stockholders of  
record at the close of  
business on October 15,  
2014 are entitled to vote  
at the meeting.

REVIEW YOUR PROXY STATEMENT AND VOTE IN ONE OF FOUR WAYS:

VIA THE INTERNET

Visit the website listed on your proxy card

BY TELEPHONE

Call the telephone number on your proxy card

BY MAIL

Sign, date  
and return  
your proxy  
card in the  
enclosed  
envelope

IN  
PERSON

Attend the  
Annual  
Meeting in  
San Diego

By Order  
of the  
Board of  
Directors

Richard T.  
Clampitt

Corporate  
Secretary

San Diego,  
California

October  
30, 2014

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## PROXY STATEMENT SUMMARY

We provide below highlights of certain information in this Proxy Statement. As it is only a summary, please refer to the complete Proxy Statement and 2014 Annual Report before you vote.

## 2014 ANNUAL MEETING OF STOCKHOLDERS

Date and Time:

December 9, 2014, at 2:00 p.m.

Record Date:

October 15, 2014

Place:

Joan B. Kroc Institute for Peace & Justice

University of San Diego

5998 Alcalá Park

San Diego, California 92110

Meeting Webcast:

[www.wd40company.com](http://www.wd40company.com) in  
the Investor Relations  
section beginning at 2:00  
p.m. Pacific Time on  
December 9, 2014

## CORPORATE GOVERNANCE

Our Corporate Governance Policies Reflect Best Practices

- Annual election of all directors
- Executive sessions of independent directors

held at each regularly scheduled board meeting

- Independent chair
- Company policy prohibits pledging and hedging of WD-40 Company stock
- Seven of eight directors are independent
- All equity grants received by directors since 2007 must be held until board service is ended
- Independent chair approves board meeting agendas

## VOTING MATTERS AND BOARD RECOMMENDATIONS

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## EXECUTIVE COMPENSATION PHILOSOPHY AND FRAMEWORK

### Compensation Objectives

The Company's executive compensation program is designed to achieve five primary objectives:

1. Attract, motivate, reward and retain high performing executives;
2. Align the interests and compensation of executives with the value created for stockholders;
3. Create a sense of motivation among executives to achieve both short- and long-term Company objectives;
4. Create a direct, meaningful link between business and team performance and individual accomplishment and rewards; and
5. Ensure our compensation programs are appropriately competitive in the relevant labor markets.

### Our Executive Compensation Programs Incorporate Strong Governance Features

- No Employment Agreements with Executive Officers
- Executive Officers are Subject to Strong Stock Ownership Guidelines
- No Supplemental Executive Retirement Plans for Executive Officers
- Executives are Prohibited from Hedging or Pledging Company Stock
- Long-Term Incentive Awards are Subject to Double-Trigger Vesting upon Change of Control
- No Backdating or Re-pricing of Equity Awards
- Annual and Long-Term Incentive Programs Provide a Balanced Mix of Goals for Profitability and Total Stockholder Return Performance
- Financial Goals for Performance Awards Never Reset

### Say-on-Pay Voting

At the Company's 2011 Annual Meeting of Stockholders, the first advisory Say-on-Pay vote was held and the Company's stockholders were also asked to express their preference as to the frequency of future Say-on-Pay votes. With regard to the advisory vote as to the frequency of future Say-on-Pay votes, the Company's stockholders expressed a preference to have Say-on-Pay votes every year. The Say-on-Pay votes approving the Named Executive Officers ("NEOs") compensation for 2011 through 2013 have been approved in each year by more than 95% of the votes cast.

Please see the Compensation Discussion and Analysis section of this proxy statement for a detailed description of our executive compensation.

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GENERAL INFORMATION

Q: Why am I receiving these proxy materials?

A: This Proxy Statement is furnished in connection with the solicitation of proxies by the Board of Directors of WD-40 Company for use at its Annual Meeting of Stockholders to be held on Tuesday, December 9, 2014, and at any postponements or adjournments thereof. This Proxy Statement and enclosed form of Proxy are first sent to stockholders on or about October 30, 2014.

At the meeting, the stockholders of WD-40 Company will consider and vote upon (i) the election of the Board of Directors for the ensuing year; (ii) an advisory vote to approve executive compensation; and (iii) the ratification of the appointment of PricewaterhouseCoopers LLP as the Company's independent registered public accounting firm for fiscal year 2015. Detailed information concerning these matters is set forth below. Management knows of no other business to come before the meeting.

Q: What constitutes a quorum in order to hold and transact business at the Annual Meeting?

A: The close of business on October 15, 2014, is the record date for stockholders entitled to notice of and to vote at the Annual Meeting of Stockholders of WD-40 Company. On October 15, 2014, WD-40 Company had outstanding 14,633,820 shares of \$.001 par value common stock. Stockholders of record entitled to vote at the meeting will have one vote for each share so held on the matters to be voted upon. If you are a beneficial owner whose shares are held of record by a broker, you must instruct the broker how to vote your shares. If you do not provide voting instructions, your shares will not be voted on any proposal on which the broker does not have discretionary authority to vote. This is called a "broker non-vote." A majority of the outstanding shares will constitute a quorum at the meeting. Abstentions and broker non-votes are counted for purposes of determining the presence or absence of a quorum. Broker non-votes are shares that are held of record by a bank or broker as to which the bank or broker has not received instructions from the beneficial owner as to how the shares are to be voted.

Q: If I hold my shares through a broker, how do I vote?

A: If you are a beneficial owner whose shares are held of record by a broker, you must instruct the broker how to vote your shares. If you do not provide voting instructions, your shares will not be voted on any proposal on which the broker does not have discretionary authority to vote. If you hold your shares through a broker, it is important that you cast your vote if you want it to count in the election of directors and in the advisory vote to approve executive compensation. You may have received a notice from the Company entitled "Important Notice Regarding the

Availability of Proxy Materials Stockholder Meeting to Be Held on December 9, 2014” with voting instructions or you may have received these proxy materials with separate voting instructions. Follow the instructions to vote or to request further voting instructions as set forth on the materials you have received. For more information on this topic, see the Securities and Exchange Commission (“SEC”) Investor Alert issued in February 2010 entitled “New Shareholder Voting Rules for the 2010 Proxy Season at <http://www.sec.gov/investor/alerts/votingrules2010.htm>.

Q: How will my vote be cast if I provide instructions or return my Proxy and can I revoke my proxy?

A: If the enclosed form of Proxy is properly executed and returned, the shares represented thereby will be voted in accordance with the instructions specified thereon. If no specified instruction is given with respect to a particular matter on your form of Proxy, your shares will be voted by the proxy holder as set forth on the form of Proxy. A Proxy may be revoked by attendance at the meeting or by filing a Proxy bearing a later date with the Secretary of the Company.

Q: How are the proxies solicited and what is the cost?

A: The cost of soliciting proxies will be borne by the Company. Solicitations other than by mail may be made by telephone or in person by employees of the Company for which the expense will be nominal.

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## PRINCIPAL SECURITY HOLDERS

The following table sets forth information concerning those persons known to the Company to be the beneficial owners of more than 5% of the common stock of the Company.

Name and Address of Beneficial Owner	Amount and Nature of Beneficial Ownership October 15, 2014	Percent of Class
BlackRock, Inc. 40 East 52nd Street New York, NY 10022	1,225,597	1 8.38%
Parnassus Investments 1 Market Street, Suite 1600 San Francisco, CA 94105	1,183,870	2 8.09%
The Vanguard Group, Inc. 100 Vanguard Boulevard Malvern, PA 19355-2331	970,348	3 6.63%
Kayne Anderson Rudnick Investment Management, LLC 1800 Avenue of the Stars, 2nd Floor Los Angeles, CA 90067	855,600	4 5.85%

1 As of June 30, 2014, BlackRock, Inc. (“BlackRock”) and five BlackRock subsidiary investment managers filed reports on Form 13F with the Securities and Exchange Commission to report beneficial ownership of a total of 1,225,597 shares. BlackRock disclaims investment discretion with respect to all shares reported as beneficially owned by its investment management subsidiaries. Sole investment discretion and sole voting authority with respect to shares is reported for the following BlackRock subsidiaries: BlackRock Advisors, LLC as to 1,151,359 shares, BlackRock, Inc. as to 48,722 shares, BlackRock Investment Management (UK) Limited as to 16,635 shares, BlackRock Investment Management, LLC as to 8,434 shares and three other BlackRock subsidiaries as to a total of 447 shares. Beneficial ownership information for BlackRock, Inc. and its investment management subsidiaries as of October 15, 2014 is unavailable.

2As of June 30, 2014, Parnassus Investments (“Parnassus”) filed a report on Form 13F with the Securities and Exchange Commission to report beneficial ownership of 1,183,870 shares. Parnassus reported sole investment discretion and sole voting authority with respect to all shares. Beneficial ownership information as of October 15, 2014 is unavailable.

3 As of June 30, 2014, The Vanguard Group, Inc. (“Vanguard”) filed a report on Form 13F with the Securities and Exchange Commission to report beneficial ownership of 970,348 shares, including 20,271 shares held by Vanguard Fiduciary Trust Company with respect to which Vanguard Fiduciary Trust Company reports shared investment discretion and sole voting authority. Vanguard reported sole investment discretion and no voting authority with respect to 948,877 shares and sole investment discretion and sole voting authority with respect to 1,200 shares. Beneficial ownership information as of October 15, 2014 is unavailable.

4 As of June 30, 2014, Kayne Anderson Rudnick Investment Management LLC (“Kayne”) filed a report on Form 13F with the Securities and Exchange Commission to report beneficial ownership of 855,600 shares. Kayne reported sole investment discretion and sole voting authority with respect to all shares. Kayne is also included as a manager in a report on Form 13F filed by Bank of New York Mellon Corp. as of June 30, 2014, reporting beneficial ownership of 46,000 shares with respect to which Kayne has shared investment discretion and no voting authority. Beneficial ownership information as of October 15, 2014 is unavailable.



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ITEM NO. 1

NOMINEES FOR ELECTION AS DIRECTORS

AND SECURITY OWNERSHIP OF MANAGEMENT

At the Company's Annual Meeting of Stockholders, the eight nominees named below under the heading, Nominees for Election as Directors, will be presented for election as directors until the next Annual Meeting of Stockholders and until their successors are elected or appointed. In the event any nominee is unable or declines to serve as a director at the time of the Annual Meeting, any proxy granted to vote for such nominee will be voted for a nominee designated by the present Board of Directors to fill such vacancy.

The nominees for election to the Board of Directors who receive a plurality of the votes cast for the election of directors by the shares present, in person or by proxy, shall be elected as directors. Holders of common stock are not entitled to cumulate their votes in the election of directors. Withheld votes and broker non-votes are not counted as votes in favor of any nominee. Since the eight nominees receiving the most votes will be elected as directors, withheld votes and broker non-votes will have no effect upon the outcome of the election.

Article III, Section 2 of the Bylaws of the Company, approved by stockholders on December 9, 2008, provides that the authorized number of directors of the Company shall not be less than seven nor more than twelve until changed by amendment of the Certificate of Incorporation or by a bylaw duly adopted by the stockholders. The exact number of directors is to be fixed from time to time by a bylaw or amendment thereof duly adopted by the stockholders or by resolution of the Board of Directors. The number of directors was fixed at eight effective as of December 13, 2011 by resolution of the Board of Directors adopted on October 11, 2011.

DIRECTOR INDEPENDENCE

The Board of Directors has determined that each director and nominee other than Garry O. Ridge is an independent director as defined in Rule 5605(a)(2) of the Marketplace Rules of The Nasdaq Stock Market LLC (the "Nasdaq Rules"). In considering the independence of directors, the Board of Directors considered Gregory A. Sandfort's indirect interest, as an executive officer of Tractor Supply Company, in purchases of the Company's products made by Tractor Supply Company in the ordinary course of business. The Company has concluded that Mr. Sandfort's indirect interest in such transactions is not material and does not require specific disclosure under Item 404(a) of Regulation S-K promulgated under the Securities Exchange Act of 1934 (the "Exchange Act").

Information concerning the independence of directors serving on committees of the Board of Directors is provided below as to each committee.



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## SECURITY OWNERSHIP OF DIRECTORS AND EXECUTIVE OFFICERS

The following tables set forth certain information, including beneficial ownership of the Company's common stock, for the current directors, for the executive officers named in the Summary Compensation Table below, and for all directors and executive officers as a group.

Director/Nominee	Age	Principal Occupation	Director Since	Number	Class	Amount and Nature of Beneficial Ownership October 15, 2014 <sup>1</sup>	Percent of
Giles H. Bateman	69	Investor; Retired CFO, Price Club	2003	18,832	2 *		
Peter D. Bewley	68	Investor; Retired General Counsel, The Clorox Company	2005	27,892	3 *		
Richard A. Collato	71	Investor, Retired President & CEO, YMCA of San Diego County	2003	22,587	4 *		
Mario L. Crivello	74	Investor	1994	706,148	5	4.82%	
Linda A. Lang	56	Investor; Retired Chairman & CEO, Jack in the Box, Inc.	2004	22,770	6 *		
Garry O. Ridge	58	President and CEO, WD-40 Company	1997	74,371	7 *		
Gregory A. Sandfort	59	President and CEO, Tractor Supply Company	2011	11,498	8 *		
Neal E. Schmale	68	Board Chair, WD-40 Company; Retired President and COO, Sempra Energy	2001	28,642	9 *		

\*Less than one (1) percent.

1 All shares owned directly unless otherwise indicated.

2 Mr. Bateman has the right to acquire 7,300 shares upon the exercise of stock options and the right to receive 7,567 shares upon settlement of restricted stock units upon termination of his service as a director of the Company.

3 Mr. Bewley has the right to acquire 9,800 shares upon the exercise of stock options and the right to receive 12,611 shares upon settlement of restricted stock units upon termination of his service as a director of the Company.

4 Mr. Collato has the right to acquire 9,800 shares upon the exercise of stock options and the right to receive 8,815 shares upon settlement of restricted stock units upon termination of his service as a director of the Company.

