WD 40 CO
Form DEF 14A
November 08, 2007

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 x

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))**

x 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):

x 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 2007 Annual Meeting of Stockholders will be held at the Mission Valley Hilton Hotel, 901 Camino del Rio South, San Diego, California 92108, on Tuesday, December 11, 2007, at 2:00 p.m. for the following purposes:

1. To elect a Board of Directors for the ensuing year and until their successors are elected and qualified;

2. To approve the WD-40 Company 2007 Stock Incentive Plan;

3. To ratify the appointment of PricewaterhouseCoopers LLP as the Company s independent registered public accounting firm for the fiscal year 2008; and

4. To consider and act upon such other business as may properly come before the meeting.

Only the stockholders of record at the close of business on October 18, 2007 are entitled to vote at the meeting.

By Order of the Board of Directors

Maria M. Mitchell

Secretary

San Diego, California

November 8, 2007

PROXY STATEMENT

GENERAL INFORMATION

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 December 11, 2007, and at any postponements or adjournments thereof. This Proxy Statement and enclosed form of Proxy are first sent to stockholders on or about November 8, 2007.

At the meeting, the stockholders of WD-40 Company will vote to elect the Board of Directors for the ensuing year, to approve the WD-40 Company 2007 Stock Incentive Plan, and to ratify the selection of PricewaterhouseCoopers LLP as the Company s independent registered public accounting firm. Detailed information concerning these matters is set forth below. Management knows of no other business to come before the meeting.

The close of business on October 18, 2007 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 18, 2007, WD-40 Company had outstanding 16,859,720 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. 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.

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. Except as described herein with respect to broker non-votes, if no specification is made, the shares will be voted by the proxy holder as set forth on the 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.

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.

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 18, 2007	Percent of Class
Allianz Global Investors of America LP 680 Newport Center Dr. Suite 250 Newport Beach, CA 92660	1,446,660[1]	8.6%
NWQ Investment Management Co, LLC 2049 Century Park East 16th Floor Los Angeles, CA 90067	1,166,403[2]	6.9%
Barclays Global Investors UK Holdings Limited 1 Churchill Place Canary Wharf London, England	1,007,678[3]	6.0%
Mario L. Crivello San Diego, CA	898,593[4]	5.3%

1 As of June 30, 2007, Allianz Global Investors of America LP (Allianz) filed a report on Form 13F with the Securities and Exchange Commission to report beneficial ownership of 1,446,660 shares. Allianz reported shared investment discretion with respect to all shares, sole voting authority with respect to 373,200 shares, shared voting authority with respect to 1,048,060 shares and no voting authority with respect to 25,400 shares. Beneficial ownership information as of October 17, 2007 is unavailable.

2 As of June 30, 2007, NWQ Investment Management Co., LLC (NWQ) filed a report on Form 13F with the Securities and Exchange Commission to report beneficial ownership of 1,166,403 shares. NWQ reported shared investment discretion with respect to all shares, shared voting authority with respect to 990,252 shares and no voting authority with respect to 176,151 shares. Beneficial ownership information as of October 17, 2007 is unavailable.

3 As of June 30, 2007, Barclays Global Investors UK Holdings Limited (Barclays) filed a report on Form 13F with the Securities and Exchange Commission to report beneficial ownership of 1,007,678 shares. Barclays reported shared investment discretion with respect to all shares, sole voting authority with respect to 874,300 shares and no voting authority with respect to 133,378 shares. Beneficial ownership information as of October 17, 2007 is unavailable.

4 Mr. Crivello has sole voting and investment power over 766,404 shares held in trust for the benefit of others. He also has sole voting and investment power over 14,780 shares held as custodian for others and 101,609 shares held directly. Mr. Crivello also has the right to acquire 15,800 shares upon exercise of stock options.

ITEM NO. 1

NOMINEES FOR ELECTION AS DIRECTORS

AND SECURITY OWNERSHIP OF MANAGEMENT

Unless marked to the contrary, the Proxies received will be voted for the election of the nine nominees named below to serve 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 Director 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 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 (which are treated as withheld votes) are not counted as votes in favor of any nominee. Since the 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 14, 1999, provides that the authorized number of Directors of the Company shall be not less than nine 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 the Board of Directors. Gary L. Luick will retire from the Board of Directors as of the date of the annual meeting of stockholders. The number of directors was fixed at nine effective upon the expiration of Mr. Luick s term of office by resolution of the Board of Directors adopted on October 16, 2007.

Director Independence

The Board of Directors has determined that each director nominee other than Garry O. Ridge is an independent director as defined in Rule 4200(a)(15) of the Marketplace Rules of the Nasdaq Stock Market, Inc. (the Nasdaq Rules .)

Security Ownership of Directors and Executive Officers

The following table sets forth certain information, including beneficial ownership of the Company s common stock, for the nine nominees, for the executive officers named in the Summary Compensation Table on Page 22 of this proxy statement, and for all Directors and executive officers as a group.

				Amount and Nature of Beneficial Ownership October 18, 2007[1]	
Director Nominee	**Age**	**Principal Occupation**	**Director Since**	**Number**	**Percent of Class**
John C. Adams, Jr.	59	Investor; Retired Chairman and CEO, AutoZone, Inc.	2001	20,526[2]	*
Giles H. Bateman	62	Investor	2003	15,508[3]	*
Peter D. Bewley	61	Investor, Retired General Counsel, The Clorox Company	2005	12,781[4]	*
Richard A. Collato	64	President & CEO, YMCA of San Diego County	2003	17,772[3]	*
Mario L. Crivello	67	Investor	1994	898,593[2,5]	5.3%
Linda A. Lang	49	Chairman & CEO, Jack in the Box, Inc.	2004	15,442[6]	
Kenneth E. Olson	71	Investor; Former Chairman and CEO, Proxima Corporation	2000	20,776[2]	*
Garry O. Ridge	51	President and CEO, WD-40 Company	1997	150,932[7]	*
Neal E. Schmale	61	Chairman of the Board, WD-40 Company; President and COO, Sempra Energy	2001	20,526[2]	*

* Less than one (1) percent.

1 All shares owned directly unless otherwise indicated.

2 Mr. Adams, Mr. Crivello, Mr. Olson and Mr. Schmale each have the right to acquire 15,800 shares upon the exercise of stock options.

