WD-40 COMPANY

“Our **people**, **purpose**, and **products** will help fuel our growth and extend our reach across the globe.

Looking ahead, we believe we have the right people in place to introduce the right products, at the right time and we have strategies in place to make all that happen.”

Garry Ridge, President and Chief Executive Officer

OUR (secret) *Formula:*

PEOPLE

"What makes this company great is the people. We have tribe members who have long tenure who tend to stay in this Company; and we have new blood, which brings different skill sets."

Steve Brass *Division President, Americas, page 5*

PURPOSE

"Our purpose comes to life through our tribe. Our culture of learning and teaching means we have a deep bench of leaders around the globe who understand that timing is everything."

Bill Noble *Managing Director, EMEA, page 7*

PRODUCTS

"We're creating awareness of our products in emerging markets and deepening brand awareness in developed markets. The long-term growth opportunity for Asia-Pacific continues to be significant and that's what is most exciting for our tribe members here."

Geoff Holdsworth *Managing Director, Asia-Pacific, page 9*

"OPPORTUNITY IS ABUNDANT; FOCUS IS A GIFT."

Garry Ridge, President and Chief Executive Officer

This was indeed a year of challenge and learning for WD-40 Company. Although we may not have grown as fast in revenues as we would have liked to, we certainly became stronger as a global organization.

I am now more certain than ever that the Company's most valuable secret ingredient is not the famous formula for WD-40® Multi-Use Product, which we keep locked in a safe deposit box. The formula that makes our story a successful one is the combination of our people, our purpose and our products.

While we have no control over global markets, foreign currency volatility or the next natural disaster, we have built an enduring Company which utilizes a robust business model and global diversification strategy that has proven it can deliver record earnings – even in times of currency exchange headwinds and other challenges. One of the key strengths of our Company is that we're not dependent on any one customer, trade channel or country, and this gives us a special resilience in uncertain times.

Our net sales were flat in fiscal year 2017 compared to the prior fiscal year due to the impact of foreign currency exchange rates coupled with the phasing of promotional activities at some of our larger customers in the United States. Despite our flat top-line results, our net income increased 1 percent over last fiscal year to $52.9 million. Diluted earnings per share for the full fiscal year set a new Company record at $3.72, compared to $3.64 in the prior fiscal year.

We had many things to celebrate in fiscal year 2017. We expanded our flexible straw product into our Australian market. Global sales of WD-40 Specialist® achieved a 20 percent increase for fiscal year 2017 compared to the prior fiscal year. And our flagship product, WD-40 Multi-Use Product, continued to gain traction in new and existing markets worldwide. These accomplishments demonstrate our secret formula is working.

As we embark into fiscal year 2018, we believe the most significant foreign currency exchange headwinds are now behind us and therefore, it is an appropriate time to review our long-term revenue targets. Our long-term objectives are aspirational but they are built on a solid foundation. Our revised revenue target is to drive consolidated net sales to approximately $700 million by the end of fiscal year 2025. Our updated strategic initiatives reflect our deep focus and abundant opportunities as we expand the global reach of the WD-40 Company tribe.

STRATEGIC INITIATIVE #1 - GROW WD-40 MULTI-USE PRODUCT

Our most important strategic initiative continues to be to introduce the blue and yellow can with the little red top to more places and people, who will find more uses, more frequently. We are optimistic about the long-term prospects for our flagship product and believe there are many opportunities that will enable us to achieve our revised long-term revenue target, which is to grow WD-40 Multi-Use Product to approximately $530 million in revenue by the end of fiscal year 2025.

In our developed markets, we will continue to drive revenue growth through innovation, with products like WD-40 EZ-REACH™ Flexible Straw, and through the continued conversion of end users to our more innovative WD-40 Smart Straw™ delivery system. In our developing and emerging markets, we will continue to build brand awareness among end-users and make our products easy to buy through new distribution channels. It's a winning formula that we've followed for 64 years and we know it works.

STRATEGIC INITIATIVE #2 - GROW THE WD-40 SPECIALIST PRODUCT LINE

Our goal under this initiative is to leverage the WD-40 Specialist line to create growth through continued geographic expansion as well as by developing new products and product categories within identified platforms. WD-40 Specialist sales for fiscal year 2017 were $25.8 million, a 20 percent increase compared to last year. We are optimistic about the long-term opportunities for WD-40 Specialist and believe we can grow the product line to approximately $100 million in revenue by the end of fiscal year 2025. To accomplish this, we will continue our global expansion while developing new products and product categories within identified platforms.

STRATEGIC INITIATIVE #3 - BROADEN PRODUCT AND REVENUE BASE

We will continue to leverage the recognized strengths of WD-40 Company to derive revenue from existing brands as well as from new sources and products. This initiative, which includes maintenance brands like 3-IN-ONE®, WD-40 BIKE®, and GT85®, has been expanded to include brands such as Spot Shot® and Lava® in the Americas; 1001® in EMEA; and No Vac® and Solvol® in Asia-Pacific.

We've spent the last several years getting a better understanding how each of these brands perform in their own unique channel and geography. Many of them generate sizable revenue, as well as meaningful profitable contributions and cash flows. Ultimately, we believe we can continue to nurture the products included under this initiative and expect their combined revenue to reach approximately $70 million by the end of fiscal year 2025.

STRATEGIC INITIATIVE #4 - ATTRACT, DEVELOP AND RETAIN OUTSTANDING TRIBE MEMBERS

Our long-term target under this initiative is to grow employee engagement to greater than 95 percent. One of the most exciting things that happened for our tribe this year was that, after over 45 years in the same space, we successfully relocated our San Diego-based tribe members into an inviting, up-to-date building. Our new offices were specifically designed to increase employee engagement, collaboration, and innovation, and I am happy to report that after only two months in our new space, I've witnessed the tribe collaborating in new ways.

STRATEGIC INITIATIVE #5 – OPERATIONAL EXCELLENCE

Our goal under this initiative is best summarized by one of our core values at WD-40 Company: "make it better than it is today." We are continuously focused on optimizing resources, systems and processes, as well as applying rigorous commitment to quality assurance, regulatory compliance, and intellectual property protection. We measure ourselves against this operational excellence initiative by executing our 55/30/25 business model and by making improvements to processes and systems while still safeguarding the blue and yellow can with the little red top.

IN CLOSING

All of the growth that will be required to meet our revised long-term revenue objectives will be driven by the WD-40 Company tribe members, the people who are behind the blue and yellow can with the little red top. Our job is to make sure we create an environment where our tribe members wake up each day inspired to go to work, feel safe while they are there, and return home at the end of the day fulfilled by the work they do – feeling that they have learned something new and contributed to something bigger than themselves. This is the world we envision. If we can create this world for our people, they will take care of our customers, and that will, in turn, take care of our stockholders.

Over the last 20 years as WD-40 Company's CEO, I have seen this Company grow and evolve tremendously. Our growth comes from continued education for our end users, and by equipping our tribe members with the knowledge and support they need to continue to introduce the blue and yellow can with the little red top to the world. I'd like to thank the tribe for another year of hard work and dedication. They really are the secret behind our can as well as to our continued success.

I look forward to updating you on our progress in the coming year and as we progress towards our aspirational objectives for 2025 and beyond.

Garry Ridge
President and Chief Executive Officer

THE AMERICAS
FY 2017 HIGHLIGHTS

$184.9 million in net sales down 3% from fiscal year 2016, representing **49%** of global sales

Strong sales growth of WD-40 Specialist, 3-IN-ONE and WD-40 BIKE

Launched new innovations including WD-40 Specialist Degreasers, WD-40 Specialist Greases and WD-40 Specialist Motorcycle

"It is exciting to see the development of our talent and to witness our tribe members moving up and extending themselves into areas that will allow for more knowledge sharing and more growth."

Steve Brass
Division President, Americas

THE RIGHT PEOPLE

At WD-40 Company, we believe the right people are one of the key ingredients to our success – they not only give us a competitive advantage in the global marketplace, but they also allow us to keep our Company moving forward. Our tribe members are accountable, passionate, and engaged. Developing our tribe and building our Company's bench strength for future success remains a top priority for our organization.

A YEAR OF LEARNING

Fiscal year 2017 was a year of continued learning for the Americas. Following four consecutive years of growth, sales within the segment declined in fiscal year 2017. This required us to examine how we strike the right balance between growing our core product, WD-40 Multi-Use Product, and developing our innovation pipeline.

Our learnings also prompted us to more closely align our sales, marketing and innovation teams which we believe is a very powerful formula for success. We are confident that these changes will make us stronger and better able to serve our end users, customers, and stockholders, and that they will bring the Americas back to top-line growth in fiscal year 2018.

FISCAL YEAR 2018 PRIORITIES

- Develop opportunities for continued growth in Latin America
- Execute against innovation pipeline that has been developed
- Expand WD-40 EZ-REACH Flexible Straw into new geographies and trade channels
- Grow e-commerce channel

WD-40 Specialist grease bundle

WD-40 Specialist grease bundle includes solutions formulated to give hard-working machinery a formidable defense against searing temperatures, crushing pressures, and damp and corrosive environments.

EMEA*
FY 2017 HIGHLIGHTS

$136.8 million in net sales

up 1% from fiscal year 2016, representing

36% of global sales

Strong currency headwinds continued to

negatively impact reported sales results

Strong sales growth of

WD-40 Specialist

and **WD-40 BIKE**

*Europe, The Middle East, Africa and India

"For us, it's all about timing – since each of our markets vary, we will continue to see different levels of growth and maturity. We are realistic about the growth we are seeing in each market, but are also enthusiastic about future opportunities."

Bill Noble
Managing Director, EMEA

THE RIGHT TIMING

Timing is everything, especially in an uncertain or developing market. That's why we have strategies in place to introduce the right products at the right time in the right markets. We view international markets as an area of considerable opportunities that need to be clearly identified and explored. As we continue to expand our brands into both developed and emerging markets, we are confident that market penetration and growth will follow.

UNCERTAIN MARKET CONDITIONS

In 2017, we had increased uncertainty in the European market, mainly from significant currency fluctuations due to the referendum associated with the United Kingdom exiting the European Union. However, we remain focused on our strategies to grow the EMEA market.

It takes considerable time to build brand awareness however, we wake up every day to do just that. Once we have invested the time it takes to build brand awareness in a particular market we increase the value of our brand through innovation and by taking to market products like WD-40 Specialist, WD-40 BIKE and WD-40 Specialist Motorbike, as well as WD-40 Smart Straw. We have been steadily improving our sales for each of those products in the last few years.

Time is on our side. The blue and yellow can with the little red top is not bound by the constraints of the typical product lifecycle. In many markets around the world, we are pioneering the market – introducing end users to our products for the very first time. We have time to build brand awareness, distribution and penetrate the map with our product portfolio over time.

FISCAL YEAR 2018 PRIORITIES

- Continue to navigate uncertain market conditions with plans for steady growth in 2018
- Further market penetration with WD-40 Specialist platform
- Expand WD-40 Smart Straw into new geographies and trade channels
- Drive growth of core product, WD-40 Multi-Use Product, in emerging markets
- Penetrate developing European markets with our WD-40 BIKE and WD-40 Specialist Motorbike

WD-40 Smart Straw

With a permanently attached straw, this WD-40 Multi-Use Product Sprays 2 Ways™ – flip it up for stream, or down for spray. The fixed straw delivery system means you never lose the straw again.

ASIA-PACIFIC
FY 2017 HIGHLIGHTS

$58.8 million in net sales
up **9%** from fiscal year 2016,
representing **15%** of global sales

Strong sales growth of WD-40
Multi-Use Product
and WD-40 **Specialist**

Launched new innovations including WD-40
Specialist Automotive
and WD-40 **EZ-REACH**
Flexible Straw

"Innovation doesn't happen overnight, but now we have more momentum; we think there are much bigger things to come in the future."

Geoff Holdsworth
Managing Director, Asia-Pacific

THE RIGHT PRODUCTS

You will find WD-40 Company products from Auckland to Shanghai and from Sydney to Kuala Lumpur, but you're not going to find the same portfolio of products on every store shelf. The marketplace is comprised of both developed and emerging markets which must be navigated in vastly different ways. Strategically introducing different products in different regions is a key driver to our profitable growth.

UNIQUELY DIFFERENT MARKET NEEDS

In fiscal year 2017, we experienced solid growth throughout the Asia-Pacific segment. We experienced double-digit growth of WD-40 Multi-Use Product in China in 2017. We continue to drive brand awareness of the blue and yellow can with the little red top in emerging markets like China and Malaysia, while growing products like WD-40 Specialist in more developed regions.

Throughout the region we've continued to advance our strategic priorities. We have restructured our tribe, streamlined operations, and are planning to move manufacturing for our Asia marketing distributor customers from the U.S. to Shanghai in fiscal year 2018, which will further fuel our penetration in the Asia market.

Beyond products, innovation is embedded into WD-40 Company's culture to encourage new ideas and go-to-market strategies. As we continue to deliver the right products to the right markets we will see a bright future ahead.

FISCAL YEAR 2018 PRIORITIES

- Grow WD-40 brand awareness of the blue and yellow can with the little red top throughout Asia-Pacific
- Expand WD-40 EZ-REACH Flexible Straw and WD-40 Specialist Automotive into new geographies and trade channels
- Drive growth of WD-40 BIKE
- Continue to innovate and bring our products to a new generation

WD-40 Specialist Automotive

WD-40 Specialist Automotive is part of our specialist range designed to improve and keep vehicles running efficiently all year round.

“Although stronger revenue growth in fiscal year 2017 would have been a preferred result, our fiscal year 2017 financial results demonstrate that our robust business model and global diversification can deliver record earnings, even when our top-line results are challenged.”

Jay W. Rembolt, Vice President, Finance, Treasurer and Chief Financial Officer

DEAR STOCKHOLDERS,

We generated net sales of $380.5 million for the fiscal year, flat over the previous fiscal year. However, if you were to take both translation and transaction exposure into consideration, changes in foreign currency exchange rates reduced our total net sales by about $6 million in fiscal year 2017. This means that if we removed all currency-related impacts, net sales would have increased of nearly 2 percent over the previous fiscal year.

Our net income for fiscal 2017 was $52.9 million, an increase of 1 percent from the prior fiscal year. This allowed us to deliver diluted earnings per share (“EPS”) of $3.72, compared to $3.64 in the prior fiscal year, a record for the company.

It’s interesting to note that included in fiscal year 2016 bottom-line results was a non-operating item related to foreign currency exchange gains that increased EPS by approximately $0.12. If we were to remove this non-operating item from last year’s results, year-over-year EPS growth would have been much stronger than our results reflect.

OUR 55/30/25 BUSINESS MODEL

We continue to make progress on our 55/30/25 business model. The model targets a gross margin of 55 percent of net sales, a cost of doing business of 30 percent of net sales, and an EBITDA of 25 percent of net sales. In fiscal 2017, we maintained gross margin at 56 percent. Although our gross margin remained constant year-over-year, it was negatively impacted by net changes in the costs of petroleum-based specialty chemicals. These unfavorable impacts were almost completely offset by favorable changes in foreign currency exchange rates which impacted our EMEA segment. We cannot control global market dynamics, but we will continue to be deliberate in managing the rest of our business so that we can maintain gross margin at a level close to our 55 percent target over the long-term.

Our cost of doing business was 35 percent of net sales, down from 36 percent last year. This decrease was driven by lower employee costs, which decreased primarily due to lower employee earned incentive compensation accruals. Partially offsetting these costs was our increased investment in operational excellence. We continue to make investments in research and development, brand protection, regulatory compliance and quality assurance. As we look at the cost of doing business over the long term, we believe that 30 percent is an appropriate long-term target.

Finally, our last measure, EBITDA, was 22 percent of net sales, compared to 21 percent last year.

PLAYBOOK FOR CREATING VALUE

We continue to maintain a strong balance sheet while generating significant cash and solid stockholder returns. Our capital allocation strategy both supports our long-term growth objectives and allows us to perform at the high end of our peer group in returning capital to stockholders.

At the end of fiscal year 2017, our balance sheet was strong, with $117.2 million in cash and short-term investments, and $21 million available on our $175 million line of credit. We utilized our revolving credit facility this year to fund the purchase, build out and equipping of our new San Diego office at a total cost of about $18 million which is an investment that we are truly making in the future of our tribe.

During the fiscal year we repurchased approximately 290 thousand shares of our stock at a total cost of approximately $31 million. In the second quarter of fiscal year 2017, our Board of Directors declared a 17 percent increase in our regular quarterly dividend which marked the seventh consecutive year that we have increased our dividend.

In total, we delivered a return on invested capital to stockholders of 32 percent in fiscal year 2017.

We look forward to continuing to increase the value of the Company for all of our stakeholders in the year ahead.

Jay W. Rembolt
Vice President, Finance, Treasurer and Chief Financial Officer

FY 2017 RESULTS

14% RETURN ON SALES[1]

[1] Calculated as net income for fiscal year 2017 divided by net sales for 2017.

14% RETURN ON ASSETS[2]

[2] Calculated as net income for fiscal year 2017 divided by total assets at August 31, 2017.

32% RETURN ON INVESTED CAPITAL[3]

[3] Calculated as net operating profit after tax divided by average total assets less cash and cash equivalents, short-term investments and non-interest bearing liabilities.

Gross Margin (percent)

2017	56
2016	56
2015	53
2014	52
2013	51

Net Sales (in millions)

2017	380.5
2016	380.7
2015	378.2
2014	383.0
2013	368.5

Sales Per Employee (in millions)

2017	0.85
2016	0.86
2015	0.87
2014	0.97
2013	1.00

Earnings Per Share (in dollars)

2017	3.72
2016	3.64
2015	3.04
2014	2.87
2013	2.54

Weighted Average Shares Outstanding (in millions)

2017	14.1
2016	14.4
2015	14.6
2014	15.1
2013	15.6

Net Income (in millions)

2017	52.9
2016	52.6
2015	44.8
2014	43.7
2013	39.8

PERFORMANCE GRAPH

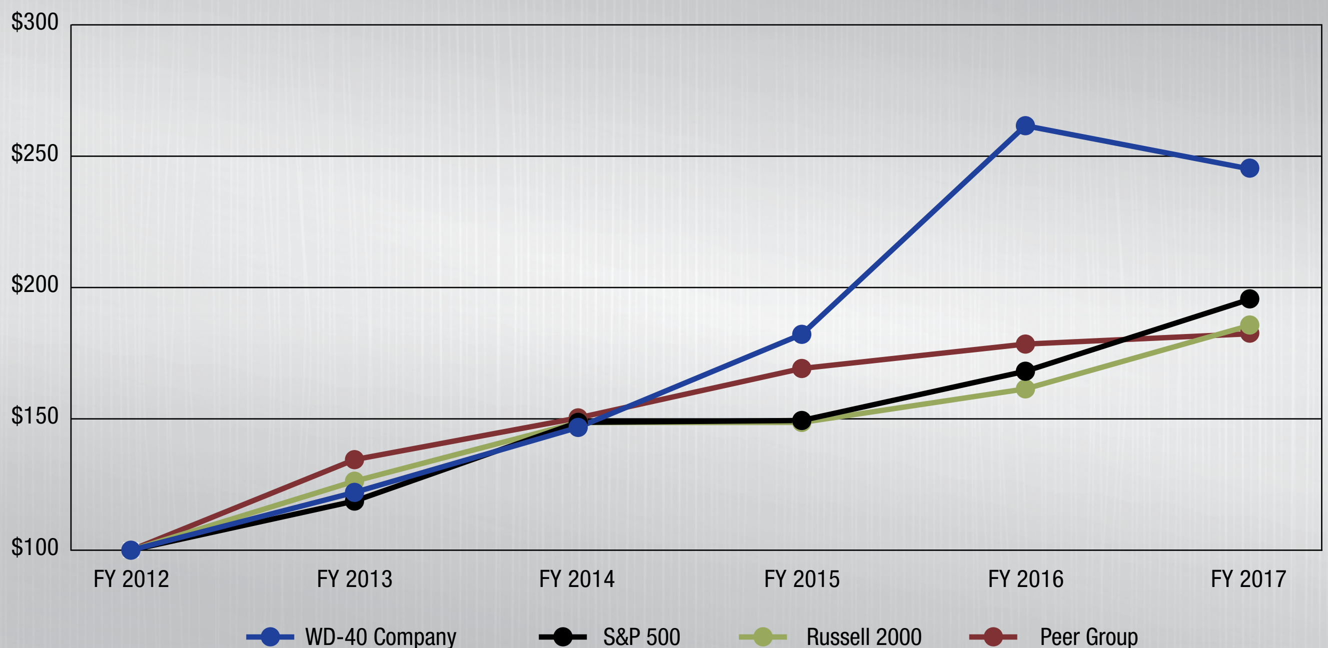
The following graph compares the cumulative total stockholder return on the Company's Common Shares to the yearly weighted cumulative return of a peer group of companies, the Standard & Poor's 500 Composite Index ("S&P 500") and the Russell 2000 Composite Stock Index for the five fiscal years ending August 31, 2017.

The Company uses the same peer group for the Company's five-year performance graph as the peer group of companies used by the Compensation Committee for purposes of benchmarking executive compensation. During fiscal year 2017, two companies included in the peer group used by the Compensation Committee for fiscal year 2017 compensation decisions, Nutraceutical International Corporation and Synutra International Inc., were acquired or merged with another public company. As a result, these two companies were included in the peer group used by the Compensation Committee for fiscal year 2017 compensation benchmarking, but they are not included in the graph below.

The below comparison assumes $100 was invested on August 31, 2012 in the Company's Common Shares and in each of the indices and assumes reinvestment of dividends.

COMPARISON OF 5 YEAR CUMULATIVE TOTAL RETURN*

Among WD-40 Company, the S&P 500 Index, the Russell 2000 Index, and a Peer Group



	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017
WD-40 Company	100.00	122.01	146.74	182.18	261.61	245.20
S&P 500	100.00	118.70	148.67	149.38	168.13	195.43
Russell 2000	100.00	126.27	148.60	148.64	161.41	185.48
Peer Group(1)	100.00	134.47	150.37	169.18	178.47	182.38

*$100 invested on 8/31/12 in stock or index, including reinvestment of dividends. Fiscal year ending August 31.

(1) WD-40 Company's peer group Index is comprised of the following 17 companies:

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

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WD-40 COMPANY
9715 Businesspark Avenue
San Diego, California 92131

NOTICE OF ANNUAL MEETING OF STOCKHOLDERS

To the Stockholders:

The 2017 Annual Meeting of Stockholders of WD-40 Company will be held at the following location and for the following purposes:

When: Tuesday, December 12, 2017, at 2:00 p.m.

Where: WD-40 Company
9715 Businesspark Avenue
San Diego, California 92131

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 hold an advisory vote on the frequency of future advisory votes on executive compensation;
4. To approve the WD-40 Company 2017 Performance Incentive Compensation Plan;
5. To ratify the appointment of PricewaterhouseCoopers LLP as the Company's independent registered public accounting firm for fiscal year 2018; and
6. 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 16, 2017 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
November 2, 2017

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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 2017 Annual Report before you vote.

2017 ANNUAL MEETING OF STOCKHOLDERS

Date and Time:
December 12, 2017, at 2:00 p.m.

Place:
WD-40 Company
9715 Businesspark Avenue
San Diego, California 92131

Record Date:
October 16, 2017

Meeting Webcast:
Available on the Company's investor relations website at http:/investor.wd40company.com/investors/default.aspx beginning at 2:00 p.m. Pacific Time on December 12, 2017

CORPORATE GOVERNANCE

Our Corporate Governance Policies Reflect Best Practices

- Annual election of all directors
- Independent chair
- All non-employee directors are independent
- Independent chair approves board meeting agendas
- Executive sessions of independent directors held at each regularly scheduled board meeting
- Company policy prohibits pledging and hedging of WD-40 Company stock by directors
- All equity grants received by directors since 2007 must be held until board service is ended

VOTING MATTERS AND BOARD RECOMMENDATIONS

Management Proposals:	***Board's Recommendation***	***Page***
Election of Directors (Item No. 1)	FOR all Director Nominees	3
Advisory Vote To Approve Executive Compensation (Item No. 2)	FOR	14
Advisory Vote on the Frequency of Future Advisory Votes on Executive Compensation (Item No. 3)	1 YEAR	15
Approval of the WD-40 Company 2017 Performance Incentive Compensation Plan (Item No. 4)	FOR	38
Ratification of Appointment of PricewaterhouseCoopers LLP as the Company's Independent Registered Public Accounting Firm for Fiscal Year 2018 (Item No. 5)	FOR	42

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
- No Supplemental Executive Retirement Plans for Executive Officers
- Long-Term Incentive Awards are Subject to Double-Trigger Vesting upon Change of Control
- Annual and Long-Term Incentive Programs Provide a Balanced Mix of Goals for Profitability and Total Stockholder Return Performance
- Executive Officers are Subject to Stock Ownership Guidelines
- Executives are Prohibited from Hedging or Pledging Company Stock
- No Backdating or Re-pricing of Equity Awards
- 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 2016 have been approved in each year by more than 95% of the votes cast.

At the 2017 Annual Meeting of Stockholders, the Company's stockholders are being asked again to express their preference as to the frequency of future advisory Say-on-Pay votes. The Company's Board of Directors recommends that Say-on-Pay votes be continued every year.

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

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 12, 2017, and at any postponements or adjournments thereof. This Proxy Statement and enclosed form of proxy are first sent to stockholders on or about November 2, 2017.

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; (iii) an advisory vote on the frequency of future advisory votes on executive compensation; (iv) the approval of the WD-40 Company 2017 Performance Incentive Compensation Plan; and (v) the ratification of the appointment of PricewaterhouseCoopers LLP as the Company's independent registered public accounting firm for fiscal year 2018. 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 16, 2017 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 16, 2017, WD-40 Company had outstanding 13,965,243 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, in the advisory vote to approve executive compensation, in the advisory vote on the frequency of future advisory votes on executive compensation, for approval of the WD-40 Company 2017 Performance Incentive Compensation Plan, and for ratification of the appointment of PricewaterhouseCoopers LLP as the Company's independent registered public accounting firm for fiscal year 2018. Your broker will only be permitted to exercise its discretionary authority to vote on your behalf as to the ratification of the appointment of PricewaterhouseCoopers LLP as the Company' independent registered public accounting firm for fiscal year 2018. 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 12, 2017" 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.

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 16, 2017	Percent of Class
BlackRock, Inc. 55 East 52nd Street New York, NY 10055	1,682,586 [1]	12.05%
Parnassus Investments 1 Market Street, Suite 1600 San Francisco, CA 94105	1,310,233 [2]	9.38%
Vanguard Group, Inc. P.O. Box 2600 Valley Forge, PA 19482	1,238,670 [3]	8.87%

1 As of June 30, 2017, BlackRock, Inc. ("BlackRock") filed a report on Form 13F with the Securities and Exchange Commission to report beneficial ownership of a total of 1,682,586 shares managed by eleven BlackRock investment management subsidiaries. BlackRock disclaims investment discretion with respect to all shares reported as beneficially owned by its investment management subsidiaries. BlackRock Fund Advisors holds sole investment discretion and sole voting authority with respect to 1,180,752 shares. BlackRock Institutional Trust Company, N.A. reported sole investment discretion and sole voting authority with respect to 366,745 shares and sole investment discretion and no voting authority with respect to 27,641 shares. Sole investment discretion and sole voting authority with respect to shares is reported for the following BlackRock subsidiaries: BlackRock Investment Management, LLC as to 65,112 shares; BlackRock Asset Management Ireland Limited as to 20,339 shares; BlackRock Advisors, LLC as to 9,855 shares; and four other BlackRock subsidiaries as to a total of 4,026 shares. Two other BlackRock subsidiaries reported sole investment discretion and sole voting authority with respect to 6,723 shares and sole investment discretion and no voting authority with respect to 1,393 shares. Beneficial ownership information for BlackRock, Inc. and its investment management subsidiaries as of October 16, 2017 is unavailable.

2 As of June 30, 2017, Parnassus Investments ("Parnassus") filed a report on Form 13F with the Securities and Exchange Commission to report beneficial ownership of 1,310,233 shares. Parnassus reported sole investment discretion with respect to all shares, sole voting authority with respect to 1,266,806 shares and no voting authority with respect to 43,427 shares. Beneficial ownership information as of October 16, 2017 is unavailable.