5 Mr. Crivello has the right to receive 6,801 shares upon settlement of restricted stock units upon termination of his service as a director of the Company.

6 Ms. Lang has the right to acquire 7,300 shares upon the exercise of stock options and the right to receive 11,828 shares upon settlement of restricted stock units upon termination of her service as a director of the Company.

7 Mr. Ridge has the right to acquire 20,000 shares upon exercise of stock options, the right to receive 5,884 shares upon settlement of restricted stock units upon termination of employment and the right to receive 5,233 shares upon settlement of restricted stock units upon vesting within 60 days. Mr. Ridge also has voting and investment power over 1,190 shares held under the Company's 401(k) plan.

8 Mr. Sandfort has the right to receive 6,398 shares upon settlement of restricted stock units upon termination of his service as a director of the Company.

9 Mr. Schmale has the right to acquire 7,300 shares upon the exercise of stock options and the right to receive 12,611 shares upon settlement of restricted stock units upon termination of his service as a director of the Company.

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## SECURITY OWNERSHIP OF DIRECTORS AND EXECUTIVE OFFICERS (Continued)

Executive Officer	Age	Principal Occupation	Amount and Nature of Beneficial Ownership October 15, 2014 <sup>1</sup>	
			Number	Percent of Class
Jay W. Rembolt	63	Vice President, Finance, Treasurer and Chief Financial Officer	39,264	2 *
Michael J. Irwin	51	Executive Vice President, Global Business Development Group	7,145	3 *
Michael L. Freeman	61	Division President, the Americas, WD-40 Company	25,302	4 *
William B. Noble	56	Managing Director, EMEA, WD-40 Company Limited	7,539	5 *
All Directors and Executive Officers as a Group			998,877	6 6.75%

\*Less than one (1) percent.

1 All shares owned directly unless otherwise indicated.

2 Mr. Rembolt has the right to acquire 16,160 shares upon exercise of stock options and the right to receive 1,300 shares upon settlement of restricted stock units upon vesting within 60 days. Mr. Rembolt also has voting and investment power over 5,977 shares held under the Company's 401(k) plan.

3 Mr. Irwin has the right to receive 3,971 shares upon settlement of restricted stock units upon termination of employment and the right to receive 874 shares upon settlement of restricted stock units upon vesting within 60 days. Mr. Irwin also has voting and investment power over 829 shares held under the Company's 401(k) plan.

4 Mr. Freeman has the right to receive 3,971 shares upon settlement of restricted stock units upon termination of employment and the right to receive 1,388 shares upon settlement of restricted stock units upon vesting within 60 days. Mr. Freeman also has voting and investment power over 2,264 shares held under the Company's 401(k) plan.

5 Mr. Noble has the right to receive 3,971 shares upon settlement of restricted stock units upon termination of employment and the right to receive 969 shares upon settlement of restricted stock units upon vesting within 60 days.

6 Total includes the rights of directors and executive officers to acquire 77,660 shares upon exercise of stock options, the rights of executive officers and directors to receive a total of 84,428 shares upon settlement of restricted stock units upon termination of employment or service as a director of the Company, the rights of executive officers to receive a total of 10,697 shares upon settlement of restricted stock units upon vesting within 60 days, and 10,389 shares held by executive officers under the Company's 401(k) plan.



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NOMINEES FOR ELECTION AS DIRECTORS

GILES H. BATEMAN – Director

Giles H. Bateman was elected to the Board of Directors in 2003. Mr. Bateman has been retired since 2000. He was a co-founder and Chief Financial Officer of Price Club from 1976 until 1991. Mr. Bateman served as director and Chairman of CompUSA, Inc. from 1994 until 2000. Mr. Bateman served as a director of Tuesday Morning, Inc. from 2002 until 2006 and as a director of United PanAm Financial Corp. from 2006 until 2010. He presently serves as a director of Life Time Fitness, Inc. Mr. Bateman's financial expertise, considerable public company board experience and knowledge of the retail industry provide the Board with a breadth of relevant skill and experience.

Skills and Expertise:

- Former CFO with in-depth financial expertise
- Strong consumer retail background
- Broad public company board experience

Committees:

- Audit (Chair)
- Finance

PETER D. BEWLEY – Director

Peter D. Bewley was appointed to the Board of Directors in 2005. Mr. Bewley served as Associate General Counsel for Johnson & Johnson from 1985 to 1994 after serving as a staff attorney with Johnson & Johnson from 1977 to 1985. He was Vice President, General Counsel and Secretary and Chief Compliance Officer of Novacare, Inc. from 1994 to 1998. Mr. Bewley was the Senior Vice President–General Counsel and Secretary of The Clorox Company from 1998 until his retirement in 2005. He presently serves as a director of Tractor Supply Company. Mr. Bewley's experience at consumer packaged goods companies prepared him to address strategic issues confronting the Company. In addition, his service as general counsel and secretary of two public companies provides the Board with a practical and in depth perspective on corporate governance and legal matters.

Skills and Expertise:

- Former General Counsel with extensive legal experience
- Governance expert

- Consumer packaged goods industry background

Committees:

- Governance (Chair)
- Audit
- Compensation

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RICHARD A. COLLATO – Director

Richard A. Collato was elected to the Board of Directors in 2003. Mr. Collato served as President and Chief Executive Officer of the YMCA of San Diego County from 1981 until his retirement in 2010. He is currently a General Manager of Ingold Family Investments, LLC. Mr. Collato served as a director of Surge Global Energy, Inc. from 2006 to 2008, as a director of Sempra Energy from 1993 to 2010 and as a director of PepperBall Technologies, Inc. from 2008 to February 2011. Mr. Collato has extensive public and private company board experience and 29 years of successful CEO experience. He serves on the board of the Corporate Directors Forum and is an adjunct professor at the University of San Diego's graduate program, teaching corporate governance. His understanding of corporate governance and management theory and practice makes him a contributing member of the Board.

Skills and Expertise:

- Former CEO with deep management experience
- Particular expertise in compensation and risk management
- Knowledgeable in governance matters

Committees:

- Compensation (Chair)
- Audit

MARIO L. CRIVELLO – Director

Mario L. Crivello was elected to the Board of Directors in 1994. Mr. Crivello was the managing owner and master of Tuna Purse Seiners until his retirement in 1984. Mr. Crivello and members of his family have been investors in the Company since its founding. His long-standing relationship with the Company and his insight into its history and market position provide the Board with a valuable shareowner perspective.

Skills and Expertise:

- Institutional knowledge from the Company's beginning
- Significant shareholder with strong shareholder perspective
- Former business owner with focus on cost management and return

Committees:

- Compensation

- Finance
- Governance

LINDA A. LANG – Director

Linda A. Lang was elected to the Board of Directors in 2004. Ms. Lang was Chairman of the Board and Chief Executive Officer of Jack in the Box, Inc. from 2005 until her retirement in January 2014. From 1996 until 2005 she held the offices of President and Chief Operating Officer, Executive Vice President, Senior Vice President Marketing, Vice President and Regional Vice President, Southern California Region, and Vice President Marketing. Ms. Lang has extensive knowledge and expertise in the areas of brand management and marketing, financial management and reporting, supply chain and distribution management as well as strategic planning, executive compensation and succession management. Her experience in these and other areas of corporate management and governance offer complementary experience to the Board.

Skills and Expertise:

- Former CEO in touch with today's consumer
- In depth experience in brand management, finance, distribution and compensation
- Strong focus on strategy development, strategic planning and strategy execution

Committees:

- Finance (Chair)
- Compensation

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GARRY O. RIDGE – President & CEO

Garry O. Ridge joined WD-40 Company in 1987 as Managing Director, WD-40 Company (Australia) Pty. Limited and he was responsible for Company operations throughout the Pacific and Asia. Mr. Ridge transferred to the corporate office in 1994 as Director International Operations and was elected Vice President - International in 1995. He was elected to the position of Executive Vice President/Chief Operating Officer in 1996 and he was named President and Chief Executive Officer in 1997. He was also elected to the Board of Directors in 1997. Prior to joining WD-40 Company Mr. Ridge was Managing Director of Mermax Pacific Pty. Ltd. and held a number of senior management positions with Hawker Pacific Pty. Ltd. (a Hawker Siddeley PLC Group Company) which was a licensee for WD-40 until 1988. As the CEO of the Company, Mr. Ridge offers the Board an important Company-based perspective. In addition, his particular knowledge of the Company's international markets and industry position provides the Board with valuable insight.

Skills and Expertise:

- CEO of the Company
- Leader with a passion for a strong culture, employee engagement and protecting and maximizing the return on the Company's brand assets
- Particular expertise in driving a global business

GREGORY A. SANDFORT – Director

Gregory A. Sandfort was elected to the Board of Directors in October 2011. Mr. Sandfort assumed the role of President and Chief Executive Officer of Tractor Supply Company in January 2013. Mr. Sandfort served as President and Chief Operating Officer of Tractor Supply Company since 2012. Mr. Sandfort served as President and Chief Merchandising Officer of Tractor Supply Company since 2009 and he served as Executive Vice President-Chief Merchandising Officer of Tractor Supply Company from 2007 to 2009. Mr. Sandfort previously served as President and Chief Operating Officer at Michael's Stores, Inc. from 2006 to 2007, and as Executive Vice President-General Merchandise Manager at Michaels Stores, Inc. from 2004 to 2006. Mr. Sandfort brings a retail industry perspective to the board. The board also values Mr. Sandfort's extensive management experience in the retail industry.

Skills and Expertise:

- Active CEO in a channel that distributes the Company's products
- Brings a retail industry perspective
- Direct connection with consumers of the Company's products

Committees:

- Finance
- Governance

Neal E. Schmale – Chair

Neal E. Schmale was elected to the Board of Directors in 2001. Mr. Schmale was named Board Chair in 2004. Mr. Schmale was President and Chief Operating Officer of Sempra Energy from 2006 until his retirement effective as of November 1, 2011. Previously, he was Executive Vice President and Chief Financial Officer of Sempra Energy from 1998 through 2005. Mr. Schmale served as a director of Sempra Energy from 2004 until November 1, 2011. He presently serves as a director of Murphy Oil Corporation. Mr. Schmale's past experience as director on four public company boards and his extensive senior management experience with a Fortune 300 company offers the Board valuable judgment and management perspective.

Skills and Expertise:

- Former COO and CFO with broad financial and operations experience
- Focused on strategy and execution
- Extensive public company board experience

Committees:

- Audit
- Finance
- Governance

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BOARD LEADERSHIP, RISK OVERSIGHT AND COMPENSATION-RELATED RISK

The Board of Directors of WD-40 Company has maintained separation of its principal executive officer and board chair positions for many years. In addition, the board chair position is held by an independent director and the Charter of the Corporate Governance Committee provides that a retiring Chief Executive Officer will not be nominated to stand for re-election to the Board. The Board of Directors believes that separation of the principal executive officer and the board chair positions is appropriate for the Company given the size of the Board and the need for undivided attention of the Chief Executive Officer to the implementation of strategic directives and overall management responsibilities. As an independent director, the board chair can provide leadership to the Board without perceived or actual conflicts associated with individual and collective interests of management employees. The Board of Directors believes that a retiring Chief Executive Officer should not continue to serve as a director in order to provide management with an unfettered ability to provide new leadership.

Risk oversight is undertaken by the Board of Directors as a whole but various Board Committees are charged with responsibility to review and report on business and management risks included within the purview of each Committee's responsibilities. The Compensation Committee considers risks associated with the Company's compensation policies and practices, with particular focus on the incentive bonus and equity awards offered to the Company's executive officers. The Audit Committee considers risks associated with financial reporting and internal control and risks related to information technology catastrophe and disaster recovery, as well as management of the Company's insurance risks and coverage. The Finance Committee considers risks associated with the Company's financial management and investment activities, acquisition-related risks and Employee Retirement Income Security Act of 1974 plan oversight. The Board and the Committees receive periodic reports from management employees having responsibility for the management of particular areas of risk. The Chief Executive Officer is responsible for overall risk management and provides input to the Board of Directors with respect to the Company's risk management process and is responsive to the Board in carrying out its risk oversight role.

With respect to compensation-related risk, the Company's management has undertaken an annual assessment of the Company's compensation policies and practices and strategic business initiatives to determine whether any of these policies or practices, as well as any compensation plan design features, including those applicable to the executive officers, are reasonably likely to have a material adverse effect on the Company. Based on this review, management has concluded that the Company's compensation policies and practices are not reasonably likely to have a material adverse effect on the Company. This conclusion is based primarily on the fact that the incentives underlying most of the Company's compensation plan design features are directed to a balance between increased revenues, increased profitability and achievement of longer-term strategic objectives. Management has discussed these findings with the Compensation Committee.

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BOARD OF DIRECTORS MEETINGS, COMMITTEES AND ANNUAL MEETING ATTENDANCE

The Board of Directors is charged by the stockholders with managing or directing the management of the business affairs and exercising the corporate power of the Company. The Board of Directors relies on the following standing committees to assist in carrying out the Board of Directors' responsibilities: the Audit Committee, the Compensation Committee, the Corporate Governance Committee and the Finance Committee. Each of the committees has a written charter approved by the Board of Directors and such charters are available on WD-40 Company's website at <http://www.wd40company.com> within the "Investors" section. There were six meetings of the Board of Directors during the last fiscal year. Each director serving for the full fiscal year attended at least 75 percent of the aggregate of the total number of meetings of the Board and of all committees on which the director served. The Board of Directors holds an annual organizational meeting on the date of the Annual Meeting of Stockholders. All Directors are expected to attend the Annual Meeting. At the last Annual Meeting of Stockholders, all nominee directors were present.