3 Mr. Bateman and Mr. Collato each have the right to acquire 13,800 shares upon the exercise of stock options.

4 Mr. Bewley has the right to acquire 9,800 shares upon the exercise of stock options.

5 Mr. Crivello has sole voting and investment power over 766,404 shares held in trust for the benefit of others. He also has sole voting and investment power over 14,780 shares held as custodian for others and 101,609 shares held directly.

6 Ms. Lang has the right to acquire 11,800 shares upon the exercise of stock options.

7 Mr. Ridge has the right to acquire 137,580 shares upon exercise of stock options. Mr. Ridge has voting and investment power over 992 shares held under the Company s 401(k) plan.

Executive Officer	Age	Principal Occupation	Director Since	Amount and Nature of Beneficial Ownership October 18, 2007[1] Number	Percent of Class
Michael L. Freeman	53	Division President, the Americas, WD-40 Company	N/A	55,005[2]	*
Michael J. Irwin	44	Executive Vice President and Chief Financial Officer, WD-40 Company	N/A	53,641[3]	*
Graham P. Milner	52	Executive Vice President, Global Development, Chief Branding Officer, WD-40 Company	N/A	79,058[4]	*
William B. Noble	48	Managing Director Europe, WD-40 Company Ltd. (U.K.)	N/A	47,630[5]	*
All Directors and Executive Officers as a Group				1,447,280[6]	8.3%

* Less than one (1) percent.

1 All shares owned directly unless otherwise indicated.

2 Mr. Freeman has the right to acquire 44,430 shares upon exercise of stock options. Mr. Freeman has voting and investment power over 1,819 shares held under the Company s 401(k) plan.

3 Mr. Irwin has the right to acquire 48,550 shares upon exercise of stock options. Mr. Irwin has voting and investment power over 691 shares held under the Company s 401(k) plan.

4 Mr. Milner has the right to acquire 70,630 shares upon exercise of stock options. Mr. Milner has voting and investment power over 1,364 shares held under the Company s 401(k) plan.

5 Mr. Noble has the right to acquire 46,130 shares upon exercise of stock options.

6 Total includes the rights of directors and executive officers to acquire 513,610 shares upon exercise of stock options and 4,866 shares held by executive officers under the Company s 401(k) plan.

Nominees for Election as Directors

John C. Adams, Jr. was elected to the Board of Directors in 2001. Mr. Adams served as President and Chief Executive Officer of AutoZone, Inc. from 1996 until 1998, then serving as Chairman and Chief Executive Officer until his retirement in 2001. He previously served as President of the Miami division of Malone & Hyde, Inc., AutoZone s former parent company from 1984 until 1990. Mr. Adams was an owner of Nicotiana Enterprises, Inc., a food distribution company, from 1990 until 1995. Mr. Adams is a director of Tractor Supply Company.

Giles H. Bateman was elected to the Board of Directors in 2003. Mr. Bateman 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 is a director of Life Time Fitness, Inc. and United PanAm Financial Corp.

Peter D. Bewley was appointed to the Board of Directors in 2005. Mr. Bewley was the Senior Vice President General Counsel & Secretary of The Clorox Company from 1998 to 2005.

Richard A. Collato was elected to the Board of Directors in 2003. Mr. Collato is President & CEO of the YMCA of San Diego County. Mr. Collato is a director of Sempra Energy and Surge Global Energy Inc.

Mario L. Crivello was elected to the Board of Directors in 1994. Mr. Crivello is retired, having been the managing owner and master of Tuna Purse Seiners.

Linda A. Lang was elected to the Board of Directors in 2004. Ms. Lang has served as director, President and Chief Operating Officer of Jack in the Box, Inc. since 2003. Ms. Lang was elected Chairman of the Board &

Chief Executive Officer of Jack in the Box, Inc. as of October 2, 2005. Over the past 16 years, Ms. Lang has held the offices of Executive Vice President, Senior Vice President Marketing, Vice President and Regional Vice President, Southern California Region, Vice President Marketing and Vice President of Products, Promotions and Consumer Research at Jack in the Box, Inc.

Kenneth E. Olson was elected to the Board of Directors in 2000. Mr. Olson served as Chairman and CEO of Proxima Corporation, a digital imaging products company, from 1990 to 1998. He is a director of Digirad Corporation.

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.

Neal E. Schmale was elected to the Board of Directors in 2001. Mr. Schmale was named Chairman of the Board in 2004. Mr. Schmale has served as President and COO of Sempra Energy since January 2006. Previously, he was Executive Vice President and CFO of Sempra Energy from 1998 through 2005. Mr. Schmale is a director of Sempra Energy and Murphy Oil Corporation.

Board of Directors Meetings, Committees and Annual Meeting Attendance

The Board of Directors is charged by the stockholders with managing 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 web site at *www.wd40.com* on the Officers & Directors page under the Investor Relations tab. There were four scheduled meetings of the Board of Directors during the last fiscal year. All directors 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 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 director compensation, including consideration of surveys of companies considered comparable to the Company in total revenues and market capitalization. The independent compensation advisor serving the Compensation Committee of the Board of Directors, Compensia, Inc., has also provided guidance to the Corporate Governance Committee with respect to director compensation recommendations. For fiscal year 2007, directors received compensation for services as directors pursuant to a director compensation policy which is reviewed annually. As approved on December 12, 2006, the director compensation policy provided for compensation of directors as follows: For 2007, each non-employee director is entitled to receive a base annual fee of $32,000 for services provided from the date of the Company s annual meeting to the next annual meeting. The Chairman of the Board receives an additional annual fee of $14,000. Non-employee directors receive additional cash compensation for service on committees. The Chairman of the Audit Committee receives $16,000 and each other member of the Audit Committee receives $8,000. Each Chairman of the Compensation Committee, the Corporate Governance Committee and the Finance

Committee receives $8,000 and each other member of those committees receives $4,000. All annual fees are payable in March. For service during the year, non-employee directors also received non-qualified stock options to purchase 3,800 shares of the Company s common stock. The options were granted on the date of the Company s Annual Meeting in 2006 pursuant to the Company s 1990 Incentive Stock Option Plan. The stock options are immediately exercisable with a termination date ten years from the grant date. The exercise price for options granted to the directors was $32.78, equal to the closing price of the Company s shares as of the day of the Annual Meeting.