3 As of June 30, 2017, The Vanguard Group, Inc. ("Vanguard") filed a report on Form 13F with the Securities and Exchange Commission to report beneficial ownership of 1,238,670 shares, including 26,059 shares held by Vanguard Fiduciary Trust Company and 3,500 shares held by Vanguard Investments Australia, Ltd. Vanguard Fiduciary Trust Company reports shared investment discretion and sole voting authority with respect to all shares and Vanguard Investments Australia, Ltd. reports shared investment and voting authority with respect to all shares. Vanguard reported sole investment discretion and no voting authority with respect to 1,208,111 shares and sole investment discretion and sole voting authority with respect to 1,000 shares. Beneficial ownership information as of October 16, 2017 is unavailable.

ITEM NO. 1
NOMINEES FOR ELECTION AS DIRECTORS
AND SECURITY OWNERSHIP OF MANAGEMENT

At the Company's Annual Meeting of Stockholders, the ten 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 ten 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 3.2 of the Bylaws of the Company, most recently amended and restated on July 11, 2017, 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 resolution duly adopted by the Board of Directors or by the stockholders.

By resolution of the Board of Directors adopted on October 10, 2016, the number of directors was fixed at ten, effective as of December 13, 2016, the date of the 2016 Annual Meeting of Stockholders. Mario L. Crivello is retiring from the Board of Directors as of the date of the 2017 Annual Meeting of Stockholders. On June 19, 2017, David B. Pendarvis was nominated by the Board of Directors for election as a director at the 2017 Annual Meeting of Stockholders.

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.

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 and director nominees, for the executive officers named in the Summary Compensation Table below, and for all directors, director nominees, and executive officers as a group:

				Amount and Nature of Beneficial Ownership October 16, 2017 [1]	
Director/Nominee	**Age**	**Principal Occupation**	**Director Since**	**Number**	**Percent of Class**
Peter D. Bewley	71	Investor, Retired General Counsel, The Clorox Company	2005	24,762 [2]	*
Daniel T. Carter	61	Investor, Retired Executive Vice President & CFO, BevMo! Inc.	2016	1,678 [3]	*
Melissa Claassen	45	Vice President Business Unit Finance, adidas	2015	2,541 [4]	*
Mario L. Crivello (retiring director)	77	Investor	1994	231,383 [5]	1.66%
Eric P. Etchart	61	Investor, Retired Senior Vice President, The Manitowoc Company	2016	1,832 [6]	*
Linda A. Lang	59	Board Chair, WD-40 Company; Investor, Retired Chairman & CEO, Jack in the Box, Inc.	2004	18,340 [7]	*
David B. Pendarvis (nominee director)	58	Chief Administrative Officer, Global General Counsel, Chief Compliance Officer and Secretary, ResMed Inc.	N/A		
Daniel E. Pittard	67	Investor, Retired President and CEO, Rubio's Restaurants, Inc.	2016	1,876 [8]	*
Garry O. Ridge	61	President and CEO, WD-40 Company	1997	83,958 [9]	*
Gregory A. Sandfort	62	CEO, Tractor Supply Company	2011	14,536 [10]	*
Neal E. Schmale	71	Investor, Retired President and COO, Sempra Energy	2001	26,248 [11]	*

* Less than one (1) percent.

1 All shares owned directly unless otherwise indicated.

2 Mr. Bewley has the right to receive 15,481 shares upon settlement of vested restricted stock units upon termination of his service as a director of the Company.

3 Mr. Carter has the right to receive 1,678 shares upon settlement of vested restricted stock units upon termination of his service as a director of the Company.

4 Ms. Claassen has the right to receive 2,541 shares upon settlement of vested restricted stock units upon termination of her service as a director of the Company.

5 Mr. Crivello has sole voting and investment power over 3 shares held in trust for the benefit of others. He also has sole voting and investment power over 222,879 shares held directly. Mr. Crivello has the right to receive 8,501 shares upon settlement of vested restricted stock units upon termination of his service as a director of the Company.

6 Mr. Etchart has the right to receive 832 shares upon settlement of vested restricted stock units upon termination of his service as a director of the Company.

7 Ms. Lang has the right to receive 14,698 shares upon settlement of vested restricted stock units upon termination of her service as a director of the Company.

8 Mr. Pittard has the right to receive 981 shares upon settlement of vested restricted stock units upon termination of his service as a director of the Company.

9 Mr. Ridge has the right to receive 5,884 shares upon settlement of vested restricted stock units upon termination of employment, the right to receive 967 shares upon settlement of vested deferred performance units upon termination of employment, the right to receive 4,475 shares upon settlement of restricted stock units upon vesting within 60 days, and the right to receive 9,530 shares within 60 days upon settlement of vested market share units. Mr. Ridge also has voting and investment power over 1,251 shares held under the Company's 401(k) plan.

10 Mr. Sandfort has the right to receive 9,268 shares upon settlement of vested restricted stock units upon termination of his service as a director of the Company.

11 Mr. Schmale has the right to receive 15,481 shares upon settlement of vested restricted stock units upon termination of his service as a director of the Company.

SECURITY OWNERSHIP OF DIRECTORS AND EXECUTIVE OFFICERS (cont'd)

			Amount and Nature of Beneficial Ownership October 16, 2017 [1]	
Executive Officer	**Age**	**Principal Occupation**	**Number**	**Percent of Class**
Jay W. Rembolt	66	Vice President, Finance, Treasurer and Chief Financial Officer, WD-40 Company	37,330 [2]	*
Michael L. Freeman	64	Chief Strategy Officer, WD-40 Company	27,733 [3]	*
William B. Noble	59	Managing Director, EMEA, WD-40 Company Limited	11,540 [4]	*
Stanley A. Sewitch	64	Vice President, Global Organization Development	6,717 [5]	*
All Directors, Director Nominees and Executive Officers as a Group			510,521 [6]	3.62%

* Less than one (1) percent.

1 All shares owned directly unless otherwise indicated.

2 Mr. Rembolt has the right to receive 310 shares upon settlement of vested deferred performance units upon termination of employment, the right to receive 927 shares upon settlement of restricted stock units upon vesting within 60 days, and the right to receive 2,198 shares within 60 days upon settlement of vested market share units. Mr. Rembolt also has voting and investment power over 6,284 shares held under the Company's 401(k) plan.

3 Mr. Freeman has the right to receive 3,971 shares upon settlement of vested restricted stock units upon termination of employment, the right to receive 334 shares upon settlement of vested deferred performance units upon termination of employment, the right to receive 927 shares upon settlement of restricted stock units upon vesting within 60 days, and the right to receive 2,198 shares within 60 days upon settlement of vested market share units. Mr. Freeman also has voting and investment power over 2,381 shares held under the Company's 401(k) plan.

4 Mr. Noble has the right to receive 3,971 shares upon settlement of vested restricted stock units upon termination of employment, the right to receive 280 shares upon settlement of vested deferred performance units upon termination of employment, the right to receive 621 shares upon settlement of restricted stock units upon vesting within 60 days, and the right to receive 1,612 shares within 60 days upon settlement of vested market share units.

5 Mr. Sewitch has the right to receive 190 shares upon settlement of vested deferred performance units upon termination of employment, the right to receive 751 shares upon settlement of restricted stock units upon vesting within 60 days, and the right to receive 1,612 shares within 60 days upon settlement of vested market share units. Mr. Sewitch also has voting and investment power over 1,008 shares held under the Company's 401(k) plan.

6 Total includes the rights of executive officers and directors to receive a total of 87,258 shares upon settlement of vested restricted stock units upon termination of employment or service as a director of the Company, the rights of executive officers to receive 2,616 shares upon settlement of vested deferred performance units upon termination of employment, the rights of executive officers to receive a total of 9,455 shares upon settlement of restricted stock units upon vesting within 60 days, the rights of executive officers to receive a total of 20,429 shares within 60 days upon settlement of vested market share units, and a total of 10,924 shares held by executive officers under the Company's 401(k) plan.

NOMINEES FOR ELECTION AS DIRECTORS

PETER D. BEWLEY – Director

Peter D. Bewley was elected 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

DANIEL T. CARTER – Director

Daniel T. Carter was elected to the Board of Directors in 2016. Mr. Carter served as executive vice president and chief financial officer of BevMo! Inc. from 2009 until June 2016. Mr. Carter served as executive vice president and chief financial officer of Semtek, Inc. from 2008 to 2009; executive vice president and chief financial officer at Charlotte Russe Holding, Inc. from 1998 to 2007; and chief financial officer of Advanced Marketing Services from 1997 to 1998. From 1986 to 1997 he was employed by Price Club and its follow-on entities, serving as senior vice president for PriceCostco and chief financial officer for Price Enterprises. Mr. Carter began his career as an auditor with Ernst & Young, and he is a Certified Public Accountant (inactive). Mr. Carter received his bachelor of business administration in accounting from the University of Oklahoma. Mr. Carter's financial expertise, considerable knowledge of the retail industry and non-profit company board experience provide the Board with a breadth of relevant skills and experience.

Skills and Expertise:

- Former CFO with extensive finance and accounting expertise
- In-depth knowledge of retail industry
- Considerable non-profit board experience

Committees:

- Audit (Chair)
- Governance

MELISSA CLAASSEN – Director

Melissa Claassen was elected to the Board of Directors in 2015. Ms. Claassen is vice president, business unit finance – adidas. Ms. Claassen served as the chief financial officer of Taylor Made – adidas Golf from 2012 to 2015. From 1996 until 2012 Ms. Claassen held positions at various adidas subsidiaries including chief financial officer of adidas Group Hong Kong and Taiwan, controlling director at adidas Group China, head of marketing controlling, senior financial controller, finance manager, SAP team lead, management accountant, and financial accountant. Ms. Claassen's extensive knowledge and expertise in the areas of collaboration, finance, accounting, and international business enhance the Board's management oversight capabilities.

Skills and Expertise:

- International business experience
- Finance and accounting expertise

Committees:

- Finance (Chair)
- Compensation

ERIC P. ETCHART – Director

Eric P. Etchart was elected to the Board of Directors in 2016. Mr. Etchart served as senior vice president of The Manitowoc Company, Inc. from 2007 until his retirement in January 2016. He served as senior vice president, business development, from 2015 to 2016 and as president and general manager of the Manitowoc Crane Group from 2007 to 2015. From 1983 to 2007, Mr. Etchart held various sales, marketing and management positions at subsidiaries and predecessor companies of The Manitowoc Company, Inc. Mr. Etchart is a French national, having held management positions in China, Singapore, Italy, France and the United States. In May 2016, Mr. Etchart was recognized as a National Association of Corporate Directors (NACD) Board Leadership Fellow. He presently serves as a director of Graco Inc. and Alamo Group Inc. Mr. Etchart's breadth of international finance, marketing and management experience provides important perspective to the Board. His demonstrated commitment to the highest standards of board leadership will strengthen the Board's commitment to good governance.

Skills and Expertise:
- Strong management background in sales, marketing and finance
- International business experience
- Board governance

Committees:
- Audit
- Finance

LINDA A. LANG – Chair

Linda A. Lang was elected to the Board of Directors in 2004. Ms. Lang was named Board Chair in 2016. Ms. Lang was chairman of the board and chief executive officer of Jack in the Box, Inc. from 2005 until her retirement in 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, all at Jack in the Box, Inc. Ms. Lang is an independent trustee for Goldman Sachs Investment Funds. 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:
- Compensation
- Finance

DAVID B. PENDARVIS – Director Nominee

David B. Pendarvis is a nominee for election to the Board of Directors at the Annual Meeting. Mr. Pendarvis has served as chief administrative officer of ResMed Inc. since 2011. From March through July 2017, he served as interim president, EMEA and Japan of ResMed Inc. He joined ResMed Inc. in 2002 as global general counsel and he has served as secretary since 2003 and he also served as vice president of organizational development from 2005 to 2011. From 2000 until 2002 Mr. Pendarvis was a partner at Gray Cary Ware & Friedenrich (presently, DLA Piper). From 1986 until 2000 he was an associate (1986-1992) and a partner (1993-2000) at Gibson, Dunn & Crutcher, and from 1984 until 1986 he served as a law clerk to United States District Court Judge, J. Lawrence Irving in the United States District Court, San Diego. Mr. Pendarvis served as a director of Sequenom, Inc. from 2009 until its acquisition by Laboratory Corporation of America Holdings in 2016. His legal expertise and experience as general counsel with global responsibilities will provide the Board of Directors with valuable perspective for risk oversight.

Skills and Expertise:
- In depth experience in corporate compliance, intellectual property and world-wide legal affairs
- Strong focus on investor relations and corporate communications
- International executive management experience

Committees:
- To be determined

DANIEL E. PITTARD – Director

Daniel E. Pittard was elected to the Board of Directors in 2016. From 2006 until his retirement in 2012, Mr. Pittard served as president, CEO and Board member of Rubio's Restaurants, Inc. Mr. Pittard was an angel investor and served on the board of directors of five private companies from 2000 until 2005. He served as senior vice president, strategy and business development for Gateway, Inc. from 1998 until 1999; and group vice president, Amoco Company (now BP) from 1995 until 1998 with full P&L responsibilities for four businesses with $13 billion in revenue. As a senior vice president for PepsiCo/Frito-Lay from 1992 to 1995 he had responsibilities for international operations, strategy and new ventures. From 1980 to 1992 he was with McKinsey and Company, and served as a partner in Atlanta, Stockholm and Helsinki. From 1976 until 1980 Mr. Pittard was CEO of a joint venture in Saudi Arabia. Mr. Pittard has served on three public company boards - Rubio's Restaurants, Novatel Wireless and Pulse Electronics - as well as many private and non-profit boards. He is a former public company CEO and McKinsey partner with considerable international experience and he is a National Association of Corporate Directors (NACD) Board Leadership Fellow. His expertise in the areas of strategy development and international business and his extensive public and private company board experience provide the Board with valuable perspective.

Skills and Expertise:
- Significant experience in consumer products and industrial business
- Strong background in strategy development
- International business experience

Committees:
- Audit
- Finance

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® products 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 2011. Mr. Sandfort has served as chief executive officer of Tractor Supply Company since December 2012. He held the office of president of Tractor Supply Company from 2009 through 2015. Prior to 2013, Mr. Sandfort served as president and chief operating officer in 2012 and as president and chief merchandising officer from 2009 to 2012. Mr. Sandfort 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 presently serves as a director of Tractor Supply Company and Kirkland's, Inc. 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:
- Compensation (Chair)
- Governance

NEAL E. SCHMALE – Director

Neal E. Schmale was elected to the Board of Directors in 2001. He served as Board Chair from 2004 through 2016. Mr. Schmale was president and chief operating officer of Sempra Energy from 2006 until his retirement in 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 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
- Compensation
- Finance

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 cash incentive compensation ("Incentive Compensation") 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 profitability and longer-term stockholder returns. Management has discussed these findings with the Compensation Committee.

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 under "Corporate Governance" within the "Investors" section at http://investor.wd40company.com/investors/corporate-governance/overview/default.aspx. There were five 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 of the prior year 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. For fiscal year 2017, 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 12, 2015. Pursuant to the Director Compensation Policy, non-employee directors received a base annual fee of $37,500 for services provided from January 1, 2017 through the date of the Company's 2017 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 2017.

At the Company's 2016 Annual Meeting of Stockholders, the Company's stockholders approved the WD-40 Company 2016 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 2016 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 $55,500 to each non-employee director. Each RSU represents the right to receive one share of the Company's common stock. On December 13, 2016, each non-employee director received an RSU award covering 497 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 elective portion of his or her base annual fee 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.

DIRECTOR COMPENSATION TABLE - FISCAL YEAR 2017

The following Director Compensation table provides information concerning director compensation earned by each non-employee director for services rendered in fiscal year 2017. 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 2017, one third of the reported compensation earned or paid in cash is based on the Director Compensation Policy in effect for calendar year 2016 and two thirds of the reported compensation earned or paid in cash is based on the Director Compensation Policy in effect for calendar year 2017. 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 ($)[1]	Stock Awards ($)[2]	All Other Compensation ($)[3]	Total ($)
Peter D. Bewley	$ 57,500	$ 55,490	$ 6,000	$ 118,990
Daniel T. Carter	$ 57,500	$ 55,490	$ 6,000	$ 118,990
Melissa Claassen	$ 48,167	$ 55,490	$ 6,000	$ 109,657
Mario L. Crivello	$ 46,833	$ 55,490	$ 6,000	$ 108,323
Eric P. Etchart	$ 33,000	$ 55,490	$ 6,000	$ 94,490
Linda A. Lang	$ 58,833	$ 55,490	$ 6,000	$ 120,323
Daniel E. Pittard	$ 49,500	$ 55,490	$ 6,000	$ 110,990
Gregory A. Sandfort	$ 51,500	$ 55,490	$ 6,000	$ 112,990
Neal E. Schmale	$ 59,500	$ 55,490	$ 6,000	$ 120,990

1 For services rendered during fiscal year 2017, directors received RSU awards pursuant to elections made in 2015 (not applicable to Messrs. Carter, Etchart or Pittard) and 2016 under the Director Compensation Policy with respect to their services as directors in calendar years 2016 (not applicable to Mr. Etchart) and 2017, 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). The value of such elective RSU awards received by the directors for services rendered during fiscal year 2017 were as follows: Peter D. Bewley, Melissa Claassen, Linda A. Lang, Gregory A. Sandfort and Neal E. Schmale received RSU awards valued at $37,422, Mr. Carter received RSU awards valued at $37,420, and Mr. Etchart received an RSU award valued at $24,935. Messrs. Crivello and Pittard elected to receive their base annual fees in cash. The number of shares underlying each director's RSU award is rounded down to the nearest whole share.

2 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 13, 2016, each director received a non-elective RSU award covering 497 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 $111.65 per share multiplied by the number of shares underlying the RSU award. The number of shares underlying each director's RSU award is rounded down to the nearest whole share. Outstanding RSUs held by each director as of October 16, 2017 are reported above in footnotes to the table under the heading, *Security Ownership of Directors and Executive Officers*. The RSUs vest immediately upon grant, but are settled in stock only upon termination of service as a director. 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 Amounts represent charitable contributions made by the Company in fiscal year 2017 as designated by non-employee directors 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, 9715 Businesspark Avenue, San Diego, CA 92131.

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.

COMMITTEES

Director	Audit	Compensation	Governance	Finance
Peter D. Bewley	✓	✓	Chair	
Daniel T. Carter	Chair		✓	
Melissa Claassen		✓		Chair
Mario L. Crivello		✓	✓	
Eric P. Etchart	✓			✓
Linda A. Lang		✓		✓
Daniel E. Pittard	✓			✓
Gregory A. Sandfort		Chair	✓	
Neal E. Schmale	✓	✓		✓
Number of Meetings Held in Fiscal Year 2017	5	3	4	4

CORPORATE GOVERNANCE COMMITTEE NOMINATION POLICIES AND PROCEDURES

The Corporate Governance Committee is comprised of Peter D. Bewley (Chair), Daniel T. Carter, Mario L. Crivello (retiring director) and Gregory A. Sandfort. 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 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 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, 9715 Businesspark Avenue, San Diego, California 92131. 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*.

AUDIT COMMITTEE
RELATED PARTY TRANSACTIONS REVIEW AND OVERSIGHT

The Audit Committee is comprised of Daniel T. Carter (Chair), Peter D. Bewley, Eric P. Etchart, Daniel E. Pittard 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. Carter is an "audit committee financial expert" as defined by regulations adopted by the Securities and Exchange Commission. Mr. Carter 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 material 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, 2017, 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, compensation and oversight of the independent registered public accounting firm for the Company. With respect to the mandatory rotation of the lead engagement partner, the Audit Committee is directly involved in the selection of the lead engagement partner for the Company's account.

FINANCE COMMITTEE

The Finance Committee is comprised of Melissa Claassen (Chair), Eric P. Etchart, Linda A. Lang, Daniel E. Pittard and Neal E. Schmale. 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 Gregory A. Sandfort (Chair), Peter D. Bewley, Melissa Claassen, Mario L. Crivello (retiring director), Linda A. Lang, and Neal E. Schmale, 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, 2017, 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.

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 2017 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 2017 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.

ITEM NO. 3
ADVISORY VOTE ON THE FREQUENCY OF FUTURE ADVISORY VOTES ON EXECUTIVE COMPENSATION

In addition to providing stockholders with the opportunity to cast an advisory vote on executive compensation, the Dodd-Frank Wall Street Reform and Consumer Protection Act also requires, at least once every six years, that the Company conduct an advisory vote to solicit input from stockholders on whether future advisory votes on executive compensation should be held every one, two or three years.

For the past six years, the Company's stockholders have provided advisory votes on executive compensation every year. After careful consideration of the various arguments supporting each frequency level, the Board of Directors believes that submitting the advisory vote on executive compensation to stockholders on an annual basis continues to be the most appropriate option.

Although the Board of Directors recommends that stockholders vote in favor of holding advisory votes on executive compensation every year, stockholders are not voting to approve or disapprove the Board's recommendation. The form of proxy for the Company's Annual Meeting of Stockholders provides stockholders with four choices: (a) to recommend that an advisory vote on executive compensation be held every year, (b) every two years, (c) every three years; or (d) to abstain from making any recommendation with respect to the frequency of future advisory votes on executive compensation.

Because the vote on this proposal is advisory in nature, it will not be binding on the Board of Directors. However, the Board of Directors will consider the outcome of the advisory vote along with other factors when making its decision about the frequency of future stockholder advisory votes on executive compensation.

THE BOARD OF DIRECTORS UNANIMOUSLY RECOMMENDS THAT STOCKHOLDERS VOTE FOR THE "1 YEAR" RECOMMENDATION FOR FUTURE STOCKHOLDER ADVISORY VOTES ON EXECUTIVE COMPENSATION

COMPENSATION DISCUSSION AND ANALYSIS

WD-40 Company's Compensation Discussion and Analysis addresses the executive compensation philosophy and the processes and decisions of 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 2017, 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 L. Freeman, our Chief Strategy Officer;
- William B. Noble, our Managing Director, EMEA; and
- Stanley A. Sewitch, our Vice President, Global Organization Development.

EXECUTIVE SUMMARY OF EXECUTIVE COMPENSATION DECISIONS AND RESULTS

The compensation structure for the NEOs is comprised of three elements: base salary, retention-related equity compensation and performance-related cash and equity compensation. Through the application of these elements, a significant portion of NEO realized compensation is directly tied to Company performance measured by increased earnings and total stockholder return ("TSR"). Performance-based compensation tied to earnings is based on earnings before interest, income taxes, depreciation (in operating departments) and amortization ("EBITDA"), not earnings per share.

Retention-related equity compensation includes restricted stock unit ("RSU") awards that vest over a period of three years after grant, subject to earlier vesting upon the effective date of retirement under certain conditions. Retention-related equity compensation features are also reflected in our performance-based market share unit ("MSU") awards that may be earned over a market return-based vesting period of three years, subject to pro-rata vesting at the end of the applicable measurement period in the event of earlier retirement under certain conditions.

Performance-related compensation includes (i) an annual cash payment opportunity that is tied to current fiscal year financial results ("Incentive Compensation"); (ii) MSU awards that are tied to a measure of TSR; and (iii) deferred performance unit ("DPU") awards that are tied to current fiscal year financial results that exceed levels required for maximum payment of that portion of the cash Incentive Compensation opportunity that is tied to global EBITDA.

For purposes of measuring performance based on the Company's EBITDA, the Company uses EBITDA before deduction of the stock-based compensation expense for vested DPU awards, if any, and excluding other non-operating income and expense amounts ("Adjusted EBITDA").

The foregoing compensation structure elements are fully described 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 regional and global measures based on the Company's Adjusted EBITDA, but also including relative Company performance as compared to the established peer group of companies and a comparable market index. 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.

THREE YEAR PERFORMANCE-BASED COMPENSATION REVIEW

For fiscal year 2017, the Company's overall financial performance was strong, but mixed, resulting in partial achievement of performance measure goals for regional and global Adjusted EBITDA under the Company's Incentive Compensation program (the "Performance Incentive Program") as described below. The maximum first level performance measure goals for the EMEA and Asia-Pacific regions were achieved, but the first level performance goal for the Americas region was not achieved. Due to the strong performance of the EMEA and Asia-Pacific segments, the maximum first level goal for global Adjusted EBITDA was achieved and approximately 47% of the second level goal for global Adjusted EBITDA was achieved. As a result, each of the NEOs earned 74% of their Incentive Compensation opportunity for fiscal year 2017. For fiscal year 2016, the Company's financial performance was strong. For fiscal year 2016, the maximum performance measure goals for regional and global

Adjusted EBITDA were achieved. As a result, each of the NEOs earned the maximum possible amount of Incentive Compensation for fiscal year 2016. The Company's financial performance for fiscal year 2015, as measured against goals for regional and global Adjusted EBITDA, was mixed. Maximum first level goals for the Americas and Asia-Pacific regions were achieved in fiscal year 2015, but minimum first level goals for EMEA were not achieved. The second level minimum goal for global Adjusted EBITDA was not achieved. As a result, earned Incentive Compensation amounts for fiscal year 2015 for the NEOs were at or near the target amounts (50% of the maximum earned Incentive Compensation opportunity) for all of those NEOs other than Mr. Noble and no Incentive Compensation was earned by Mr. Noble.

For the three fiscal years ended August 31, 2017, the TSR for the Company's shares exceeded, by an absolute percentage point difference, the return for the Russell 2000 Index (the "Index") by 33.32%. As a result, MSUs awarded to the NEOs in October 2014 provided vested shares of the Company's common stock to the NEOs at 200% of the target number of award shares. For the three fiscal years ended August 31, 2016, the TSR for the Company's shares exceeded, by an absolute percentage point difference, the return for the Index by 91.4%. As a result, MSUs awarded to the NEOs in October 2013 provided vested shares of the Company's common stock to those NEOs at the maximum amount of 200% of the target number of award shares. For the three fiscal years ended August 31, 2015, the TSR for the Company's shares exceeded, by an absolute percentage point difference, the return for the Index by 27.5%. As a result, MSUs awarded to the NEOs in October 2012 also provided vested shares of the Company's common stock to those NEOs at the maximum amount of 200% of the target number of award shares.

FISCAL YEAR 2017 COMPENSATION

Compensation decisions for fiscal year 2017 were made in October 2016 based on individual and Company performance during fiscal year 2016 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 2017 is based on peer group data which is provided below under the heading *Overall Reasonableness of Compensation*.

The following is a summary of the decisions made by the Committee for NEO compensation for fiscal year 2017:

- For fiscal year 2017, base salaries for the NEOs other than Mr. Sewitch were not increased. Base salaries for the NEOs were assessed in relation to labor market information. For fiscal year 2017, consideration was given to the appropriate relative mix of salary, annual Incentive Compensation and equity awards.
- Annual Incentive Compensation is awarded to the NEOs under the Company's Performance Incentive Compensation Plan described below under the heading *Performance Incentive Program*. For purposes of the Performance Incentive Program, goals for regional and global Adjusted EBITDA were established at the beginning of the fiscal year. The Company's performance as measured against these goals is described in detail below.
- In October 2016, the NEOs received annual RSU awards providing for the issuance of a total of 6,977 shares of the Company's common stock to be earned by continued employment by the Company over a vesting period of three years, subject to earlier vesting upon the effective date of retirement under certain conditions. These awards serve a retention purpose together with an incentive to maximize long term stockholder value through share price appreciation.
- In October 2016, the NEOs received MSU awards subject to performance vesting covering a target number of shares of the Company's common stock equal to 6,977 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 to the NEOs 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.[1]
- In October 2016, the NEOs received DPU awards that provided an opportunity to receive up to an aggregate maximum of 9,184 additional shares of the Company's common stock upon termination of employment. The DPU awards provided for vesting as of the end of fiscal year 2017 if the Company were to achieve a level of global Adjusted EBITDA for the fiscal year in excess of the maximum goal for global Adjusted EBITDA established for the Performance Incentive Program[2]. Since the Company's global Adjusted EBITDA for fiscal year 2017 did not exceed the maximum goal for global EBITDA established for the Performance Incentive Program, the DPU awards for fiscal year 2017 did not vest and they have lapsed without value to the NEOs.
- RSU, MSU and DPU award amounts for fiscal year 2017 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 2016 in areas over which each NEO had direct influence.

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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*.

2 For a more complete description of the DPU awards, refer to the *Executive Officer Compensation Decisions* section below under the heading, *Deferred Performance Unit Awards*.