BOARD OF DIRECTORS COMPENSATION

Director compensation is set by the Board of Directors upon the recommendation of the Corporate Governance Committee. The Corporate Governance Committee conducts an annual review of non-employee director compensation, including consideration of a survey of director compensation for the same peer group of companies used by the Compensation Committee for the assessment of executive compensation. The compensation advisor serving the Compensation Committee, Compensia, Inc., has also provided guidance and analysis to the Corporate Governance Committee with respect to non-employee director compensation recommendations. For fiscal year 2014, non-employee directors received compensation for services as directors pursuant to the Directors' Compensation Policy and Election Plan (the "Director Compensation Policy") adopted by the Board of Directors on October 15, 2013. Pursuant to the Director Compensation Policy, non-employee directors received a base annual fee of \$36,500 for services provided from January 1, 2014 through the date of the Company's 2014 Annual Meeting of Stockholders. The Board Chair received an additional annual fee of \$18,000. Non-employee directors received additional cash compensation for service on various Board Committees. The Chair of the Audit Committee received \$16,000 and each other member of the Audit Committee received \$8,000. The Chair of the Compensation Committee received \$10,000 and each other member of the Compensation Committee received \$4,000. Each Chair of the Corporate Governance Committee and the Finance Committee received \$8,000 and each other member of those committees received \$4,000. All such annual fees were paid in March 2014.

In December 2007, the Company's stockholders approved the WD-40 Company 2007 Stock Incentive Plan (the "Stock Incentive Plan") to authorize the issuance of stock-based compensation awards to employees as well as to directors and consultants. For services provided for the period from the date of the Company's 2013 Annual Meeting of Stockholders to the next annual meeting, the Director Compensation Policy provided for the grant of restricted stock unit ("RSU") awards having a grant date value of \$51,500 to each non-employee director. Each RSU represents the right to receive one share of the Company's common stock. On December 10, 2013, each non-employee director received an RSU award covering 687 shares of the Company's common stock. Additional information regarding the RSU awards is provided in a footnote to the Director Compensation table below. Each non-employee director was also permitted to elect to receive an RSU award in lieu of all or a portion of his or her base annual fee for service as a director as

specified above. The number of shares of the Company's common stock subject to each such RSU award granted to the non-employee directors equaled the compensation payable in RSUs divided by the fair market value of the Company's common stock as of the date of grant. RSU awards granted to non-employee directors pursuant to the Director Compensation Policy are subject to Award Agreements under the Stock Incentive Plan. All RSU awards granted to non-employee directors are fully vested and are settled in shares of the Company's common stock upon termination of the director's service as a director of the Company.

The Company also maintains a Director Contributions Fund from which each incumbent non-employee director has the right, at a specified time each fiscal year, to designate \$6,000 in charitable contributions to be made by the Company to properly qualified (under Internal Revenue Code Section 501(c)(3)) charitable organizations.

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## DIRECTOR COMPENSATION TABLE - FISCAL YEAR 2014

The following Director Compensation table provides information concerning director compensation earned by each non-employee director for services rendered in fiscal year 2014. Since the annual base fee and fees for service on Committees are payable for services provided to the Company from January 1st of the fiscal year until the next annual meeting of stockholders, such compensation is reported for purposes of the Director Compensation table on a weighted basis. For fiscal year 2014, one third of the reported compensation earned or paid in cash is based on the Director Compensation Policy in effect for calendar year 2013 and two thirds of the reported compensation earned or paid in cash is based on the Director Compensation Policy in effect for calendar year 2014. Amounts earned and reported in the Director Compensation table for Fees Earned or Paid in Cash for the fiscal year for each director are dependent upon the various committees on which each director served as a member or as chair during the fiscal year.

Name	Fees Earned or Paid in Cash (\$) <sup>1</sup>	Stock Awards (\$) <sup>2</sup>	Option Awards (\$) <sup>3</sup>	All Other Compensation (\$) <sup>4</sup>	Total (\$)
Giles H. Bateman	\$ 56,000	\$ 51,429	\$ -	\$ 6,000	\$ 113,429
Peter D. Bewley	\$ 56,000	\$ 51,429	\$ -	\$ 6,000	\$ 113,429
Richard A. Collato	\$ 54,000	\$ 51,429	\$ -	\$ 6,000	\$ 111,429
Mario L. Crivello	\$ 48,000	\$ 51,429	\$ -	\$ 6,000	\$ 105,429
Linda A. Lang	\$ 48,000	\$ 51,429	\$ -	\$ 6,000	\$ 105,429
Gregory A. Sandfort	\$ 44,000	\$ 51,429	\$ -	\$ 6,000	\$ 101,429
Neal E. Schmale	\$ 68,667	\$ 51,429	\$ -	\$ 6,000	\$ 126,096

<sup>1</sup> For services rendered during fiscal year 2014, directors received RSU awards pursuant to elections made in 2012 and 2013 under the Director Compensation Policy with respect to their services as directors in calendar years 2013 and 2014, respectively, in each case in lieu of all or part of their base annual fees for such calendar year (as described in the narrative preceding the Director Compensation table) as follows: Peter D. Bewley, Linda A. Lang, Gregory A. Sandfort and Neal E. Schmale received RSU awards valued at \$35,965.

<sup>2</sup> Amounts included in the Stock Awards column represent the grant date fair value for non-elective RSU awards granted to all non-employee directors pursuant to the Director Compensation Policy. On December 10, 2013, each director received a non-elective RSU award covering 687 shares of the Company's common stock. Each RSU award has a grant date fair value equal to the closing price of the Company's common stock on that date in the amount of \$74.86 per share multiplied by the number of shares underlying the RSU award. The number of shares underlying



each RSU award is rounded down to the nearest whole share. Outstanding RSUs held by each director as of October 15, 2014 are reported above in footnotes to the table under the heading, Security Ownership of Directors and Executive Officers. The RSUs are settled in stock only upon termination of service as a director and the RSUs provide for the payment of dividend equivalent compensation in amounts equal to dividends declared and paid on the Company's common stock.

3 Outstanding options held by each director as of October 15, 2014 are reported above in footnotes to the table under the heading, Security Ownership of Directors and Executive Officers.

4 Amounts represent charitable contributions made by the Company as designated by each non-employee director pursuant to the Company's Director Contribution Fund.

#### EQUITY HOLDING REQUIREMENT FOR DIRECTORS

All RSU awards to non-employee directors, including both non-elective grants and RSU awards granted pursuant to the annual elections of the directors to receive RSUs in lieu of all or part of their base annual fee, provide for immediate vesting but will not be settled in shares of the Company's common stock until termination of each director's service as a director. The number of shares to be issued to each non-employee director upon termination of service is disclosed in the footnotes to the table under the heading, Security Ownership of Directors and Executive Officers.

#### STOCKHOLDER COMMUNICATIONS WITH BOARD OF DIRECTORS

Stockholders may send communications to the Board of Directors by submitting a letter addressed to: WD-40 Company, Corporate Secretary, 1061 Cudahy Place, San Diego, CA 92110.

The Board of Directors has instructed the Corporate Secretary to forward such communications to the Board Chair. The Board of Directors has also instructed the Corporate Secretary to review such correspondence and, at the Corporate Secretary's discretion, to not forward correspondence which is deemed of a commercial or frivolous nature or inappropriate for Board of Director consideration. The Corporate Secretary may also forward the stockholder communication within the Company to another department to facilitate an appropriate response.

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COMMITTEES

CORPORATE GOVERNANCE COMMITTEE

Nomination Policies and Procedures

The Corporate Governance Committee is comprised of Peter D. Bewley (Chair), Mario L. Crivello, Gregory A. Sandfort and Neal E. Schmale. The Corporate Governance Committee also functions as the Company's nominating committee and is comprised exclusively of independent directors as defined in the Nasdaq Rules. The Corporate Governance Committee met four times during the last fiscal year.

The Corporate Governance Committee acts in conjunction with the Board of Directors to ensure that a regular evaluation is conducted of succession plans, performance, independence, and of the qualifications and integrity of the Board of Directors. The Corporate Governance Committee also reviews the applicable skills and characteristics required of nominees for election as directors. The objective is to balance the composition of the Board of Directors to achieve a combination of individuals of different backgrounds and experiences, including, but not limited to, whether the candidate is currently or has recently been an executive officer at a publicly traded company; whether the candidate has substantial background in matters related to the Company's products or markets, in particular, supply chain management, information technology, retailing and marketing; and whether the candidate has substantial international business experience, a substantial financial background or is serving as a director at one or more publicly traded companies. The Board of Directors has not established any specific diversity criteria for the selection of nominees other than the general composition criteria noted above.

In determining whether to recommend a director for re-election, the Corporate Governance Committee considers the director's past attendance at meetings, results of annual evaluations and the director's participation in and anticipated future contributions to the Board of Directors. A director who will have reached the age of 72 prior to the date of the next annual meeting of stockholders, except for non-employee directors first elected to the Board prior to June 29, 1999, will be expected to retire from the Board. However, the Board may re-nominate any director for up to three additional years if relevant circumstances warrant continued service.

The Corporate Governance Committee reviews new Board of Director nominees through a series of internal discussions, reviewing available information, and interviewing selected candidates. Generally, candidates for nomination to the Board of Directors have been suggested by directors or employees. The Company does not currently employ a search firm or third party in connection with seeking or evaluating candidates.

The Corporate Governance Committee will consider director candidates recommended by security holders under the same criteria as other candidates described above. Nominations may be submitted by letter addressed to: WD-40 Company Corporate Governance Committee, Corporate Secretary, 1061 Cudahy Place, San Diego, CA 92110. Nominations by security holders must be submitted in accordance with the requirements of the Company's Bylaws, including submission of such nominations within the time required for submission of stockholder proposals as set forth below under the heading, Stockholder Proposals.

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AUDIT COMMITTEE

Related Party Transactions Review and Oversight

The Audit Committee is comprised of Giles H. Bateman (Chair), Peter D. Bewley, Richard A. Collato and Neal E. Schmale. Five meetings were held during the last fiscal year to review quarterly financial reports, to consider the annual audit and other audit services, to review the audit with the independent registered public accounting firm after its completion and to review the Company's business continuity and insurance programs. The Board of Directors has determined that Mr. Bateman is an "audit committee financial expert" as defined by regulations adopted by the Securities and Exchange Commission. Mr. Bateman and each of the other members of the Audit Committee are independent directors as defined in the Nasdaq Rules. Each member of the Audit Committee also satisfies the requirements for service on the Audit Committee as set forth in Rule 5605(c)(2) of the Nasdaq Rules.

The Audit Committee has responsibility for review and oversight of related party transactions for potential conflicts of interest. Related party transactions include any independent business dealings between the Company and related parties who consist of the Company's executive officers, directors, director nominees and holders of more than 5% of the Company's shares. Such transactions include business dealings with parties in which any such related party has a direct or indirect interest. The Board of Directors has adopted a written policy to provide for the review and oversight of related party transactions by the Audit Committee. Executive officers and directors are required to notify the Secretary of the Company of any proposed or existing related party transactions in which they have an interest. The Secretary and the Audit Committee also rely upon the Company's disclosure controls and procedures adopted pursuant to Exchange Act rules for the purpose of assuring that matters requiring disclosure, including related party transactions that may involve the potential for conflicts of interests, are brought to the attention of management and the Audit Committee on a timely basis. Certain related party transactions do not require Audit Committee review and approval. Such transactions are considered pre-approved. Pre-approved transactions include:

- compensation arrangements approved by the Compensation Committee or the Board of Directors and expense reimbursements consistent with the Company's expense reimbursement policy;
- transactions in which the related party's interest is derived solely from the fact that he or she serves as a director of another corporation that is a party to the transaction;
- transactions in which the related party's interest is derived solely from his or her ownership (combined with the ownership interests of all other related parties) of not more than a 5% beneficial interest (but excluding any interest as a general partner of a partnership) in an entity that is a party to the transaction; and
- transactions available to all employees of the Company generally.

If a related party transaction is proposed or if an existing transaction is identified, the Audit Committee has authority to disapprove, approve or ratify the transaction and to impose such restrictions or other limitations on the transaction as the Committee may consider necessary to best assure that the interests of the Company are protected and that the

related party involved is not in a position to receive an improper benefit. In making such determination, the Audit Committee considers such factors as it deems appropriate, including without limitation (i) the benefits to the Company of the transaction; (ii) the commercial reasonableness of the terms of the transaction; (iii) the dollar value of the transaction and its materiality to the Company and to the related party; (iv) the nature and extent of the related party's interest in the transaction; (v) if applicable, the impact of the transaction on a non-employee director's independence; and (vi) the actual or apparent conflict of interest of the related party participating in the transaction.

During the fiscal year ended August 31, 2014, there were no transactions required to be reported pursuant to the requirements of Item 404(a) of Regulation S-K under the Exchange Act that did not require review and approval by the Audit Committee.

The Audit Committee also has responsibility for the selection, appointment and oversight of the independent registered public accounting firm for the Company.

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FINANCE COMMITTEE

The Finance Committee is comprised of Linda A. Lang (Chair), Giles H. Bateman, Mario L. Crivello, Gregory A. Sandfort and Neal E. Schmale. Five meetings of the Finance Committee were held during the last fiscal year. The Finance Committee is appointed by the Board for the primary purpose of assisting the Board in overseeing financial matters of importance to the Company, including matters relating to acquisitions, investment policy, capital structure, and dividend policy. The Finance Committee also reviews the Company's annual and long-term financial strategies and objectives.

COMPENSATION COMMITTEE

Compensation Committee Interlocks and Insider Participation

The Compensation Committee is comprised of Richard A. Collato (Chair), Peter D. Bewley, Mario L. Crivello and Linda A. Lang, all of whom are independent directors as defined under the Nasdaq Rules. The Compensation Committee met three times during the last fiscal year. During the fiscal year ended August 31, 2014, there were no compensation committee interlock relationships with respect to members of the Board of Directors and the Compensation Committee as described in Item 407(e)(4)(iii) of Regulation S-K promulgated under the Exchange Act.

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ITEM NO. 2

ADVISORY VOTE TO APPROVE EXECUTIVE COMPENSATION

In accordance with the requirements of Section 14A of the Exchange Act, the Company's stockholders are being asked to cast an advisory vote to approve the compensation of the Company's Named Executive Officers ("NEOs") identified in the Compensation Discussion and Analysis section of this proxy statement. This vote is commonly referred to as a "Say-on-Pay" vote.

At the Company's 2011 Annual Meeting of Stockholders, the first Say-on-Pay vote was held and the Company's stockholders were also asked, by a non-binding advisory vote, to express their preference as to the frequency of future Say-on-Pay votes and the Board of Directors recommended annual Say-on-Pay voting. The Company's stockholders expressed a preference to have Say-on-Pay votes every year.