The Company has maintained the 1999 Non-Employee Director Restricted Stock Plan (the Director Stock Plan) providing for the issuance of shares of restricted common stock of the Company to each non-employee member of the Board of Directors. Shares have been issued under the Director Stock Plan in lieu of cash compensation according to an election made by the director prior to November 30th of the year prior to the year of service. A director who held shares of the Company having a value of at least $50,000 has been entitled to elect to receive the entire annual director s fee in cash. Otherwise, directors received restricted stock in lieu of $5,500 of cash compensation and they have been permitted to elect to receive restricted stock in lieu of the balance of their base annual fee in increments of $5,500. The restricted shares have been issued in accordance with a director s election as soon as practicable after the first day of March of the year of service. The number of shares issued is equal to the amount of compensation to be paid in shares divided by 90% of the closing price of the Company s shares as of the first business day of March.

Restricted shares issued to a director do not become vested for resale for a period of five years or until the director s retirement from the Board following the director s 65th birthday. Unless a director has reached age 65, the shares are subject to forfeiture if, during the five year vesting period, the director resigns from service as a director.

The Company also maintains a Director Contributions Fund from which each incumbent 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.

The following Director Compensation table provides information concerning director compensation earned by each non-employee director for services rendered in fiscal year 2007. Amounts earned and reported in the Director Compensation table for each director are dependent upon each director s election to receive discounted shares in lieu of all or part of the director s annual base fee under the Director Stock Plan as described above and on the various committees on which each director served as a member or as chairman during the fiscal year.

DIRECTOR COMPENSATION

Fiscal Year 2007

Name	Fees Earned or Paid in Cash ($)[1]	Stock Awards ($)[2]	Option Awards ($)[3]	All Other Compensation ($)[4]	Total ($)
John C. Adams, Jr.	$ 41,330	$ 0	$ 26,676	$ 6,000	$ 74,006
Giles H. Bateman	$ 53,192	$ 0	$ 26,676	$ 6,000	$ 85,868
Peter D. Bewley	$ 47,989	$ 0	$ 26,676	$ 6,000	$ 80,665
Richard A. Collato	$ 48,989	$ 0	$ 26,676	$ 6,000	$ 81,665
Mario L. Crivello	$ 35,500	$ 0	$ 26,676	$ 6,000	$ 68,176
Linda A. Lang	$ 46,989	$ 0	$ 26,676	$ 6,000	$ 79,665
Gary L. Luick	$ 42,125	$ 0	$ 26,676	$ 6,000	$ 74,801
Kenneth E. Olson	$ 42,500	$ 0	$ 26,676	$ 6,000	$ 75,176
Neal E. Schmale	$ 50,330	$ 0	$ 26,676	$ 6,000	$ 83,006

1 For services rendered during fiscal year 2007, directors received restricted shares of the Company s common stock in lieu of all or part of their base annual fees pursuant to their respective elections under the Director Stock Plan (as described in the narrative preceding the Director Compensation table) as follows: John C. Adams, Jr. and Neal E. Schmale received shares valued at $8,330; Giles H. Bateman received shares valued at $16,817; Peter D. Bewley, Richard A. Collato and Linda A. Lang received shares valued at $34,989; and Gary L. Luick received shares valued at $1,524.

2 No amounts are included in the Stock Awards column since all of the shares awarded to the directors pursuant to the Director Stock Plan were awarded pursuant to elections to receive shares in lieu of all or part of the directors base annual fees. The value of the shares received by each director pursuant to their respective elections to receive shares is included in the Fees Earned or Paid in Cash column and detailed in footnote 1.

3 Non-qualified stock options to acquire 3,800 shares of the Company s common stock were granted to the directors on December 12, 2006 at an exercise price of $32.78 per share. The options were fully vested upon the date of grant. The Option Awards fair value of $7.02 per share for such options has been determined as of the grant date of December 12, 2006 using the Black-Scholes Option Valuation model. The following assumptions were used in determining the value: (i) a dividend yield of 3.05%; (ii) expected volatility of 0.2389; (iii) a 5.61-year risk free interest rate of 4.45%; and (iv) an expected option term/life of 5.61 years. The reported amounts equal the grant date fair value for the stock options computed under FAS 123R since the options were fully vested as of the date of grant. The outstanding options for each director as of the end of the fiscal year is reported with respect to such director s security ownership as of October 18, 2007 on page 4 of this proxy statement.

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

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 chairman of the Board of Directors. 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.

Committees

Director	**Audit**	**Compensation**	**Governance**	**Finance**
John C. Adams, Jr.			ü	ü
Giles H. Bateman	Chairman			ü
Peter D. Bewley		ü	Chairman	
Richard A. Collato	ü	Chairman		
Mario L. Crivello		ü		
Linda A. Lang		ü		Chairman
Gary L. Luick	ü	ü		
Kenneth E. Olson	ü		ü	
Garry O. Ridge				
Neal E. Schmale			ü	
Number of Meetings Held in Fiscal Year 2007	**4**	**4**	**4**	**4**

Corporate Governance Committee

The Corporate Governance Committee is comprised of Peter D. Bewley (Chairman), John C. Adams, Jr., Kenneth E. Olson 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. In evaluating the suitability of nominees, the Corporate Governance Committee takes into account many factors, including the following: 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 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.

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 will not be recommended for re-election at that meeting.

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.

Audit Committee

The Audit Committee is comprised of Giles H. Bateman (Chairman), Richard A. Collato, Gary L. Luick and Kenneth E. Olson. Four meetings were held during the last fiscal year to review quarterly financial reports, to consider the annual audit and other audit services and to review the audit with the independent registered public accounting firm after its completion. 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 is an independent director 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 4350(d)(2) of the Nasdaq Rules.