- 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 2014, 2015 and 2016. 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.

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. For fiscal year 2017 compensation decisions, the Committee's compensation consulting firm was Board Advisory, LLC. 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 on WD-40 Company's website at https://www.wd40company.com/, under "Corporate Governance" within the "Investors" section.

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. Mr. Sewitch, Vice President of Global Organization Development, is management's liaison with the Committee. The Committee's independent compensation consulting firm provides advice and information relating to executive compensation. For fiscal year 2017, the compensation consulting firm assisted the Committee in the evaluation of executive base salary, Incentive Compensation opportunities, equity incentive design and award levels, and the specific pay recommendation for our CEO. The Committee's compensation consulting firm reports directly to the Committee and provides no additional services for management.

EXECUTIVE COMPENSATION PHILOSOPHY AND FRAMEWORK

COMPENSATION OBJECTIVES

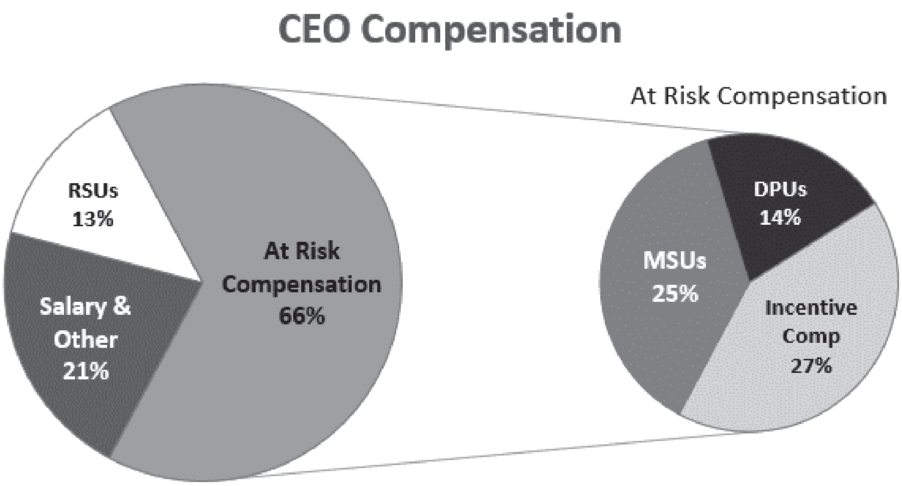
The Company's executive compensation program is designed to achieve five primary objectives:

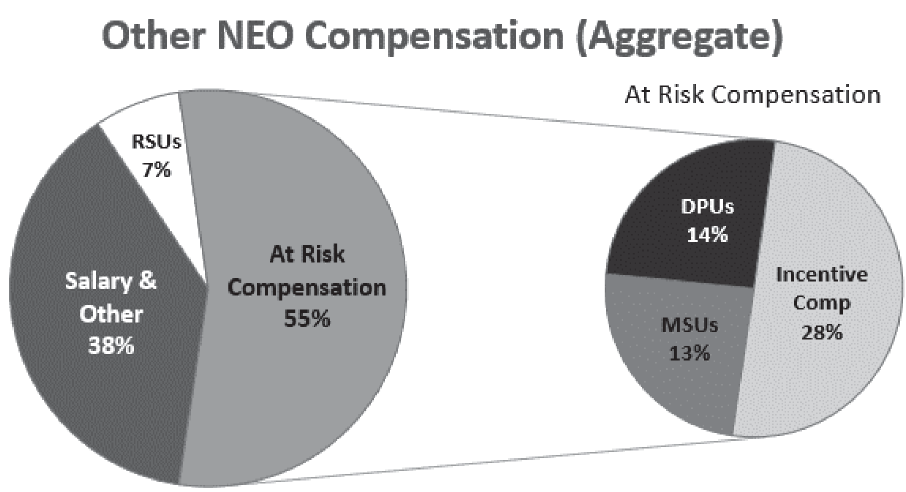
1. Attract, motivate, reward and retain high performing executives;
2. Align the interests and compensation of executives with the value created for stockholders;
3. Create a sense of motivation among executives to achieve both short- and long-term Company objectives;
4. Create a direct, meaningful link 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 Incentive Compensation, plus the grant date value of equity awards) at the median market level of compensation for each position (details on the use of peer group data to establish the median market level are 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.*

The mix of pay for executive officers is intended to provide significant incentives to drive overall company performance and increased stockholder value. The following charts show the relative portions of the maximum total compensation that the CEO and the other NEOs, respectively, are eligible to earn for fiscal year 2017 ("Total Compensation Opportunity"). For purposes of these charts, Salary and All Other Compensation amounts are as reported in the Summary Compensation Table below; maximum possible Stock Award (RSUs, MSUs and DPUs) amounts are as reported in the table in footnote 1 to the Summary Compensation Table; and maximum Non-Equity Incentive Plan Compensation (Incentive Compensation) amounts are as reported as the maximum amounts for such compensation in the Grants of Plan-Based Awards table below. The Total Compensation Opportunity for the CEO and for all other NEOs in the aggregate is divided among elements of compensation that are considered at risk (MSUs, tied to longer term relative stockholder return, and Incentive Compensation and DPUs, tied to current fiscal year financial performance), and those elements that are not performance-based (Salary, All Other Compensation and RSUs). Approximately 66% of the CEO's Total Compensation Opportunity for fiscal year 2017 was at risk while approximately 55%, in the aggregate, of the Total Compensation Opportunity for fiscal year 2017 for all of the other NEOs was at risk. As reported in more detail below, for fiscal year 2017, each of the NEOs earned 74% of their maximum Incentive Compensation amounts, maximum MSU award values (for the MSU award granted in 2014), and no portion of their DPU awards.





COMPENSATION BENCHMARKING

For purposes of its fiscal year 2017 compensation decisions, the Committee examined the executive compensation practices of a peer group of nineteen 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 surveys of general industry company data provided by Hay Group, a global management consulting firm and Kenexa, an IBM Company. These data sources are applied by the Committee to establish the market median level of compensation for each executive officer position. The companies used in the peer group analysis for fiscal year 2017 compensation decisions were as follows:

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

EXECUTIVE OFFICER COMPENSATION DECISIONS FOR FISCAL YEAR 2017

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; leadership and strategic planning for Mr. Freeman; business unit performance, teamwork, execution and growth for Mr. Noble; and organizational development, talent, leadership development and compensation systems for Mr. Sewitch.

BASE SALARY: FISCAL YEAR 2017

In October 2016, the Committee reviewed the market competitiveness of executive officer base salaries relative to peer group market data presented by the Committee's compensation advisor. Based on its review of the peer group market data, no increases in base salary for fiscal year 2017 were approved by the Committee for any of the NEOs, other than Mr. Sewitch.

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 Company's stockholders are being asked to approve the WD-40 Company 2017 Performance Incentive Compensation Plan at this year's Annual Meeting of Stockholders.

The Performance Incentive Program provides 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 Compensation opportunity awards for fiscal year 2017 were based on pre-established goals for the following corporate performance measures: (i) the Company's Adjusted EBITDA computed for each of the Company's relevant financial reporting segments ("Regional EBITDA"); and (ii) Adjusted EBITDA computed on a consolidated basis ("Global EBITDA"). The calculations of attainment of these performance measures for the NEOs are substantially the same as the calculations for all other employees for whom such performance measures were applicable.

The Company's Incentive Compensation Program, as applied to all of its employees, is designed with the intent to fund the Incentive Compensation payout to all employees, including the NEOs, from increased earnings over the prior fiscal year. If the Company does not realize an increase in Global EBITDA over the prior year, it is possible that Mr. Noble will earn some Incentive Compensation because the performance measure for a portion of the Incentive Compensation opportunity payable to him is based on Regional EBITDA.

Depending upon actual performance results, the Incentive Compensation opportunities for fiscal year 2017 range from 0% up to 150% of base salary for Mr. Ridge, from 0% up to 100% of base salary for Messrs. Rembolt and Freeman, and from 0% up to 80% of base salary for Messrs. Noble and Sewitch.

The maximum Incentive Compensation potential for employees under the Performance Incentive Program is referred to herein as the employee's "Annual Opportunity." For each of the NEOs, the Performance Incentive Program for fiscal year 2017 provided two performance measure levels ("Levels A and C") for determination of earned Incentive Compensation; each level represented 50% of the Annual Opportunity. The Performance Incentive Program is consistently applied for all employees of the Company except that there are three performance measure levels ("Levels A, B and C") for all employees other than the NEOs and certain other management employees. The maximum Incentive Compensation payout for Mr. Noble required achievement of a specified segment goal for Regional EBITDA (Level A) and Company performance that equaled the maximum goal amount for Global EBITDA as described below (Level C). For Messrs. Ridge, Rembolt, Freeman and Sewitch (each of whom has global rather than regional responsibilities), the maximum Incentive Compensation payouts required achievement of specified goals for Global EBITDA for each of Levels A and C.

Only two of the three performance measure goals are applied for the NEOs and certain other management employees for purposes of calculating earned Incentive Compensation in order to provide an increased incentive to those employees to achieve the maximum level of Global EBITDA results for the benefit of stockholders. Level B performance measure goals for other employees are more directed to achievement of goals tied to areas over which they have more direct influence. For such other employees, Level A represented 50% of the Annual Opportunity, Level B represented 30% of the Annual Opportunity and Level C represented 20% of the Annual Opportunity.

Target and maximum payout amounts for each of the NEOs for the fiscal year 2017 Performance Incentive Program are disclosed below in the table under the heading, *Grants of Plan-Based Awards - Fiscal Year 2017*.

The table below sets forth the fiscal year 2017 Performance Incentive Program payout weightings and the minimum and maximum goals for the performance measures applicable to each of the NEOs. The minimum and maximum Level A goals for Regional and Global EBITDA were based on earnings before deduction of any Incentive Compensation amounts. The minimum and maximum Level C goals for Global EBITDA were based on earnings after deduction of an estimate of the maximum possible Incentive Compensation amounts for Levels A and B, but before deduction of Incentive Compensation amounts for Level C.

Level	Performance Measure	Garry O. Ridge Jay W. Rembolt Michael L. Freeman Stanley A. Sewitch	William B. Noble	Minimum Goal FY 2017 ($ thousands)	Maximum Goal FY 2017 ($ thousands)
A	Regional EBITDA (EMEA)[1]	N/A	50%	$ 33,597	$ 36,322
A	Global EBITDA	50%	N/A	$ 77,100	$ 89,100
C	Global EBITDA	50%	50%	$ 80,922	$ 87,404

[1] EMEA figures have been converted from Great Britain pounds sterling ("GBP") at an average annual exchange rate for fiscal year 2017 of $1.2678 per GBP.

The table below sets forth the actual fiscal year 2017 performance results and percentage achievement for each of the performance measures under the Performance Incentive Program formulas applicable to the NEOs. The actual Regional and Global EBITDA Level A results were based on earnings before deduction of any Incentive Compensation amounts. The actual Global EBITDA Level C results were based on earnings after deduction of the actual Incentive Compensation amounts for Level A and B, but before deduction of the actual Incentive Compensation amounts for Level C.

Level	Performance Measure	Actual FY 2017 ($ thousands)	% Achievement
A	Regional EBITDA (EMEA)[1]	$ 40,565	100.0%
A	Global EBITDA	$ 89,464	100.0%
C	Global EBITDA	$ 83,993	47.4%

[1] EMEA figures have been converted from Great Britain pounds sterling ("GBP") at an average annual exchange rate for fiscal year 2017 of $1.2678 per GBP.

Achievement of the maximum goals for Regional EBITDA and Global EBITDA is 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 2017 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 9, 2017, the Committee approved payment of the following Incentive Compensation amounts to the NEOs for fiscal year 2017 performance:

Executive Officer	Title	FY 2017 Annual Opportunity (As % of Base Salary)	FY 2017 Incentive Compensation Paid ($)	FY 2017 Actual Incentive Compensation (As % of Opportunity)
Garry O. Ridge	President and Chief Executive Officer	150%	$ 710,091	74%
Jay W. Rembolt	Vice President, Finance, Treasurer and Chief Financial Officer	100%	$ 227,454	74%
Michael L. Freeman	Chief Strategy Officer	100%	$ 245,081	74%
William B. Noble[1]	Managing Director, EMEA	80%	$ 166,574	74%
Stanley A. Sewitch	Vice President, Global Organization Development	80%	$ 143,769	74%

[1] Mr. Noble's Incentive Compensation amount has been converted from Great Britain pounds sterling ("GBP") at an average annual exchange rate for fiscal year 2017 of $1.2678 per GBP.

As an example of the operation of the Performance Incentive Program, Mr. Noble's Incentive Compensation payout for fiscal year 2017 was computed as follows:

- Incentive Compensation Annual Opportunity = 80% X Eligible Earnings ($282,560) = $226,048.
- Level A (Regional EBITDA (EMEA)) = 50% of Annual Opportunity = $113,024.
  — Level A Incentive Compensation = Level A Achievement (100%) X Level A Annual Opportunity = $113,024.
- Level C (Global EBITDA) = 50% of Annual Opportunity = $113,024.
  — Level C Incentive Compensation = Level C Achievement (47.379%) X Level C Annual Opportunity = $53,550.

Mr. Noble's aggregate Incentive Compensation payout was the sum of the payouts under Levels A and C of the Performance Incentive Program, or $166,574.

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 time-vesting restricted stock unit ("RSU") awards as well as performance-vesting market share unit ("MSU") awards and deferred performance unit ("DPU") awards. Equity awards for fiscal year 2017 were granted to the NEOs 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 tied to a measure of total stockholder return ("TSR") that is determined by reference to a change in the value of the Company's common stock with reinvestment of dividends. In October 2016, the Committee granted primary equity allocations of RSU and MSU awards for fiscal year 2017. The authorized awards were divided equally between the two types of awards for each NEO. 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. In addition to the RSU and MSU awards, the NEOs also received DPU awards in October 2016. As compared to the retention and long term performance-based attributes of the RSU and MSU awards, the DPU awards provide an incentive reward for achieving Global EBITDA results for the fiscal year in excess of the amount of Global EBITDA required for maximum payout of Incentive Compensation under Level C of the Performance Incentive Program as described above. DPU awards provide for vesting at the end of the fiscal year for which they are granted. All RSU, MSU and DPU 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, MSU and DPU awards for executive officers are as follows:

- RSU awards provide for vesting in relatively equal portions over a period of three years from the grant date, subject to earlier vesting upon the effective date of retirement under certain conditions.
- 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 fiscal year in which the awards are granted and ending on August 31st of the third year.
- DPU awards provide for performance-based vesting tied to the Company's Global EBITDA achievement for the current fiscal year in excess of the maximum goal for Global EBITDA under Level C of the Company's Performance Incentive Program.
- RSU and MSU awards provide for the issuance of shares of the Company's common stock upon vesting.
- Vested DPU awards provide for the issuance of shares of the Company's common stock only upon termination of employment. Until issuance of the shares for vested DPU awards, the holders of the vested DPU awards are entitled to receive dividend equivalent payments with respect to their vested DPU awards, payable in cash as and when dividends are declared upon shares of the Company's common stock.
- A mix of RSU, MSU and DPU awards is 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) DPU awards offer a reward for exceeding the highest goal for near-term financial results for the Company; iv) RSU, MSU and DPU awards have a lower compensation expense impact on the Company's reported financial results than stock options; v) RSU, MSU and DPU awards have less dilutive impact on a share count basis than stock options; and vi) the issuance of shares of the Company's common stock upon vesting of RSUs and MSUs, and the deferred issuance of shares following vesting of DPU awards, 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 except as noted below with respect to vesting upon retirement. 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.

RSU Award Agreements provide that, for RSU award recipients who retire from the Company after reaching age 65, or for RSU award recipients who retire from the Company after reaching age 55 and have been employed by the Company for at least 10 years, all RSUs will be vested upon the effective date of retirement and shares will be issued within 30 days after the effective date of retirement.

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. 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 provide for performance-based vesting over a performance measurement period of three fiscal years commencing with the fiscal year in which the MSU awards are granted (the "Measurement Period"). Except as noted below with respect to vesting upon retirement, the recipient must remain 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.

MSU Award Agreements provide for monthly pro-rata vesting of MSUs as of the end of the Measurement Period in the event of the earlier termination of the award recipient's employment due to death, disability, or retirement after reaching age 65, or retirement after reaching age 55 with at least 10 years of employment with the Company. For purposes of calculating the number of MSUs vested and the corresponding number of shares to be issued as of the Settlement Date, the Target Number of shares covered by the MSU awards will be adjusted according to the pro-rata portion of the Measurement Period that has elapsed as of the effective date of termination of employment. The Committee may also exercise its discretion to provide for monthly pro-rata vesting of MSUs awarded to a recipient who resigns or is terminated by the Company for reasons other than good cause.

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 for each of the NEOs based on the absolute percentage point difference between the TSR for the Company as compared to the Return for the Index (the "Relative TSR") 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. For purposes of determining relative achievement, actual results are to be rounded to the nearest tenth of one percent and rounded up from the midpoint. The number of MSU Shares to be issued on the Settlement Date is to be rounded to the nearest whole share and rounded upward from the midpoint.

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.

Deferred Performance Unit Awards

DPU awards provide for performance-based vesting over a performance measurement period of the fiscal year in which the DPU awards are granted (the "Measurement Year"). The DPU awards provide for vesting of a number of DPUs equal to an "Applicable Percentage" of the "Maximum Number" of DPUs awarded to the NEOs following conclusion of the Measurement Year ("Vested DPUs"). Except as noted below with respect to vesting upon retirement, the recipient must remain employed with the Company for vesting purposes until August 31 of the Measurement Year. Except as noted below as to non-residents of the United States, the Vested DPUs must be held until termination of employment. Following termination of employment, each Vested DPU will be settled by issuance of one share of the Company's common stock (a "DPU Share"). The Maximum Number of DPUs refers to the maximum number of DPU Shares that may be issued with respect to a DPU award upon full achievement of the applicable performance goal as described below. The Applicable Percentage is determined by reference to the performance vesting provisions of the DPU Award Agreement as described below. For NEOs who are not residents of the United States, the Compensation Committee has discretion to either defer settlement of each Vested DPU by issuance of a DPU Share following termination of employment or settle each Vested DPU in cash by immediate payment of an amount equal to the closing price of one share of the Company's common stock as of the date of the Compensation Committee's certification of achievement of the performance measure applied in determination of the Applicable Percentage.

Each Vested DPU that is not settled in cash will include the right to receive a dividend equivalent payment in an amount equal to the dividends declared with respect to the Company's common stock for each Vested DPU. Such dividend equivalent payments are to be paid in cash as ordinary compensation income as and when common stock dividends are paid by the Company, provided, however, that the Company may elect to accumulate such dividend equivalent payments for later payment not less often than annually.

DPU Award Agreements provide for monthly pro-rata vesting of DPUs as of the end of the Measurement Year in the event of the earlier termination of the award recipient's employment due to death, disability, or retirement after reaching age 65, or retirement after reaching age 55 with at least 10 years of employment with the Company. For purposes of calculating the number of Vested DPUs earned, the Maximum Number of shares covered by the DPU awards will be adjusted according to the pro-rata portion of the Measurement Year that has elapsed as of the effective date of termination of employment.

Vested DPUs not otherwise settled in cash will be settled by issuance of the DPU Shares as of 6 months following termination of employment (the "Settlement Date"). Payment of required withholding taxes due with respect to the settlement of a Vested DPU 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 DPU award after withholding shares having a value as of the Settlement Date equal to the required tax withholding obligation.

The performance vesting provisions of the DPUs are based on relative achievement within an established performance measure range of the Company's EBITDA (before deduction of the stock-based compensation expense for the Vested DPUs and excluding other non-operating income and expense amounts ("Adjusted Global EBITDA") for the Measurement Year.

For fiscal year 2017, the performance vesting provisions for the DPUs were established as set forth in the table below:

Adjusted Global EBITDA[1]	Applicable Percentage
> $87,645,000	100%
$87,645,000	100%
$83,455,000	5%
< $83,455,000	0%
$83,234,000*	0%

* Implied zero percentage achievement level.

1 The calculation of Adjusted Global EBITDA for purposes of the performance vesting provisions of the DPUs accounts for full payment of all Incentive Compensation earned for the fiscal year. On the other hand, the maximum goal for Level C under the Performance Incentive Program set forth in the table on page 21 does not account for payment of any Level C Incentive Compensation. As a result, the minimum amount included in the table above is less than the amount included in the table on page 21 as the maximum Level C goal for Global EBITDA.

The Applicable Percentage will be determined on a straight line sliding scale from the implied zero percentage achievement level to the maximum 100% Applicable Percentage achievement level, but the Applicable Percentage shall not be less than 5%. For purposes of determining the Applicable Percentage, the calculated percentage is to be rounded to the nearest tenth of one percent and rounded upward from the midpoint. The number of Vested DPUs is to be rounded to the nearest whole unit and rounded upward from the midpoint.

Equity Awards – Fiscal Year 2017

For fiscal year 2017, equity awards to our executive officers were granted to satisfy goals for executive officer retention, to provide incentives for current and future performance, and to meet objectives for overall levels of compensation and pay mix. RSU, MSU and DPU awards were granted to the NEOs by the Committee in October 2016. All of the equity awards are set forth below in the table under the heading, *Grants of Plan-Based Awards - Fiscal Year 2017*. In establishing award levels for the NEOs for fiscal year 2017, the Committee placed emphasis on long-term retention goals and desired incentives for current and 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 based upon market data that supports a higher level of equity compensation for our CEO. The specific RSU award amounts and Target Number of shares covered by MSU awards were determined for each NEO based on an assessment of the NEO's achievement of individual performance goals as well as Company performance for fiscal year 2016 in areas over which the NEO had particular influence. The DPU award amounts were established by reference to each NEO's Incentive Compensation opportunity amount based on fiscal year 2016 base salary amounts and fiscal year 2017 maximum percentage opportunity for Incentive Compensation – the share equivalent value of the DPUs awarded to each NEO as of the date of grant equals 50% of the NEO's maximum Incentive Compensation opportunity amount.

Market Share Unit Award Vesting for Three Fiscal Year Performance Achievement

On October 9, 2017, the Committee certified achievement of the performance measure applicable to MSU awards granted to the NEOs in October 2014. The Committee certified the Company's relative TSR as compared to the Return for the Index for the performance Measurement Period ended August 31, 2017 for purposes of calculating the vested number of shares of the Company's common stock for those MSU awards. The relative TSR as compared to the Return for the Index (as an absolute percentage point difference) over the three fiscal year Measurement Period ending August 31, 2017 was 33.32%. As a result, based on the table above in the description of the MSU awards, the Applicable Percentage of the Target Number of shares underlying the MSU awards granted in October 2014 was 200% for each of the NEOs.

The following table sets forth the Target Number and vested number of shares underlying the MSU awards granted to each NEO in October 2014:

Executive Officer	Target Number	Vested Shares
Garry O. Ridge	4,765	9,530
Jay W. Rembolt	1,099	2,198
Michael L. Freeman	1,099	2,198
William B. Noble	806	1,612
Stanley A. Sewitch	806	1,612

Deferred Performance Unit Award Vesting for Fiscal Year 2017 Performance Achievement

DPU awards granted to the NEOs for fiscal year 2017 lapsed without value to the NEOs. Vesting of the DPUs would have required a level of Adjusted Global EBITDA equal to or greater than $83,455,000 (the minimum Adjusted Global EBITDA goal for DPU vesting as set forth in the table on the preceding page). Since the actual Adjusted Global EBITDA for fiscal year 2017 was less than $83,455,000, the DPUs did not vest and they have lapsed.

BENEFITS AND PERQUISITES

As is the case with most Company employees, the NEOs are provided with standard health and welfare benefits, and, for the NEOs other than Mr. Noble, 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 eligible 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 shares of the Company's common stock as an alternative to other investment choices available under the Plan. For Mr. Noble, the Company provides contributions to a local retirement program.

The Company maintains individual Supplemental Death Benefit Plan agreements with each of the NEOs other than Messrs. Noble and Sewitch. 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*. In establishing the terms and conditions for the change of control severance 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 financial performance metrics as well as the price of the Company's common stock. In particular, the Committee reviews executive officer Incentive Compensation to determine whether it appropriately rewards achievement of specific financial performance goals and does not otherwise provide rewards in the absence of reasonable measures of individual and Company 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 increase profits (as measured by Regional and Global EBITDA) and total stockholder return 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 (based on cash compensation received as base salary and earned Incentive Compensation, plus the value of equity awards (other than the DPUs) at their date of grant per share values) for fiscal year 2017, together with the relative market percentile for each NEO:

Executive Officer	Base Salary	Annual Earned Incentive Compensation	Value of Stock Awards[1]	Total Compensation	Present Value of Total Compensation Received as a Percentage of Market Median
Garry O. Ridge	$ 642,416	$ 710,091	$ 956,335	$ 2,308,842	114%
Jay W. Rembolt	$ 308,664	$ 227,454	$ 175,966	$ 712,084	110%
Michael L. Freeman	$ 332,585	$ 245,081	$ 175,966	$ 753,632	133%
William B. Noble[2]	$ 282,560	$ 166,574	$ 110,710	$ 559,844	114%
Stanley A. Sewitch	$ 244,094	$ 143,769	$ 150,988	$ 538,851	102%

1 For purposes of comparing total compensation for fiscal year 2017 to market median compensation levels for each NEO, the Committee included the Value of Stock Awards (RSUs and MSUs) based on the closing price of the Company's common stock on the grant date for those awards. The grant date closing price was $112.51. MSUs are valued based on the target number of shares of the Company's common stock to be issued upon achievement of the applicable performance measure. Information concerning all of the Stock Awards (including DPUs) for fiscal year 2017 is set forth below in the table under the heading, *Grants of Plan-Based Awards - Fiscal Year 2017.*

2 Mr. Noble's salary and Incentive Compensation amounts have been converted from Great Britain pounds sterling ("GBP") at an average annual exchange rate for fiscal year 2017 of $1.2678 per GBP.

For fiscal year 2017, total compensation for our NEOs was assessed by the Committee's compensation consulting firm. As noted in the table above, total compensation for the NEOs ranged from 102% to 133% of the market median compensation level for each position as determined by the Committee's compensation consulting firm. The levels of compensation are considered by the Committee to be in line with target compensation levels for the NEOs in a year in which the Company's EMEA region and global performance was strong. These market position comparisons are based on the blended analysis from the Committee's compensation consultant which incorporates peer group proxy analysis and 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

The Board of Directors has 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 later of the date of election of the executive officer or 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 CFO, two times the current base salary for our CFO, and five times the current base salary for our CEO. 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, MSUs and DPUs 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.

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-based vesting MSU and DPU awards. As the RSU and MSU 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. Vested DPU awards provide for deferred issuance of shares to the NEOs upon termination of employment. Outstanding unvested RSU and MSU awards held as of August 31, 2017 by the NEOs are set forth, together with outstanding stock options granted for fiscal years prior to 2009, in the table below under the heading, *Outstanding Equity Awards at 2017 Fiscal Year End*. All of the NEOs hold Vested DPUs and each of the NEOs, other than Messrs. Rembolt and Sewitch, holds 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 2017 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 and vested DPU awards are intended to qualify as "performance-based" compensation.

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, restricted stock awards, and performance-based awards based on the grant date fair value of these awards. Depending upon the type of performance conditions applicable to performance-based awards, ASC Topic 718 may require the recording of compensation expense over the service period for the award (usually, the vesting period) based on the grant date value (such as for our MSUs) or compensation expense may be recorded based on the expected probability of vesting over the vesting period, subject to adjustment as such probability may vary from period to period (such as for our DPUs). This calculation is performed for accounting purposes and amounts reported in the compensation tables below are based on the compensation expense expected to be recorded over the vesting periods for the awards, determined as of the grant date for the awards. In the case of our MSUs, the grant date values fix the compensation expense to be recorded over the vesting period. These amounts are reported in the tables below even though our executive officers may realize more or less value from their awards depending upon the actual level of achievement of the applicable performance measure. In the case of our DPUs, no value is included in the Summary Compensation Table or in the table under the heading, *Grants of Plan-Based Awards – Fiscal Year 2017*, because ASC Topic 718 requires that we assess the probability of vesting of the DPUs as of the grant date. As of the grant date, we did not consider it probable that the DPUs would become vested even though it was possible that our executive officers would receive Vested DPUs as of the end of the fiscal year.