The following resolution will be presented for approval by the Company's stockholders at the 2014 Annual Meeting of Stockholders:

"RESOLVED, that the stockholders of WD-40 Company (the "Company") hereby approve the compensation of the Company's Named Executive Officers as disclosed in the Compensation Discussion and Analysis section of the Company's proxy statement for the 2014 Annual Meeting of Stockholders and in the accompanying compensation tables and narrative disclosures."

The advisory vote to approve executive compensation is a non-binding vote on the compensation of the Company's NEOs. This proxy statement contains a description of the compensation provided to the NEOs as required by Item 402 of Regulation S-K promulgated under the Exchange Act.

Stockholders are encouraged to carefully consider the Compensation Discussion and Analysis, accompanying compensation tables and related narrative discussion in this proxy statement in considering this advisory vote. The Board of Directors believes that the compensation provided to the Company's NEOs offers a competitive pay package with a proper balance of current and long term incentives aligned with the interests of the Company's stockholders.

This is an advisory vote and will not affect compensation previously paid or awarded to the NEOs. While a vote disapproving the NEOs' executive compensation will not be binding on the Board of Directors or the Compensation Committee, the Compensation Committee will consider the results of the advisory vote in making future executive compensation decisions.

The affirmative vote of a majority of the shares present in person or represented by proxy and entitled to vote on the proposal at the Annual Meeting of Stockholders is required to approve this advisory vote on executive compensation.

**THE BOARD OF DIRECTORS UNANIMOUSLY RECOMMENDS THAT STOCKHOLDERS VOTE FOR ADOPTION OF THE PROPOSED RESOLUTION FOR APPROVAL OF THE COMPENSATION OF THE COMPANY'S NAMED EXECUTIVE OFFICERS.**

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COMPENSATION DISCUSSION AND ANALYSIS

WD-40 Company's Compensation Discussion and Analysis addresses the processes and decisions of the Company's Board of Directors and the Compensation Committee of the Company's Board of Directors (the "Committee") with respect to the compensation of the Company's Named Executive Officers (the "NEOs"). For fiscal year 2014, the Company's NEOs were:

- Garry O. Ridge, our Chief Executive Officer ("CEO");
- Jay W. Rembolt, our Vice President, Finance, Treasurer and Chief Financial Officer ("CFO");
- Michael J. Irwin, our Executive Vice President, Global Business Development Group;
- Michael L. Freeman, our Division President, the Americas; and
- William B. Noble, our Managing Director, EMEA.

EXECUTIVE SUMMARY OF FISCAL YEAR 2014 COMPENSATION DECISIONS

The compensation structure for the NEOs is comprised of three elements: base salary, retention-related equity compensation and performance-related cash and equity compensation.

Retention-related compensation includes restricted stock unit ("RSU") allocations, which vest over a period of three years after grant.

Performance-related compensation includes an annual cash bonus based on current year financial results and market share unit ("MSU") allocations that are earned upon vesting based on comparison criteria for the Company's total stockholder return ("TSR") as compared to the stock market, as measured by the Russell 2000 Index (the "Index").

The foregoing compensation structure elements are described fully later in this Compensation Discussion and Analysis.

In establishing the framework for overall NEO compensation and in assessing such compensation for each NEO in light of individual and overall Company performance, the Committee considers actual and target levels of compensation with reference to both short-term and long-term performance periods as well as labor market data and peer group executive compensation. The Committee seeks to align individual NEO performance incentives with both short-term and long-term Company objectives. The Committee reviews each of the principal elements of NEO

compensation to determine the effectiveness of the established framework for NEO compensation based on measures of Company performance, specifically including earnings before interest, income taxes, depreciation and amortization (“EBITDA”), but also including relative Company performance as compared to the established peer group of companies and applicable market indices. Additionally, the Committee also considers the relative achievement of longer term strategic objectives as to which each NEO is accountable. Information regarding NEO strategic objectives is provided in the Executive Officer Compensation Decisions section below under the heading, Base Salary: Process. The Committee believes that a review of NEO compensation and relative company performance over multi-year periods demonstrates the effectiveness of the Company’s established framework for NEO compensation.

The Company’s financial performance for fiscal year 2013, as measured against goals for EBITDA, exceeded most of the goals established by the Committee for that year. As a result, performance incentive bonus compensation for fiscal year 2013 for each NEO was above the target amount and near the maximum amount of the potential reward for all of the NEOs other than Mr. Irwin. For each of fiscal years 2011 and 2012, the Company’s financial performance did not reach most of the goals established by the Committee and none of the NEOs received performance incentive bonus compensation for those years with the exception of small amounts paid to Mr. Freeman and Mr. Noble for fiscal years 2012 and 2011, respectively. Performance share unit (“PSU”) awards, vesting over two fiscal years based on relative attainment of goals for aggregate revenue growth and increased gross margin, provided vested shares to the NEOs as of the end of fiscal years 2011, 2012 and 2013 at 53.5%, 48% and 80.75% of the target number of award shares, respectively. The PSU awards provided for maximum vesting at 150% of the target number of shares.

Compensation decisions for fiscal year 2014 were made in October 2013, based on individual and Company performance during fiscal year 2013 and a market survey conducted by the Committee’s compensation consultant. The relative market percentile of total compensation for each of the NEOs for fiscal year 2014 based on peer group data is provided below under the heading Overall Reasonableness of Compensation.

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The following is a summary of the decisions made by the Committee for NEO compensation for fiscal year 2014:

- For fiscal year 2014, our CEO's base salary was increased by 4.2% in contrast to the prior two years when he received no increase in salary. Base salaries for the other NEOs were increased by amounts ranging from 1.5% to 9.5%. Base salaries for the NEOs were assessed in relation to labor market information and the Company's performance for fiscal year 2013 as compared to other companies in our peer group. Our CEO's base salary was increased in light of applicable peer group data supporting such an increase and in recognition of the Company's strong financial performance for fiscal year 2013. Merit increases for the NEOs other than our CEO were awarded in recognition of relative achievement of individual performance measures and goals established for each NEO as well as Company performance metrics for which each NEO is accountable.

- Annual incentive bonus compensation is awarded to the NEOs under the Company's Performance Compensation Plan described below under the heading Performance Incentive Program. For purposes of the Performance Incentive Program, goals for global, regional and business unit EBITDA were established at the beginning of the year. As described in detail below, based on the Company's strong financial results for fiscal year 2014, the NEOs earned performance incentive bonus compensation that ranged from 23% to 75% of each NEO's individual bonus opportunity.

- In October 2013, the NEOs received annual RSU awards providing for the issuance of a total of 8,302 shares of the Company's common stock to be earned by continued employment by the Company over a vesting period of three years. These awards serve a retention purpose together with an incentive to maximize long term stockholder value through share price appreciation.

- In October 2013, the NEOs received MSU awards subject to performance vesting covering a target number of shares of the Company's common stock equal to 8,302 shares. If the Company's TSR over the three year vesting period matches the median return for the Index, the target number of shares of the Company's common stock would be issued to the NEOs. The actual number of shares to be issued will be from 0% to 200% of the target number of shares depending upon the Company's TSR as compared to the return for the Index.<sup>1</sup>

- RSU and MSU award amounts for fiscal year 2014 varied among the NEOs based on labor market compensation practices specific to the region of employment, relative achievement of individual performance measures and goals established for each NEO as well as Company performance for fiscal year 2013 in areas over which each NEO had direct influence.

- The Company's stockholders have provided advisory votes to approve executive compensation required by Section 14A of the Exchange Act (the "Say-on-Pay" votes) at the Company's annual meeting of stockholders for fiscal years 2011, 2012 and 2013. In each instance, at least 95% of the votes cast in the Say-on-Pay votes approved the compensation of the NEOs as disclosed in the Compensation Discussion and Analysis section of the Company's proxy statements for those fiscal years and in the accompanying compensation tables and narrative disclosures. The Committee has considered the results of these advisory Say-on-Pay votes in its decision-making for executive compensation of the NEOs and has concluded that no significant changes in executive compensation decisions and policies are warranted.

1 For a more complete description of the MSU awards, refer to the Executive Officer Compensation Decisions section below under the heading, Market Share Unit Awards.

## GOVERNANCE OF EXECUTIVE OFFICER COMPENSATION PROGRAM

The purpose of the Committee is to establish and administer the compensation arrangements for our CEO and the other executive officers of the Company, including the other NEOs, on behalf of the Board of Directors. The Committee is responsible for developing the Company's overall executive compensation strategy, with support from management and the Committee's independent compensation consulting firm, Compensia, Inc. ("Compensia"). The Committee also has responsibilities in connection with administration of the Company's equity compensation plans.

The Committee operates pursuant to a Charter which outlines its responsibilities, including the Committee's responsibilities with respect to performance reviews and approval of annual compensation arrangements for the NEOs. A copy of the Compensation Committee Charter can be found under the Investors section of the Company's website at <http://www.wd40company.com>.

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PROCESS FOR EVALUATING EXECUTIVE OFFICER PERFORMANCE AND COMPENSATION

In accord with its Charter, the Committee works with the Company's Human Resources function in carrying out its responsibilities; the Vice President of Global Organization Development is management's liaison with the Committee. The Committee has engaged Compensia, a national compensation consulting firm, to provide advice and information relating to executive compensation. In fiscal year 2014, Compensia assisted the Committee in the evaluation of executive base salary, bonus compensation and equity incentive design and award levels, and the specific pay recommendation for our CEO. Compensia reports directly to the Committee and provides no additional services for management.

EXECUTIVE COMPENSATION PHILOSOPHY AND FRAMEWORK

COMPENSATION OBJECTIVES

The Company's executive compensation program is designed to achieve five primary objectives:

1. Attract, motivate, reward and retain high performing executives;
2. Align the interests and compensation of executives with the value created for stockholders;
3. Create a sense of motivation among executives to achieve both short- and long-term Company objectives;
4. Create a direct, meaningful link between business and team performance and individual accomplishment and rewards; and
5. Ensure our compensation programs are appropriately competitive in the relevant labor markets.

TARGET PAY POSITION/MIX OF PAY

The Company's compensation program consists primarily of base salary, annual cash incentives, and long-term oriented equity awards. Each of these components is discussed in greater detail in the Executive Officer Compensation Decisions section below. The Committee has established a target for executive officer total compensation (defined as base salary, plus target performance incentive bonus, plus the grant date fair value of equity awards) at the 50th percentile relative to the market (details on the use of peer group data is provided below). Actual pay may vary, based on Company and/or individual performance, length of time within the position, and anticipated contribution. The

Committee does not adhere to specific guidelines regarding the percentage of total compensation that should be represented by each compensation component, but monitors market competitiveness. A review of total compensation for each NEO relative to the target market percentile is provided in the Executive Officer Compensation Decisions section below under the heading, Overall Reasonableness of Compensation.

## COMPENSATION BENCHMARKING

For purposes of its fiscal year 2014 compensation decisions, the Committee examined the executive compensation practices of a peer group of twenty-one companies to assess the competitiveness of the Company's executive compensation. Peer group companies were selected from a list of U.S. headquartered companies having revenues and earnings reasonably comparable to the Company and doing business in the specialty chemical industry or within specific consumer products categories. In addition to the peer group data, the Committee considers a survey of general industry company data provided by Hay Group, a global management consulting firm. This mix of data has been weighted, 50% for the industry company data and 50% for the peer group data. The companies used in the peer group analysis for fiscal year 2014 compensation decisions were as follows:

Aceto Corporation	Measurement Specialties, Inc.
American Vanguard Corporation	National Presto Industries, Inc.
Balchem Corporation	Nutraceutical International Corporation
Calgon Carbon Corporation	Oil-Dri Corporation of America
Cambrex Corporation	Park Electrochemical Corp.
Flotek Industries Inc.	Prestige Brands Holdings, Inc.
Hawkins, Inc.	Quaker Chemical Corporation
Innophos Holdings, Inc.	Synutra International, Inc.
Innospec Inc.	USANA Health Sciences, Inc.
Inter Parfums, Inc.	Zep, Inc.
Landec Corporation	



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EXECUTIVE OFFICER COMPENSATION DECISIONS

BASE SALARY: PROCESS

Base salaries for all executive officers, including the NEOs, are approved by the Committee effective for the beginning of each fiscal year. In setting base salaries, the Committee considers the salary range prepared by its compensation advisor based on each NEO's job responsibilities and the market 50th percentile target pay position. Salary adjustments, if any, are based on factors such as individual performance, position, current pay relative to the market, future anticipated contribution and the Company-wide merit increase budget. Assessment of individual performance follows a rigorous evaluation process, including self-evaluation and the establishment of annual goals for each executive officer and an assessment of the achievement thereof. Individual performance elements considered in this process included individual and Company performance goals and achievements in such areas as growth, innovation, leadership, earnings and customer relations for Mr. Ridge; governance and risk, compliance, forecasting and financial reporting for Mr. Rembolt; strategic business development for Mr. Irwin; and business unit performance, teamwork, execution and growth for Messrs. Freeman and Noble.

BASE SALARY: FISCAL YEAR 2014

In October 2013, the Committee reviewed the market competitiveness of executive officer base salaries relative to peer group market data presented by the Committee's compensation advisor. The Committee considered each NEO's individual performance relative to the performance elements identified above as well as the overall performance of the Company for fiscal year 2013. In that regard, the Committee considered the Company's performance as compared to peer group companies as well. Based on these considerations, the Committee approved a merit increase in the salary of our CEO of 4.2%. The increase in salary for our CEO was in contrast to each of the two prior years when he did not receive any increase in salary. Our CFO received a 9.5% increase in base salary for fiscal year 2014, representing a merit increase as well as an appropriate market rate adjustment. Merit increases to the base salaries of the NEOs other than the CEO and CFO ranged from 1.5% to 4.5% based on the foregoing individual performance considerations and assessment of target pay positioning.