The Audit Committee has oversight responsibility for review, approval or ratification of related party transactions involving the potential for conflicts of interest. The Audit Committee relies upon the Company s disclosure controls and procedures adopted pursuant to Exchange Act rules for the purpose of assuring that matters requiring disclosure, including such related party transactions, are brought to the attention of management and the Audit Committee on a timely basis. Specifically, the Audit Committee relies on a review by the Corporate Governance Committee of individual questionnaires completed by all directors for the purpose of identifying matters that may affect the independence of directors and the existence of related party transactions as defined in relevant rules promulgated under the Exchange Act and in the Nasdaq rules. Conflict of interest questionnaires are also completed by each of the Company s executive officers for review by management and reporting to the Audit Committee. No formal written policy for Audit Committee s oversight obligation has been adopted, but the actions of the committee in conducting its review at least annually is set forth in minutes of the meetings of 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. A separate report of the Audit Committee is set forth below.

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 a 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; 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; and expressing an opinion as to the effectiveness of the Company s internal control over financial reporting.

The Audit Committee has reviewed the consolidated financial statements of the Company for the fiscal year ended August 31, 2007. 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, 2007, 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 management. The Audit Committee will continue to oversee such work being undertaken by the Company for the fiscal year ending August 31, 2008.

The Audit Committee has taken the following steps in making its recommendation that the Company s financial statements be included in its annual report on Form 10-K for the fiscal year ended August 31, 2007:

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 year ended August 31, 2007, 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 fiscal year ended August 31, 2007, those matters required to be discussed by Statement on Auditing Standards No. 61 and PCAOB 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, 2007, and consolidated statements of income, cash flows and stockholders equity for the fiscal year ended August 31, 2007.

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.

Based on the reviews and discussions explained above, the Audit Committee recommended to the Board that the Company s financial statements be included in its annual report on Form 10-K for its fiscal year ended August 31, 2007. PricewaterhouseCoopers LLP has been selected to serve as the Company s independent registered public accounting firm for the fiscal year ending August 31, 2008.

Giles H. Bateman (Chairman)

Richard A. Collato

Gary L. Luick

Kenneth E. Olson

Finance Committee

The Finance Committee is comprised of Linda A. Lang (Chairman), John C. Adams, Jr. and Giles H. Bateman. Four 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 (Chairman), Peter D. Bewley, Mario L. Crivello, Linda A. Lang and Gary L. Luick, all of whom are independent directors as defined under the Nasdaq Rules. The former Chairman of the Compensation Committee, John C. Adams, Jr., served as Chairman during first quarter of the last fiscal year. All Compensation Committee members meet the governing criteria for independence, including those of The NASDAQ Stock Market and regulations under Section 162(m) of the Internal Revenue Code of 1986 and Section 16 of the Securities Exchange Act of 1934 (the Exchange Act). The Compensation Committee met four times during the last fiscal year.

COMPENSATION DISCUSSION AND ANALYSIS

WD-40 Company s Compensation Discussion and Analysis addresses the following topics with respect to Named Executive Officer (NEO) compensation processes and decisions:

Governance of Executive Officer Compensation Program

The purpose of The Company s Board of Directors Compensation Committee (the Committee) is to assist the Board with compensation- and benefits-related issues related to the Chief Executive Officer (CEO) and the other NEOs referred to in the Summary Compensation Table appearing on page 22 of this proxy statement. The Committee is responsible for establishing the Company s overall compensation strategy, with support from management and consultants. The Committee also has responsibilities in connection with administration of the Company s equity compensation plans.

With respect to compensation of the CEO and the other NEOs, the Committee undertakes the following responsibilities:

Develop and review employment agreements, salaries, incentive plan participation, severance agreements, change-in-control agreements, equity compensation plan participation and employee benefit plan participation for the CEO and other NEOs.

Conduct an annual review of corporate goals and objectives relevant to the CEO s compensation and evaluate the CEO s performance in light of those goals and objectives.

Recommend to the Board for its approval, the annual compensation package (including base salary, incentive plan participation, equity compensation awards and other benefits) for the CEO, taking into consideration CEO performance, Company performance and CEO compensation levels at comparable companies.

Conduct an annual review, with the assistance of the CEO, of corporate goals and objectives relevant to the compensation of the other NEOs, evaluate NEO performance in light of those goals and objectives, and approve the annual compensation package (including base salary, incentive plan participation, equity compensation awards and other benefits) for the NEOs.

Provide recommendations to the Board for changes to the Company s equity compensation plan and other compensation and benefit plans.

Administer the Company s stock option and other equity-based compensation plan, including the grant of awards or recommendation of awards to the Board for final approval as the Board or the relevant plan may authorize.

The Compensation Committee acts according to its Charter, a copy of which can be found on the Officers and Directors page of the Company s website under the Investor Relations tab at *http://www.wd40.com.*

Process for Evaluating Executive Officer Performance and Compensation

In accord with its Charter, the Compensation Committee works with the Company s Human Resources function in carrying out its responsibilities; the Vice President of Human Resources is management s liaison with the Committee. During fiscal year 2007, the Committee engaged Compensia, Inc, an independent compensation advisor, to provide advice and information relating to executive compensation. Compensia assisted the Committee in the evaluation of executive base salary, bonus and equity incentive levels. 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 four primary objectives:

1. Attract and retain high-caliber executives.

2. Align the interests and compensation of executives with the value created for shareholders.

3. Reinforce a sense of urgency among executives to achieve key Company objectives.

4. Create a direct, meaningful link between business and team success and individual performance and rewards.

Target Pay Position/Mix of Pay

The Company s compensation program consists of base salary, annual cash incentives and long-term equity grants. Each of these components is discussed in greater detail below under Executive Officer Compensation Decisions. The Compensation Committee has established a target for executive officer cash compensation (base salary and annual performance incentive payout) at the 50th percentile relative to the market (details on the benchmarking process are provided below). Actual cash pay may vary, based on an individual s performance, length of time within the position, and anticipated contribution. With respect to equity, the Committee has managed stock option grants to an annual utilization or burn rate. The burn rate represents a percentage of the Company s total outstanding shares used during the current year for compensation purposes. The Committee allocates stock options to individuals (including a recommendation to the Board for stock options for the CEO) based on the Company s retention goals, the criticality of the role of each plan participant and the individual s contribution to the Company s performance. Fiscal year 2007 stock option grants to the Company s NEOs (including the CEO) were at roughly the 25th percentile of the market based on the value of such options as determined for financial reporting purposes and as compared to equity grants of companies falling within a broad industry set of companies having revenues comparable to WD-40 Company as further discussed in the next section.