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, 2017, and, based upon that review and discussion, recommended to the board that it be so included.

Compensation Committee
Gregory A. Sandfort, Chair
Peter D. Bewley
Melissa Claassen
Mario L. Crivello
Linda A. Lang
Neal E. Schmale

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, 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.

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 2017, our executive officers received a base salary amount. Base salary amounts for the NEOs were 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 Incentive 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 Incentive Compensation payable under the Performance Incentive Program for fiscal year 2017 is provided below in the table under the heading, *Grants of Plan-Based Awards - Fiscal Year 2017*. The actual payouts under the Performance Incentive Program for fiscal year 2017 and further details regarding the program are provided in the Compensation Discussion and Analysis section of this Proxy Statement. Our executive officers also received equity compensation in the form of RSUs, MSUs and DPUs, and other compensation benefits for services rendered in fiscal year 2017 as more fully described and reported in the Compensation Discussion and Analysis section of this Proxy Statement and in the compensation tables below. As a relative share of reported total compensation for fiscal year 2017, annual salary and earned Incentive Compensation was 58% of total compensation for our CEO and from 64% to 70% of total compensation for the other NEOs.

SUMMARY COMPENSATION TABLE

The following table shows information for the three fiscal years ended August 31, 2017, August 31, 2016 and August 31, 2015, 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 2017 (collectively, the "Named Executive Officers" or "NEOs"):

Name and Principal Position	Year	Salary	Stock Awards[1]	Non-Equity Incentive Plan Compensation[2]	All Other Compensation[3]	Total
Garry O. Ridge	2017	$ 642,416	$ 894,031	$ 710,091	$ 105,791	$ 2,352,329
President and	2016	642,416	998,645	963,624	99,946	2,704,631
Chief Executive Officer	2015	642,416	686,446	261,407	99,575	1,689,844
Jay W. Rembolt	2017	$ 308,664	$ 164,502	$ 227,454	$ 88,153	$ 788,773
Vice President, Finance,	2016	308,664	205,470	308,664	81,601	904,399
Treasurer and Chief Financial Officer	2015	308,664	158,322	75,360	84,973	627,319
Michael L. Freeman	2017	$ 332,585	$ 164,502	$ 245,081	$ 99,578	$ 841,746
Chief Strategy Officer	2016	332,585	205,470	332,585	86,122	956,762
	2015	332,585	158,322	99,729	87,269	677,905
William B. Noble[4]	2017	$ 282,560	$ 103,497	$ 166,574	$ 97,096	$ 649,727
Managing Director, EMEA	2016	323,145	129,069	258,516	81,792	792,522
	2015	348,976	116,113	-	121,861	586,950
Stanley A. Sewitch	2017	$ 244,094	$ 141,152	$ 143,769	$ 72,894	$ 601,909
Vice President, Global Organization	2016	236,984	176,085	189,587	70,274	672,930
Development	2015	236,984	116,113	48,158	71,438	472,693

1 Stock Awards other than DPUs for fiscal years 2017, 2016 and 2015 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 23, 2017. Stock Awards consisting of MSUs awarded in fiscal years 2017, 2016 and 2015 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 measure. Stock Awards consisting of DPUs awarded in fiscal years 2017, 2016 and 2015 are reported as having no value under applicable disclosure rules and ASC Topic 718 due to the lack of any expected probability of vesting of the DPUs as of the grant date, as discussed above in the Compensation Discussion and Analysis section under the heading, *Accounting Considerations*. 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 the applicable performance measure for the DPUs, NEOs would receive Vested DPUs covering the maximum number of shares reported for purposes of the table under the heading, *Grants of Plan-Based Awards – Fiscal Year 2017* and as described above in the Compensation Discussion and Analysis section under the heading, *Equity Compensation*.

The following table sets forth the amounts that would have been included for the Stock Awards for fiscal years 2017, 2016 and 2015 for each of the NEOs if the grant date fair values for the MSUs had been based on the maximum number of shares to be received and if the value of the DPUs were included at their grant date fair values based on the maximum number of shares covered by the DPUs:

Executive Officer	Year	RSUs	MSUs (Maximum)	DPUs (Maximum)	Total Stock Awards
Garry O. Ridge	2017	$ 460,913	$ 866,235	$ 476,883	$ 1,804,031
	2016	409,637	1,178,016	473,551	2,061,204
	2015	309,963	752,965	316,339	1,379,267
Jay W. Rembolt	2017	$ 84,808	$ 159,387	$ 152,766	$ 396,961
	2016	84,282	242,376	151,642	478,300
	2015	71,490	173,664	91,145	336,299
Michael L. Freeman	2017	$ 84,808	$ 159,387	$ 164,603	$ 408,798
	2016	84,282	242,376	163,460	490,118
	2015	71,490	173,664	98,283	343,437
William B. Noble	2017	$ 53,357	$ 100,279	$ 127,877	$ 281,513
	2016	52,943	152,251	137,178	342,372
	2015	52,431	127,364	108,577	288,372
Stanley A. Sewitch	2017	$ 72,770	$ 136,763	$ 93,806	$ 303,339
	2016	72,229	207,713	93,122	373,064
	2015	52,431	127,364	58,309	238,104

[2] Amounts reported as Non-Equity Incentive Plan Compensation represent Incentive Compensation 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 2017 are set forth below in the table under the heading, *Grants of Plan-Based Awards - Fiscal Year 2017*.

[3] All Other Compensation for each of the NEOs includes the following items: (i) perquisites and benefits described below; (ii) employer profit sharing and matching contributions to the Company's 401(k) Profit Sharing Plan for each NEO other than Mr. Noble, a U.K. employer retirement benefit contribution for Mr. Noble; (iii) dividend equivalent amounts paid to each NEO other than Messrs. Rembolt and Sewitch with respect to RSUs held by those NEOs that are vested and that will not be settled in shares until termination of employment and dividend equivalent amounts payable to each of the NEOs with respect to Vested DPUs; (iv) the value of supplemental life insurance benefits received by the NEOs other than Messrs. Noble and Sewitch described below under the heading, *Supplemental Death Benefit Plans and Supplemental Insurance Benefits*; and (v) a taxable payment in the amount of $29,228 made to Mr. Noble in lieu of a retirement plan contribution under the U.K. retirement benefit program that would, if contributed to the retirement plan, result in adverse tax consequences to Mr. Noble. Perquisites and benefits received by each of the NEOs include group medical, dental, vision, wellness and other insurance benefits ("welfare benefit costs") 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 2017, the total employer 401(k) profit sharing and matching contributions for each NEO other than Messrs. Noble and Sewitch were $44,167. For Mr. Sewitch, the employer 401(k) profit sharing and matching contributions were $39,750. Mr. Noble's employer retirement benefit contribution was $36,024. Dividend equivalent payments received by and/or payable to the NEOs for fiscal year 2017 were as follows: Mr. Ridge - $12,948; Mr. Rembolt - $586; Mr. Freeman - $8,136; Mr. Noble - $8,034; and Mr. Sewitch - $359. For fiscal year 2017, the value of supplemental life insurance benefits received by Messrs. Ridge, Rembolt and Freeman were as follows: Mr. Ridge - $4,182; Mr. Rembolt - $4,170; and Mr. Freeman - $3,462. For fiscal year 2017, the welfare benefit costs for each NEO were as follows: Mr. Ridge - $28,546; Mr. Rembolt - $27,178; Mr. Freeman - $27,077; Mr. Noble - $9,306; and Mr. Sewitch - $21,876. For fiscal year 2017, the vehicle allowance costs for each NEO were as follows: Mr. Ridge - $15,948; Mr. Rembolt - $12,052; Mr. Freeman - $16,736; Mr. Noble - $14,504; and Mr. Sewitch - $10,909.

[4] Mr. Noble's Salary, Non-Equity Incentive Plan Compensation and All Other Compensation for each fiscal year have been converted from Great Britain pounds sterling ("GBP") at average annual exchange rates for the year as follows: for fiscal year 2017 at $1.2678 per GBP for fiscal year 2016 at $1.4499 per GBP, and for fiscal year 2015 at $1.5658 per GBP.

GRANTS OF PLAN-BASED AWARDS - FISCAL YEAR 2017

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 Compensation, for fiscal year 2017 the executive officers were granted RSU, MSU and DPU awards under the Company' 2007 Stock Incentive Plan. Descriptions of the RSU, MSU and DPU awards are provided above in the Compensation Discussion and Analysis section under the heading, *Equity Compensation.*

Information concerning the grant of RSU, MSU and DPU 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 2017 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 2017 Performance Incentive Program.

		Estimated Future Payouts Under Non-Equity Incentive Plan Awards[1]			Estimated Future Payouts Under Equity Incentive Plan Awards[2]				
Name	**Grant Date**	**Threshold ($)**	**Target ($)**	**Maximum ($)**	**Threshold (#)**	**Target (#)**	**Maximum (#)**	**All Other Stock Awards: Number of Shares of Stock or Units[3] (#)**	**Grant Date Fair Value of Stock and Options Awards[4] ($)**
Garry O. Ridge	10/11/2016	$ 1	$ 481,812	$ 963,624					
	10/11/2016 (MSU)				2,125	4,250	8,500		$ 433,118
	10/11/2016 (RSU)							4,250	$ 460,913
	10/11/2016 (DPU)				215		4,311		$ -
Jay W. Rembolt	10/11/2016	$ 1	$ 154,332	$ 308,664					
	10/11/2016 (MSU)				391	782	1,564		$ 79,694
	10/11/2016 (RSU)							782	$ 84,808
	10/11/2016 (DPU)				69		1,381		$ -
Michael L. Freeman	10/11/2016	$ 1	$ 166,293	$ 332,585					
	10/11/2016 (MSU)				391	782	1,564		$ 79,694
	10/11/2016 (RSU)							782	$ 84,808
	10/11/2016 (DPU)				74		1,488		$ -
William B. Noble[5]	10/11/2016	$ 1	$ 113,024	$ 226,048					
	10/11/2016 (MSU)				246	492	984		$ 50,140
	10/11/2016 (RSU)							492	$ 53,357
	10/11/2016 (DPU)				57		1,156		$ -
Stanley A. Sewitch	10/11/2016	$ 1	$ 97,638	$ 195,275					
	10/11/2016 (MSU)				335	671	1,342		$ 68,382
	10/11/2016 (RSU)							671	$ 72,770
	10/11/2016 (DPU)				42		848		$ -

1 The Estimated Future Payouts Under Non-Equity Incentive Plan Awards represent Threshold, Target and Maximum payouts under the WD-40 Company Performance Incentive Compensation Plan for Incentive Compensation payable for fiscal year 2017 performance. The Target amount represents fifty percent of the Maximum payout for each NEO. The Maximum amount represents the Incentive Compensation opportunity for each NEO that assumes full achievement of the performance measures for Level A 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 Level C of the Performance Incentive Program.

2 The 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 and DPU awards as described in the Compensation Discussion and Analysis section under the heading, *Equity Compensation*. There is no applicable Target number of shares for DPU awards to be earned by the NEOs.

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 amounts disclosed as 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 Great Britain pounds sterling ("GBP") at an average annual exchange rate for fiscal year 2017 of $1.2678 per GBP.

OUTSTANDING EQUITY AWARDS AT 2017 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:

	Option Awards				Stock Awards			
Name	**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]**	**Equity Incentive Plan Awards: Number of Unearned Shares, Units or Other 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					8,736	$ 951,787	26,866	$ 2,927,051
	-	-						
Total	**-**	**-**			**8,736**	**$ 951,787**	**26,866**	**$ 2,927,051**
Jay W. Rembolt					1,742	$ 189,791	5,580	$ 607,941
	3,160	-	$ 36.03	10/16/17				
Total	**3,160**	**-**			**1,742**	**$ 189,791**	**5,580**	**$ 607,941**
Michael L. Freeman					1,742	$ 189,791	5,580	$ 607,941
	-	-						
Total	**-**	**-**			**1,742**	**$ 189,791**	**5,580**	**$ 607,941**
William B. Noble					1,133	$ 123,440	3,738	$ 407,255
	-	-						
Total	**-**	**-**			**1,133**	**$ 123,440**	**3,738**	**$ 407,255**
Stanley A. Sewitch					1,450	$ 157,978	4,512	$ 491,582
	-	-						
Total	**-**	**-**			**1,450**	**$ 157,978**	**4,512**	**$ 491,582**

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

2 The Market Value of the RSU awards that were not vested as of the fiscal year end was $108.95 per unit, determined by reference to the closing price for the Company's common stock as of August 31, 2017.

3 Represents the maximum 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 maximum 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 highest level of achievement for such MSU awards as described above in the Compensation Discussion and Analysis section under the heading, *Equity Compensation*.

4 The Market Value of the maximum number of shares to be issued with respect to unvested MSU awards at fiscal year end was $108.95 per share, determined by reference to the closing price for the Company's common stock as of August 31, 2017.

OPTION EXERCISES AND STOCK VESTED - FISCAL YEAR 2017

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 MSU awards in the Company's last fiscal year and the aggregate dollar value realized with respect to such vested RSU and MSU awards.

	Option Awards		Stock Awards	
Executive Officer	**Number of Shares Acquired on Exercise (#)**	**Value Realized on Exercise[1] ($)**	**Number of Shares Acquired on Vesting[2] (#)**	**Value Realized on Vesting[3] ($)**
Garry O. Ridge	-	$ -	13,726	$ 1,469,780
Jay W. Rembolt	3,000	$ 221,910	3,333	$ 356,898
Michael L. Freeman	-	$ -	3,333	$ 356,898
William B. Noble	-	$ -	2,412	$ 258,277
Stanley A. Sewitch	-	$ -	1,851	$ 198,205

1 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.

2 The Number of Shares Acquired on Vesting for each NEO includes shares of the Company's common stock issued upon vesting of RSU and MSU awards on October 24, 2016.

3 The Value Realized on Vesting for shares of the Company's common stock issued on October 24, 2016 is calculated based on the number of vested RSU and MSU awards multiplied by the closing price of $107.08 for the Company's common stock as of that date.

NONQUALIFIED DEFERRED COMPENSATION – FISCAL YEAR 2017

The following table provides information concerning compensation received by the NEOs that is subject to deferral under applicable RSU and DPU award agreements:

Executive Officer	**Aggregate Earnings in Last FY[1] ($)**	**Aggregate Balance at Last FYE[2] ($)**
Garry O. Ridge	$ (64,399)	$ 746,416
Jay W. Rembolt	$ (2,914)	$ 33,775
Michael L. Freeman	$ (40,467)	$ 469,030
William B. Noble	$ (39,959)	$ 463,146
Stanley A. Sewitch	$ (1,786)	$ 20,701

1 The Aggregate Earnings in Last FY represents the decrease in value from August 31, 2016 to August 31, 2017 of the shares underlying deferred settlement RSUs and Vested DPUs held by each NEO that will be settled in shares of the Company's common stock following termination of employment as disclosed in footnotes to the table under the heading, *Security Ownership of Directors and Executive Officers*. The number of such deferred settlement RSUs and Vested DPUs for each NEO was multiplied by the difference in the closing price of the Company's common stock on August 31, 2017 of $108.95 and August 31, 2016 of $118.35, a decline in value of $9.40 per share. Amounts included as the Aggregate Earnings in Last FY are not otherwise included as compensation in the Summary Compensation Table for fiscal year 2017.

2 The Aggregate Balance at Last FYE represents the value as of August 31, 2017 of the deferred settlement RSUs and Vested DPUs as noted in the footnote above. The value for each deferred settlement RSU and each Vested DPU is based on the closing price of the Company's common stock as of August 31, 2017 in the amount of $108.95 per share. The underlying deferred settlement RSUs and Vested DPUs were included in prior disclosures for the NEOs to the extent that the NEOs were included in Summary Compensation Table disclosures for the years in which such awards were first granted to the NEOs.

SUPPLEMENTAL DEATH BENEFIT PLANS AND SUPPLEMENTAL INSURANCE BENEFITS

The Company maintains Supplemental Death Benefit Plans for the NEOs other than Messrs. Noble and Sewitch. 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. Non-employee directors do not have death benefit plan agreements.

Based upon their fiscal year 2017 base salaries, the supplemental death benefit to be provided to the NEOs other than Messrs. Noble and Mr. Sewitch as of the end of fiscal year 2017 would have been as set forth in the following table:

Executive Officer	**Death Benefit**	
Garry O. Ridge	$	642,416
Jay W. Rembolt	$	308,664
Michael L. Freeman	$	332,585
William B. Noble	$	-
Stanley A. Sewitch	$	-

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 Messrs. Rembolt and Sewitch. On October 16, 2008, the Company entered into a Severance Agreement with Mr. Rembolt and on October 15, 2014, the Company entered into a Severance Agreement with Mr. Sewitch. 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 earned Incentive Compensation, calculated based on the greater of the most recent annual earned Incentive 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 (with the exception of DPU awards), 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."

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 2017 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 2017.

Executive Officer	Severance Pay[1]	Welfare Benefits[2]	Accelerated Vesting of RSUs and MSUs[3]	Total Change of Control Severance Benefits
Garry O. Ridge	$ 3,212,080	$ 51,186	$ 2,415,313	$ 5,678,579
Jay W. Rembolt	$ 1,234,656	$ 51,186	$ 493,762	$ 1,779,604
Michael L. Freeman	$ 1,330,340	$ 50,786	$ 493,762	$ 1,874,888
William B. Noble	$ 1,082,152	$ 10,276	$ 327,068	$ 1,419,496
Stanley A. Sewitch	$ 867,362	$ 41,112	$ 403,769	$ 1,312,243

1 For each NEO, Severance Pay includes two times the reported Salary for fiscal year 2017 plus two times the reported Non-Equity Incentive Plan Compensation for fiscal year 2016.

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

3 Acceleration of vesting of RSU and MSU awards is governed by applicable provisions of the Severance Agreements and the MSU Award Agreements. 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 $108.95 for each RSU and MSU based on the closing price for the Company’s common stock as of August 31, 2017. 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*.

ITEM NO. 4
APPROVAL OF THE WD-40 COMPANY
2017 PERFORMANCE INCENTIVE COMPENSATION PLAN

On June 24, 2008, the Board of Directors first adopted the WD-40 Performance Incentive Compensation Plan. The plan, as amended and restated in 2012, was most recently approved by the stockholders at the Company's 2012 Annual Meeting of Stockholders. The Board of Directors is seeking stockholder approval of the WD-40 Company 2017 Performance Incentive Compensation Plan (the "Incentive Plan") to allow Incentive Compensation paid under the Incentive Plan to qualify as deductible "performance-based compensation" within the meaning of Section 162(m) of the Internal Revenue Code of 1986, as amended (the "Code"). The Incentive Plan will be effective as of September 1, 2018 and will continue in effect until August 31, 2023 or until such time as it is extended by re-approval by the stockholders or otherwise terminated by the Compensation Committee (the "Committee") of the Board of Directors.

INCENTIVE PLAN SUMMARY

The following paragraphs provide a summary of the principal features of the Incentive Plan. This summary does not purport to be complete and is subject to, and qualified in its entirety by, the provisions of the Incentive Plan, which is attached to this Proxy Statement as Appendix A. Capitalized terms used herein and not defined shall have the same meanings as set forth in the Incentive Plan.

Purpose. The purpose of the Incentive Plan is to enhance the Company's ability to attract and retain highly qualified executives and provide such executives with additional financial incentives (referred to herein as "Awards") to promote the success of the Company and its Subsidiaries. Awards granted under the Incentive Plan are intended to qualify as performance-based compensation within the meaning of Section 162(m) of the Code.

Eligibility. Participation in the Incentive Plan is limited to corporate officers of the Company selected by the Committee to participate in the Incentive Plan (collectively "Participants"). The Participants are intended to include any officer determined to be a "covered employee" of the Company within the meaning of Section 162(m) of the Code. Although the Incentive Plan is intended to cover such corporate officers, the Company maintains a Performance Incentive Program for the payment of Incentive Compensation to all Company employees on substantially the same terms are provided for in the Incentive Plan. The Incentive Plan is formalized to cover the corporate officer Participants and is being submitted to the stockholders for approval in order to qualify the Incentive Plan compensation paid to such Participants as deductible "performance-based compensation" within the meaning of Section 162(m) of the Code.

Administration. The Incentive Plan will be administered by the Compensation Committee of the Board of Directors. Except as otherwise provided by the Board of Directors and subject to applicable laws, the Committee has the full and final authority in its discretion to establish rules and take all actions determined by the Committee to be necessary in the administration of the Incentive Plan, including, without limitation, interpreting the terms of the Incentive Plan and any related documents, rules, or regulations and deciding all questions of fact arising in their application. All decisions, determinations and interpretations of the Committee are final, binding and conclusive on all persons, including the Company, its Subsidiaries, its stockholders, the Participants and their estates and beneficiaries.

Awards. Within 90 days after the commencement of each fiscal year, the Committee shall select the Participants to whom Incentive Compensation (an "Award") may be paid under the Incentive Plan and establish in writing (i) an objective Performance Goal or Goals for each Participant for the fiscal year based on one or more Performance Measures; (ii) the Award amounts to be paid to each Participant to the extent the specified Performance Goal or Goals are achieved (the "Target Award"); and (iii) establish the method by which the Target Award will be calculated.

Performance Measures. The Performance Goals established by the Committee for Participants are based on the relative achievement of one or more Performance Measures. The following measures may be selected as Performance Measures: total shareholder return, stock price, net customer sales, volume, gross profit, gross margin, operating profit, operating margin, management profit, earnings from continuing operations (including derivatives thereof before interest, taxes, depreciation and/or amortization), earnings per share from continuing operations, net operating profit after tax, net earnings, net earnings per share, brand contribution to earnings, return on assets, return on investment, return on equity, return on invested capital, cost of capital, average capital employed, cash value added, economic value added, cash flow, cash flow from operations, working capital, working capital as a percentage of net customer sales, asset growth, asset turnover, market share, customer satisfaction, and employee satisfaction.

Performance Period. The period for measurement of relative achievement of the Performance Goals under the Incentive Plan is the Company's fiscal year and in order to receive the Target Award, a Participant must be employed by the Company or a Subsidiary on August 31 of the applicable fiscal year.

Maximum Award. The maximum Award that may be paid to any Participant under the Incentive Plan for any fiscal year is $2 million.

Committee Certification. As soon as practicable after the end of each fiscal year, the Committee will determine the amount of the Awards to be paid to each Participant for the fiscal year based on the relative achievement of the Performance Goals established for each Participant. The Committee must certify such determination in writing.

Payment of Awards. All Awards will be paid in cash. Awards shall be paid to Participants following the Committee's certification no later than ninety (90) days after the close of the fiscal year.

Non-Transferability of Awards. Unless otherwise determined by the Committee, an Award granted under the Incentive Plan may not be sold, pledged, assigned, hypothecated, transferred or disposed of in any manner by any Participant. During the lifetime of the Participant, payment of an Award shall only be made to such Participant. The Committee may, however, establish procedures necessary for a Participant to designate a beneficiary to whom any amounts would be payable in the event of the Participant's death.

Amendment and Termination. The Committee may at any time suspend, revise, amend or terminate the Incentive Plan, in whole or in part, provided, however, that no amendment that requires stockholder approval in order to maintain qualification of the Awards as performance-based compensation under Section 162(m) of the Code shall be made without such approval. If changes are made to Section 162(m) of the Code or the related regulations that permit greater flexibility with respect to any Award, the Committee may make adjustments to the Incentive Plan and/or Awards as it deems appropriate.

Benefits to Be Received Upon Stockholder Approval. If the Incentive Plan is approved by the Company's stockholders, it will be effective as of September 1, 2018 and Awards will be considered by the Committee for fiscal year 2019. Therefore, future Awards under the Incentive Plan, if approved, cannot now be determined. The Company's current Performance Incentive Program applicable to all Company employees, including the NEOs, is implemented pursuant to the amended and restated Performance Incentive Compensation Plan approved by the stockholders at the Company's 2012 Annual Meeting of Stockholders. The Company's Performance Incentive Program is described in further detail above in the Compensation Discussion and Analysis section under the heading, *Performance Incentive Program*. Information concerning Performance Incentive Compensation awards granted to the NEOs for fiscal year 2017 is set forth in the table above under the heading, *Grants of Plan-Based Awards – Fiscal Year 2017*.

FEDERAL INCOME TAX CONSEQUENCES

The following is a brief summary of the material U.S. federal income tax consequences associated with Awards granted under the Incentive Plan. The summary is based on existing U.S. laws and regulations, and there can be no assurance that those laws and regulations will not change in the future. The summary does not purport to be complete and does not discuss the tax consequences upon a Participant's death, or the provisions of the income tax laws of any municipality, state or foreign country in which the Participant may reside.

Participants will recognize ordinary income equal to the amount of the Award received in the year of receipt. That income will be subject to applicable income and employment tax withholding by the Company. If and to the extent that the Incentive Plan payments satisfy the requirements of Section 162(m) of the Code and otherwise satisfy the requirements of deductibility under federal income tax law, the Company will receive a deduction for the amount constituting ordinary income to the Participant.

VOTE REQUIRED AND BOARD OF DIRECTORS' RECOMMENDATION

The affirmative vote of a majority of the shares of common stock represented and entitled to vote at the Annual Meeting is required to approve the Incentive Plan. The persons designated in the form of proxy accompanying this Proxy Statement will vote your shares FOR approval unless you include instructions to the contrary.

THE BOARD OF DIRECTORS URGES STOCKHOLDERS TO VOTE "FOR" APPROVAL OF THE WD-40 COMPANY 2017 PERFORMANCE INCENTIVE COMPENSATION PLAN.

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, internal audit activities 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, appointment and compensation 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, 2017. 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, 2017, 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, 2018.

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, 2017:

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, 2017, 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, 2017, 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, 2017, and the related consolidated statements of operations, of shareholders' equity, of comprehensive income and of cash flows for the fiscal year ended August 31, 2017; 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, 2017.

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, 2017. PricewaterhouseCoopers LLP has been selected to serve as the Company's independent registered public accounting firm for the fiscal year ending August 31, 2018.

Audit Committee
Daniel T. Carter, Chair
Peter D. Bewley
Eric P. Etchart
Daniel E. Pittard
Neal E. Schmale

ITEM NO. 5
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 2018. 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 products 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 $935,112 for the year ended August 31, 2017 and $998,179 for the year ended August 31, 2016.

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." Audit-related services billed to the Company by PricewaterhouseCoopers LLP were $5,820 for the year ended August 31, 2017 and the fees were associated with discussions, review and testing of certain information related to the adoption of Accounting Standard Update No. 2014-09, "Revenue from Contracts with Customers", which will be adopted by the Company in fiscal year 2019. Such fees billed to the Company by PricewaterhouseCoopers LLP were $10,047 for the year ended August 31, 2016 and the services provided were related to technical assistance in connection with the transition of the Company's U.K. subsidiary to new U.K. generally accepted accounting principles ("GAAP").

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 the Company by PricewaterhouseCoopers LLP were $56,480 for the year ended August 31, 2016, primarily in connection with international tax planning consulting services. No such fees were billed to the Company by PricewaterhouseCoopers LLP for the year-ended August 31, 2017.

ALL OTHER FEES

Other fees for services provided by PricewaterhouseCoopers LLP for fiscal years 2017 and 2016 consisted of fees for access provided by PricewaterhouseCoopers LLP to its online research reference materials. The aggregate fees billed to the Company by PricewaterhouseCoopers LLP for other services performed for the Company were $1,800 for both the year ended August 31, 2017 and the year ended August 31, 2016.

STOCKHOLDER PROPOSALS

Stockholder proposals must be received by the Company no sooner than June 5, 2018 and not later than July 5, 2018 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 2018 Annual Meeting of Stockholders in accordance with the Company's Bylaws.

By Order of the Board of Directors
Richard T. Clampitt
Corporate Secretary

Dated: November 2, 2017

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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APPENDIX A

WD-40 COMPANY
2017 PERFORMANCE INCENTIVE COMPENSATION PLAN

1. *Purpose.* The purpose of The WD-40 Company 2017 Performance Incentive Compensation Plan (the "Plan") is to provide an incentive for corporate officers and to recognize and reward those officers. The Company's executive officers are eligible to earn short-term incentive awards under this Plan.

2. *Definitions.* The following terms will have the following meaning for purposes of the Plan:

(a) "Award" means a bonus paid in Cash as provided for under Section 4(a) of the Plan.