PERFORMANCE INCENTIVE PROGRAM

The Company uses its Performance Incentive Program to tie executive officer compensation to the Company's financial performance. All Company employees participate in the same Performance Incentive Program as described



below. The Performance Incentive Program is offered to the executive officers pursuant to the WD-40 Company Performance Incentive Compensation Plan most recently approved by the stockholders at the Company's 2012 Annual Meeting of Stockholders.

The Performance Incentive Program is intended to provide direct incentives to all Company employees, including executive officers, to affect regional financial performance and, for the Company as a whole, to promote sales at increasing levels of profitability. Specific performance measures tied to regional financial results are used in the Performance Incentive Program formulas as applied to each employee according to his or her particular area of responsibility.

For the NEOs, incentive awards for fiscal year 2014 were based on pre-established goals for the following corporate performance measures: (i) the Company's earnings before interest, taxes, depreciation and amortization ("EBITDA") computed for each of the Company's relevant financial reporting segments ("Regional EBITDA"); (ii) net invoiced sales recorded for the WD-40 Bike business unit ("Bike Revenue"); (iii) EBITDA computed based on a weighted average of the attainment for each of the three financial reporting segments ("All Trade Blocs EBITDA"); and (iv) EBITDA computed on a consolidated basis ("Global EBITDA"). The All Trade Blocs EBITDA performance measure weights the attainment of the Americas financial reporting segment at 50% of the total potential bonus for the All Trade Blocs metric; the attainment of the Europe, the Middle East, Africa and India ("EMEA") financial reporting segment at 35% of the total potential bonus for the All Trade Blocs metric; and the attainment of the Asia-Pacific financial reporting segment at 15% of the total potential bonus for the All Trade Blocs metric. The calculations of attainment of these performance measures for the NEOs are the same as the calculations for all other employees for whom such performance measures were applicable.

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Depending upon actual performance results, the Performance Incentive Program bonus opportunities range from 0% to 100% of base salary for our CEO and from 0% to 60% of base salary for the other NEOs. The maximum bonus opportunity for our CEO at 100% of base salary as compared to the maximum bonus opportunity for the other NEOs at 60% of base salary has been established by the Board of Directors in recognition of the higher level of responsibility of our CEO for overall Company performance, in reliance on competitive market data that supports total potential CEO compensation at such levels, and to establish a compensation package for our CEO that has a higher percentage of potential compensation tied to Company performance.

The maximum bonus for each NEO is referred to herein as their “annual opportunity”. For each of the NEOs, the Performance Incentive Program for fiscal year 2014 provided three distinct performance measure levels for possible bonus awards. Except with respect to Mr. Irwin, the first level represented 50% of the annual opportunity, the second level represented 30% of the annual opportunity and the third level represented 20% of the annual opportunity. For Mr. Irwin, the first level represented 60% of the annual opportunity and the second and third levels each represented 20% of the annual opportunity. The Performance Incentive Program is consistently applied for all employees of the Company. The maximum bonus payouts for Messrs. Freeman and Noble required achievement of specified segment goals for Regional EBITDA (first level), All Trade Blocs EBITDA (second level) and Company performance that equaled the maximum goal amount for Global EBITDA as described below (third level). For Messrs. Ridge and Rembolt (each of whom has global rather than regional responsibilities), the maximum bonus payouts required achievement of specified goals for Global EBITDA (first level), All Trade Blocs EBITDA (second level) and Company performance that equaled the maximum goal for Global EBITDA as described below (third level). For Mr. Irwin, the maximum bonus payout required achievement of specified performance goals that were the same as the goals for Messrs. Ridge and Rembolt except that the first level goal required achievement of a specified goal for Bike Revenue.

After all bonus amounts earned for the first level and second level were calculated, the Global EBITDA result was measured. The maximum goal for Global EBITDA was established by means of a formula that was based on all bonus payouts under the first and second levels and the anticipated maximum bonus payout under the third level.

Target and maximum payout amounts for each of the NEOs for the fiscal year 2014 Performance Incentive Program are disclosed below in the table under the heading, Grants of Plan-Based Awards - Fiscal Year 2014.

The following table sets forth the fiscal year 2014 Performance Incentive Program payout weightings and the minimum and maximum goals for the performance measures applicable to each of the NEOs:

Level	Performance Measure	Garry O. Ridge Jay W. Rembolt	Michael L. Freeman	William B. Noble	Michael J. Irwin	Minimum Goal FY 2014 (\$ millions)	Maximum Goal FY 2014 (\$ millions)
i		N/A	50%	N/A	N/A	\$ 46.0	\$ 48.5

	Regional EBITDA (Americas)								
i	Regional EBITDA (EMEA) <sup>1</sup>	N/A	N/A	50%	N/A	\$	36.2	\$	39.2
i	Global EBITDA	50%	N/A	N/A	N/A	\$	64.9	\$	72.1
i	Bike Revenue	N/A	N/A	N/A	60%	\$	0.9	\$	1.0
ii	All Trade Blocs EBITDA (weighted average)	30%	30%	30%	20%	N/A		N/A	
	Americas (50% weighting)					\$	48.5	\$	51.1
	EMEA (35% weighting) <sup>1</sup>					\$	39.2	\$	41.9
	Asia-Pacific (15% weighting)					\$	11.5	\$	12.1
iii	Global EBITDA	20%	20%	20%	20%	\$	66.2	\$	70.0

<sup>1</sup> EMEA figures have been converted from pounds sterling at an average annual exchange rate for fiscal year 2014 of \$1.6490 per pound.

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The following table sets forth the actual fiscal year 2014 performance results and percentage achievement for each of the performance measures under the Performance Incentive Program formulas applicable to the NEOs:

Level	Performance Measure	Actual FY 2014 (\$ millions)	% Achievement <sup>2</sup>
i	Regional EBITDA (Americas)	\$ 49.8	100.0%
i	Regional EBITDA (EMEA) <sup>1</sup>	\$ 38.7	81.4%
i	Global EBITDA	\$ 77.5	100.0%
i	Bike Revenue	\$ 0.4	0.0%
ii	All Trade Blocs EBITDA (weighted average)	N/A	16.9%
	Americas (50% weighting)	\$ 49.4	33.7%
	EMEA (35% weighting) <sup>1</sup>	\$ 38.7	0.0%
	Asia-Pacific (15% weighting)	\$ 11.5	0.0%
iii	Global EBITDA	\$ 71.3	100.0%

<sup>1</sup> EMEA figures have been converted from pounds sterling at an average annual exchange rate for fiscal year 2014 of \$1.6490 per pound.

<sup>2</sup> Percentage achievement amounts are calculated using whole numbers and not the rounded amounts that are included in this table and the table above. As a result, percentage achievement as shown in this table differs from what would be calculated using the rounded amounts.

Achievement of the maximum goals for Regional EBITDA and Global EBITDA are intended to be attainable through the concerted efforts of all management teams working in their own regions and areas of responsibility and for the Company as a whole. Based on the Company's fiscal year 2014 performance and the Committee's certification of the relative attainment of each of the performance measures under the Performance Incentive Program, the payouts for our executive officers, including the NEOs, were calculated. On October 13, 2014, the Committee approved payment of the following bonuses to the NEOs for fiscal year 2014 performance.

Executive Officer	Title	FY 2014 Annual Opportunity (As % of Base Salary)	FY 2014 Bonus Paid (\$)	FY 2014 Actual Bonus (As % of Opportunity)
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Garry O. Ridge	President and Chief Executive Officer	100%	\$ 470,089	75%
Jay W. Rembolt	Vice President, Finance, Treasurer and Chief Financial Officer	60%	\$ 135,397	75%
Michael J. Irwin	Executive Vice President, Global Business Development Group	60%	\$ 44,414	23%
Michael L. Freeman	Division President, the Americas	60%	\$ 146,013	75%
William B. Noble <sup>1</sup>	Managing Director, EMEA	60%	\$ 141,426	66%

<sup>1</sup> Mr. Noble's bonus amount has been converted from pounds sterling at an average annual exchange rate for fiscal year 2014 of \$1.6490 per pound.

<sup>2</sup> FY 2014 bonus paid amounts were calculated using eligible earnings which are those earnings that were processed and paid through the Company's payroll in fiscal year 2014 for each executive officer.

As an example of the operation of the Performance Incentive Program, Mr. Freeman's bonus payout for fiscal year 2014 was computed as follows:

• Bonus Opportunity = 60% X Eligible Earnings (\$324,205) = \$194,523.

• Level 1 (Regional EBITDA (Americas)) = 50% of Bonus Opportunity = \$97,261.

— Level 1 Bonus = Level 1 Achievement (100%) X Level 1 Bonus Opportunity = \$97,261.

• Level 2 (All Trade Blocs EBITDA) = 30% of Bonus Opportunity = \$58,357

— Level 2 Bonus = Level 2 Achievement (16.87%) X Level 2 Bonus Opportunity = \$9,847.

• Level 3 (Global EBITDA) = 20% of Bonus Opportunity = \$38,905.

— Level 3 Bonus = Level 3 Achievement (100%) X Level 3 Bonus Opportunity = \$38,905.

Mr. Freeman's aggregate bonus payout was the sum of the payouts under each of the three levels of the Performance Incentive Program, or \$146,013.

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Equity Compensation

Equity compensation is a critical component of the Company's efforts to attract and retain executives and key employees, encourage employee ownership in the Company, link pay with performance and align the interests of executive officers with those of stockholders. To provide appropriately directed incentives to our executive officers, the Committee has provided awards of both time-vesting restricted stock unit ("RSU") awards and performance-vesting market share unit ("MSU") awards. Equity awards are awarded pursuant to the Company's 2007 Stock Incentive Plan (the "Stock Incentive Plan") approved by the stockholders at the 2007 Annual Meeting of Stockholders.

The Company's MSU awards are designed to track against a measure of total stockholder return ("TSR") that incorporates asset appreciation and the assumption of reinvested dividends. Equity allocations for fiscal year 2014 were divided equally between RSU awards and MSU awards. MSU awards provide for vesting after a three year performance vesting period based on a comparison of the Company's TSR against the Russell 2000 Index (the "Index") as described in more detail below. All RSU and MSU awards are subject to terms and conditions set forth in an applicable award agreement (the "Award Agreement").

The principal attributes and benefits of the RSU and MSU awards for executive officers are as follows:

- Both RSU and MSU awards provide for the issuance of shares of the Company's common stock upon vesting;
- RSU awards provide for vesting in relatively equal portions over a period of three years from the grant date;
- MSU awards provide for performance-based vesting tied to the Company's TSR over a performance measurement period of three fiscal years beginning with the year of the award and ending on August 31st of the third calendar year; and
- A mix of RSU and MSU awards for our executive officers has been considered by the Committee to be appropriate as compared to RSU awards alone or other equity awards, such as stock options, for the following reasons: i) MSU awards granted annually provide a more direct performance-based incentive aligned directly with longer term stockholder interests; ii) RSU awards have a greater perceived value to recipients than stock options; iii) RSU and MSU awards have a lower compensation expense impact on the Company's reported financial results than stock options; iv) RSU and MSU awards have less dilutive impact on a share count basis than stock options; and v) the issuance of shares of the Company's common stock upon vesting encourages long-term stock ownership and facilitates the achievement of the Company's stock ownership guidelines (as described below in the Other Compensation Policies section, under the heading, Executive Officer Stock Ownership Guidelines).

The Board recognizes the potentially dilutive impact of equity awards. The Company's equity award practices are designed to balance the impact of dilution and the Company's need to remain competitive by recruiting, retaining and providing incentives for high-performing employees.

#### Restricted Stock Unit Awards

RSU awards provide for the issuance of shares of the Company's common stock to the award recipient upon vesting provided that the recipient remains employed with the Company through each vesting date. Shares of the Company's common stock equal to the portion of the RSU award that has vested are issued promptly upon the vesting date. RSU awards provide for vesting over a period of three years from the grant date. 34% of the RSU award will vest on the first vesting date and 33% of the RSU award will vest on each of the second and third vesting dates. The vesting date each year is the third business day following the Company's public release of its annual earnings for the preceding fiscal year, but not later than November 15 of the vesting year. Payment of required withholding taxes due with respect to the vesting of the RSU awards, if any, will be covered through withholding of shares by the Company. For RSU award recipients who retire from the Company after reaching age 65, all RSUs will have a vesting date that is 30 days following the effective date of retirement. The Company will issue a net number of shares to the recipient for a vested RSU award after withholding shares having a value as of the vesting date equal to the required tax withholding obligation.

#### Market Share Unit Awards

MSU awards granted to the NEOs for fiscal year 2014 provide for performance-based vesting over a performance measurement period of three fiscal years ending August 31, 2016 (the "Measurement Period"). The recipient must remain

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employed with the Company for vesting purposes until the date on which the Committee certifies achievement of the requisite performance provided for in the MSU Award Agreement. A number of shares of the Company's common stock equal to an "Applicable Percentage" of the "Target Number" of shares covered by the MSU awards to the NEOs will be issued as of the "Settlement Date". The Applicable Percentage is determined by reference to the performance vesting provisions of the MSU Award Agreements as described below. The Settlement Date for an MSU award is the third business day following the Company's public release of its annual earnings for the third fiscal year of the Measurement Period. Payment of required withholding taxes due with respect to the settlement of an MSU award, if any, will be covered through withholding of shares by the Company. The Company will issue a net number of shares to the recipient for a vested MSU award after withholding shares having a value as of the Settlement Date equal to the required tax withholding obligation.

The performance vesting provisions of MSU awards are based on relative TSR for the Company over the Measurement Period as compared to the total return ("Return") for the Index as reported for total return (with dividends reinvested), as published by Russell Investments. For purposes of computing the relative TSR for the Company as compared to the Return for the Index, dividends paid with respect to the Shares will be treated as having been reinvested as of the ex-dividend date for each declared dividend. The Applicable Percentage of the Target Number of shares will be determined based on the absolute percentage point difference between the TSR for the Company as compared to the Return for the Index as set forth in the table below:

Relative TSR (absolute percentage point difference)	Applicable Percentage
> 20%	200%
20%	200%
15%	175%
10%	150%
5%	125%
Equal	100%
-5%	75%
-10%	50%
>-10%	0%

The Applicable Percentage will be determined on a straight line sliding scale from the minimum 50% Applicable Percentage achievement level to the maximum 200% Applicable Percentage achievement level. For purposes of determining the TSR for the Company and the Return for the Index, the beginning and ending values for each measure will be determined on an average basis over a period of all market trading days within the ninety (90) calendar days prior to the beginning of the fiscal year for the beginning of the Measurement Period and over a period of all market trading days within the ninety (90) calendar days prior to the end of the third fiscal year of the Measurement Period.