Compensation Benchmarking

For fiscal year 2007 compensation decisions, the Compensation Committee examined the executive compensation practices of a peer group of ten companies to assess the competitiveness of the Company s executive compensation. Peer group companies were historically selected on the basis of their similarity to the Company in terms of business strategy, market capitalization and revenue.

Given the Company s position in the market, it is not easily comparable with a meaningfully large set of other companies. In order to account for the diversity of companies in its peer group, and to mitigate the influence of larger companies within the peer set, data from the peer group companies has been regressed to align with the Company s revenue. In addition to the peer group data, the Committee has used broad industry company data from compensation surveys for a set of companies having revenues more directly comparable to WD-40 Company. This mix of data has been weighted, 85% for the broad industry company data and 15% for the peer group data.

The Committee believes these practices have represented appropriate methods for managing the limited number of comparable companies to WD-40 Company.

The companies used in the peer group analysis for 2007 compensation decisions are comprised of:

Chattem, Inc.	Prestige Brands Holdings, Inc.	The Black & Decker Corporation
Church & Dwight Co, Inc.	Quaker Chemical Corporation	The Clorox Company
Colgate-Palmolive Company	Ronson Corporation	
Oil-Dri Corporation of America	Scott s Liquid Gold-Inc.	

For 2008 compensation decisions, a new peer group has been selected. Due to the small size of the former peer group and reliance on compensation survey data for broader industry companies, the Committee decided to refine its process to use data derived solely from a broader list of U.S. headquartered companies having revenues reasonably comparable to WD-40 Company and doing business in the specialty chemical industry or within specific consumer products categories. Twenty-one companies meeting these criteria have been selected to serve as the peer group for 2008 compensation decisions. Three of the companies from the former peer group, Chattem, Inc., Prestige Brands Holdings, Inc. and Quaker Chemical Corporation are included in the new peer group. The new peer group is comprised of the following companies:

American Pacific Corporation	Inter Parfums, Inc.	Pacific Ethanol, Inc.
American Vanguard Corporation	Katy Industries, Inc.	Park Electrochemical Corp.
Bare Escentuals, Inc.	Mannatech, Inc.	Parlux Fragrances, Inc.
Cambrex Corporation	Medicis Pharmaceutical Corporation	Penford Corporation
Chattem Inc.	National Presto Industries Inc.	PetMed Express, Inc.
Gaiam, Inc.	Nutraceutical International Corporation	Prestige Brands Holdings, Inc.
Hawkins, Inc.		Quaker Chemical Corporation
		USANA Health Sciences, Inc.

Executive Officer Compensation Decisions

Base Salary: Process

Base salaries for all NEOs are effective at the beginning of each fiscal year. The Compensation Committee approves salaries and other compensation components for all NEOs except the CEO, whose compensation is approved by the Board in October based upon the recommendation of the Committee. Position scope and complexity as well as external market factors are used to determine base salary ranges. Salary increases, if any, are based on individual performance, position, current pay relative to the market, and future anticipated contribution.

Base Salary: Fiscal Year 2007

The CEO presented his recommendations for other NEO base salary increases to the Committee in October 2006. After reviewing the CEO s recommendations, the Committee approved salaries for the other NEOs that represented a 6.55% average increase over fiscal year 2006 base salary levels. In October 2006, the Board reviewed the Committee s recommendation for the CEO s base salary, and approved a 5.0% increase to \$535,000, which was between the 50^{th} and 65^{th} percentile of the market. Mr. Freeman s base salary adjustment included a 6.18% increase based on performance and a 3.66% rate adjustment to bring his salary into alignment with market norms based upon his management position as Division President for the Americas. These salary increases for fiscal year 2007 were otherwise considered by the Compensation Committee and the Board to be appropriate in light of market conditions as evidenced by the data analysis described in the *Compensation Benchmarking* section above and the substantial achievement of individual performance goals by each of the NEOs as well as their individual contributions to overall Company performance.

Salary increase actions for fiscal year 2007 for the Company s NEOs were as follows:

Executive Officer	Title	Base Salary	Percent Increase
Garry O. Ridge	Chief Executive Officer	$ 535,000	5.0%
Michael J. Irwin	Executive Vice President and Chief Financial Officer	$ 266,500	6.2%
Graham P. Milner	Executive Vice President, Global Development, Chief Branding Officer	$ 238,700	5.1%
Michael L. Freeman	Division President, the Americas	$ 266,500	9.8%
William B. Noble	Managing Director, Europe	$ 321,200[1]	5.1%

1 Mr. Noble s base salary for 2007 was converted to dollars based on an average annual exchange rate for fiscal year 2006 of $1.8685 per pound.

Performance Incentive Bonus

The Company uses its Performance Incentive program to tie NEO compensation to the Company s financial performance. Incentive awards are based on corporate performance measures, including (i) the Company s earnings before interest, taxes, depreciation and amortization (EBITDA) computed on a consolidated basis (referred to herein as the Company s global EBITDA); (ii) EBITDA computed for relevant financial reporting segments; (iii) the Company s gross margin determined on a consolidated basis; and (iv) with respect to the compensation of the CEO and CFO, a measure of return on invested capital (ROIC). The manner in which the Company calculates ROIC is provided in the Company s press release with respect to the announcement of its annual earnings which, for fiscal year 2007, was filed on October 17, 2007 as Exhibit 99.1 to its report on Form 8-K. The selection of the performance measures applicable to each NEO is based upon the executive officer s job classification. The same Performance Incentive program formulas are used for establishing bonus compensation for all employees of the Company and the formulas for some employees include the use of other performance measures relevant to their job classifications.

Depending upon performance results, the Performance Incentive bonus can range from 0 100% of base salary for the Chief Executive Officer and from 0 60% of base salaries for the other NEOs. The maximum bonus for each NEO is referred to herein as their annual opportunity . Maximum incentive bonus payouts require both achievement of specified individual performance targets and Company performance that exceeds the relevant target for global EBITDA as described below.

At the beginning of each fiscal year, the Board approves specific performance targets for the upcoming year, along with associated weightings and an objective formula for calculation of the Performance Incentive award for all NEOs. In October of the following year, and before payment, the Committee reviews the Company s financial results and confirms calculation of the Incentive Performance awards for each of the executive officers. No discretion is exercised by the Committee or the Board in confirming the incentive award payouts to any of the NEOs.