(b) "Board" means the Board of Directors of the Company.

(c) "Code" means the Internal Revenue Code of 1986, as amended.

(d) "Committee" means the Compensation Committee of the Board, or such other Committee designated by the Board to administer the Plan provided that the Committee shall consist of two or more persons, each of whom is an "outside director" within the meaning of Section 162(m) of the Code.

(e) "Company" means WD-40 Company, a Delaware corporation.

(f) "Participant" means a corporate officer of the Company or a Subsidiary selected by the Committee to participate in the Plan.

(g) "Performance Measure" means the following measures of performance: total shareholder return, Stock price, net customer sales, volume, gross profit, gross margin, operating profit, operating margin, management profit, earnings from continuing operations (including derivatives thereof before interest, taxes, depreciation and/or amortization), earnings per share from continuing operations, net operating profit after tax, net earnings, net earnings per share, brand contribution to earnings, return on assets, return on investment, return on equity, return on invested capital, cost of capital, average capital employed, cash value added, economic value added, cash flow, cash flow from operations, working capital, working capital as a percentage of net customer sales, asset growth, asset turnover, market share, customer satisfaction, and employee satisfaction.

A Performance Measure may be applied by the Committee as a measure of the performance of any, all, or any combination of the following: the Company, a Subsidiary, an operating segment, a division or other reporting unit of the Company or a Subsidiary, or of one or more brands or product lines of the Company or a Subsidiary.

(h) "Performance Goal(s)" means the goal or goals established for a Participant by the Committee in accordance with Section 4(a).

(i) "Stock" means the Company's $.001 par value common stock.

(j) "Subsidiary" means any corporation in which the Company, directly or indirectly, controls 50 percent or more of the total combined voting power of all classes of stock.

(k) "Target Award" means the maximum amount of the Award established for each Participant by the Committee in accordance with Section 4(a).

(l) "Year" means a fiscal year of the Company commencing on September 1.

3. *Term.* The Plan shall be effective for as of September 1, 2018 and shall continue until August 31, 2023 unless re-approved by the Company's stockholders or unless amended or terminated pursuant to Section 9 hereof.

4. *Awards.*

(a) Within 90 days after the beginning of each Year, the Committee will select Participants for the Year and establish in writing (i) an objective Performance Goal or Goals for each Participant for that Year based on one or more of the Performance Measures, (ii) the specific Award amounts that will be paid to each Participant to the extent his or her Performance Goal or Goals are achieved (the "Target Award") and (iii) the method by which such amounts will be calculated. The Target Award may provide for payment of all or part of the Target Award in the case of retirement, death, disability or change of ownership of control of the Company or a Subsidiary during the Year, but only to the extent that the Target Award would otherwise be payable to the Participant based on the achievement of the Performance Goal(s) for the Participant for such Year.

(b) The maximum Award that may be paid to any Participant under the Plan for any Year will be $2 million.

(c) The Committee may reduce or eliminate, but may not increase, any Award calculated under the methodology established in accordance with subsection (a) in order to reflect additional considerations relating to performance.

(d) As soon as practicable following each Year while the Plan is in effect, the Committee shall determine and certify, for each Participant, the extent to which the Performance Goal or Goals have been met and the amount of the Award, if any, to be made. Awards will be paid to the Participants following such certification by the Committee and no later than ninety (90) days following the close of the Year with respect to which the Awards are made.

(e) The Company shall withhold from the payment of any Award hereunder any amount required to be withheld for taxes.

5. *Termination of Employment.* Except as may be specifically provided in an Award pursuant to Section 4(a), a Participant shall have no right to an Award under the Plan for any Year in which the Participant is not actively employed by the Company or its Subsidiaries on August 31 of such Year. In establishing Target Awards, the Committee may also provide that in the event a Participant is not employed by the Company or its Subsidiaries on the date on which the Committee certifies the amount of the Award, the Participant may forfeit his or her right to the Award to be paid under the Plan.

6. *Administration.* The Plan will be administered by the Committee. The Committee will have the authority to interpret the Plan, to prescribe rules relating to the Plan and to make all determinations necessary or advisable in administering the Plan. Decisions of the Committee with respect to the Plan will be final and conclusive.

7. *Unfunded Plan.* Awards under the Plan will be paid from the general assets of the Company, and the rights of Participants under the Plan will be only those of general unsecured creditors of the Company.

8. *Code Section 162(m).* It is the intent of the Company that all Awards under the Plan qualify as performance-based compensation for purposes of Code Section 162(m)(4)(C) so that the Company's tax deduction for such Awards is not disallowed in whole or in part under Code Section 162(m). The Plan is to be applied and interpreted accordingly.

9. *Amendment or Termination of the Plan.* The Committee may from time to time suspend, revise, amend or terminate the Plan; provided that any such amendment or revision which requires approval of the Company's stockholders in order to maintain the qualification of Awards as performance-based compensation pursuant to Code Section 162(m)(4)(C) shall not be made without such approval.

10. *Applicable Law.* The Plan will be governed by the laws of California.

11. *No Rights to Employment.* Nothing contained in the Plan shall give any person the right to be retained in the employment of the Company or any of its Subsidiaries. Subject to any employment agreement or other contract between the Company and a Participant, the Company reserves the right to terminate the employment of any Participant at any time for any reason notwithstanding the existence of the Plan.

12. *No Assignment.* Except as otherwise required by applicable law, any interest, benefit, payment, claim or right of any Participant under the Plan shall not be sold, transferred, assigned, pledged, encumbered or hypothecated by any Participant and shall not be subject in any manner to any claims of any creditor of any Participant or beneficiary, and any attempt to take any such action shall be null and void. During the lifetime of any Participant, payment of an Award shall only be made to such Participant. Notwithstanding the foregoing, the Committee may establish such procedures as it deems necessary for a Participant to designate a beneficiary to whom any amounts would be payable in the event of any Participant's death.

13. *Stockholder Approval.* This Plan shall be approved by a vote of the stockholders of the Company at the 2017 Annual Meeting.

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ANNUAL REPORT ON FORM 10-K

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

FORM 10-K

(Mark One)

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

For the fiscal year ended August 31, 2017

or

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

For the transition period from ______ to ______ .

Commission File Number: 000-06936

WD-40 COMPANY

(Exact name of registrant as specified in its charter)

Delaware (State or other jurisdiction of incorporation or organization)	**95-1797918** (I.R.S. Employer Identification No.)
9715 Businesspark Avenue, San Diego, California (Address of principal executive offices)	**92131** (Zip code)

Registrant's telephone number, including area code: **(619) 275-1400**

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

Title of each class	Name of each exchange on which registered
Common Stock, $0.001 par value	The NASDAQ Stock Market, LLC

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

Title of each class
None

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act.

Yes ☑ No ☐

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act.

Yes ☐ No ☑

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

Yes ☑ No ☐

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes ☑ No ☐

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K. ☑

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

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

Emerging growth company ☐

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

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Act).

Yes ☐ No ☑

The aggregate market value (closing price) of the voting stock held by non-affiliates of the registrant as of February 28, 2017 was approximately $1,490,334,448.

As of October 18, 2017, there were 13,964,343 shares of the registrant's common stock outstanding.

Documents Incorporated by Reference:

The Proxy Statement for the annual meeting of stockholders on December 12, 2017 is incorporated by reference into Part III, Items 10 through 14 of this Annual Report on Form 10-K.

WD-40 COMPANY

ANNUAL REPORT ON FORM 10-K
For the Fiscal Year Ended August 31, 2017

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PART I

Forward-Looking Statements

This Annual Report on Form 10-K contains forward-looking statements within the “safe harbor” provisions of the Private Securities Litigation Reform Act of 1995. All statements other than those that are purely historical are forward-looking statements which reflect the Company’s current views with respect to future events and financial performance.

These forward-looking statements include, but are not limited to, discussions about future financial and operating results, including: growth expectations for maintenance products; expected levels of promotional and advertising spending; plans for and success of product innovation, the impact of new product introductions on the growth of sales; anticipated results from product line extension sales; and forecasted foreign currency exchange rates and commodity prices. These forward-looking statements are generally identified with words such as “believe,” “expect,” “intend,” “plan,” “could,” “may,” “aim,” “anticipate,” “estimate” and similar expressions. The Company undertakes no obligation to revise or update any forward looking statements.

Actual events or results may differ materially from those projected in forward-looking statements due to various factors, including, but not limited to, those identified in Item 1A of this report. As used in this report, the terms “we,” “our,” “us” and “the Company” refer to WD-40 Company and its wholly-owned subsidiaries, unless the context suggests otherwise. Amounts and percentages in tables and discussions may not total due to rounding.

Item 1. Business

Overview

WD-40 Company is a global marketing organization dedicated to creating positive lasting memories by developing and selling products that solve problems in workshops, factories and homes around the world. The Company was founded in 1953 and is headquartered in San Diego, California.

For more than four decades, the Company sold only one product, WD-40® Multi-Use Product, a maintenance product which acts as a lubricant, rust preventative, penetrant, cleaner and moisture displacer. Over the last two decades, the Company has evolved and expanded its product offerings through both research and development activities and through the acquisition of several brands worldwide. As a result, the Company has built a family of brands and product lines that deliver high quality performance at an extremely good value to its end users.

The Company currently markets and sells its products in more than 176 countries and territories worldwide primarily through mass retail and home center stores, warehouse club stores, grocery stores, hardware stores, automotive parts outlets, sport retailers, independent bike dealers, online retailers and industrial distributors and suppliers.

The Company’s sales come from its two product groups – maintenance products and homecare and cleaning products. Maintenance products are sold worldwide in markets throughout North, Central and South America, Asia, Australia, Europe, the Middle East and Africa. Homecare and cleaning products are sold primarily in North America, the United Kingdom (“U.K.”) and Australia.

The Company’s strategic initiatives and the areas where it will continue to focus its time, talent and resources in future periods include: (i) maximizing WD-40 Multi-Use Product sales through geographic expansion and increased market penetration; (ii) leveraging the WD-40 brand by growing the WD-40 Specialist product line; (iii) leveraging the strengths of the Company through broadened product and revenue base; (iv) attracting, developing and retaining talented people; and (v) operating with excellence.

The principal driver of the Company’s growth continues to be taking the Company’s flagship product, WD-40 Multi-Use Product, to new users in global markets. The Company is focused on and committed to innovation and renovation of its products. The Company sees innovation and renovation as important factors to the long-term growth of its brands and product lines, and it intends to continue to work on future products, product lines, product packaging, product delivery systems and promotional innovations and renovations. The Company is also focused on expanding its current brands in existing markets with new product development. The Company’s product development teams support new product development and current product improvement for the Company’s brands. Over the years, the Company’s research and development team has made an innovation impact on most of the Company’s brands. Key innovations for the Company’s products include, but are not limited to, WD-40 EZ Reach Flexible Straw, WD-40 Smart Straw®, WD-40 Trigger Pro®, WD-40 Specialist®, WD-40 Bike™, and 3-IN-ONE Professional Garage Door Lube™.

Financial Information about Operating Segments

The Company's operating segments are determined consistent with the way management organizes and evaluates financial information internally for making operating decisions and assessing performance. The Company is organized on the basis of geographical area into the following three segments:

- Americas segment consists of the United States ("U.S."), Canada and Latin America;
- Europe, Middle East and Africa ("EMEA") segment consists of countries in Europe, the Middle East, Africa and India; and
- Asia-Pacific segment consists of Australia, China and other countries in the Asia region.

The Company's management reviews product performance on the basis of sales, which come from its two product groups – maintenance products and homecare and cleaning products. The financial information required by operating segment is included in Note 15 – Business Segments and Foreign Operations of the Company's consolidated financial statements, included in Item 15 of this report, and in "Management's Discussion and Analysis of Financial Condition and Results of Operations", included in Item 7 of this report.

Products

Maintenance Products

Included in the Company's maintenance products are both multi-purpose maintenance products and specialty maintenance products. These maintenance products are sold worldwide and they provide end users with a variety of product and delivery system options.

The Company's signature product is the WD-40 Multi-Use Product in the blue and yellow can with the red top, which is included within the maintenance product category and it accounts for a significant majority of the Company's sales. The Company has various products and product lines which it currently sells under the WD-40 brand and they are as follows:

<u>WD-40 Multi-Use Product</u> - The WD-40 Multi-Use Product is a market leader in many countries among multi-purpose maintenance products and is sold as an aerosol spray with various unique delivery systems, a non-aerosol trigger spray and in liquid-bulk form through mass retail stores, hardware stores, warehouse club stores, automotive parts outlets, online retailers and industrial distributors and suppliers. The WD-40 Multi-Use Product is sold worldwide in North, Central and South America, Asia, Australia, Europe, the Middle East and Africa. The WD-40 Multi-Use Product has a wide variety of consumer uses in, for example, household, marine, automotive, construction, repair, sporting goods and gardening applications, in addition to numerous industrial applications.

<u>WD-40 Specialist product line</u> – WD-40 Specialist consists of a line of professional-grade specialty maintenance products that include penetrants, degreasers, corrosion inhibitors, greases, lubricants and rust removers that are aimed at professionals as well as end users that currently use the WD-40 Multi-Use Product. The WD-40 Specialist product line is sold primarily in the U.S., Canada, Latin America, Europe, Australia and Asia. Within the WD-40 Specialist product line, the Company also sells WD-40 Specialist Motorbike in the United States and Europe, WD-40 Specialist Lawn and Garden in Australia, and WD-40 Specialist Automotive in Asia.

<u>WD-40 Bike product line</u> - The WD-40 Bike product line consists of a comprehensive line of bicycle maintenance products that include wet and dry chain drip lubricants, chain cleaners and degreasers, and foaming wash that are designed for avid and recreational cyclists, bike enthusiasts and mechanics. The Company launched this product line in the U.S. in fiscal year 2013 in Australia and Europe in fiscal year 2014, and in Latin America and select countries in Asia in early fiscal year 2016. Although the initial focus for such sales was on smaller independent bike dealers, distribution of WD-40 Bike products has been expanded to include select distributors and retailers in countries where the Company sells this product.

The Company also has the following additional brands which are included within its maintenance products group:

<u>3-IN-ONE</u> - The 3-IN-ONE brand consists of multi-purpose drip oil, specialty drip oils, and spray lubricant products, as well as other specialty maintenance products. The multi-purpose drip oil is a lubricant with unique spout options that allow for precise applications to small mechanisms and assemblies, tool maintenance and threads on screws and bolts. 3-IN-ONE Oil is the market share leader among drip oils for household consumers. It also has wide industrial applications in such areas as locksmithing, HVAC, marine, farming and construction. In addition to the drip oil line of products, the 3-IN-ONE brand also includes a professional line of products known as 3-IN-ONE Professional, which is a line of professional-grade maintenance products, as well as 3-IN-ONE RVcare products and 3-IN-ONE Garage Door Lubricant. The high quality of the 3-IN-ONE brand and its

established distribution network have enabled these products to gain international acceptance. 3-IN-ONE products are sold primarily in the U.S., Europe, Canada, Latin America, Australia and Asia.

GT85® - The GT85 brand is a multi-purpose bike maintenance product that consists of professional spray maintenance products and lubricants which are sold primarily in the bike market through the automotive and industrial channels in the U.K., with additional sales in foreign markets including those in Spain and other European countries. This brand was acquired by the Company's U.K. subsidiary in September 2014 and it has helped build upon the Company's strategy to develop new product categories for WD-40 Specialist and WD-40 BIKE.

Homecare and Cleaning Products

The Company sells its homecare and cleaning products in certain locations worldwide and they include a portfolio of well-known brands as follows:

2000 Flushes - The 2000 Flushes brand is a line of long-lasting automatic toilet bowl cleaners which includes a variety of formulas. 2000 Flushes is sold primarily in the U.S. and Canada through grocery and mass retail channels as well as through online retailers.

Spot Shot - The Spot Shot brand is sold as an aerosol carpet stain remover and a liquid trigger carpet stain and odor eliminator. The brand also includes environmentally friendly products such as Spot Shot Instant Carpet Stain & Odor Eliminator™ and Spot Shot Pet Clean, which are non-toxic and biodegradable. Spot Shot products are sold primarily through grocery and mass retail channels, online retailers, warehouse club stores and hardware and home center stores in the U.S. and Canada. Spot Shot products are also sold in the U.K. under the 1001 brand name.

Carpet Fresh - The Carpet Fresh brand is a line of room and rug deodorizers sold as powder, aerosol quick-dry foam and trigger spray products. Carpet Fresh is sold primarily through grocery, mass, and value retail channels as well as through online retailers in the U.S., the U.K. and Australia. In the U.K., these products are sold under the 1001 brand name and in Australia, they are sold under the No Vac brand name.

1001 - The 1001 brand includes carpet and household cleaners and rug and room deodorizers which are sold primarily through mass retail, grocery and home center stores in the U.K. The brand was acquired in order to introduce the Company's other homecare and cleaning product formulations under the 1001 brand and to expand the Company's homecare and cleaning products business into the U.K. market.

Lava - The Lava and Solvol brands consist of heavy-duty hand cleaner products which are sold in bar soap and liquid form through hardware, grocery, industrial, automotive and mass retail channels as well as through online retailers. Lava is sold primarily in the U.S., while Solvol is sold exclusively in Australia.

X-14 - The X-14 brand is a line of quality products designed for unique cleaning needs. X-14 is sold as a liquid mildew stain remover and as an automatic toilet bowl cleaner. X-14 is sold primarily in the U.S. through grocery and mass retail channels as well as through online retailers.

The Company's homecare and cleaning products, particularly those in the U.S., are considered harvest brands which continue to provide positive returns to the Company but are becoming a smaller part of the business as sales of the maintenance products grow with the execution of the Company's strategic initiatives. Although the Company has evaluated strategic alternatives for certain of its homecare and cleaning products in prior fiscal years, particularly those in the U.S., it has continued to sell these brands but has done so with a reduced level of investment.

Financial information about operating segments and product lines is included in Note 15 – Business Segments and Foreign Operations of the consolidated financial statements, included in Item 15 of this report.

Sales and Marketing

The Company's sales do not reflect any significant degree of seasonality. However, it is common for the Company's sales to fluctuate from period to period or year to year due to various factors including, but not limited to, new or lost distribution, the number of product offerings carried by a customer and the level of promotional activities and programs being run at customer locations. New or lost distribution occurs when the Company gains or loses customers, when it gains or loses store count for a customer or when its products are added to new locations within a store or removed from existing locations. From time to time, as part of new product offering launches, the Company may gain access to entirely new distribution channels. The number of product offerings refers to the number of brands and/or the number of products within each of those brands that the Company's customers offer for sale to end user customers. The level of promotional activities and programs relates to the number of events or volumes of purchases by customers in support of off-shelf or promotional display activities. Changes in any one of these three factors or a combination of them can cause the Company's sales levels to increase or decrease from period to period. It is also common and/or possible that the Company could lose distribution or product offerings and experience a decrease in promotional activities and programs in one period and subsequently regain this business in a future period. The Company is accustomed to such fluctuations and manages this as part of its normal business activities.

Manufacturing

The Company outsources directly or through its marketing distributors the manufacturing of its finished products to various third-party contract manufacturers. The Company or its marketing distributors use contract manufacturers in the U.S., Canada, Mexico, Brazil, Argentina, Columbia, the U.K., Italy, Australia, Japan, China, South Korea and India. Although the Company does not typically have definitive minimum purchase obligations included in the contract terms with its contract manufacturers, when such obligations have been included, they have been immaterial to date. Supply needs are communicated by the Company to its contract manufacturers, and the Company is committed to purchase the products manufactured based on orders and short-term projections, ranging from two to five months, provided to the contract manufacturers. The Company also formulates and manufactures concentrate used in its WD-40 products at its own facilities and at third-party contract manufacturers.

In addition to the commitments to purchase products from contract manufacturers described above, the Company may also enter into commitments with other manufacturers from time to time to purchase finished goods and components to support innovation and renovation initiatives and/or supply chain initiatives.

Sources and Availability of Components and Raw Materials

The Company and its third-party contract manufacturers rely on a limited number of suppliers, including single or sole suppliers, for certain of its raw materials, packaging, product components and other necessary supplies. The primary components and raw materials for the Company's products include petroleum-based specialty chemicals and aerosol cans, which are manufactured from commodities that are subject to volatile price changes. The availability of these components and raw materials is affected by a variety of supply and demand factors, including global market trends, plant capacity decisions and natural disasters. The Company expects these components and raw materials to continue to be readily available in the future, although the Company will continue to be exposed to volatile price changes.

Research and Development

The Company recognizes the importance of innovation and renovation to its long-term success and is focused on and committed to research and new product development activities, primarily in its maintenance product group. The Company's product development team engages in consumer research, product development, current product improvement and testing activities. The product development team also leverages its development capabilities by partnering with a network of outside resources including the Company's current and prospective outsource suppliers. In addition, the research and development team engages in activities and product development efforts which are necessary to ensure that the Company meets all regulatory requirements for the formulation of its products. The Company incurred research and development expenses of $8.4 million, $7.7 million, and $9.0 million in fiscal years 2017, 2016 and 2015, respectively. None of this research and development activity was customer-sponsored.

Order Backlog

Order backlog is not a significant factor in the Company's business.

Competition

The markets for the Company's products, particularly those related to its homecare and cleaning products, are highly competitive. The Company's products compete both within their own product classes as well as within product distribution channels, competing with many other products for store placement and shelf space. Competition in international markets varies by country. The Company is aware of many competing products, some of which sell for lower prices or are produced and marketed by companies with greater financial resources than those of the Company. The Company relies on the awareness of its brands among consumers, the value offered by those brands as perceived by consumers, product innovation and renovation and its multiple channel distributions as its primary strategies. New products typically encounter intense competition, which may require advertising and promotional support and activities. When or if a new product achieves consumer acceptance, ongoing advertising and promotional support may be required in order to maintain its relative market position.

Trademarks and Patents

The Company owns a number of patents, but relies primarily upon its established trademarks, brand names and marketing efforts, including advertising and sales promotions, to compete effectively. The WD-40 brand, 3-IN-ONE, Lava, Solvol, X-14, 2000 Flushes, Carpet Fresh and No Vac, Spot Shot, GT85, and 1001 trademarks are registered or have pending registrations in various countries throughout the world.

Employees

At August 31, 2017, the Company employed 448 people worldwide: 172 by the U.S. parent corporation; 7 by the Malaysia subsidiary; 12 by the Canada subsidiary; 183 by the U.K. subsidiary; 20 by the Australia subsidiary; 52 by the China subsidiary; and 2 by WD-40 Manufacturing Company, the Company's manufacturing subsidiary.

Financial Information about Foreign and Domestic Operations

For detailed information about the Company's foreign and domestic operations, including net sales by reportable segment and long-lived assets by geography, refer to Note 15 - Business Segments and Foreign Operations of the consolidated financial statements, included in Item 15 of this report.

Access to SEC Filings

The Company's Annual Reports on Form 10-K, Quarterly Reports on Form 10-Q, Current Reports on Form 8-K, and any amendments to those reports filed or furnished pursuant to Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended, are available through the Investors section of the Company's website at www.wd40company.com. These reports can be accessed free of charge from the Company's website as soon as reasonably practicable after the Company electronically files such materials with, or furnishes them to, the Securities and Exchange Commission ("SEC"). Information contained on the Company's website is not included as a part of, or incorporated by reference into, this report.

Interested readers may also read and copy any materials that the Company files at the SEC Public Reference Room at 100 F Street, N.E., Washington, D.C. 20549. Readers may obtain information on the operation of the Public Reference Room by calling the SEC at 1-800-SEC-0330. The SEC also maintains an internet site (www.sec.gov) that contains the Company's reports.

Item 1A. Risk Factors

The following risks and uncertainties, as well as other factors described elsewhere in this report or in other SEC filings by the Company, could adversely affect the Company's business, financial condition and results of operations.

The Company's financial results could suffer if the Company is unable to implement and successfully manage its strategic initiatives or if the Company's strategic initiatives do not achieve the intended results.

There is no assurance that the Company will be able to implement and successfully manage its strategic initiatives, including its five major strategic initiatives, or that the strategic initiatives will achieve the intended results, which include sales volume growth. The Company's five core strategic initiatives include: (i) maximizing WD-40 Multi-Use Product sales through geographic expansion and increased market penetration; (ii) leveraging the WD-40 brand by growing the WD-40 Specialist product line; (iii) leveraging the strengths of the Company through a broadened product and revenue base; (iv) attracting, developing and retaining talented people; and (v) operating with excellence. An important part of the Company's success depends on its continuing ability to attract, retain and develop highly qualified people. The Company's future performance depends in significant part on maintaining high levels of employee engagement and nurturing the Company's values and culture. In addition, it depends on the continued service of its executive officers, key employees and other talented people, as well as effective succession planning. The loss of the services of key employees could have a material adverse effect on the Company's business and prospects. Competition for such talent is intense, and there can be no assurance that the Company can retain its key employees or attract, assimilate and retain employees who are fully engaged in the future. If the Company is unable to implement and successfully manage its strategic initiatives in accordance with its business plans, the Company's business and financial results could be adversely affected. Moreover, the Company cannot be certain that the implementation of its strategic initiatives will necessarily advance its business or financial results as intended.

Global operations outside the U.S. expose the Company to uncertain conditions, foreign currency exchange rate risk and other risks in international markets.

The Company's sales outside of the U.S. were approximately 61% of consolidated net sales in fiscal year 2017 and one of its strategic initiatives includes maximizing the WD-40 Multi-Use Product through geographic expansion and market penetration. As a result, the Company currently faces, and will continue to face, substantial risks associated with having increased global operations outside the U.S., including:

- economic or political instability in the Company's global markets, including Canada, Latin America, the Middle East, parts of Asia, Russia, Eastern Europe and the Eurozone countries;
- restrictions on or costs relating to the repatriation of foreign profits to the U.S., including possible taxes or withholding obligations on any repatriations;
- challenges associated with conducting business in foreign jurisdictions, including those related to the Company's understanding of and compliance with business laws and regulations in such foreign jurisdictions;
- increasing tax complexity associated with operating in multiple tax jurisdictions;
- dispersed employee base and compliance with employment regulations and other labor issues, such as labor laws and minimum wages, in countries outside the U.S.; and
- the imposition of tariffs or trade restrictions and costs, burdens and restrictions associated with other governmental actions.

These risks could have a significant impact on the Company's ability to sell its products on a competitive basis in global markets outside the U.S. and could have a material adverse effect on the Company's business, financial condition and results of operations.

Approximately 39% of the Company's revenues in fiscal year 2017 were generated in currencies other than the U.S. dollar, which is the reporting currency of the Company. In addition, all of the Company's foreign subsidiaries have functional currencies other than the U.S. Dollar and the Company's largest subsidiary is located in the U.K. and generates significant sales in Pound Sterling and Euro. As a result, the Company is also exposed to foreign currency exchange rate risk with respect to its sales, expenses, profits, cash and cash equivalents, other assets and liabilities denominated in currencies other than the U.S. Dollar. In particular, the Company's financial results are negatively impacted when the foreign currencies in which its subsidiary offices operate weaken relative to the U.S. Dollar. Although the Company uses instruments to hedge certain foreign currency risks, primarily those associated with its U.K. subsidiary and net assets denominated in non-functional currencies, it is not fully protected against foreign currency fluctuations and, therefore, the Company's reported earnings may be affected by changes in foreign currency exchange rates. Moreover, any favorable impacts to profit margins or financial results from fluctuations in foreign currency exchange rates are likely to be unsustainable over time.

As a result of the June 2016 referendum by British voters to exit the European Union ("Brexit"), global markets and foreign currencies were adversely impacted in the months following the vote. In particular, the value of the Pound Sterling sharply declined as compared to the U.S. Dollar and other currencies in late fiscal year 2016 and early fiscal year 2017. Subsequently, on March 29, 2017, the U.K. invoked Article 50 of the Lisbon Treaty, which provides a two-year time period through March 2019 for the U.K. and the remaining EU countries to negotiate a withdrawal agreement. The volatility in foreign currencies may continue as the U.K. negotiates and executes its impending exit from the European Union, but it is uncertain over what time period the volatility in foreign currencies as a result of this event will occur. A significantly weaker Pound Sterling compared to the U.S. Dollar over a sustained period of time may have a significant negative effect on the Company's results of operations. In addition, the legal and regulatory framework that will apply to the U.K. and its future relationship with the European Union after the exit is completed may change the manner in which businesses operate in Europe, including how products and services are imported and exported between countries in Europe, and this could adversely impact the Company's financial condition and results of operations. The outcomes of the negotiations between the U.K. and the European Union are currently unknown and due to the lack of comparable precedent, the extent of any adverse consequences to the Company's business is uncertain.