In the event of a Change in Control (as defined in the Stock Incentive Plan), the Measurement Period will end as of the effective date of the Change in Control and the ending values for calculating the TSR for the Company and the Return for the Index will be determined based on the closing price of the Company's common stock and the value of



the Index, respectively, immediately prior to the effective date of the Change in Control. The Applicable Percentage will be applied to a proportionate amount of the Target Number of MSUs based on the portion of the Measurement Period elapsed as of the effective date of the Change in Control. The recipient NEO will receive RSUs for the portion of the Target Number of MSUs to which the Applicable Percentage is not applied. Those RSUs will time vest, subject to rights under the NEO's Change of Control Severance Agreement, as of the Settlement Date.

#### EQUITY AWARDS - FISCAL YEAR 2014

For fiscal year 2014, equity awards to our executive officers were granted to satisfy goals for executive officer retention, to provide incentives for future performance, and to meet objectives for overall levels of compensation and pay mix. In October 2013, the Committee approved RSU and MSU awards to the NEOs as set forth below in the table under the heading, Grants of Plan-Based Awards - Fiscal Year 2014. In establishing award levels for the NEOs for fiscal year 2014, the Committee placed emphasis on long-term retention goals and desired incentives for future contributions. The RSU and MSU awards to our CEO were, consistent with past practice, larger than the awards to the other NEOs in recognition of his higher level of responsibility for overall Company performance and in reliance on market data that supports a higher level of equity compensation for our CEO. The specific award amounts were determined for each NEO based on an

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assessment of the NEO's achievement of individual performance goals as well as Company performance for fiscal year 2013 in areas over which the NEO had particular influence.

## BENEFITS AND PERQUISITES

As is the case with most Company employees, the NEOs are provided with standard health and welfare benefits, as well as the opportunity to participate in the WD-40 Company Profit Sharing/401(k) Plan (the "Plan"). The Plan serves to provide our executive officers, including the NEOs, with tax-advantaged retirement savings as an additional component of overall compensation. Employees have the right to invest the Company's contributions to the Plan in a Company Stock Fund invested in shares of the Company's common stock as an alternative to other investment choices available under the Plan.

The Company maintains individual Supplemental Death Benefit Plan agreements with each of the NEOs other than Mr. Noble. The Company's Supplemental Death Benefit Plan agreement obligations are funded by life insurance policies owned by the Company.

The Company also provides leased vehicles to its executive officers and private health insurance for Mr. Noble in excess of coverage available to other Company employees in the United Kingdom. The costs associated with the perquisites and other personal benefits provided to the NEOs are included in the Summary Compensation Table below and they are separately identified in the footnote disclosure of such perquisites and other personal benefits included with the Summary Compensation Table.

The Committee considers the cost of the foregoing health and welfare benefits and perquisites in connection with its approval of the total compensation for each of our NEOs. All such costs are considered appropriate in support of the Committee's objective of attracting and retaining high quality executive officers because they are common forms of compensation for senior executives and are expected by such executives when they consider competing compensation packages.

## POST-EMPLOYMENT OBLIGATIONS

The Company has change of control severance agreements with each of the NEOs. The specific terms of the agreements are described in detail below under the heading, Change of Control Severance Agreements. The agreements were entered into with our executive officers after extensive review by the Committee and the Board of Directors and negotiation with the executive officers to replace previously existing employment agreements. Consideration was given to possible inclusion of severance compensation to be paid to the executive officers in the

event of their termination of employment without cause (or for good reason) without regard to the existence of a change of control of the Company. No such provisions were included and severance compensation is payable only following a termination of employment without “cause” or for “good reason” within two years following a “change of control” of the Company (as the quoted terms are defined in the severance agreements).

The Committee believes that the change of control severance agreements help ensure the best interests of stockholders by fostering continuous employment of key management personnel. As is the case in many public companies, the possibility of an unsolicited change of control exists. The uncertainty among management that can arise from a possible change of control can result in the untimely departure or distraction of key executive officers. Reasonable change of control severance agreements reinforce continued attention and dedication of executive officers to their assigned duties and support the Committee’s objective of retaining high quality executives.

#### OVERALL REASONABLENESS OF COMPENSATION

The Committee believes that the Company is achieving its compensation objectives and, in particular, rewards executive officers for driving operational success and stockholder value creation. Based on reviews of tally sheets and a “pay-for-performance” analysis by the Committee, and in light of the Company’s compensation objectives, the Committee and the Board of Directors believe that the pay mix and target pay position relative to market for each of the NEOs are reasonable and appropriate. The “pay-for-performance” analysis includes a review of the individual components of executive officer compensation that are tied to Company performance, as measured by identified performance metrics as well as the price of the Company’s common stock. In particular, the Committee reviews executive officer bonus compensation to determine whether it appropriately rewards individual efforts directed toward the achievement of specific target levels of Company performance and does not otherwise provide rewards in the absence of reasonable measures of individual and Company

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success. Similarly, with respect to equity awards, the Committee considers the effectiveness of such awards in providing a reasonable incentive to the executive officers to pursue the achievement of performance targets for increasing revenues, gross margin and profitability without inappropriately rewarding the executive officers if performance targets are not achieved over the long term.

The following table sets forth the total compensation for each of our NEOs (as reported based on cash compensation received as base salary and performance incentive bonus plus the grant date fair value of equity awards) for fiscal year 2014, together with the relative market percentile for each NEO.

Executive Officer	Base Salary	Annual Bonus Earned	Grant Value of Stock Awards <sup>1</sup>	Total Compensation	Total Compensation Received vs Market
Garry O. Ridge	\$ 626,747	\$ 470,089	\$ 642,682	\$ 1,739,518	65th percentile
Jay W. Rembolt	\$ 301,136	\$ 135,397	\$ 160,565	\$ 597,098	60th percentile
Michael J. Irwin	\$ 316,771	\$ 44,414	\$ 85,626	\$ 446,811	40th percentile
Michael L. Freeman	\$ 324,473	\$ 146,013	\$ 160,565	\$ 631,051	45th percentile
William B. Noble <sup>2</sup>	\$ 358,555	\$ 141,426	\$ 117,823	\$ 617,804	50th percentile

1 Stock Awards are reported at their grant date fair values. Information concerning such awards for fiscal year 2014 is set forth below in the table under the heading, Grants of Plan-Based Awards - Fiscal Year 2014.

2 Mr. Noble's salary and bonus amounts have been converted from pounds sterling at an average annual exchange rate for fiscal year 2014 of \$1.6490 per pound.

For fiscal year 2014, total compensation for our NEOs was assessed by Compensia. In reviewing total compensation for the NEOs, the Committee also reviews the Company's relative performance against the peer group. Due to the strong operational performance and financial results for fiscal year 2014, actual total compensation received by most of the NEOs was near or above the target established by the Committee for executive officer total compensation. These market position comparisons are based on the blended analysis from the Committee's compensation consultant which incorporates peer group proxy analysis and a general industry survey data as discussed above under the heading, Compensation Benchmarking.

## OTHER COMPENSATION POLICIES

### EXCHANGE ACT RULE 10b5-1 TRADING PLANS AND INSIDER TRADING GUIDELINES

The Company maintains insider trading guidelines, including transaction pre-approval requirements, applicable to our officers and directors required to report changes in beneficial ownership under Section 16 of the Exchange Act as well as certain other employees who can be expected to have access to material non-public information concerning the Company. These insider trading guidelines also require pre-approval of all trading plans adopted pursuant to Rule 10b5-1 promulgated under the Exchange Act. To avoid the potential for abuse, the Company's policy with respect to such trading plans is that, once adopted, trading plans are not subject to change or cancellation. Any such change or cancellation of an approved trading plan by an executive officer, director or employee covered by the Company's insider trading guidelines in violation of the policy will result in the Company's refusal to approve future trading plan requests for that person.

### EXECUTIVE OFFICER STOCK OWNERSHIP GUIDELINES

In December 2007, the Board of Directors approved guidelines for executive officer ownership of the Company's common stock. The guidelines specify that each executive officer will be expected to attain, within a period of five years from the date of adoption of the guidelines, and to maintain thereafter, equity ownership in the Company valued at not less than one times his or her current base salary for executive officers other than our CEO and two times base salary for our CEO. Our CEO's higher required ownership guideline is consistent with market best practices. Valuation for purposes of the guidelines is to be determined at the higher of cost or current fair market value for shares of the Company's common stock held outright and shares underlying vested RSUs then held. Vested stock options are valued on a net after tax basis assuming a 45% marginal tax rate on the stock option value equal to the current market price for the Company's common stock less the option exercise price.

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The Board of Directors believes that the stock ownership guidelines serve to improve alignment of the interests of our executive officers and the Company's stockholders. At the present time, all of the NEOs have exceeded the expected level of stock ownership.

As noted above under the heading Equity Compensation, the NEOs receive both time-vesting RSU awards and performance-vesting MSU awards. As these awards vest, shares of the Company's common stock are issued to the NEOs and these shares may then be sold or retained, subject to the stock ownership guidelines described above. RSU and MSU awards held as of August 31, 2014 by the NEOs are set forth, together with stock options granted for fiscal years prior to 2009, in the table below under the heading, Outstanding Equity Awards at 2014 Fiscal Year End. Each of the NEOs, other than Mr. Rembolt, hold vested RSU awards that must be retained until termination of employment as noted above in the footnotes to the tables under the heading, Security Ownership of Directors and Executive Officers.

## TAX CONSIDERATIONS

Section 162(m) of the Internal Revenue Code of 1986 (the "Code") limits the deductibility of compensation payable in any tax year to certain covered executive officers (generally limited to the NEOs, but presently excluding the CFO pursuant to current Treasury Department guidance). Section 162(m) of the Code generally provides that a publicly-held company cannot deduct compensation paid to its most highly paid executive officers to the extent that such compensation exceeds \$1 million per officer per taxable year. Compensation that is "performance-based" within the meaning of the Code does not count toward the \$1 million limit. Compensation paid in fiscal year 2014 to the NEOs pursuant to the WD-40 Company Performance Incentive Compensation Plan most recently approved by the stockholders at the Company's 2012 Annual Meeting of Stockholders is intended to qualify as "performance-based" compensation. In addition, vested shares under MSU awards are intended to qualify as "performance-based" compensation upon the Settlement Date for such awards.

While the Compensation Committee attempts to maximize the deductibility of compensation paid to the NEOs, the Committee retains the flexibility necessary to provide total compensation in line with competitive practice, the Company's compensation philosophy, and the interests of stockholders. Therefore, the Company may from time to time pay compensation to its executive officers that may not be deductible under Section 162(m).

## ACCOUNTING CONSIDERATIONS

We follow Financial Accounting Standards Board Accounting Standards Codification Topic 718 ("ASC Topic 718") for our stock-based compensation awards. ASC Topic 718 requires companies to measure the compensation expense for all share-based payment awards made to employees and directors, including stock options and restricted stock awards, based on the grant date fair value of these awards. This calculation is performed for accounting purposes and reported

in the compensation tables below, even though our executive officers may never realize any value from their awards. ASC Topic 718 also requires companies to recognize the compensation cost of their stock-based compensation awards in their income statements over the period that an executive officer is required to render service in exchange for the option or other award.

#### COMPENSATION COMMITTEE REPORT

The Compensation Committee of WD-40 Company's Board of Directors has reviewed and discussed with management of the Company the Compensation Discussion and Analysis included in this proxy statement and the Company's annual report on Form 10-K for the year ended August 31, 2014, and, based upon that review and discussion, recommended to the board that it be so included.

Compensation Committee

Richard A. Collato, Chair

Peter D. Bewley

Mario L. Crivello

Linda A. Lang

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SECTION 16(a) BENEFICIAL OWNERSHIP REPORTING COMPLIANCE

Section 16(a) of the Exchange Act requires the Company's directors and executive officers, and persons who own more than ten percent of the Company's stock, to file with the Securities Exchange Commission initial reports of stock ownership and reports of changes in stock ownership. Reporting persons are required by SEC regulation to furnish the Company with copies of all Section 16(a) reports they file.

To the Company's knowledge, based solely on review of the copies of such reports furnished to the Company during the last fiscal year and written representations that no other reports were required, except as described below, all Section 16(a) requirements were complied with by all persons required to report with respect to the Company's equity securities during the last fiscal year.

On August 20, 2014, Giles H. Bateman filed a late report on Form 5 to report previously unreported shares acquired as a result of a dividend reinvestment on August 1, 2013.

EXECUTIVE COMPENSATION

None of our executive officers has an employment agreement or other arrangement, whether written or unwritten, providing for a term of employment or compensation for services rendered other than under specific plans or programs described herein.

For fiscal year 2014, our executive officers received a base salary amount established by the Compensation Committee of the Board of Directors at the beginning of the fiscal year. In addition, each employee of the Company, including each executive officer, may receive bonus compensation under a Performance Incentive Program established at the beginning of the fiscal year by the Company and, for our executive officers, by the Committee. A complete description of the Performance Incentive Program is provided in the Compensation Discussion and Analysis section of this proxy statement under the heading, Performance Incentive Program. Information regarding the target and maximum potential bonus compensation payable under the Performance Incentive Program for fiscal year 2014 is provided below in the table under the heading, Grants of Plan-Based Awards - Fiscal Year 2014. The actual payouts under the Performance Incentive Program for fiscal year 2014 and further details regarding the program are provided in the Compensation Discussion and Analysis section of this proxy statement.





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## SUMMARY COMPENSATION TABLE

The following table shows information for the three fiscal years ended August 31, 2014, August 31, 2013 and August 31, 2012, concerning the compensation of our CEO, our CFO and the three most highly compensated executive officers other than the CEO and CFO as of the end of fiscal year 2014 (collectively, the “Named Executive Officers” or “NEOs”).