In October 2006, the Board approved specific performance targets, including the target levels of EBITDA, gross margin and ROIC. There were no changes from the prior year Performance Incentive program in the weightings or formulas to be applied in calculating the incentive award payouts for any of the NEOs for fiscal year 2007. Based on the Company s performance for fiscal year 2007, the Committee approved the calculation of NEO incentive award payouts as noted in the table below. Incentive award payouts averaged 45.9% of annual opportunity for the NEOs as a group.

Achievement of the target levels for EBITDA (on a consolidated basis and for the relevant reporting segments), for gross margin and for ROIC 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. Use of the same Performance Incentive program and targets for EBITDA and other performance measures for all employees over many years has served to focus the entire company on steady growth of quality earnings. No incentive award payouts were earned by NEOs other than Mr. Noble in fiscal year 2004 and award payouts averaging 17.2% and 63.6% of annual opportunity were earned by the NEOs in fiscal years 2005 and 2006, respectively.

Subject to payouts that are tied to performance targets other than global EBITDA, if the threshold target for global EBITDA has been achieved, additional bonus payouts up to the maximum annual opportunity can be earned for increases in global EBITDA beyond the specified threshold target for the year. For fiscal year 2007, maximum incentive award payouts would have been possible if global EBITDA had been approximately $60.3 million before payout of awards based on global EBITDA. Actual global EBITDA for 2007 was $52.3 million before payout of awards based on global EBITDA.

The target and maximum payout amounts for each of the NEOs for the 2007 Performance Incentive program are provided in the Grants of Plan-Based Awards table on page 23 of this proxy statement. On October 16, 2007, the Board approved payment of the following incentive bonus amounts for fiscal year 2007 performance:

Executive Officer	Title	FY2007 Annual Incentive Opportunity (As % of Base Salary)	FY2007 Actual Bonus as a Percent of Opportunity	FY2007 Bonus Paid
Garry O. Ridge	Chief Executive Officer	100%	53.5%	$ 286,634
Michael J. Irwin	Executive Vice President and Chief Financial Officer	60%	53.5%	$ 85,520
Graham P. Milner	Executive Vice President, Global Development, Chief Branding Officer	60%	34.5%	$ 49,383
Michael L. Freeman	Division President, the Americas	60%	32.5%	$ 52,020
William B. Noble[1]	Managing Director, Europe	60%	50.9%	$ 106,830

1 Mr. Noble s bonus has been converted to dollars at the Company s financial reporting exchange rate for August 2007 of $2.0364 per pound.

Also on October 16, 2007, the Board approved the Performance Incentive program for fiscal year 2008, including the specific EBITDA, gross margin and ROIC target amounts. There were no changes in the weightings or formulas to be applied in calculating the incentive award payouts for any Company employees, including the NEOs, for 2008.

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. The Company provides NEOs with an economic interest in the long-term appreciation of the Company s common stock though the annual grant of stock options. Stock options provide value only if the Company s stock price increases (which benefits all stockholders), and only if the executive remains with the Company until options vest.

The Board recognizes the potentially dilutive impact of stock options. The Company designs its option grant practices to balance the impact of dilution and the Company s need to remain competitive by recruiting, retaining and providing incentives for high-performing employees. The Board takes the following steps to maintain this balance:

- The Company s aggregate stock granting practices are conservative, particularly with respect to options awarded to the NEOs; the Committee seeks to manage to an annual gross burn rate for stock options awarded to all participating employees that does not exceed 2% of the Company s outstanding shares. The actual burn rate over the past three years has been approximately 1.6%.

- Equity grants to individual executive officers are generally based on Company/individual performance in the preceding year, as well as on the expected future contribution and long-term retention goals for the executive officer.

In October 2006, the Board approved stock options granted to the NEOs as set forth in the Grants of Plan-Based Awards table on page 23 of this proxy statement.

Benefits and Perquisites

As is the case with most Company employees, the Company s NEO s are provided with standard health and welfare benefits, as well as the opportunity to participate in a 401(k) profit sharing plan. The 401(k) plan serves to provide Company employees, including the NEOs with tax-advantaged retirement savings as an additional component of overall compensation. The Company s contributions to the Plan may be invested by employees in a Company Stock Fund invested in shares of the Company s common stock.

The Company maintains individual Supplemental Death Benefit Plan agreements with each of the NEOs other than Mr. Noble who has an equivalent life insurance benefit under his local U.K. compensation package. The Company also maintains individual Supplemental Retirement Benefit Plan agreements with each of the NEOs. The terms of these plan agreements and the specific benefits provided to each of the NEOs are set forth in the narrative description of benefits included with the Summary Compensation Table and the Supplemental Retirement Benefits table on pages 22 and 26, respectively, of this proxy statement. Since the Supplemental Retirement Benefit Plan agreements only provide a benefit to the NEO if he continues in the employment of the Company until age 65, the Committee is presently reviewing the terms and conditions of the agreements to determine whether alternative forms of long term compensation would provide a greater mutual benefit to the Company and the NEOs. The existing agreement benefits are funded by permanent life insurance policies owned by the Company that also serve to fund the Supplemental Death Benefit Plans.

The Company also provides cars to its executives and private health insurance for Mr. Noble in excess of coverage available to other Company employees in the U.K. The costs associated with the benefits and perquisites provided to the NEOs are included in the Summary Compensation Table included on page 22 of this proxy statement and they are separately identified in the narrative description of such benefits included with the Summary Compensation Table.

The Compensation Committee considers the cost of the foregoing benefits and perquisites in connection with its recommendations to the Board for approval of the CEO s compensation package and in connection with approval of the total compensation for each of the other NEOs. All of such costs are considered appropriate in support of the Compensation Committee s objective of attracting and retaining high quality executives, 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

In February 2006, the Company entered into change of control severance agreements with the Company s NEOs. The specific terms of the agreements are described in detail on page 26 of this proxy statement. The agreements were entered into with the NEOs and other executive officers of the Company after extensive review by the Committee and the Board and negotiation with the officers to replace previously existing employment agreements. Consideration was given to possible inclusion of severance compensation to be paid to the 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 2 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 employees. Reasonable change of control severance agreements reinforce continued attention and dedication of executives to their assigned duties and support the Compensation 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, and in light of the Company s compensation objectives, the Compensation Committee and the Board believe that the pay mix and target pay position relative to market for each of the NEOs are reasonable and appropriate.