Additionally, the Company's global operations outside the U.S. are subject to risks relating to appropriate compliance with legal and regulatory requirements in local jurisdictions, potential difficulties in staffing and managing local operations, potentially higher incidence of fraud or corruption, credit risk of local customers and distributors and potentially adverse tax consequences. As the Company further develops and grows its business operations outside the U.S., the Company is exposed to additional complexities and risks, particularly in China, Russia and emerging markets. In many foreign countries, particularly in those with developing economies, business practices that are prohibited by the U.S. Foreign Corrupt Practices Act ("FCPA"), the U.K. Bribery Act or other applicable anti-corruption laws and regulations may be prevalent. Any failure to comply with these laws, even if inadvertent, could result in significant penalties or otherwise harm the Company's reputation and business. Although the Company has adopted policies and contract terms to mandate compliance with these laws, there can be no assurance that all of its employees, contractors and agents will comply with the Company's requirements. Violations of these laws could be costly and disrupt the Company's business, which could have a material adverse effect on its business, financial condition and results of operations.

If the success and reputation of one or more of the Company's leading brands erodes, its business, financial condition and results of operations could be negatively impacted.

The financial success of the Company is directly dependent on the success and reputation of its brands, particularly its WD-40 brand. The success and reputation of the Company's brands can suffer if marketing plans or product development and improvement initiatives, including the release of new products or innovative packaging, do not have the desired impact on the brands' image or do not attract customers as intended. The Company's brands can also be adversely impacted due to the activities and pressures placed on them by the Company's competitors. Further, the Company's business, financial condition and results of operations could be negatively impacted if one of its leading brands suffers damage to its reputation due to real or perceived quality or safety issues. Quality issues, which can lead to large scale recalls of the Company's products, can be due to items such as product contamination, regulatory non-compliance, packaging errors, incorrect ingredients or components in the Company's product or low quality ingredients in the Company's products due to suppliers delivering items that do not meet the Company's specifications. Product quality issues, which could include lower product efficacy due to formulation changes attributable to regulatory requirements, could also result in decreased customer confidence in the Company's brands and a decline in product quality could result in product liability claims. Although the Company makes every effort to prevent brand erosion and preserve its reputation and the reputation of its brands, there can be no assurance that such efforts will be successful.

Sales unit volume growth may be difficult to achieve.

The Company's ability to achieve sales volume growth will depend on its ability to (i) execute its strategic initiatives, (ii) drive growth in new markets by making targeted end users aware of the Company's products and making them easier to buy, (iii) drive growth within its existing markets through innovation, renovation and enhanced merchandising and marketing of its established brands, and (iv) capture market share from its competitors. It is more difficult for the Company to achieve sales volume growth in developed markets where the Company's products are widely used as compared to in developing or emerging markets where the Company's products have been newly introduced or are not as well known by consumers. In order to protect the Company's existing market share or capture additional market share from its competitors, the Company may need to increase its expenditures related to promotions and advertising or introduce and establish new products or product lines. In past periods, the Company has also increased sales prices on certain of its products in response to increased costs for components and raw materials. Sales price increases may slow sales volume growth or create declines in volume in the short term as customers adjust to sales price increases. In addition, the continued prominence and growth of the online retail sales channel has presented both the Company and its customers that sell the Company's products online with the challenge of balancing online and physical store retailing methods. A change in the strategies of the Company's existing customers, including shelf simplification, the discontinuation of certain product offerings or the shift in shelf space to competitors' products could reduce the Company's sales and potentially offset sales volume increases achieved as a result of other sales growth initiatives. If the Company is unable to increase market share in its existing product lines by developing product improvements, investing adequately in its existing brands, building usage among new customers, developing, acquiring or successfully launching new products or product line extensions, or successfully penetrating emerging and developing markets and sales channels globally, the Company may not achieve its sales volume growth objectives.

Cost increases or cost volatility in finished goods, components, raw materials, transportation and other necessary supplies or services could harm or impact the Company's financial condition and results of operations.

Increases in the cost of finished goods, components and raw materials and increases in the cost of transportation and other necessary supplies or services may harm the Company's financial condition and results of operations. Petroleum-based specialty chemicals and aerosol cans, which constitute a significant portion of the costs for many of the Company's maintenance products, have experienced significant price volatility in the past, and may continue to do so in the future. In particular, volatility in the price of oil directly impacts the cost of petroleum-based specialty chemicals which are indexed to the price of crude oil. Additionally, fluctuations in oil and diesel fuel prices have also historically impacted the Company's cost of transporting its products among other input costs. If there are significant increases in the costs of components, raw materials and other expenses, and the Company is not able to increase the prices of its products or achieve cost savings to offset such cost increases, the Company's gross margins and operating results will be negatively impacted. In addition, if the Company increases product sales prices in response to increases in the cost of such raw materials, and those raw material costs later decline significantly, the Company may not be able to sustain its sales prices at these higher levels. As component and raw material costs are the principal contributors to the cost of goods sold for all of the Company's products, any significant fluctuation in the costs of components and raw materials could have a material impact on the gross margins realized on the Company's products. Sustained increases in the cost of raw materials, components, transportation and other necessary supplies or services, or significant volatility in such costs, could have a material adverse effect on the Company's financial condition and results of operations.

Global economic conditions may negatively impact the Company's financial condition and results of operations.

A general weakening or decline in the global economy or a reduction in industrial outputs, business or consumer spending or confidence could delay or significantly decrease purchases of the Company's products by its customers and end users. Consumer purchases of discretionary items, which could include the Company's maintenance products and homecare and cleaning products, may decline during periods where disposable income is reduced or there is economic uncertainty, and this may negatively impact the Company's financial condition and results of operations. During unfavorable or uncertain economic times, end users may also increase purchases of lower-priced or non-branded products and the Company's competitors may increase their level of promotional activities to maintain sales volumes, both of which may negatively impact the Company's financial condition and results of operations. In addition, the Company's sales and operating results may be affected by uncertain or changing economic and market conditions, including inflation, deflation, prolonged weak consumer demand, political instability or other changes which may affect the principal markets, trade channels, and industrial segments in which the Company conducts its business. If economic or market conditions in key global markets deteriorate, the Company may experience material adverse effects on its business, financial condition and results of operations.

Adverse economic and market conditions could also harm the Company's business by negatively affecting the parties with whom it does business, including its customers, retailers, distributors and wholesalers, and third-party contract manufacturers and suppliers. These conditions could impair the ability of the Company's customers to pay for products they have purchased from the Company. As a result, allowances for doubtful accounts and write-offs of accounts receivable from the Company's customers may increase. In addition, the Company's third-party contract manufacturers and its suppliers may experience financial difficulties that could negatively affect their operations and their ability to supply the Company with finished goods and the raw materials, packaging, and components required for the Company's products.

Government laws and regulations, including environmental laws and regulations, could result in material costs or otherwise adversely affect the Company's financial condition and results of operations.

The manufacturing, chemical composition, packaging, storage, distribution and labeling of the Company's products and the manner in which the Company's business operations are conducted must comply with an extensive array of federal, state and foreign laws and regulations. If the Company is not successful in complying with the requirements of all such regulations, it could be fined or other actions could be taken against the Company by the applicable governing body, including the possibility of a required product recall. Any such regulatory action could adversely affect the Company's financial condition and results of operations. It is also possible that governments and regulatory agencies will increase regulation, including the adoption of further regulations relating to the transportation, storage or use of certain chemicals, to enhance homeland security or protect the environment and such increased regulation could negatively impact the Company's ability to obtain raw materials, components and/or finished goods or could result in increased costs. In the event that such regulations result in increased product costs, the Company may not be in a position to raise selling prices, and therefore an increase in costs could have a material adverse effect on the Company's business, financial condition and results of operations.

Some of the Company's products have chemical compositions that are controlled by various state, federal and international laws and regulations, such as regulations issued by the California Air Resources Board relating to permitted levels of volatile organic compounds. The Company is required to comply with these laws and regulations and it seeks to anticipate regulatory developments that could impact the Company's ability to continue to produce and market its products. The Company invests in research and development to maintain product formulations that comply with such laws and regulations. There can be no assurance that the Company will not be required to alter the chemical composition of one or more of the Company's products in a way that will have an adverse effect upon the product's efficacy or marketability. A delay or other inability of the Company to complete product research and development and successfully reformulate its products in response to any such regulatory requirements could have a material adverse effect on the Company's business, financial condition and results of operations.

The Company is subject to an SEC rule mandated by Section 1502 of the Dodd-Frank Wall Street Reform and Consumer Protection Act that requires management to conduct annual due diligence to determine whether certain minerals and metals, known as "conflict minerals", are contained in the Company's products and, if so, whether they originate from the Democratic Republic of Congo ("DRC") or adjoining countries. Although the Company's current products do not contain such conflict minerals and the Company has concluded this in its annual evaluations to date, the Company's supply chain structure is complex. As a result, management may have difficulty determining whether these materials exist within the Company's products in future periods, and if the Company were to conclude that these materials exist within the Company's products in future periods, the Company may have difficulty verifying the origin of such materials for purposes of disclosures required by the SEC rules.

The Company is also subject to numerous environmental laws and regulations that impose various environmental controls on its business operations, including, among other things, the discharge of pollutants into the air and water, the handling, use, treatment, storage and clean-up of solid and hazardous wastes and the investigation and remediation of soil and groundwater affected by hazardous substances. Such laws and regulations may otherwise relate to various health and safety matters that impose burdens upon the Company's operations. These laws and regulations also impose strict, retroactive and joint and several liability for the costs of, and damages resulting from, cleaning up current sites, past spills, disposals and other releases of hazardous substances. The Company believes that its expenditures related to environmental matters have not had, and are not currently expected to have, a material adverse effect on its financial condition, results of operations or cash flows. However, the environmental laws under which the Company operates are complicated, often become increasingly more stringent and may be applied retroactively. Accordingly, there can be no assurance that the Company will not be required to incur additional expenditures to remain in or to achieve compliance with environmental laws in the future or that any such additional expenditures will not have a material adverse effect on the Company's business, financial condition or results of operations.

Additional laws and regulations require that the Company carefully manage its supply chain for the production, distribution and sale of goods. For instance, regulations under the California Transparency in Supply Chains Act and the U.K. Modern Slavery Act require attention to the employment practices of the Company's suppliers. Various regulations affect the packaging, labelling and shipment of the Company's products, including the Globally Harmonized System of Classification and Labelling of Chemicals which is applicable in many countries worldwide, and regulations issued by the U.S. Consumer Product Safety Commission, the U.S. Environmental Protection Agency, the U.S. Federal Trade Commission, and similar foreign jurisdiction regulatory agencies. Failure by the Company to comply with any of these regulations or its inability to adequately predict the manner in which these regulations are interpreted and applied to the Company's business by the applicable enforcement agencies could have a materially adverse effect on the Company's business, financial condition and results of operations.

Failure to maximize or to successfully assert the Company's intellectual property rights or infringement by the Company on the intellectual property rights of others could impact its competitiveness or otherwise adversely affect the Company's financial condition and results of operations.

The Company relies on trademark, trade secret protection, patent and copyright laws to protect its intellectual property rights. Although the Company maintains a global enforcement program to protect its intellectual property rights, there can be no assurance that these intellectual property rights will be maximized or that they can be successfully asserted. Trade secret protection, particularly for the Company's most valuable product formulation for the WD-40 Multi-Use Product, requires specific agreements, policies and procedures to assure the secrecy of information classified as a trade secret. If such agreements, policies and procedures are not effective to maintain the secrecy of the Company's trade secrets, the loss of trade secret protection could have an adverse effect on the Company's financial condition. There is a risk that the Company will not be able to obtain and perfect its own intellectual property rights or, where appropriate, license intellectual property rights necessary to support new product introductions or acquired product lines. The Company cannot be certain that these rights, if obtained, will not be invalidated, circumvented or challenged in the future, and the Company could incur significant costs in connection with legal actions to defend its intellectual property rights. In addition, even if such rights are obtained in the U.S., it may be that the laws of some of the other countries in which the Company's products are or may be sold do not protect intellectual property rights to the same extent as the laws of the United States, or they may be difficult to enforce. If other companies infringe the Company's intellectual property rights or take part in counterfeiting activities, they may dilute the value of the Company's brands in the marketplace, which could diminish the value that consumers associate with the Company's brands and harm its sales. The failure of the Company to protect or successfully assert its intellectual property rights or to protect its other proprietary information could make the Company less competitive and this could have a material adverse effect on its business, financial condition and results of operations.

If the Company is found to have violated the trademark, copyright, patent or other intellectual property rights of others, such a finding could result in the need to cease the use of a trademark, trade secret, copyrighted work or patented invention in the Company's business and an obligation to pay a substantial amount for past infringement. It could also be necessary to pay a substantial amount in the future if the holders of such rights are willing to permit the Company to continue to use the intellectual property rights. Either having to cease use or pay such amounts could make the Company less competitive and could have a material adverse impact on its business, financial condition and results of operations.

Malfunctions of the critical information systems that the Company uses for the daily operations of its business, cyberattacks and privacy breaches could adversely affect the Company's ability to conduct business.

To conduct its business, the Company relies extensively on information technology systems, networks and services, some of which are managed, hosted and provided by third-party service providers. System failure, malfunction or loss of data which is housed in the Company's critical information systems could disrupt its ability to timely and accurately process transactions and produce key financial reports, including information on the Company's operating results, financial position and cash flows. In addition, information technology security threats and more sophisticated computer crime pose a potential risk to the security of the Company's information technology systems and networks, as well as to the confidentiality, availability and integrity of the Company's data. The Company's information systems could be damaged or cease to function properly due to a number of reasons, including catastrophic events, power outages and security breaches. A security breach resulting in the unauthorized release of sensitive data from the Company's information systems could also materially increase the costs that the Company already incurs to protect against such risks. Although the Company has certain business continuity plans in place to address such service interruptions, there is no guarantee that these business continuity plans will provide alternative processes in a timely manner. As a result, the Company may experience interruptions in its ability to manage its daily operations and this could adversely affect the Company's business, financial condition and results of operations.

The information system that the U.S. office uses for its business operations is a market specific application which is not widely used by other companies. This system supports two other regional offices outside the U.S. as well. The company that owns and supports this application may not be able to provide the same level of support as that of companies which own larger, more widely spread information systems. If the company that supports this application in the U.S. were to cease its operations or were unable to provide continued support for this application, it could adversely affect the Company's daily operations or its business, financial condition and results of operations.

The Company faces competition in its markets which could lead to reduced sales and profitability.

The Company encounters competition from similar and alternative products, many of which are produced and marketed by major national or multinational companies. In addition, the Company frequently discovers products in certain markets that are counterfeit reproductions of the Company's WD-40 products as well as products otherwise bearing an infringing trade dress. The availability of counterfeits and other infringing products, particularly in China, Russia and emerging markets, could adversely impact the Company's sales and potentially damage the value and reputation of its brands.

The Company's products generally compete on the basis of product performance, brand recognition, price, quality or other benefits to consumers and meeting end users' needs. Advertising, promotions, merchandising and packaging also have a significant impact on consumer purchasing decisions. A newly introduced consumer product, whether improved or recently developed, usually encounters intense competition requiring substantial expenditures for advertising, sales and consumer promotion. If a product gains consumer acceptance, it normally requires continued advertising, promotional support and product improvements in order to maintain its relative market position.

Some of the competitors for the Company's homecare and cleaning products are larger and have financial resources greater than those of the Company. These competitors may be able to spend more aggressively on advertising and promotional activities, introduce competing products more quickly and respond more effectively to changing business and economic conditions than the Company.

Competitive activity may require the Company to increase its investment in marketing or reduce its sales prices and this may lead to reduced profit margins, a loss of market share or loss of distribution, each of which could have a material adverse effect on the Company's business, financial condition and results of operations. There can be no assurance that the Company will be able to compete successfully against current and future competitors or that competitive pressures faced by the Company or the infringement of its products and brands will not have a material adverse effect on its business, financial condition and results of operations.

Dependence on key customers could adversely affect the Company's business, financial condition and results of operations.

The Company sells its products through a network of domestic and international mass retail, trade supply and consumer retailers as well as industrial distributors and suppliers. The retail industry has historically been the subject of consolidation, and as a result, the development of large chain stores has taken place. Today, the retail channel is comprised of several of these large chain stores that capture the bulk of the market share. Since many of the Company's customers have been part of consolidations in the retail industry, these limited customers account for a large percentage of the Company's net sales. Although the Company expects that a significant portion of its revenues will continue to be derived from this limited number of customers, there was no individual customer that contributed to more than 10% of the Company's consolidated net sales in fiscal year 2017. However, changes in the strategies of the Company's largest customers, including shelf simplification, a reduction in the number of brands they carry or a shift in shelf space to "private label" or competitors' products, may harm the Company's sales. The loss of, or reduction in, orders from any of the Company's most significant customers could have a material adverse effect on the Company's brand values, business, financial condition and results of operations. Large customers may seek price reductions, added support or promotional concessions. If the Company agrees to such customer demands and/or requests, it could negatively impact the Company's ability to maintain existing profit margins.

In addition, the Company's business is based primarily upon individual sales orders, and the Company typically does not enter into long-term contracts with its customers. Accordingly, these customers could reduce their purchasing levels or cease buying products from the Company at any time and for any reason. The Company is also subject to changes in customer purchasing patterns or the level of promotional activities. These types of changes may result from changes in the manner in which customers purchase and manage inventory levels, or display and promote products within their stores. Other potential factors such as customer disputes regarding shipments, fees, merchandise condition or related matters may also impact operating results. If the

Company ceases doing business with a significant customer or if sales of its products to a significant customer materially decrease, the Company's business, financial condition and results of operations may be harmed.

The Company may not successfully develop, introduce and /or establish new products and line extensions.

The Company's future performance and growth depend, in part, on its ability to successfully develop, introduce and/or establish new products as both brand extensions and/or line extensions. The Company cannot be certain that it will successfully achieve those goals. The Company competes in several product categories where there are frequent introductions of new products and line extensions and such product introductions often require significant investment and support. The ability of the Company to understand end user needs and preferences is key to maintaining and improving the competitiveness of its product offerings. The development and introduction of new products, as well as the renovation of current products and product lines, require substantial and effective research, development and marketing expenditures, which the Company may be unable to recoup if the new or renovated products do not gain widespread market acceptance. There are inherent risks associated with new product development and marketing efforts, including product development or launch delays, product performance issues during development, changing regulatory frameworks that affect the new products in development and the availability of key raw materials included in such products. These inherent risks could result in the failure of new products and product line extensions to achieve anticipated levels of market acceptance, additional costs resulting from failed product introductions and the Company not being first to market. As the Company continues to focus on innovation and renovation of its products, the Company's business, financial condition or results of operations could be adversely affected in the event that the Company is not able to effectively develop and introduce new or renovated products and line or brand extensions.

Goodwill and intangible assets are subject to impairment risk.

In accordance with the authoritative accounting guidance on goodwill and intangibles, the Company assesses the potential impairment of its existing goodwill during the second quarter of each fiscal year and otherwise when events or changes in circumstances indicate that an impairment condition may exist. The Company also assesses its definite-lived intangible assets for potential impairment when events and circumstances indicate that the carrying amount of the asset may not be recoverable or its estimated remaining useful life may no longer be appropriate. Indicators such as underperformance relative to historical or projected future operating results, changes in the Company's strategy for its overall business or use of acquired assets, unexpected negative industry or economic trends, decline in the Company's stock price for a sustained period, decreased market capitalization relative to net book values, unanticipated technological change or competitive activities, loss of key distribution, change in consumer demand, loss of key personnel and acts by governments and courts may signal that an asset has become impaired.

The assessment for possible impairment of the Company's goodwill and intangible assets requires management to make judgments on a number of significant estimates and assumptions, including macroeconomic conditions, overall category growth rates, sales growth rates, cost containment and margin expansion and expense levels for advertising and promotions and general overhead, all of which must be developed from a market participant standpoint. The Company may be required to record a significant charge in its consolidated financial statements during the period in which any impairment of its goodwill or intangible assets is identified and this could negatively impact the Company's financial condition and results of operations. Although the Company has recorded significant impairments to certain of its intangible assets in prior fiscal years, no such impairments have been identified or recorded to its goodwill. Changes in management estimates and assumptions as they relate to valuation of goodwill and intangible assets could affect the Company's financial condition or results of operations in the future.

The Company may also divest of certain of its assets, businesses or brands that do not align with the Company's strategic initiatives. Any divestiture could negatively impact the profitability of the Company as a result of losses that may result from such a sale, the loss of sales and operating income or a decrease in cash flows subsequent to the divestiture. The Company may also be required to recognize impairment charges as a result of a divesture.

Changes in marketing distributor relationships that are not managed successfully by the Company could result in a disruption in the affected markets.

The Company distributes its products throughout the world in one of two ways: the direct distribution model, in which products are sold directly by the Company to wholesalers and retailers in the U.S., Canada, Australia, China, the U.K. and a number of other countries throughout Europe; and the marketing distributor model, in which products are sold to marketing distributors who in turn sell to wholesalers and retailers. The marketing distributor model is generally used in certain countries where the Company does not have direct Company-owned operations. Instead, the Company partners with local companies who perform the sales, marketing and distribution functions. The Company invests time and resources into these relationships. Should the Company's relationship with a marketing distributor change or terminate, the Company's sales within such marketing distributor's territory could be adversely impacted until such time as a suitable replacement could be found and the Company's key marketing strategies are implemented. There is a risk that changes in such marketing distributor relationships, including changes in key marketing distributor personnel, that are not managed successfully, could result in a disruption in the affected markets and that such disruption could have a material adverse effect on the Company's business, financial condition and results of operations. Additionally, in some countries, local laws may require substantial payments to terminate existing marketing distributor relationships, which could also have a material adverse effect on the Company's business, financial condition and results of operations.

Reliance on a limited base of third-party contract manufacturers, logistics providers and suppliers of raw materials and components may result in disruption to the Company's business and this could adversely affect the Company's financial condition and results of operations.

The Company relies on a limited number of third-party contract manufacturers, logistics providers and suppliers, including single or sole source suppliers for certain of its raw materials, packaging, product components and other necessary supplies. The Company does not have direct control over the management or business of these third parties, except indirectly through terms negotiated in service or supply contracts. Should the terms of doing business with the Company's primary third-party contract manufacturers, suppliers and/or logistics providers change or should the Company have a disagreement with or be unable to maintain relationships with such third parties or should such third parties experience financial difficulties, the Company's business may be disrupted. In addition, if the Company is unable to contract with third-party manufacturers or suppliers for the quantity and quality levels needed for its business, the Company could experience disruptions in production and its financial results could be adversely affected.

Product liability claims and other litigation and/or regulatory action could adversely affect the Company's sales and operating results.

While the Company makes every effort to ensure that the products it develops and markets are safe for consumers, the use of the Company's products may expose the Company to liability claims resulting from such use. Claims could be based on allegations that, among other things, the Company's products contain contaminants, provide inadequate instructions regarding their use or inadequate warnings concerning their use or interactions with other substances. Product liability claims could result in negative publicity that could harm the Company's sales and operating results. The Company maintains product liability insurance that it believes will be adequate to protect the Company from material loss attributable to such claims but the extent of such loss could exceed available limits of insurance or could arise out of circumstances under which such insurance coverage would be unavailable. Other business activities of the Company may also expose the Company to litigation risks, including risks that may not be covered by insurance such as contract disputes. If successful claims are asserted by third parties against the Company for uninsured liabilities or liabilities in excess of applicable limits of insurance coverage, the Company's business, financial condition and results of operations may be adversely affected. In addition, if one of the Company's products was determined to be defective, the Company could be required to recall the product, which could result in adverse publicity, loss of revenues and significant expenses.

Additionally, the Company's products may be associated with competitor products or other products in the same category, which may be alleged to have caused harm to consumers. As a result of this association, the Company may be named in unwarranted legal actions. The potential costs to defend such claims may materially affect the Company's business, financial condition and results of operations.

The Company's operating results and financial performance may not meet expectations which could adversely affect the Company's stock price.

The Company cannot be sure that its operating results and financial performance, which include sales growth, net income, earnings per common share, gross margin and cash flows, will meet expectations. If the Company's assumptions and estimates are incorrect or do not come to fruition, or if the Company does not achieve all of its key goals or strategic initiatives, then the Company's actual performance could vary materially from its internal expectations and those of the market. Failure to meet or exceed these expectations could cause the market price of the Company's stock to decline. The Company's operating results and financial performance may be negatively influenced by a number of factors, many of which are discussed in this Item 1A "Risk Factors".

In addition, sales volume growth, whether due to acquisitions or internal growth, can place burdens on management resources and financial controls that, in turn, can have a negative impact on operating results and financial condition of the Company. To some extent, the Company plans its expense levels in anticipation of future revenues. If actual revenues fall short of these expectations, operating results may be adversely affected by reduced operating margins due to actual expense levels that are higher than might otherwise have been appropriate.

Resolution of income tax matters may impact the Company's financial condition and results of operations.

Significant judgment is required in determining the Company's effective income tax rate and in evaluating tax positions, particularly those related to uncertain tax positions. The Company provides for uncertain tax positions when such tax positions do not meet the recognition thresholds or measurement standards prescribed by the accounting standard for uncertain tax positions. Changes in uncertain tax positions or other adjustments resulting from tax audits and settlements with taxing authorities, including related interest and penalties, impact the Company's effective tax rate. When particular tax matters arise, a number of years may elapse before such matters are audited and finally resolved. Favorable resolution of such matters could be recognized as a reduction to the Company's effective tax rate in the year of resolution. Unfavorable resolution of any tax matter could increase the Company's effective tax rate. Any resolution of a tax matter may require the adjustment of tax assets or tax liabilities or the use of cash in the year of resolution. For additional information, refer to the information set forth in Note 12 – Income Taxes, which is included in Item 15 of this report.

In addition, changes in tax rules may adversely affect the Company's future financial results or the way management conducts its business. For example, the Company holds a significant amount of cash outside of the United States. As of August 31, 2017, the Company has not provided for U.S. federal and state income taxes and foreign withholding taxes on $137.5 million of undistributed earnings of certain foreign subsidiaries since these earnings are considered indefinitely reinvested outside of the United States. The Company's future financial results and liquidity may be adversely affected if tax rules regarding un-repatriated earnings change, if management elects for any reason in the future to repatriate some or all of the foreign earnings that were previously deemed to be indefinitely reinvested outside of the U.S. such as the fiscal year 2016 repatriation of $8.2 million discussed in Note 12 – Income Taxes, or if the U.S. international tax rules change as part of comprehensive tax reform or other tax legislations.

The Company may not have sufficient cash to service its indebtedness or to pay cash dividends.

The Company's debt consists of a revolving credit facility and management has used the proceeds of this revolving credit facility primarily for stock repurchases. In addition, the Company utilized this revolving credit facility in fiscal year 2017 to fund the purchase of and improvements to its new San Diego office building, which houses both corporate employees and employees in the Company's Americas segment. In order to service such debt, the Company is required to use its income from operations to make interest and principal payments required by the terms of the loan agreement. In addition, the Company's loan agreement includes covenants to maintain certain financial ratios and to comply with other financial terms, conditions and covenants. Also, the Company has historically paid out a large part of its earnings to stockholders in the form of regular quarterly cash dividends. In December 2016, the Board of Directors declared a 17% increase in the regular quarterly cash dividend, increasing it from $0.42 per share to $0.49 per share.

The Company may incur substantial debt in the future for acquisitions or other general business or business development activities. In addition, the Company may continue to use available cash balances to execute share repurchases under approved share buy-back plans. To the extent that the Company is required to seek additional financing to support certain of these activities, such financing may not be available in sufficient amounts or on terms acceptable to the Company. If the Company is unable to obtain such financing or to service its existing or future debt with its operating income, or if available cash balances are affected by future business performance, liquidity, capital needs, alternative investment opportunities or debt covenants, the Company could be required to reduce, suspend or eliminate its dividend payments to its stockholders.

The Company's business development activities may not be successful.