Name and Principal Position	Year	Salary	Stock Awards <sup>1</sup>	Non-Equity Incentive Plan Compensation <sup>2</sup>	All Other Compensation <sup>3</sup>	Total
Garry O. Ridge President and Chief Executive Officer	2014	\$ 626,747	\$ 642,682	\$ 470,089	\$ 81,286	\$ 1,820,804
	2013	601,747	546,039	571,815	72,805	1,792,406
	2012	601,747	472,642	-	68,303	1,142,692
Jay W. Rembolt Vice President, Finance, Treasurer and Chief Financial Officer	2014	\$ 301,136	\$ 160,565	\$ 135,397	\$ 80,251	\$ 677,349
	2013	275,010	113,697	156,710	77,977	623,394
	2012	267,000	141,793	-	73,665	482,458
Michael J. Irwin Executive Vice President, Global Business Development Group	2014	\$ 316,771	\$ 85,626	\$ 44,414	\$ 73,489	\$ 520,300
	2013	312,090	90,992	112,338	75,519	590,939
	2012	303,000	94,529	-	72,498	470,027
Michael L. Freeman Division President, the Americas	2014	\$ 324,473	\$ 160,565	\$ 146,013	\$ 80,615	\$ 711,666
	2013	310,500	136,489	176,918	78,849	702,756
	2012	300,000	141,793	3,510	73,073	518,376
William B. Noble <sup>4</sup> Managing Director, EMEA	2014	\$ 358,555	\$ 117,823	\$ 141,426	\$ 120,394	\$ 738,198
	2013	325,284	95,533	185,462	76,760	683,039
	2012	320,923	94,529	-	77,056	492,508

<sup>1</sup> Stock Awards for fiscal years 2014, 2013 and 2012 are reported at their grant date fair values. Grant date fair value assumptions and related information is set forth in Note 13, Stock-based Compensation, to the Company’s financial statements included in the Company’s annual report on Form 10-K filed on October 21, 2014. Stock Awards consisting of market share units (“MSUs”) awarded in fiscal years 2014 and 2013, and performance share units (“PSUs”)

awarded in fiscal year 2012, are included based on the value of 100% of the target number of shares of the Company's common stock to be issued upon achievement of the applicable performance measures. For achievement of the highest level of the applicable performance measure for the MSUs, NEOs will receive 200% of the target number of shares. For achievement of the highest level of all applicable performance measures for the PSUs, NEOs would have received 150% of the target number of shares. For fiscal years 2014 and 2013, the total amounts for Stock Awards based on the grant date fair values for all MSU awards based on the maximum number of shares to be received for each of the NEOs would be as follows: \$997,620 and \$807,650, respectively, for Mr. Ridge; \$249,241 and \$168,171, respectively, for Mr. Rembolt; \$132,915 and \$134,587, respectively, for Mr. Irwin; \$249,241 and \$201,881, respectively, for Mr. Freeman; and \$182,894 and \$141,304, respectively, for Mr. Noble. Based on the actual number of vested PSU awards for those awards granted in fiscal year 2012, the total amounts for Stock Awards for fiscal year 2012 for each of the NEOs would have been as follows: \$418,060 for Mr. Ridge; \$125,434 for Mr. Rembolt; \$83,596 for Mr. Irwin; \$125,434 for Mr. Freeman; and \$83,596 for Mr. Noble.

2 Amounts reported as Non-Equity Incentive Plan Compensation represent incentive bonus payouts under the Company's Performance Incentive Program as described in the narrative preceding the Summary Compensation Table and in the Compensation Discussion and Analysis section of this proxy statement. Threshold, target and maximum payouts for each of the NEOs for fiscal year 2014 are set forth below in the table under the heading, Grants of Plan-Based Awards - Fiscal Year 2014.

3 All Other Compensation for each of the NEOs includes, among other nominal cost benefits, group medical, dental, vision, wellness, and life insurance benefit costs for each NEO other than Mr. Noble and supplemental health insurance costs for Mr. Noble ("welfare benefit costs"), employer profit sharing and matching contributions to the Company's 401(k) Profit Sharing Plan for each NEO other than Mr. Noble and a U.K. retirement benefit for Mr. Noble, and vehicle allowance costs which include lease or depreciation expense, fuel, maintenance and insurance costs for each NEO other than Mr. Noble and a cash allowance and fuel for Mr. Noble. For fiscal year 2014, the welfare benefit costs for each NEO were as follows: Mr. Ridge - \$21,028; Mr. Rembolt - \$23,163; Mr. Irwin - \$17,518; Mr. Freeman - \$21,256; and Mr. Noble - \$13,412. For fiscal year 2014, the total profit sharing and matching contributions for each of the NEOs other than Mr. Noble was \$42,583. Mr. Noble's retirement cost was \$86,053. The vehicle allowance costs for each NEO for fiscal year 2014 were as follows: Mr. Ridge - \$17,675; Mr. Rembolt - \$14,505; Mr. Irwin - \$13,388; Mr. Freeman - \$16,776; and Mr. Noble - \$20,929.

4 Mr. Noble's Salary, Non-Equity Incentive Plan Compensation and All Other Compensation for each fiscal year have been converted from pounds sterling at average annual exchange rates for the year as follows: for fiscal year 2014 at \$1.6490 per pound, for fiscal year 2013 at \$1.5633 per pound and for fiscal year 2012 at \$1.5809 per pound.

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## GRANTS OF PLAN-BASED AWARDS - FISCAL YEAR 2014

In December 2007, the Company's stockholders approved the WD-40 Company 2007 Stock Incentive Plan to authorize the issuance of stock-based compensation awards to employees, directors and consultants. In addition to base salary and the Performance Incentive bonus, for fiscal year 2014 the executive officers were granted RSU and MSU awards under the Stock Incentive Plan. A description of the restricted stock unit ("RSU") awards and market share unit ("MSU") awards is provided above in the Compensation Discussion and Analysis section under the heading, Equity Compensation.

Information concerning the grant of RSU and MSU awards to the NEOs is provided in the following Grants of Plan-Based Awards table. The table also contains information with respect to Performance Incentive Program opportunity awards for fiscal year 2014 as described above in the Compensation Discussion and Analysis section under the heading, Performance Incentive Program. The table provides threshold, target and maximum payout information relating to the Company's fiscal year 2014 Performance Incentive Program.

Name	Grant Date	Estimated Future Payouts Under Non-Equity Incentive Plan Awards <sup>1</sup>			Estimated Future Payouts Under Equity Incentive Plan Awards <sup>2</sup>			All Other Stock Awards: Number of Shares of Stock or Units <sup>3</sup>	Grant Date Value of and Options Awards <sup>4</sup> (\$)
		Threshold (\$)	Target (\$)	Maximum (\$)	Threshold (#)	Target (#)	Maximum (#)		
Garry O. Ridge	10/14/2013	\$	1	\$ 313,374	\$	626,747			
	10/14/2013				2,285	4,571	9,142		\$ 354
	10/14/2013							4,571	\$ 287
Jay W. Rembolt	10/14/2013	\$	1	\$ 90,341	\$	180,682			
	10/14/2013				571	1,142	2,284		\$ 88
	10/14/2013							1,142	\$ 71
Michael J. Irwin	10/14/2013	\$	1	\$ 95,031	\$	190,063			

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	10/14/2013			304	609	1,218		\$	47
	10/14/2013						609	\$	38
Michael L. Freeman	10/14/2013	\$	1	\$	97,342	\$	194,684		
	10/14/2013			571	1,142	2,284		\$	88
	10/14/2013						1,142	\$	71
William B. Noble5	10/14/2013	\$	1	\$	107,567	\$	215,133		
	10/14/2013			419	838	1,676		\$	65
	10/14/2013						838	\$	52

1 The Estimated Future Payouts Under Non-Equity Incentive Plan Awards represent Threshold, Target and Maximum payouts under the WD-40 Company Performance Incentive Plan for bonuses payable for fiscal year 2014 performance. The Target amount represents fifty percent of the Maximum payout for each NEO. The Maximum amount represents the bonus opportunity for each NEO that assumes full achievement of the performance measures for each of the first two levels of the Performance Incentive Program (as more fully discussed above in the Compensation Discussion and Analysis section under the heading, Performance Incentive Program) and attainment by the Company of a level of Global EBITDA sufficient to maximize such payouts under the Performance Incentive Program's third level formula applicable to all employees.

2The Estimated Future Payouts Under Equity Incentive Plan Awards represent the Threshold, Target and Maximum number of shares to be issued upon performance vesting of MSU awards as described in the Compensation Discussion and Analysis section under the heading, Equity Compensation.

3 All Other Stock Awards represent RSUs described in the Compensation Discussion and Analysis section under the heading, Equity Compensation.

4 Information relating to the Grant Date Fair Value of Stock Awards is included in footnote 1 to the Summary Compensation Table above.

5 The Target and Maximum amounts for Mr. Noble's Estimated Future Payouts Under Non-Equity Incentive Plan Awards have been converted from pounds sterling at an average annual exchange rate for fiscal year 2014 of \$1.6490 per pound.

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## OUTSTANDING EQUITY AWARDS AT 2014 FISCAL YEAR END

The following table provides detailed information concerning the unexercised stock options and RSU and MSU awards that were not vested as of the end of the last fiscal year for each of the NEOs.

Name	Option Awards				Stock Awards		Equity Incentive Plan Awards:	
	Number of Securities Underlying Unexercised Options (#) Exercisable	Number of Securities Underlying Unexercised Options (#) Unexercisable	Option Exercise Price (\$)	Option Expiration Date	Number of Shares or Units of Stock That Have Not Vested (#)1	Market Value of Shares or Units of Stock That Have Not Vested (\$ )2	Number of Shares, Units or Rights That Have Not Vested (#)3	Equity Incentive Plan Awards: Market or Payout Value of Unearned Shares, Units or Other Rights That Have Not Vested (\$ )4
Garry O. Ridge					10,352	\$ 711,182	10,944	\$ 751,853
Total	20,000	-	36.03	10/16/17	10,352	\$ 711,182	10,944	\$ 751,853
Jay W. Rembolt					2,490	\$ 171,063	2,469	\$ 169,620
	5,000	-	27.27	10/18/15				
	5,000	-	35.99	10/17/16				
	6,160	-	36.03	10/16/17				
Total	16,160	-			2,490	\$ 171,063	2,469	\$ 169,620
Michael J. Irwin					1,625	\$ 111,638	1,671	\$ 114,798
Total	-	-			1,625	\$ 111,638	1,671	\$ 114,798
Michael L. Freeman					2,665	\$ 183,086	2,735	\$ 187,895

Total	-	-	2,665	\$	183,086	2,735	\$	187,895
William B. Noble	-	-	1,889	\$	129,774	1,953	\$	134,171
Total	-	-	1,889	\$	129,774	1,953	\$	134,171

1 Represents RSU awards to the NEOs that were not vested as of the fiscal year end.

2The Market Value of the RSU awards at fiscal year end was \$68.70 per unit, determined by reference to the closing price for the Company's common stock as of August 31, 2014.

3 Represents the target number of shares to be issued with respect to MSU awards granted to the NEOs that were not vested as of the fiscal year end. The target number of shares to be issued with respect to MSU awards equals the number of shares to be issued with respect to the MSU awards upon achievement of the target level of achievement for such MSU awards which is equal to that of the applicable comparative Index performance as described above in the Compensation Discussion and Analysis section under the heading, Equity Compensation.

4 The Market Value of the target number of shares to be issued with respect to unvested MSU awards at fiscal year end was \$68.70 per share, determined by reference to the closing price for the Company's common stock as of August 31, 2014.

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## OPTION EXERCISES AND STOCK VESTED - FISCAL YEAR 2014

The following table sets forth the number of shares of the Company's common stock acquired on exercise of stock options in the Company's last fiscal year and the aggregate dollar value realized on exercise of such stock options for the NEOs. The table also sets forth the number of shares of the Company's common stock acquired upon the vesting of RSU and PSU awards in the Company's last fiscal year and the aggregate dollar value realized with respect to such vested RSU and PSU awards.

	Option Awards		Stock Awards	
	Number of Shares Acquired on Exercise (#)	Value Realized on Exercise <sup>1</sup> (\$)	Number of Shares Acquired on Vesting <sup>2</sup> (#)	Value Realized on Vesting <sup>3</sup> (\$)
Executive Officer				
Garry O. Ridge	10,000	\$ 331,799	11,634	\$ 814,380
Jay W. Rembolt	2,000	\$ 72,660	3,186	\$ 223,020
Michael J. Irwin	-	\$ -	2,360	\$ 165,200
Michael L. Freeman	-	\$ -	3,277	\$ 229,390
William B. Noble	10,000	\$ 340,321	2,378	\$ 166,460

<sup>1</sup> The Value Realized on Exercise is calculated by subtracting the aggregate exercise price for the shares of the Company's common stock acquired upon exercise of the stock options from the fair market value price of such shares as of the date of exercise. The fair market value price of each share at exercise is determined by the actual trade price for the share if sold in a cashless exercise transaction, otherwise by the closing price as of the date of exercise.

<sup>2</sup> The Number of Shares Acquired on Vesting for each NEO includes shares of the Company's common stock issued upon vesting of RSU and PSU awards on October 22, 2013.

<sup>3</sup> The Value Realized on Vesting for shares of the Company's common stock issued on October 22, 2013 is calculated based on the number of vested RSU and PSU awards multiplied by the closing price of \$70.00 for the Company's common stock as of that date.

## SUPPLEMENTAL DEATH BENEFIT PLANS AND SUPPLEMENTAL INSURANCE BENEFITS

The Company maintains Supplemental Death Benefit Plans for the NEOs other than Mr. Noble. Under the death benefit plan agreements, the NEO's designated beneficiary or estate, as applicable, will receive a death benefit equal to the NEO's then current base salary in the event of his death prior to retirement from the Company. All of the NEOs are also eligible to receive life insurance benefits offered to all employees of the Company and, in the case of Mr. Noble, to all employees of the Company's U.K. subsidiary.