Fiscal Year 2008 Compensation Decisions

In October 2007, the Committee considered data derived from the new peer group adopted for use by the Committee (as described in the *Compensation Benchmarking* section above), as well as company and individual performance and the CEO s recommendations for other NEO compensation decisions. Based on the Committee s analysis and review of these considerations, the Committee and the Board approved the following base salary, target incentive award payout and stock option grants for the NEOs:

Executive Officer	Title	FY2008 Base Salary	Base Salary Increase	FY2008 Incentive Bonus Target[1]	FY2008 Stock Option Grant[2]	Grant Date Fair Value of Stock Options[3]
Garry O. Ridge	Chief Executive Officer	$ 556,400	4.0%	$ 278,200	60,000	$ 475,800
Michael J. Irwin	Executive Vice President and Chief Financial Officer	$ 278,493	4.5%	$ 83,548	17,600	$ 139,568
Graham P. Milner	Executive Vice President, Global Development, Chief Branding Officer	$ 249,442	4.5%	$ 74,833	12,700	$ 100,711
Michael L. Freeman	Division President, the Americas	$ 274,500	3.0%	$ 82,350	12,700	$ 100,711
William B. Noble[4]	Managing Director, Europe	$ 355,510	5.5%	$ 106,653	20,000	$ 158,600

1 The Incentive Bonus Target amounts represent that portion of each NEO s annual bonus opportunity that is based on relative attainment of the specifically identified targets for performance measures determined under the Company s Performance Incentive program as described in the *Performance Incentive Bonus* section above.

2 Each stock option has an exercise price of $36.03, the closing price of the Company s shares on October 16, 2007. All of the stock options are non-qualified stock options vesting over a period of 3 years. Options to acquire 34% of the total shares subject to each stock option are exercisable on October 16, 2008 and options to acquire 33% of the total shares subject to each stock option are exercisable on October 16, 2009 and October 16, 2010.

3 The Grant Date Fair Value of $7.93 per share has been determined as of the October 16, 2007 grant date using the Black-Scholes Option Valuation model. The following assumptions were used in determining the value: (i) a dividend yield of 2.78%; (ii) expected volatility of 0.2517; (iii) a 5-year risk free interest rate of 4.34%; and (iv) an expected option term/life of 5 years.

4 Mr. Noble s fiscal year 2008 base salary and incentive bonus target amounts are converted from pounds sterling at an average annual exchange rate for fiscal year 2007 of $1.9603 per pound.

Other Considerations

Equity Grant Practices

The Company s practice is to approve annual stock option grants at the October meeting of the Board. The Committee reviews the CEO s recommendation for stock option grants for all participating employees, including the other NEOs and the Committee recommends a proposal to the Board for the grant of stock options to all employees, including a proposal for the grant of stock options to the CEO. The grant price is set at the closing price for the Company s shares on the day of the Board meeting. The approved pool of stock options granted to all employees was 267,500 shares for fiscal year 2007, and 337,340 shares for fiscal year 2008.

Rule 10b5-1 Trading Plans and Insider Trading Guidelines

The Company maintains insider trading guidelines, including transaction pre-approval requirements, applicable to officers and directors required to report under Section 16 of the Exchange Act as well as certain other

Rule 10b5-1 Trading Plans and Insider Trading Guidelines

The Company maintains insider trading guidelines, including transaction pre-approval requirements, applicable to officers and directors required to report 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. The Company s 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 officer, director or employee covered by the Company s insider trading guidelines in violation thereof will result in the Company s refusal to approve future trading plan requests for that person.

Tax Considerations

Section 162(m) of the Internal Revenue Code of 1986 (the Code) limits the deductibility of compensation payable in any year to the CEO and the four most highly compensated other executive officers. Section 162(m) of the Code generally provides that publicly-held companies cannot deduct compensation paid to its most highly paid executive officers to the extent that such compensation exceeds $1 million per officer. Compensation that is performance-based within the meaning of the Code does not count toward the $1 million limit.

While the Compensation Committee attempts to maximize the deductibility of compensation paid to the CEO and the other four most highly compensated executive officers, 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).

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, 2007 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

Gary L. Luick

Section 16(a) Beneficial Ownership Reporting Compliance

Section 16(a) of the Securities Exchange Act of 1934 (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, all Section 16(a) requirements were complied with by all persons required to report with respect to the Company s stock during the last fiscal year with the exception of late reports on Form 4 filed in October, 2006 to report the grant of stock options on October 17, 2006 to each reporting officer of the Company (Garry O. Ridge, Michael J. Irwin, Graham P. Milner, Michael L. Freeman, William B. Noble, Geoffrey J. Holdsworth and Jay Rembolt) and one late report on Form 4 filed by William B. Noble to report the cashless exercise of stock options on August 9, 2007 and the exercise of a stock option on August 10, 2007. Mr. Noble s option transactions were executed pursuant to a trading plan adopted pursuant to Rule 10b5-1 promulgated under the Exchange Act.

EXECUTIVE COMPENSATION

None of the Company s executive officers have employment agreements 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.

The executive officers receive a base salary amount established by the Compensation Committee of the Board or by the Board at the beginning of each fiscal year. In addition, each employee of the Company, including the executive officers, receives bonus compensation under a Performance Incentive program established at the beginning of each fiscal year by the Company and, for the executive officers, by the Compensation Committee or by the Board. For the executive officers, a formula for such bonus compensation is established by the Compensation Committee or by the Board for computation of the bonus after the conclusion of the fiscal year based on the attainment of certain financial targets, including (i) the Company s earnings before interest, taxes, depreciation and amortization (EBITDA) computed on a consolidated basis (referred to herein as the Company s global EBITDA); (ii) EBITDA computed for relevant financial reporting segments; (iii) the Company s gross margin determined on a consolidated basis; and (iv) with respect to the compensation of the CEO and CFO, a measure of return on invested capital (ROIC). Information regarding the target and maximum potential bonus compensation payable under the Performance Incentive program for fiscal year 2007 is provided in the Grants of Stock-Based Awards table on page 23 of this proxy statement and the actual payouts under the program for fiscal year 2007 and further details regarding the Performance Incentive program are provided in the Compensation Discussion and Analysis section of this proxy statement.