The Company may increase growth through business development activities such as acquisitions, joint ventures, licensing and/or other strategic partnerships in the U.S. and internationally. However, if the Company is not able to identify, acquire and successfully integrate acquired products or companies or successfully manage joint ventures or other strategic partnerships, the Company may not be able to maximize these opportunities. The failure to properly manage business development activities because of difficulties in the assimilation of operations and products, the diversion of management's attention from other business concerns, the loss of key employees or other factors could materially adversely affect the Company's business, financial condition and results of operations. In addition, there can be no assurance that the Company's business development activities will be profitable at their inception or that they will achieve sales levels and profitability that justify the investments made.

Future acquisitions, joint ventures or strategic partnerships could also result in the incurrence of debt, potentially dilutive issuances of equity securities, contingent liabilities, amortization expenses related to certain intangible assets, unanticipated regulatory complications and/or increased operating expenses, all of which could adversely affect the Company's results of operations and financial condition. In addition, to the extent that the economic benefits associated with any of the Company's business development activities diminish in the future, the Company may be required to record impairments to goodwill, intangible assets or other assets associated with such activities, which could also adversely affect the Company's business, financial condition and results of operations.

Item 1B. Unresolved Staff Comments

None.

Item 2. Properties

Americas

The Company owns and occupies an office located at 9715 Businesspark Avenue, San Diego, California 92131, which was purchased in September 2016. The buildout of this new office building and facilities was completed in late fiscal year 2017. Corporate employees and employees in the Company's Americas segment transitioned to this location during August 2017 from the previous location at 1061 Cudahy Place, San Diego, California 92110, which the Company still owns and utilizes as a plant facility. The Company leases a regional sales office in Miami, Florida, a research and development office in Summit, New Jersey and office space in Toronto, Ontario, Canada.

EMEA

The Company owns and occupies an office and plant facility, consisting of office, plant and storage space, in Milton Keynes, United Kingdom. In addition, the Company also leases another office in United Kingdom and space for its branch offices in Germany, France, Italy, Spain, Portugal and the Netherlands.

Asia-Pacific

The Company leases office space in Epping, New South Wales, Australia; Shanghai, China; and Kuala Lumpur, Malaysia.

Item 3. Legal Proceedings

The information required by this item is incorporated by reference to the information set forth in Item 15 of Part IV, "Exhibits, Financial Statement Schedules" Note 11 — Commitments and Contingencies, in the accompanying notes to the consolidated financial statements included in this report.

Item 4. Mine Safety Disclosures

Not applicable.

Executive Officers of the Registrant

The following table sets forth the names, ages, fiscal year elected to current position and current titles of the executive officers of the Company as of August 31, 2017:

Name, Age and Year Elected to Current Position			Title
Garry O. Ridge	61	1997	President and Chief Executive Officer
Jay W. Rembolt	66	2008	Vice President, Finance, Treasurer and Chief Financial Officer
Stanley A. Sewitch	64	2012	Vice President, Global Organization Development
Richard T. Clampitt	62	2014	Vice President, General Counsel and Corporate Secretary
Michael L. Freeman	64	2016	Chief Strategy Officer
Geoffrey J. Holdsworth	55	1997	Managing Director, Asia-Pacific
William B. Noble	59	1996	Managing Director, EMEA
Steven A. Brass	51	2016	Division President, The Americas

Mr. Ridge joined the Company's Australian subsidiary, WD-40 Company (Australia) Pty. Limited, in 1987 as Managing Director. He held several senior management positions prior to his election as Chief Executive Officer in 1997.

Mr. Rembolt joined the Company in 1997 as Manager of Financial Services. He was promoted to Controller in 1999 and to Vice President, Finance/Controller in 2001. He was then named Vice President, Finance and Chief Financial Officer in 2008.

Mr. Sewitch joined the Company in 2012 as Vice President, Global Organization Development. Prior to joining the Company, Mr. Sewitch was a founder of four businesses, including a human resources and organizational consulting firm (HRG Inc.) which he led from 1989 until joining the Company.

Mr. Clampitt joined the Company in 2014 as Vice President, General Counsel and Corporate Secretary. He was named as Corporate Secretary on October 15, 2013. He has been licensed to practice law in the State of California since 1981. Prior to joining the Company, Mr. Clampitt served as a partner at Gordon & Rees LLP from 2002 through 2013.

Mr. Freeman joined the Company in 1990 as Director of Marketing and was promoted to Director of Operations in 1994. He became Vice President, Administration and Chief Information Officer in 1996, and was named Senior Vice President, Operations in 2001. He then served as Division President, The Americas, from 2002 until 2016 when he was appointed to his current position as Chief Strategy Officer.

Mr. Holdsworth joined the Company's Australia subsidiary, WD-40 Company (Australia) Pty. Limited, in 1996 as General Manager and was promoted to his current position of Managing Director, Asia-Pacific and as a Director of WD-40 Company (Australia) Pty. Limited in 1997.

Mr. Noble joined the Company's Australia subsidiary, WD-40 Company (Australia) Pty. Limited, in 1993 as International Marketing Manager for the Asia Region. He was then promoted to his current position of Managing Director, EMEA and as a Director of the Company's U.K. subsidiary, WD-40 Company Limited, in 1996.

Mr. Brass joined the Company in 1991 as International Area Manager at the Company's U.K. subsidiary and has since held several management positions including Country Manager in Germany, Director of Continental Europe, European Sales Director, and most recently European Commercial Director prior to his promotion to Division President, The Americas, in 2016.

All executive officers hold office at the discretion of the Board of Directors.

PART II

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

Market Information

The Company's common stock is traded on the NASDAQ Global Select Market. The following table sets forth the high and low sales prices per share of the Company's common stock for each of the quarterly periods indicated as reported by the NASDAQ Global Select Market.

	Fiscal Year 2017			Fiscal Year 2016		
	High	Low	Dividend	High	Low	Dividend
First Quarter	$ 121.10	$ 101.35	$ 0.42	$ 101.00	$ 81.68	$ 0.38
Second Quarter	$ 119.90	$ 100.65	$ 0.49	$ 109.37	$ 94.00	$ 0.42
Third Quarter	$ 113.25	$ 100.60	$ 0.49	$ 111.99	$ 99.32	$ 0.42
Fourth Quarter	$ 114.10	$ 103.80	$ 0.49	$ 125.00	$ 109.58	$ 0.42

On October 18, 2017, the last reported sales price of the Company's common stock on the NASDAQ Global Select Market was $114.70 per share, and there were 13,964,343 shares of common stock outstanding held by approximately 680 holders of record.

Dividends

The Company has historically paid regular quarterly cash dividends on its common stock. In December 2016, the Board of Directors declared a 17% increase in the regular quarterly cash dividend, increasing it from $0.42 per share to $0.49 per share. On October 10, 2017, the Company's Board of Directors declared a cash dividend of $0.49 per share payable on October 31, 2017 to shareholders of record on October 20, 2017.

The Board of Directors of the Company presently intends to continue the payment of regular quarterly cash dividends on the Company's common stock. The Company's ability to pay dividends could be affected by future business performance, liquidity, capital needs, alternative investment opportunities and debt covenants.

Purchases of Equity Securities By the Issuer and Affiliated Purchasers

On June 21, 2016, the Company's Board of Directors approved a share buy-back plan. Under the plan, which became effective on September 1, 2016, the Company is authorized to acquire up to $75.0 million of its outstanding shares through August 31, 2018. The timing and amount of repurchases are based on terms and conditions as may be acceptable to the Company's Chief Executive Officer and Chief Financial Officer and in compliance with all laws and regulations applicable thereto. During the period from September 1, 2016 through August 31, 2017, the Company repurchased 290,573 shares at a total cost of $31.1 million under this $75.0 million plan.

The following table provides information with respect to all purchases made by the Company during the three months ended August 31, 2017. All purchases listed below were made in the open market at prevailing market prices. Purchase transactions between June 1, 2017 and July 13, 2017 were executed pursuant to trading plans adopted by the Company pursuant to Rule 10b5-1 under the Securities Exchange Act of 1934, as amended.

	Total Number of Shares Purchased	Average Price Paid Per Share	Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs	Maximum Dollar Value of Shares that May Yet Be Purchased Under the Plans or Programs
Period				
June 1 - June 30	12,200	$ 109.96	12,200	$ 47,430,543
July 1 - July 31	9,500	$ 107.58	9,500	$ 46,408,333
August 1 - August 31	23,900	$ 105.32	23,900	$ 43,890,766
Total	45,600	$ 107.03	45,600	

Item 6. Selected Financial Data

The following data has been derived from the Company's audited consolidated financial statements. The data should be read in conjunction with such consolidated financial statements and other financial information included elsewhere in this report (in thousands, except per share amounts):

	As of and for the Fiscal Year Ended August 31,				
	2017	2016	2015	2014	2013
Net sales	$ 380,506	$ 380,670	$ 378,150	$ 382,997	$ 368,548
Cost of products sold	166,621	166,301	177,972	184,144	179,385
Gross profit	213,885	214,369	200,178	198,853	189,163
Operating expenses	137,976	143,021	134,788	135,116	132,526
Income from operations	75,909	71,348	65,390	63,737	56,637
Interest and other (expense) income, net	(1,287)	1,441	(2,280)	(778)	230
Income before income taxes	74,622	72,789	63,110	62,959	56,867
Provision for income taxes	21,692	20,161	18,303	19,213	17,054
Net income	$ 52,930	$ 52,628	$ 44,807	$ 43,746	$ 39,813
Earnings per common share:					
Basic	$ 3.73	$ 3.65	$ 3.05	$ 2.89	$ 2.55
Diluted	$ 3.72	$ 3.64	$ 3.04	$ 2.87	$ 2.54
Dividends per share	$ 1.89	$ 1.64	$ 1.48	$ 1.33	$ 1.22
Weighted-average shares outstanding - diluted	14,123	14,379	14,649	15,148	15,619
Total assets	$ 369,717	$ 339,668	$ 339,257	$ 347,680	$ 323,064
Long-term obligations (1)	$ 154,907	$ 140,579	$ 133,427	$ 26,354	$ 25,912

(1) Long-term obligations include long-term debt, deferred tax liabilities, net and other long-term liabilities.

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

Management's Discussion and Analysis of Financial Condition and Results of Operations ("MD&A") is designed to provide the reader of the Company's financial statements with a narrative from the perspective of management on the Company's financial condition, results of operations, liquidity and certain other factors that may affect future results. This MD&A includes the following sections: Overview, Highlights, Results of Operations, Performance Measures and Non-GAAP Reconciliations, Liquidity and Capital Resources, Critical Accounting Policies, Recently Issued Accounting Standards and Related Parties. The MD&A is provided as a supplement to, and should be read in conjunction with, the Company's audited consolidated financial statements and the related notes included in Item 15 of this report.

In order to show the impact of changes in foreign currency exchange rates on our results of operations, we have included constant currency disclosures, where necessary, in the Overview and Results of Operations sections which follow. Constant currency disclosures represent the translation of our current fiscal year revenues and expenses from the functional currencies of our subsidiaries to U.S. dollars using the exchange rates in effect for the corresponding period of the prior fiscal year. We use results on a constant currency basis as one of the measures to understand our operating results and evaluate our performance in comparison to prior periods. Results on a constant currency basis are not in accordance with accounting principles generally accepted in the United States of America ("non-GAAP") and should be considered in addition to, not as a substitute for, results prepared in accordance with GAAP.

Overview

The Company

WD-40 Company ("the Company"), based in San Diego, California, is a global marketing organization dedicated to creating positive lasting memories by developing and selling products that solve problems in workshops, factories and homes around the world. We market our maintenance products and our homecare and cleaning products under the following well-known brands: WD-40®, 3-IN-ONE®, GT85®, X-14®, 2000 Flushes®, Carpet Fresh®, no vac®, Spot Shot®, 1001®, Lava® and Solvol®. Currently included in the WD-40 brand are the WD-40 Multi-Use Product and the WD-40 Specialist® and WD-40 BIKE® product lines.

Our brands are sold in various locations around the world. Maintenance products are sold worldwide in markets throughout North, Central and South America, Asia, Australia, Europe, the Middle East and Africa. Homecare and cleaning products are sold primarily in North America, the United Kingdom ("U.K.") and Australia. We sell our products primarily through mass retail and home center stores, warehouse club stores, grocery stores, hardware stores, automotive parts outlets, sport retailers, independent bike dealers, online retailers and industrial distributors and suppliers.

Highlights

The following summarizes the financial and operational highlights for our business during the fiscal year ended August 31, 2017:

- *Consolidated net sales decreased $0.2 million for fiscal year 2017 compared to the prior fiscal year. Changes in foreign currency exchange rates had an unfavorable impact of $19.1 million on consolidated net sales for fiscal year 2017. Thus, on a constant currency basis, net sales would have increased by $18.9 million, or 5%, for fiscal year 2017 compared to the prior fiscal year. This unfavorable impact from changes in foreign currency exchange rates mainly came from our EMEA segment, which accounted for 36% of our consolidated sales for the fiscal year ended August 31, 2017.*

- *Consolidated net sales for the WD-40 Specialist product line were $25.8 million which is a 20% increase for fiscal year 2017 compared to the prior fiscal year. Although the WD-40 Specialist product line is expected to provide the Company with long-term growth opportunities, we will see some volatility in sales levels from period to period due to the timing of promotional programs, the building of distribution, and various other factors that come with building a new product line.*

- *Gross profit as a percentage of net sales decreased to 56.2% for fiscal year 2017 compared to 56.3% for the prior fiscal year.*

- *Consolidated net income increased $0.3 million, or 1%, for fiscal year 2017 compared to the prior fiscal year. Changes in foreign currency exchange rates had an unfavorable impact of $3.5 million on consolidated net income for fiscal year 2017. Thus, on a constant currency basis, net income would have increased by $3.8 million, or 7%, for fiscal year 2017 compared to the prior fiscal year.*

- *Diluted earnings per common share for fiscal year 2017 were $3.72 versus $3.64 in the prior fiscal year.*

- *Share repurchases were executed under our current $75.0 million share buy-back plan, which was approved by the Company's Board of Directors in June 2016 and became effective on September 1, 2016. During the period from September 1, 2016 through August 31, 2017, the Company repurchased 290,573 shares at an average price of $107.04 per share, for a total cost of $31.1 million.*

Our strategic initiatives and the areas where we will continue to focus our time, talent and resources in future periods include: (i) maximizing WD-40 multi-use product sales through geographic expansion and increased market penetration; (ii) leveraging the WD-40 brand by growing the WD-40 Specialist product line; (iii) leveraging the strengths of the Company through broadened product and revenue base; (iv) attracting, developing and retaining talented people; and (v) operating with excellence.

Results of Operations

Fiscal Year Ended August 31, 2017 Compared to Fiscal Year Ended August 31, 2016

Operating Items

The following table summarizes operating data for our consolidated operations (in thousands, except percentages and per share amounts):

	Fiscal Year Ended August 31,			
			Change from Prior Year	
	2017	2016	Dollars	Percent
Net sales:				
Maintenance products	$ 342,295	$ 339,974	$ 2,321	1%
Homecare and cleaning products	38,211	40,696	(2,485)	(6)%
Total net sales	380,506	380,670	(164)	-
Cost of products sold	166,621	166,301	320	-
Gross profit	213,885	214,369	(484)	-
Operating expenses	137,976	143,021	(5,045)	(4)%
Income from operations	$ 75,909	$ 71,348	$ 4,561	6%
Net income	$ 52,930	$ 52,628	$ 302	1%
Earnings per common share - diluted	$ 3.72	$ 3.64	$ 0.08	2%

Net Sales by Segment

The following table summarizes net sales by segment (in thousands, except percentages):

	Fiscal Year Ended August 31,			
			Change from Prior Year	
	2017	2016	Dollars	Percent
Americas	$ 184,929	$ 191,397	$ (6,468)	(3)%
EMEA	136,771	135,235	1,536	1%
Asia-Pacific	58,806	54,038	4,768	9%
Total	$ 380,506	$ 380,670	$ (164)	-

Americas

The following table summarizes net sales by product line for the Americas segment (in thousands, except percentages):

	Fiscal Year Ended August 31,			
			Change from Prior Year	
	2017	2016	Dollars	Percent
Maintenance products	$ 159,167	$ 163,655	$ (4,488)	(3)%
Homecare and cleaning products	25,762	27,742	(1,980)	(7)%
Total	$ 184,929	$ 191,397	$ (6,468)	(3)%
% of consolidated net sales	**49%**	**50%**		

Sales in the Americas segment, which includes the U.S., Canada and Latin America, decreased to $184.9 million, down $6.5 million, or 3%, for the fiscal year ended August 31, 2017 compared to the prior fiscal year. Changes in foreign currency exchange rates did not have a material impact on sales for the Americas segment from period to period.

Sales of maintenance products in the Americas segment decreased $4.5 million, or 3%, for the fiscal year ended August 31, 2017 compared to the prior fiscal year. This sales decrease was mainly driven by lower sales of maintenance products in the U.S., which declined 5% from period to period. This decline in sales from period to period was primarily due to decreased sales associated with a lower level of promotional activities and the timing of customer orders for the WD-40 Multi-Use Product. This lower level of sales in the U.S. was also attributable to efforts of certain of our customers in late fiscal year 2017 to more closely manage their inventory levels. The sales decrease of maintenance products in the U.S. was partially offset by increased sales of such products in Canada and Latin America, which increased 10% and 4%, respectively, from period to period. The sales increase in Canada was primarily due to added distribution of the WD-40 Bike product as well as higher sales due to successful promotional programs, which was partially driven by improving market and economic conditions, including those within the industrial channel in Western Canada as a result of increased activity levels in the oil industry. The sales increase in Latin America was primarily due to improved economic conditions in Puerto Rico in fiscal year 2017 compared to the prior fiscal year, as well as new distribution and successful promotional programs in several countries in South America. Although sales in Puerto Rico may decline in future periods during hurricane-related recovery efforts in response to Hurricane Maria, which made landfall in Puerto Rico in September 2017, sales in Puerto Rico are not material to the overall sales of the Company. The overall decrease in sales of WD-40 Multi-Use Product in the Americas segment was partially offset by higher sales of the WD-40 Specialist product line, which were up $1.5 million, or 13%, from period to period due to new distribution, particularly of certain new products within this product line during fiscal year 2017.

Sales of homecare and cleaning products in the Americas segment decreased $2.0 million, or 7%, for the fiscal year ended August 31, 2017 compared to the prior fiscal year. This sales decrease was driven primarily by a decrease in sales of the X-14, Spot Shot and Lava brand products in the U.S., which were down 13%, 9% and 9%, respectively, from period to period. While each of our homecare and cleaning products continue to generate positive cash flows, we have continued to experience decreased or flat sales for many of these products primarily due to lost distribution, reduced product offerings, competition, category declines and the volatility of orders from promotional programs with certain of our customers, particularly those in the warehouse club and mass retail channels.

For the Americas segment, 81% of sales came from the U.S., and 19% of sales came from Canada and Latin America combined for the fiscal year ended August 31, 2017 compared to the prior fiscal year when 83% of sales came from the U.S., and 17% of sales came from Canada and Latin America combined.

EMEA

The following table summarizes net sales by product line for the EMEA segment (in thousands, except percentages):

	Fiscal Year Ended August 31,			
			Change from Prior Year	
	2017	2016	Dollars	Percent
Maintenance products	$ 131,562	$ 129,217	$ 2,345	2%
Homecare and cleaning products	5,209	6,018	(809)	(13)%
Total [(1)]	$ 136,771	$ 135,235	$ 1,536	1%
% of consolidated net sales	**36%**	**36%**		

(1) While the Company's reporting currency is U.S. Dollar, the functional currency of our U.K. subsidiary, the entity in which the EMEA results are generated, is Pound Sterling. Although the functional currency of this subsidiary is Pound Sterling, approximately 45% of its sales are generated in Euro and 25% are generated in U.S. Dollar. As a result, the Pound Sterling sales and earnings for the EMEA segment can be negatively or positively impacted from period to period upon translation from these currencies depending on whether the Euro and U.S. Dollar are weakening or strengthening against the Pound Sterling.

Sales in the EMEA segment, which includes Europe, the Middle East, Africa and India, increased to $136.8 million, up $1.5 million, or 1%, for the fiscal year ended August 31, 2017 compared to the prior fiscal year. Changes in foreign currency exchange rates had an unfavorable impact on sales for the EMEA segment from period to period. Sales for the fiscal year ended August 31, 2017 translated at the exchange rates in effect for the prior fiscal year would have been $155.9 million in the EMEA segment. Thus, on a constant currency basis, sales would have increased by $20.6 million, or 15%, for the fiscal year ended August 31, 2017 compared to the prior fiscal year.

The countries in Europe where we sell through a direct sales force include the U.K., Italy, France, Iberia (which includes Spain and Portugal) and the Germanics sales region (which includes Germany, Austria, Denmark, Switzerland, Belgium and the Netherlands). Overall, sales from the direct markets increased $1.3 million, or 1%, for the fiscal year ended August 31, 2017 compared to fiscal year 2016. Changes in foreign currency exchange rates had an unfavorable impact on sales in the direct markets in EMEA from period to period. On a constant currency basis, sales in the direct markets would have increased by 15% from fiscal year 2017 compared to the prior fiscal year.

We experienced sales increases throughout most of the EMEA direct markets for the fiscal year ended August 31, 2017 compared to the prior fiscal year primarily due to a sales increase of $3.5 million, or 6%, in the Euro-based direct markets as a result of continued growth of the base business and higher sales of WD-40 Specialist. Sales of WD-40 Specialist in the Euro-based direct markets increased $1.6 million, or 36%, from period to period as a result of expanded distribution in most markets, but particularly in France. Although sales in the Euro-based direct markets also benefited from the strengthening of the Euro against the Pound Sterling, the functional currency of our U.K. subsidiary, they were impacted in the opposite direction by approximately the same amount due the weakening of the Pound Sterling against the U.S. Dollar from period to period. The sales increase in the Euro-based direct markets was partially offset by a sales decrease in the U.K. of $2.2 million, or 8%, as a result of the unfavorable impacts of changes in foreign currency exchange rates, specifically the Pound Sterling against the U.S. Dollar. In functional currency, sales in the U.K. increased by 4% primarily due to a favorable shift in product mix within the WD-40 Multi-Use Product from period to period. Sales from direct markets accounted for 65% of the EMEA segment's sales for the fiscal year ended August 31, 2017 compared to 66% of the EMEA segment's sales for the prior fiscal year.

The regions in the EMEA segment where we sell through local distributors include the Middle East, Africa, India, Eastern and Northern Europe. Sales in the distributor markets increased $0.2 million, or 1%, for the fiscal year ended August 31, 2017 compared to the prior fiscal year primarily due increased sales of WD-40 Multi-Use Product in the Eastern Europe and India. Overall, sales in the distributor markets were increased from period to period primarily due to the continued growth of the base business in key markets. The distributor markets accounted for 35% of the EMEA segment's total sales for the fiscal year ended August 31, 2017, compared to 34% for the prior fiscal year.

Asia-Pacific

The following table summarizes net sales by product line for the Asia-Pacific segment (in thousands, except percentages):

	Fiscal Year Ended August 31,			
			Change from Prior Year	
	2017	2016	Dollars	Percent
Maintenance products	$ 51,567	$ 47,102	$ 4,465	9%
Homecare and cleaning products	7,239	6,936	303	4%
Total	$ 58,806	$ 54,038	$ 4,768	9%
% of consolidated net sales	**15%**	**14%**		

Sales in the Asia-Pacific segment, which includes Australia, China and other countries in the Asia region, increased to $58.8 million, up $4.8 million, or 9%, for the fiscal year ended August 31, 2017 compared to the prior fiscal year. Although changes in foreign currency exchange rates did not have a material impact on sales in the Asia-Pacific segment from period to period, fluctuations in foreign currency exchange rates impacted sales in both China and Australia.

Sales in Asia, which represented 70% of the total sales in the Asia-Pacific segment, increased $3.7 million, or 10%, for the fiscal year ended August 31, 2017 compared to the prior fiscal year. Sales in the Asia distributor markets increased $2.2 million, or 9%, primarily attributable to successful promotional programs and expanded distribution in the Asian distributor markets, particularly those in the Philippines, Bangladesh and Malaysia, from period to period. Sales in China increased $1.5 million, or 11%, for the fiscal year ended August 31, 2017 compared to the prior fiscal year. Changes in foreign currency exchange rates had an unfavorable impact on sales in China. On a constant currency basis, sales would have increased by 16% from period to period primarily due to new distribution and continued growth in sales to our largest customers throughout China.

Sales in Australia increased by $1.1 million, or 6%, for the fiscal year ended August 31, 2017 compared to the prior fiscal year. Changes in foreign currency exchange rates had a favorable impact on Australia sales. On a constant currency basis, sales would have increased by 2% for the fiscal year ended August 31, 2017 compared to the prior fiscal year primarily due to increased distribution and higher sales levels resulting from successful promotional programs as well as continued growth of our base business.

Gross Profit

Gross profit decreased to $213.9 million for the fiscal year ended August 31, 2017 compared to $214.4 million for the prior fiscal year. As a percentage of net sales, gross profit decreased to 56.2% for the fiscal year ended August 31, 2017 compared to 56.3% for the prior fiscal year.

Gross margin was negatively impacted by 1.0 percentage points from period to period due to unfavorable net changes in the costs of petroleum-based specialty chemicals and aerosol cans, primarily in our EMEA segment. The unfavorable impacts in our EMEA segment were primarily due to increased costs of petroleum-based specialty chemicals from period to period. While the costs of petroleum-based specialty chemicals for our EMEA segment are sourced in Pound Sterling, the underlying inputs are denominated in U.S. Dollars. As a result, the overall strengthening of the U.S. Dollar against the Pound Sterling from period to period resulted in a significant increase in cost of goods in Pound Sterling. There is often a delay of one quarter or more before changes in raw material costs impact cost of products sold due to production and inventory life cycles. Due to the volatility of the price of crude oil, it is uncertain the level to which gross margin will be impacted by such costs in future periods. In addition, the combined effects of unfavorable sales mix changes and other miscellaneous costs negatively impacted gross margin by 0.4 percentage points primarily due to an unfavorable shift in product mix as a result of a higher portion of sales in the Americas segment being made to lower margin maintenance products from period to period. Gross margin was also negatively impacted by 0.1 percentage points from period to period primarily due to higher warehousing and in-bound freight costs in the Americas segment.

These unfavorable impacts to gross margin were almost completely offset by changes in foreign currency exchange rates, which positively impacted gross margin by 1.3 percentage points due to the fluctuations in the exchange rates for both the Euro and U.S. Dollar against the Pound Sterling in our EMEA segment from period to period. In the EMEA segment, the majority of our cost of goods sold is denominated in Pound Sterling whereas sales are generated in Pound Sterling, Euro and the U.S. Dollar. The combined effect of the strengthening of both the Euro and U.S. Dollar against the Pound Sterling from period to period caused an increase in our Pound Sterling sales, resulting in favorable impacts to the gross margin. In addition, sales price increases in the EMEA segment over the last twelve months also positively impacted gross margin by 0.1 percentage points from period to period.

Note that our gross profit and gross margin may not be comparable to those of other consumer product companies, since some of these companies include all costs related to distribution of their products in cost of products sold, whereas we exclude the portion associated with amounts paid to third parties for shipment to our customers from our distribution centers and contract manufacturers and include these costs in selling, general and administrative expenses. These costs totaled $16.4 million and $16.1 million for the fiscal years ended August 31, 2017 and 2016, respectively.