The death benefits under the Supplemental Death Benefit Plans are not formally funded but the Company has purchased key man life insurance policies owned by the Company to cover its benefit obligations. The Board of Directors has determined which key employees participate in the plans and the amount of the benefit payable for each participant. Non-employee directors do not have death benefit plan agreements.

Based upon their fiscal year 2014 base salaries, the supplemental death benefit to be provided to the NEOs other than Mr. Noble as of the end of fiscal year 2014 would have been as set forth in the following table.

Executive Officer	Death Benefit
Garry O. Ridge	\$ 626,747
Jay W. Rembolt	\$ 301,136
Michael J. Irwin	\$ 316,771
Michael L. Freeman	\$ 324,473
William B. Noble	\$ -

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CHANGE OF CONTROL SEVERANCE AGREEMENTS

Each executive officer serves at the discretion of the Board of Directors. On February 14, 2006, the Company entered into Change of Control Severance Agreements (“Severance Agreements”) with each of the executive officers identified in the Summary Compensation Table above, with the exception of Mr. Rembolt. On October 16, 2008, the Company entered into a Severance Agreement with Mr. Rembolt. The Severance Agreements provide that each executive officer will receive certain severance benefits if his employment is terminated without “Cause” or if he resigns for “Good Reason”, as those terms are defined in the Severance Agreements, within two years after a “Change of Control” as defined in the Severance Agreements and summarized below. If the executive officer’s employment is terminated during the aforementioned two-year period by the Company without “Cause” or by the executive officer for “Good Reason”, the executive officer will be entitled to a lump sum payment (subject to limits provided by reference to Section 280G of the Internal Revenue Code which limits the deductibility of certain payments to executives upon a change in control) of twice the executive officer’s salary, calculated based on the greater of the executive officer’s then current annual salary or a five-year average, plus twice the executive officer’s bonus compensation, calculated based on the greater of the most recent annual bonus compensation or a five-year average. Further, any of the executive officer’s outstanding stock options and other equity incentive awards that are not then fully vested will be accelerated and vested in full following such termination of employment within such two-year period and the executive officer will be entitled to continuation of health and welfare benefits under the Company’s then existing benefit plans or equivalent benefits for a period of up to two years from the date of termination of employment. No employment rights or benefits other than the change of control severance benefits described in this paragraph are provided by the Severance Agreements.

For purposes of the Severance Agreements and subject to the express provisions and limitations contained therein, a “Change of Control” means a transaction or series of transactions by which a person or persons acting together acquire more than 30% of the Company’s outstanding shares; a change in a majority of the incumbent members of the Company’s Board of Directors as specified in the Severance Agreements, a reorganization, merger or consolidation as specified in the Severance Agreements or a sale of substantially all of the assets or complete liquidation of the Company. As specified more particularly in the Severance Agreements, a “Change of Control” does not include a reorganization, merger or consolidation or a sale or liquidation where a majority of the incumbent members of the Company’s Board of Directors continue in office and more than 60% of the successor company’s shares are owned by the Company’s pre-transaction stockholders.

The Severance Agreements have a term of two years, subject to automatic renewal for successive two year periods unless notice of non-renewal is provided by the Company’s Board of Directors not less than six months prior to the end of the current term. The term of the Severance Agreements will be automatically extended for a term of two years following any “Change of Control.”



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The following table sets forth the estimated amounts payable to each of the NEOs pursuant to their respective Severance Agreements on the assumption that the employment of each NEO was terminated without “Cause” or otherwise for “Good Reason” effective as of the end of fiscal year 2014 following a “Change of Control” as provided for in the Severance Agreements. The table also includes the value, as of the end of the fiscal year, of all RSU and MSU awards that were not vested as of the end of fiscal year 2014.

Executive Officer	Severance Pay <sup>1</sup>	Welfare Benefits <sup>2</sup>	Accelerated Vesting of RSUs and MSUs <sup>3</sup>	Total Change of Control Severance Benefits
Garry O. Ridge	\$ 2,397,124	\$ 36,456	\$ 1,463,035	\$ 3,896,615
Jay W. Rembolt	\$ 915,692	\$ 43,322	\$ 340,683	\$ 1,299,697
Michael J. Irwin	\$ 858,218	\$ 31,908	\$ 226,436	\$ 1,116,562
Michael L. Freeman	\$ 1,002,782	\$ 39,322	\$ 370,981	\$ 1,413,085
William B. Noble	\$ 1,088,034	\$ 15,998	\$ 263,945	\$ 1,367,977

<sup>1</sup> For each NEO, Severance Pay includes two times the reported Salary for fiscal year 2014 plus two times the reported Non-Equity Incentive Plan Compensation for fiscal year 2013.

<sup>2</sup> For each NEO, Welfare Benefits includes an estimate of the Company’s cost to provide 2 years of continuation coverage under the Company’s welfare benefit plans, which does not include life insurance or long-term disability insurance.

<sup>3</sup> The value included for accelerated vesting of RSU and MSU awards equals the value of the RSU and MSU awards that were not vested at \$68.70 for each RSU and MSU based on the closing price for the Company’s common stock as of August 31, 2014. MSUs are valued for this purpose based upon the Target Number of shares of the Company’s common stock to be issued with respect to the MSUs as described above in the Compensation Discussion and Analysis section under the heading, Equity Compensation, in the event of the acceleration of vesting thereof pursuant to the NEOs’ Severance Agreements and MSU Award Agreements.

## AUDIT COMMITTEE REPORT

Each year the Board of Directors appoints an Audit Committee to fulfill regulatory requirements and to assist the Board in oversight of the Company's financial reporting, internal control functions and audit process. Each member of the Audit Committee meets the independence requirements set by the Nasdaq Stock Market.

The responsibilities of the Audit Committee include the selection and appointment of an independent registered public accounting firm to be hired as the Company's independent accountants. The Audit Committee is also responsible for recommending to the Board that the Company's consolidated financial statements be included in its annual report on Form 10-K.

With respect to the preparation and audit of the Company's consolidated financial statements, management is responsible for the preparation of the financial statements; the establishment of accounting and financial reporting principles; the establishment of disclosure controls and procedures; the establishment of internal control over financial reporting; the evaluation of the effectiveness of both disclosure controls and procedures and internal control over financial reporting; and the evaluation of changes in internal control over financial reporting that have materially affected, or are reasonably likely to materially affect, internal control over financial reporting. The Company's independent registered public accounting firm is responsible for performing an independent audit of the consolidated financial statements and expressing an opinion as to whether the consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America.

The Audit Committee has reviewed the consolidated financial statements of the Company for the fiscal year ended August 31, 2014. The Audit Committee has discussed the preparation of the consolidated financial statements with management and with the Company's independent registered public accounting firm, PricewaterhouseCoopers LLP, and the Audit Committee has met separately with PricewaterhouseCoopers LLP and with management to discuss issues relating to the preparation and audit of the financial statements.

For the fiscal year ended August 31, 2014, management has completed the documentation, testing and evaluation of the Company's system of internal control over financial reporting as required by Section 404 of the Sarbanes-Oxley Act of 2002. The Audit Committee has been kept apprised of management's activities in the completion of such work and evaluation and the Audit Committee has provided oversight and advice with respect to the process undertaken by

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management. The Audit Committee will continue to oversee such work being undertaken by the Company for the fiscal year ending August 31, 2015.

The Audit Committee has taken the following steps in making its recommendation that the Company's consolidated financial statements be included in its annual report on Form 10-K for the fiscal year ended August 31, 2014:

1. At regularly scheduled meetings of the Audit Committee, management and PricewaterhouseCoopers LLP provided periodic reports as to the work undertaken by the Company to complete the documentation, testing and evaluation of the Company's system of internal control over financial reporting. Upon completion of such work and upon preparation of the Company's consolidated financial statements for the fiscal year ended August 31, 2014, the Audit Committee reviewed a report provided by management on the effectiveness of the Company's internal control over financial reporting;

2. The Audit Committee discussed with PricewaterhouseCoopers LLP, the Company's independent registered public accounting firm for the fiscal year ended August 31, 2014, those matters required to be discussed by Statement on Auditing Standards No. 61 and Public Company Accounting Oversight Board Auditing Standard No. 2, including information concerning the scope and results of the audit. These communications and discussions are intended to assist the Audit Committee in overseeing the financial reporting and disclosure process;

3. The Audit Committee discussed with PricewaterhouseCoopers LLP its independence and received from PricewaterhouseCoopers LLP a letter concerning independence as required under applicable independence standards for auditors of public companies. This discussion and disclosure helped the Audit Committee in evaluating such independence;

4. The Audit Committee reviewed and discussed with the Company's management and PricewaterhouseCoopers LLP the Company's audited consolidated balance sheet at August 31, 2014, and the related consolidated statements of operations, of shareholders' equity, of comprehensive income and of cash flows for the fiscal year ended August 31, 2014; and

5. The Audit Committee has reviewed PricewaterhouseCoopers LLP's Report of Independent Registered Public Accounting Firm and Management's Report on Internal Control over Financial Reporting included in the Company's annual report on Form 10-K for the fiscal year ended August 31, 2014.

Based on the reviews and discussions explained above, the Audit Committee recommended to the Board that the Company's consolidated financial statements be included in its annual report on Form 10-K for its fiscal year ended August 31, 2014. PricewaterhouseCoopers LLP has been selected to serve as the Company's independent registered public accounting firm for the fiscal year ending August 31, 2015.

Audit Committee

Giles H. Bateman, Chair

Peter D. Bewley

Richard A. Collato

Neal E. Schmale

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ITEM NO. 3

RATIFICATION OF APPOINTMENT OF

INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

The Audit Committee of the Board of Directors has appointed PricewaterhouseCoopers LLP as the independent registered public accounting firm for the Company to audit the consolidated financial statements of the Company for fiscal year 2015. Although ratification by stockholders is not required by law, the Audit Committee has determined that it is desirable to request ratification of this selection by the stockholders. Notwithstanding its selection, the Audit Committee, in its discretion, may appoint a new independent registered public accounting firm at any time during the year if the Audit Committee believes that such a change would be in the best interests of the Company and its stockholders. If the stockholders do not ratify the appointment of PricewaterhouseCoopers LLP, the Audit Committee may reconsider its selection.

A majority of the votes of the common stock present or represented at the meeting is required for approval. Broker non-votes will be voted in favor of approval. PricewaterhouseCoopers LLP acted as the Company's independent registered public accounting firm during the past fiscal year and, unless the Audit Committee appoints new independent accountants, PricewaterhouseCoopers LLP will continue to act in such capacity during the current fiscal year. It is anticipated that a representative of PricewaterhouseCoopers LLP will attend the Annual Meeting of Stockholders, will have an opportunity to make a statement if he or she desires to do so and will be available to respond to appropriate questions.

The Audit Committee's policy is to pre-approve all audit and permissible non-audit products and services provided by the independent registered public accounting firm. These products and services may include audit services, audit-related services, tax services, software and other products or services. Pre-approval is generally provided for up to one year and any pre-approval is detailed as to the particular service or category of services and is generally subject to a specific budget. The independent accountants and management are required to periodically report to the Audit Committee regarding the extent of services provided by the independent public accountants in accordance with this pre-approval, and the fees for the services performed to date. The Audit Committee may also pre-approve particular services on a case-by-case basis. The possible effect on the independence of the public accountants is considered by the Audit Committee. There is no direct or indirect understanding or agreement that places a limit on current or future years' audit fees or permissible non-audit product and services.

AUDIT FEES

PricewaterhouseCoopers LLP has provided audit services to the Company for each of the past two fiscal years. Audit fees consist of fees for professional services rendered for the audit of the Company's consolidated annual financial statements, the review of the interim consolidated financial statements included in quarterly reports and services that



are normally provided by PricewaterhouseCoopers LLP in connection with statutory and regulatory filings or engagements. The aggregate fees billed to the Company by PricewaterhouseCoopers LLP for audit services performed for the Company for the past two fiscal years were \$775,317 for the year ended August 31, 2013, and \$819,074 for the year ended August 31, 2014.

#### AUDIT-RELATED FEES

Audit-related services consist of assurance and related services that are reasonably related to the performance of the audit or review of the Company's consolidated financial statements and are not reported under "Audit Fees." No such audit-related services were performed by PricewaterhouseCoopers LLP or billed to the Company for the year ended August 31, 2013 or the year ended August 31, 2014.

#### TAX FEES

Tax fees consist of tax compliance, tax advice, tax consulting or tax planning services provided by PricewaterhouseCoopers LLP to the Company. The aggregate fees billed to date to the Company by PricewaterhouseCoopers LLP in connection with intercompany transfer pricing consulting services were \$72,500 for the year ended August 31, 2013, and in connection with tax hedging policy documentation consulting services were \$7,500 for the year ended August 31, 2014.

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ALL OTHER FEES

Other fees for services provided by PricewaterhouseCoopers LLP for fiscal years 2013 and 2014 consisted of fees for access provided by PricewaterhouseCoopers LLP to its online research reference materials and fees associated with a U.K. generally accepted accounting principles (“GAAP”) impact assessment prepared by Pricewaterhouse Coopers LLP on behalf of the Company. The aggregate fees billed to the Company by PricewaterhouseCoopers LLP for other services performed for the Company were \$1,800 for the year ended August 31, 2013 and \$8,444 for the year ended August 31, 2014.

STOCKHOLDER PROPOSALS

Stockholder proposals must be received by the Company no sooner than May 3, 2015 and not later than July 2, 2015 to be included in the proxy statement and form of proxy for the next annual meeting. Any proposal submitted outside of these dates will be considered untimely in order to be considered at the Company’s 2015 Annual Meeting of Stockholders in accordance with the Company’s Bylaws.

By Order of the Board of Directors

Richard T. Clampitt

Corporate Secretary

Dated: October 30, 2014

IT IS IMPORTANT THAT PROXIES BE RETURNED PROMPTLY. THEREFORE, STOCKHOLDERS ARE URGED TO FILL IN, SIGN AND RETURN THE ACCOMPANYING FORM OR FORMS OF PROXY IN THE ENCLOSED ENVELOPE.

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