The following table shows information for the three (3) fiscal years ended August 31, 2007 concerning the Company s Chief Executive Officer (CEO), Chief Financial Officer (CFO) and the three most highly compensated executive officers other than the CEO and CFO (collectively, the Named Executive Officers or NEOs).

Summary Compensation Table

Name and Principal Position	Year	Salary	Option Awards[1]	Non-Equity Incentive Plan Compensation[2]	Change in Pension Value and Nonqualified Deferred Compensation Earnings[3]	All Other Compensation[4]	Total
Garry O. Ridge	2007	$ 535,500	$ 158,124	$ 286,634	$ 70,032	$ 55,491	$ 1,105,781
President and Chief	2006	510,000	150,600	319,400	30,151	52,024	1,062,175
Executive Officer	2005	484,000	167,495	93,000	18,924	50,635	814,054
Michael J. Irwin	2007	$ 266,500	$ 62,630	$ 85,520	$ 33,248	$ 54,669	$ 502,567
Executive Vice President	2006	251,000	63,650	94,300	11,558	54,576	475,084
and Chief Financial Officer	2005	239,000	65,693	27,500	14,370	49,521	396,084
Graham P. Milner	2007	$ 238,700	$ 60,264	$ 49,383	$ 33,147	$ 53,035	$ 434,529
Executive Vice President,	2006	227,100	61,282	87,700	12,998	52,142	441,222
Global Development and	2005	216,200	63,720	20,000	16,162	50,001	366,083
Chief Branding Officer							
Michael L. Freeman	2007	$ 266,500	$ 53,164	$ 52,020	$ 57,822	$ 52,911	$ 482,417
Division President, the	2006	242,600	54,182	93,700	17,576	53,136	461,194
Americas	2005	228,900	57,804	20,600	9,667	51,244	368,215
William B. Noble	2007[5]	$ 334,900	$ 64,997	$ 106,830	$ 80,704	$ 92,154	$ 679,585
Managing Director Europe	2006[6]	307,000	66,016	118,200	29,408	72,573	593,197
WD-40 Company (UK) Ltd.	2005[7]	288,700	67,665	29,700	62,208	78,803	527,076

1 Option Awards are reported as the dollar amount recognized for financial statement reporting purposes for each fiscal year (including proforma reporting for fiscal year 2005) in accordance with FAS 123R. The assumptions made for purposes of such valuations are set forth in Note 10, *Stock Based Compensation*, to the Company s financial statements included in the Company s annual report on Form 10-K filed on October 25, 2007, which assumptions are incorporated herein by this reference.

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 2007 are set forth in the Grants of Plan-Based Awards table on page 23 of this proxy statement.

3 Amounts reported as Change in Pension Value and Nonqualified Deferred Compensation Earnings represent the fiscal year-to-year change in the actuarial present value of the Company s liability with respect to Supplemental Retirement Benefit Plan agreements entered into between the Company and each NEO as more fully discussed on page 25 of this proxy statement. Such actuarial present values were determined using a weighted-average discount rate of 6.5% and a weighted-average rate of compensation increase of 4%. No adjustment to the calculations has been included to account for the probability that no payment obligation will be incurred unless the NEO continues employment with the Company until retirement after reaching age 65.

4 All Other Compensation for each of the NEOs includes, among other nominal cost benefits, 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 fiscal year 2007, the profit sharing and matching contributions for each of the NEOs other than Mr. Noble was $37,222 and Mr. Noble s retirement benefit cost was $69,154. The vehicle allowance costs for each NEO for fiscal year 2007 were as follows: Mr. Ridge $17,328; Mr. Irwin $16,890; Mr. Milner $15,115; Mr. Freeman $14,927; and Mr. Noble $19,844.

5 Mr. Noble s Salary, Non-Equity Incentive Plan Compensation and All Other Compensation have been converted from pounds sterling at an average annual exchange rate for fiscal year 2007 of $1.9603 per pound.

[6] Mr. Noble s Salary, Non-Equity Incentive Plan Compensation and All Other Compensation have been converted from pounds sterling at an average annual exchange rate for fiscal year 2006 of $1.8685 per pound.

[7] Mr. Noble s Salary, Non-Equity Incentive Plan Compensation and All Other Compensation have been converted from pounds sterling at an average annual exchange rate for fiscal year 2005 of $1.80 per pound.

In addition to base salary and the Performance Incentive bonus, for fiscal year 2007 the executive officers received stock options to acquire shares of the Company s common stock. Information concerning the award of stock options to the executive officers is provided in the Grants of Stock-Based Awards table below. The table also contains information with respect to the Performance Incentive bonus payouts awarded for fiscal year 2007 as described in the narrative preceding the Summary Compensation Table above. Stock options granted to the NEOs in fiscal year 2007 may be exercised for cash or in lieu of cash, an option holder may tender shares of the Company s common stock previously held by the option holder. In permitting the exchange of stock upon exercise of options, the 1990 Incentive Stock Option Plan restricts the exercise of options with previously owned stock to shares held for a minimum of six months.

The following table provides threshold, target and maximum payout information relating to the Company s fiscal year 2007 Performance Incentive program and information relating to the awards of stock options for the Named Executive Officers.

GRANTS OF PLAN-BASED AWARDS

Fiscal Year 2007

		Estimated Future Payouts Under Non-Equity Incentive Plan Awards[1]			All Other Option Awards: Number of Securities Underlying Options	Exercise or Base Price of Option Awards	Grant Date Fair Value of Stock and Option Awards[2]
		Threshold	Target	Maximum			
Name	**Grant Date**	**($)**	**($)**	**($)**	**(#)**	**($/Sh)**	**($)**
Garry O. Ridge	10/17/06	$ 1	$ 267,750	$ 535,500	35,000[3]	$ 35.99	$ 270,550
Michael J. Irwin	10/17/06	$ 1	$ 79,950	$ 159,900	10,000[4]	$ 35.99	$ 77,300
Graham P. Milner	10/17/06	$ 1	$ 71,610	$ 143,220	10,000[4]	$ 35.99	$ 77,300
Michael L. Freeman	10/17/06						