Selling, General and Administrative Expenses

Selling, general and administrative ("SG&A") expenses for the fiscal year ended August 31, 2017 decreased $3.2 million to $114.6 million from $117.8 million for the prior fiscal year. As a percentage of net sales, SG&A expenses decreased to 30.1% for the fiscal year ended August 31, 2017 from 30.9% for the prior fiscal year. The decrease in SG&A expenses was primarily attributable to favorable impacts due to changes in foreign currency exchange rates and lower employee-related costs from period to period. Changes in foreign currency exchange rates had a favorable impact of $5.4 million on SG&A expenses for the fiscal year ended August 31, 2017 compared to the prior fiscal year. Employee-related costs, which include salaries, incentive compensation, profit sharing, stock-based compensation and other fringe benefits, decreased by $2.7 million primarily due to lower earned incentive compensation, which was partially offset by increased headcount and higher stock-based compensation expense from period to period. The increase in stock-based compensation expense was due to the acceleration of expense of $0.8 million for certain equity awards granted during the first quarter of fiscal year 2017 under updated equity award agreements that include expanded accelerated vesting provisions in the event of retirement of the award recipients. These decreases were partially offset by increased costs associated with freight, professional services, travel and meetings, general office overhead and depreciation, and other miscellaneous expenses from period to period. Freight costs associated with shipping products to our customers increased $1.3 million primarily due to higher sales volumes in the EMEA segment from period to period as well as the unfavorable impact from changes in foreign currency exchange rates in our Euro-based direct markets from period to period. Professional services costs increased $1.1 million due to increased use of such services from period to period, primarily in the Americas and EMEA segments. Travel and meeting expenses increased $0.9 million due to a higher level of travel expenses associated with various sales meetings and activities in support of our strategic initiatives. In addition, general office overhead and depreciation expense increased $0.7 million primarily due to higher rent expense for certain offices that the Company leases as well as higher depreciation expense, primarily in the EMEA segment. Other miscellaneous expenses, the largest of which were related to sales commissions and research and development costs, increased by $0.9 million for the fiscal year ended August 31, 2017 compared to the prior fiscal year.

We continued our research and development investment, the majority of which is associated with our maintenance products, in support of our focus on innovation and renovation of our products. Research and development costs for the fiscal years ended August 31, 2017 and 2016 were $8.4 million and $7.7 million, respectively. Our research and development team engages in consumer research, product development, current product improvement and testing activities. This team leverages its development capabilities by partnering with a network of outside resources including our current and prospective suppliers. The level and types of expenses incurred within research and development can vary from period to period depending upon the types of activities being performed.

Advertising and Sales Promotion Expenses

Advertising and sales promotion expenses for the fiscal year ended August 31, 2017 decreased $1.8 million to $20.5 million from $22.3 million for the prior fiscal year. As a percentage of net sales, these expenses decreased to 5.4% for the fiscal year ended August 31, 2017 from 5.9% for the prior fiscal year. Changes in foreign currency exchange rates had a favorable impact on such expenses of $1.1 million from period to period. Thus, on a constant currency basis, advertising and sales promotion expenses for fiscal year 2017 would have decreased by $0.7 million, primarily due to a lower level of promotional programs and marketing support in the Americas segment from period to period. Investment in global advertising and sales promotion expenses for fiscal year 2018 is expected to be near 6.0% of net sales.

As a percentage of net sales, advertising and sales promotion expenses may fluctuate period to period based upon the type of marketing activities we employ and the period in which the costs are incurred. Total promotional costs recorded as a reduction to sales were $17.5 million and $16.1 million for the fiscal years ended August 31, 2017 and 2016, respectively. Therefore, our total investment in advertising and sales promotion activities totaled $38.0 million and $38.4 million for the fiscal years ended August 31, 2017 and 2016, respectively.

Amortization of Definite-lived Intangible Assets Expense

Amortization of our definite-lived intangible assets remained relatively constant at $2.9 million and $3.0 million for the fiscal years ended August 31, 2017 and 2016, respectively.

Income from Operations by Segment

The following table summarizes income from operations by segment (in thousands, except percentages):

	Fiscal Year Ended August 31,			
			Change from Prior Year	
	2017	2016	Dollars	Percent
Americas	$ 48,303	$ 48,404	$ (101)	-
EMEA	35,389	31,702	3,687	12%
Asia-Pacific	16,765	15,162	1,603	11%
Unallocated corporate [1]	(24,548)	(23,920)	(628)	3%
	$ 75,909	$ 71,348	$ 4,561	6%

(1) Unallocated corporate expenses are general corporate overhead expenses not directly attributable to any one of the operating segments. These expenses are reported separate from the Company's identified segments and are included in Selling, General and Administrative expenses on the Company's consolidated statements of operations.

<u>Americas</u>

Income from operations for the Americas segment decreased to $48.3 million, down $0.1 million, for the fiscal year ended August 31, 2017 compared to the prior fiscal year, primarily due to a $6.5 million decrease in sales and a lower gross margin, which were almost completely offset by lower operating expenses. As a percentage of net sales, gross profit for the Americas segment decreased from 55.1% to 54.4% period over period. This decrease in the gross margin was primarily due to the negative impacts of unfavorable sales mix changes as well as higher warehousing and in-bound freight costs from period to period. These unfavorable impacts were partially offset by the combined positive impacts of decreased costs of petroleum-based specialty chemicals and aerosol cans as well as a lower level of advertising, promotional and other discounts that we gave to our customers from period to period. Operating expenses decreased $4.8 million period over period due to lower employee-related expenses, primarily those associated with earned incentive compensation, and decreased advertising and sales promotion expenses from period to period. Operating income as a percentage of net sales increased from 25.3% to 26.1% period over period.

<u>EMEA</u>

Income from operations for the EMEA segment increased to $35.4 million, up $3.7 million, or 12%, for the fiscal year ended August 31, 2017 compared to the prior fiscal year, primarily due to a higher gross margin, lower operating expenses and a $1.5 million increase in sales. As a percentage of net sales, gross profit for the EMEA segment increased from 58.7% to 59.6% period over period primarily due to the combined positive impacts of favorable fluctuations in foreign currency exchange rates and sales mix changes, which were partially offset by the negative impacts of increased costs of petroleum-based specialty chemicals and aerosol cans from period to period. Operating expenses decreased $1.6 million primarily due to the favorable impacts of fluctuations in foreign currency exchange rates and lower earned incentive compensation expense, which were partially offset by increased headcount and other employee-related expenses from period to period. Operating income as a percentage of net sales increased from 23.4% to 25.9% period over period.

<u>Asia-Pacific</u>

Income from operations for the Asia-Pacific segment increased to $16.8 million, up $1.6 million, or 11%, for the fiscal year ended August 31, 2017 compared to the prior fiscal year, primarily due to a $4.8 million increase in sales, which was partially offset by a lower gross margin and an increase in operating expenses. As a percentage of net sales, gross profit for the Asia-Pacific segment decreased from 54.8% to 54.2% period over period due to the combined negative impacts of increased costs of petroleum-based specialty chemicals and aerosol cans as well a higher level of advertising, promotional and other discounts that we gave to our customers from period to period. Operating expenses increased $0.7 million period over period primarily due to higher employee-related expenses and information systems support costs. Operating income as a percentage of net sales increased from 28.1% to 28.5% period over period.

Non-Operating Items

The following table summarizes non-operating income and expenses for our consolidated operations (in thousands):

	Fiscal Year Ended August 31,		
	2017	2016	Change
Interest income	$ 508	$ 683	$ (175)
Interest expense	$ 2,582	$ 1,703	$ 879
Other income	$ 787	$ 2,461	$ (1,674)
Provision for income taxes	$ 21,692	$ 20,161	$ 1,531

Interest Income

Interest income remained relatively constant for the fiscal year ended August 31, 2017 compared to the prior fiscal year.

Interest Expense

Interest expense increased $0.9 million for the fiscal year ended August 31, 2017 compared to the prior fiscal year primarily due to higher interest rates and an increased outstanding balance on our revolving credit facility period over period.

Other Income

Other income decreased by $1.7 million for the fiscal year ended August 31, 2017 compared to the prior fiscal year primarily due to lower net foreign currency exchange gains from period to period. This significant decrease in foreign currency exchange gains was primarily due to the relative movement in foreign currency exchange rates and the fluctuation of non-functional currency balance sheet accounts, particularly those associated with our UK subsidiary, during the fiscal year ended August 31, 2017 compared to the prior fiscal year.

Provision for Income Taxes

The provision for income taxes was 29.1% of income before income taxes for the fiscal year ended August 31, 2017 compared to 27.7% for the prior fiscal year. The increase in the effective income tax rate from period to period was primarily driven by an immaterial out-of-period correction that we recorded in the second quarter of fiscal year 2017 associated with the tax impacts from certain unrealized foreign currency exchange losses.

Net Income

Net income was $52.9 million, or $3.72 per common share on a fully diluted basis, for fiscal year 2017 compared to $52.6 million, or $3.64 per common share on a fully diluted basis, for the prior fiscal year. Changes in foreign currency exchange rates year over year had an unfavorable impact of $3.5 million on net income for fiscal year 2017. Thus, on a constant currency basis, net income for fiscal year 2017 would have been $56.4 million.

Fiscal Year Ended August 31, 2016 Compared to Fiscal Year Ended August 31, 2015

Operating Items

The following table summarizes operating data for our consolidated operations (in thousands, except percentages and per share amounts):

	Fiscal Year Ended August 31,			
			Change from Prior Year	
	2016	2015	Dollars	Percent
Net sales:				
Maintenance products	$ 339,974	$ 333,306	$ 6,668	2%
Homecare and cleaning products	40,696	44,844	(4,148)	(9)%
Total net sales	380,670	378,150	2,520	1%
Cost of products sold	166,301	177,972	(11,671)	(7)%
Gross profit	214,369	200,178	14,191	7%
Operating expenses	143,021	134,788	8,233	6%
Income from operations	$ 71,348	$ 65,390	$ 5,958	9%
Net income	$ 52,628	$ 44,807	$ 7,821	17%
Earnings per common share - diluted	$ 3.64	$ 3.04	$ 0.60	20%

Net Sales by Segment

The following table summarizes net sales by segment (in thousands, except percentages):

	Fiscal Year Ended August 31,			
			Change from Prior Year	
	2016	2015	Dollars	Percent
Americas	$ 191,397	$ 187,344	$ 4,053	2%
EMEA	135,235	136,847	(1,612)	(1)%
Asia-Pacific	54,038	53,959	79	-
Total	$ 380,670	$ 378,150	$ 2,520	1%

Americas

The following table summarizes net sales by product line for the Americas segment (in thousands, except percentages):

	Fiscal Year Ended August 31,			
			Change from Prior Year	
	2016	2015	Dollars	Percent
Maintenance products	$ 163,655	$ 156,937	$ 6,718	4%
Homecare and cleaning products	27,742	30,407	(2,665)	(9)%
Total	$ 191,397	$ 187,344	$ 4,053	2%
% of consolidated net sales	**50%**	**50%**		

Sales in the Americas segment, which includes the U.S., Canada and Latin America, increased to $191.4 million, up $4.1 million, or 2%, for the fiscal year ended August 31, 2016 compared to fiscal year 2015. Changes in foreign currency exchange rates in Canada had an unfavorable impact on sales for the Americas segment from period to period. Sales for the fiscal year ended August 31, 2016 translated at the exchange rates in effect for fiscal year 2015 would have been $192.5 million in the Americas segment. Thus, on a constant currency basis, sales would have increased by $5.2 million, or 3%, for the fiscal year ended August 31, 2016 compared to fiscal year 2015.

Sales of maintenance products in the Americas segment increased $6.7 million, or 4%, for the fiscal year ended August 31, 2016 compared to fiscal year 2015. This sales increase was mainly driven by higher sales of maintenance products in the U.S. and Latin America, which increased 6% and 3%, respectively, from period to period. The sales increase in the U.S. was primarily due to a higher level of promotional activities for all maintenance products and the added distribution of WD-40 EZ Reach Flexible Straw product, which was launched in late fiscal year 2015. The sales increase in Latin America was primarily due to the success of certain promotional programs which were conducted in the second quarter of fiscal year 2016, primarily those in Mexico and Chile, as well as the continued growth of the WD-40 Multi-Use Product throughout the Latin America region. The sales increases in the U.S. and Latin America were partially offset by a sales decrease in Canada of 14%, from period to period. This decrease was primarily due to lower sales associated with promotional programs, most of which was driven by unstable market and economic conditions, particularly in the industrial channel in Western Canada as a result of reduced activity in the oil industry. In addition, sales in Canada were negatively impacted by unfavorable changes in foreign currency exchange rates form period to period. Also contributing to the overall sales increase of maintenance products in the Americas segment was higher sales of the WD-40 Specialist product line, which were up $1.1 million, or 10%, from period to period due to new distribution, particularly of certain new products within this product line during the fourth quarter of fiscal year 2016.

Sales of homecare and cleaning products in the Americas segment decreased $2.6 million, or 9%, for the fiscal year ended August 31, 2016 compared to fiscal year 2015. This sales decrease was driven primarily by a decrease in sales of Spot Shot carpet stain remover and 2000 Flushes automatic toilet bowl cleaners, most of which is related to the U.S., of 13% and 7%, respectively. While each of our homecare and cleaning products continue to generate positive cash flows, we have continued to experience decreased or flat sales for many of these products primarily due to lost distribution, reduced product offerings, competition, category declines and the volatility of orders from and promotional programs with certain of our customers, particularly those in the warehouse club and mass retail channels.

For the Americas segment, 83% of sales came from the U.S., and 17% of sales came from Canada and Latin America combined for the fiscal year ended August 31, 2016 compared to fiscal year 2015 when 82% of sales came from the U.S., and 18% of sales came from Canada and Latin America combined.

EMEA

The following table summarizes net sales by product line for the EMEA segment (in thousands, except percentages):

	Fiscal Year Ended August 31,			
			Change from Prior Year	
	2016	2015	Dollars	Percent
Maintenance products	$ 129,217	$ 129,730	$ (513)	-
Homecare and cleaning products	6,018	7,117	(1,099)	(15)%
Total [(1)]	$ 135,235	$ 136,847	$ (1,612)	(1)%
% of consolidated net sales	**36%**	**36%**		

(1) While the Company's reporting currency is U.S. Dollar, the functional currency of our U.K. subsidiary, the entity in which the EMEA results are generated, is Pound Sterling. Although the functional currency of this subsidiary is Pound Sterling, approximately 45% of its sales are generated in Euro and 25% are generated in U.S. Dollar. As a result, the Pound Sterling sales and earnings for the EMEA segment can be negatively or positively impacted from period to period upon translation from these currencies depending on whether the Euro and U.S. Dollar are weakening or strengthening against the Pound Sterling.

Sales in the EMEA segment, which includes Europe, the Middle East, Africa and India, decreased to $135.2 million, down $1.6 million, or 1%, for the fiscal year ended August 31, 2016 compared to fiscal year 2015. Changes in foreign currency exchange rates had an unfavorable impact on sales for the EMEA segment from period to period. Sales for the fiscal year ended August 31, 2016 translated at the exchange rates in effect for fiscal year 2015 would have been $146.5 million in the EMEA segment. Thus, on a constant currency basis, sales would have increased by $9.7 million, or 7%, for the fiscal year ended August 31, 2016 compared to fiscal year 2015.

The countries in EMEA where we sell through a direct sales force include the U.K., Italy, France, Iberia (which includes Spain and Portugal) and the Germanics sales region (which includes Germany, Austria, Denmark, Switzerland, Belgium and the Netherlands). Overall, sales from direct markets increased $1.2 million, or 1%, for the fiscal year ended August 31, 2016 compared to fiscal year 2015. Changes in foreign currency exchange rates had an unfavorable impact on sales in the direct markets in EMEA from period to period. On a constant currency basis, sales in the direct markets would have increased by 10% from fiscal year 2016 compared to fiscal year 2015.

We experienced sales increases throughout most of the EMEA direct markets for the fiscal year ended August 31, 2016 compared to fiscal year 2015, with percentage increases in sales as follows: the Germanics region, 10%; Italy, 9%; and France, 1%. Sales increases in these direct markets were primarily due to increased sales of the WD-40 Multi-Use Product, particularly in the Germanics region. Sales in the Germanics increased from period to period due to a change in the distribution model for the do-it-yourself (DIY) channel that we made for this region in fiscal year 2015. In the third quarter of fiscal year 2015, we shifted away from a distribution model for this channel where we sold product through a large wholesale customer who then supplied various retail customers to one where we sell direct to these retail customers. Due to the successful build of our direct customer base in this new model in fiscal year 2016, sales in this region were positively impacted from period to period. The increased sales in these regions were partially offset by sales decreases in the U.K. and Iberia of 6% and 1%, respectively. Sales in the U.K. decreased from period to period primarily due to decreased distribution of our 1001 brand in the retail channel from period to period. Sales generated in Euro in the direct markets also resulted in slightly higher Pound Sterling sales in fiscal year 2016 due the strengthening of the Euro against the Pound Sterling from period to period. The average exchange rate for the Euro against the Pound Sterling increased from 0.7497 to 0.7637, or 2%, from period to period. Also contributing to the overall sales increase in the direct markets were increased sales of the WD-40 Specialist product line of $1.9 million, or 45%, from period to period due to expanded distribution. Sales from direct markets accounted for 66% of the EMEA segment's sales for fiscal year ended August 31, 2016 compared to 63% of the EMEA segment's sales for fiscal year 2015.

The regions in the EMEA segment where we sell through local distributors include the Middle East, Africa, India, Eastern and Northern Europe. Sales in the distributor markets decreased $2.8 million, or 6%, for the fiscal year ended August 31, 2016 compared to fiscal year 2015 primarily due to an 11% decrease in sales in Russia as a result of the unstable market conditions in Eastern Europe which started in the third quarter of our fiscal year 2015. Although the market conditions in Russia began to stabilize in fiscal year 2016, our sales did not return in fiscal year 2016 to the levels that we experienced prior to the third quarter of fiscal year 2015. Sales were also negatively impacted in fiscal year 2016 by continued political and economic instability in other countries in the distributor markets. Since a high percentage of sales in the distributor markets in the EMEA segment are generated in U.S. Dollars, there were insignificant impacts due to changes in the foreign currency exchange rates from period to period. The distributor markets accounted for 34% of the EMEA segment's total sales for the fiscal year ended August 31, 2016, compared to 37% for fiscal year 2015.

Asia-Pacific

The following table summarizes net sales by product line for the Asia-Pacific segment (in thousands, except percentages):

	Fiscal Year Ended August 31,			
			Change from Prior Year	
	2016	2015	Dollars	Percent
Maintenance products	$ 47,102	$ 46,639	$ 463	1%
Homecare and cleaning products	6,936	7,320	(384)	(5)%
Total	$ 54,038	$ 53,959	$ 79	-
% of consolidated net sales	**14%**	**14%**		

Sales in the Asia-Pacific segment, which includes Australia, China and other countries in the Asia region remained constant at $54.0 million for each of the fiscal years ended August 31, 2016 and 2015. Changes in foreign currency exchange rates had an unfavorable impact on sales for the Asia Pacific segment from period to period. Sales for the fiscal year ended August 31, 2016 translated at the exchange rates in effect for fiscal year 2015 would have been $56.8 million in the Asia-Pacific segment. Thus, on a constant currency basis, sales would have increased by $2.8 million, or 5%, for the fiscal year ended August 31, 2016 compared to fiscal year 2015.

Sales in Asia, which represented 69% of the total sales in the Asia-Pacific segment, increased $0.8 million, or 2%, for the fiscal year ended August 31, 2016 compared to fiscal year 2015. Sales in the Asia distributor markets increased $0.7 million, or 3%, from period to period, primarily attributable to increased distribution resulting from the success of certain significant promotional programs for the WD-40 Multi-Use Product in the Asian distributor markets, particularly those in Vietnam, Sri Lanka, and Thailand. Although sales in China remained relatively constant at $13.3 million and $13.2 million for the fiscal years ended August 31, 2016 and 2015, respectively, changes in foreign currency exchange rates had an unfavorable impact on sales in China. On a constant currency basis, sales would have increased by 7% from period to period primarily due to increased distribution, particularly in Southern China.

Sales in Australia decreased by $0.8 million, or 4%, for the fiscal year ended August 31, 2016 compared to fiscal year 2015. Changes in foreign currency exchange rates had an unfavorable impact on Australia sales. On a constant currency basis, sales would have increased by 7% for the fiscal year ended August 31, 2016 compared to fiscal year 2015 primarily due to increased distribution and higher sales levels resulting from successful promotional programs as well as continued growth of our base business.

Gross Profit

Gross profit increased to $214.4 million for the fiscal year ended August 31, 2016 compared to $200.2 million for fiscal year 2015. As a percentage of net sales, gross profit increased to 56.3% for the fiscal year ended August 31, 2016 compared to 52.9% for fiscal year 2015.

Gross margin was positively impacted by 2.4 percentage points from period to period due to favorable net changes in the costs of petroleum-based specialty chemicals and aerosol cans in all three segments. There is often a delay of one quarter or more before changes in raw material costs impact cost of products sold due to production and inventory life cycles. The average cost of crude oil which flowed through our cost of goods sold was significantly lower in fiscal year 2016 as compared to fiscal year 2015, thus resulting in positive impacts to our gross margin from period to period. The combined effects of favorable sales mix changes and other miscellaneous costs positively impacted gross margin by 0.4 percentage points primarily due to a favorable shift in product mix as a result of a higher portion of sales in the Americas segment being made of higher margin maintenance products from period to period. Gross margin was also positively impacted by 0.2 percentage points from period to period primarily due to sales price increases implemented in the EMEA and Asia-Pacific segments in fiscal year 2016. In addition, advertising, promotional and other discounts that we give to our customers decreased from period to period positively impacting gross margin by 0.1 percentage points. In general, the timing of advertising, promotional and other discounts may cause fluctuations in gross margin from period to period. The costs associated with certain promotional activities are recorded as a reduction to sales while others are recorded as advertising and sales promotion expenses. Advertising, promotional and other discounts that are given to our customers are recorded as a reduction to sales, whereas advertising and sales promotional costs associated with promotional activities that we pay to third parties are recorded as advertising and sales promotion expenses.

Changes in foreign currency exchange rates positively impacted gross margin by 0.4 percentage points primarily due to the fluctuations in the exchange rates for the Euro and U.S. Dollar against the Pound Sterling in our EMEA segment from period to period. In the EMEA segment, the majority of our cost of goods sold is denominated in Pound Sterling whereas sales are generated in Pound Sterling, Euro and the U.S. Dollar. The combined effect of the strengthening of both the Euro and U.S. Dollar against the Pound Sterling from period to period caused an increase in our Pound Sterling sales, resulting in favorable impacts to the gross margin. These favorable impacts to gross margin were slightly offset by 0.1 percentage points due to higher warehousing and in-bound freight costs, particularly in the Americas segment from period to period.

Note that our gross profit and gross margin may not be comparable to those of other consumer product companies, since some of these companies include all costs related to distribution of their products in cost of products sold, whereas we exclude the portion associated with amounts paid to third parties for shipment to our customers from our distribution centers and contract manufacturers and include these costs in selling, general and administrative expenses. These costs totaled $16.1 million and $15.8 million for the fiscal years ended August 31, 2016 and 2015, respectively.

Selling, General and Administrative Expenses

Selling, general and administrative ("SG&A") expenses for the fiscal year ended August 31, 2016 increased $8.9 million to $117.8 million from $108.9 million for fiscal year 2015. As a percentage of net sales, SG&A expenses increased to 30.9% for the fiscal year ended August 31, 2016 from 28.8% for fiscal year 2015. The increase in SG&A expenses was primarily attributable to higher employee-related costs, increased freight costs and other miscellaneous expenses. Employee-related costs, which include salaries, incentive compensation, profit sharing, stock-based compensation and other fringe benefits, increased by $11.5 million. This increase was primarily due to higher accruals for earned incentive compensation from period to period as well as annual compensation increases, which take effect in the first quarter of the fiscal year, and increased headcount. Freight costs associated with shipping products to our customers increased $1.0 million primarily due to higher sales volumes in the EMEA segment from period to period as well as additional costs associated with the shift in the distribution model in the Germanics region in EMEA. Other miscellaneous expenses, which primarily include sales commissions and depreciation expense, increased by $0.8 million period over period. These increases were partially offset by changes in foreign currency exchange rates, which had a favorable impact of $4.4 million on SG&A expenses for the fiscal year ended August 31, 2016 compared to fiscal year 2015.

We continued our research and development investment, the majority of which is associated with our maintenance products, in support of our focus on innovation and renovation of our products. Research and development costs for the fiscal years ended August 31, 2016 and 2015 were $7.7 million and $9.0 million, respectively. Our research and development team engages in consumer research, product development, current product improvement and testing activities. This team leverages its development capabilities by partnering with a network of outside resources including our current and prospective suppliers. The level and types of expenses incurred within research and development can vary from period to period depending upon the types of activities being performed.

Advertising and Sales Promotion Expenses

Advertising and sales promotion expenses for the fiscal year ended August 31, 2016 decreased $0.6 million to $22.3 million from $22.9 million for fiscal year 2015. As a percentage of net sales, these expenses decreased to 5.9% for the fiscal year ended August 31, 2016 from 6.0% for fiscal year 2015. Changes in foreign currency exchange rates had a favorable impact on such expenses of $0.9 million from period to period. Thus, on a constant currency basis, advertising and sales promotion expenses for fiscal year 2016 would have increased by $0.3 million, primarily due to a higher level of promotional programs and marketing support in the EMEA segment from period to period.

As a percentage of net sales, advertising and sales promotion expenses may fluctuate period to period based upon the type of marketing activities we employ and the period in which the costs are incurred. Total promotional costs recorded as a reduction to sales were $16.1 million and $16.0 million for the fiscal years ended August 31, 2016 and 2015, respectively. Therefore, our total investment in advertising and sales promotion activities totaled $38.4 million and $38.9 million for the fiscal years ended August 31, 2016 and 2015, respectively.

Amortization of Definite-lived Intangible Assets Expense

Amortization of our definite-lived intangible assets remained constant at $3.0 million for both the fiscal years ended August 31, 2016 and 2015.

Income from Operations by Segment

The following table summarizes income from operations by segment (in thousands, except percentages):

	Fiscal Year Ended August 31,			
			Change from Prior Year	
	2016	2015	Dollars	Percent
Americas	$ 48,404	$ 46,674	$ 1,730	4%
EMEA	31,702	30,173	1,529	5%
Asia-Pacific	15,162	12,602	2,560	20%
Unallocated corporate [1]	(23,920)	(24,059)	139	(1)%
	$ 71,348	$ 65,390	$ 5,958	9%

[1] Unallocated corporate expenses are general corporate overhead expenses not directly attributable to any one of the operating segments. These expenses are reported separate from the Company's identified segments and are included in Selling, General and Administrative expenses on the Company's consolidated statements of operations.

Americas

Income from operations for the Americas segment increased to $48.4 million, up $1.7 million, or 4%, for the fiscal year ended August 31, 2016 compared to fiscal year 2015, primarily due to a $4.1 million increase in sales and a higher gross margin. As a percentage of net sales, gross profit for the Americas segment increased from 52.6% to 55.1% period over period. This increase in the gross margin was primarily due to the combined positive impacts of decreased costs of petroleum-based specialty chemicals and aerosol cans as well as favorable sales mix changes, which were slightly offset by increased warehousing and in-house freight costs from period to period. The higher level of sales from period to period was accompanied by a $5.1 million increase in operating expenses, most of which related to increased headcount and higher earned incentive compensation expenses period over period. Operating income as a percentage of net sales increased from 24.9% to 25.3% period over period.

EMEA

Income from operations for the EMEA segment increased to $31.7 million, up $1.5 million, or 5%, for the fiscal year ended August 31, 2016 compared to fiscal year 2015, primarily due to a higher gross margin, which was partially offset by a $1.6 million decrease in sales and higher operating expenses. As a percentage of net sales, gross profit for the EMEA segment increased from 54.6% to 58.7% period over period primarily due to the combined positive impacts of decreased costs of petroleum-based specialty chemicals and aerosol cans as well as sales price increases. Fluctuations in foreign currency exchange rates also had a significant favorable impact on gross margin from period to period. Operating expenses increased $3.1 million mainly related to higher earned incentive compensation expenses period over period. Operating income as a percentage of net sales increased from 22.0% to 23.4% period over period.

Asia-Pacific

Income from operations for the Asia-Pacific segment increased to $15.2 million, up $2.6 million, or 20%, the fiscal year ended August 31, 2016 compared to fiscal year 2015, primarily due to a higher gross margin. As a percentage of net sales, gross profit for the Asia-Pacific segment increased from 49.9% to 54.8% period over period primarily due to the combined positive impacts of decreased costs of petroleum-based specialty chemicals and aerosol cans, sales price increases, and a lower level of advertising, promotional and other discounts that we gave to our customers from period to period. Also contributing to the increased gross margin from period to period was the write-off of product and other costs related to a quality issue that occurred during fiscal year 2015 in the Asia distributor markets. Operating income as a percentage of net sales increased from 23.4% to 28.1% period over period.

Non-Operating Items

The following table summarizes non-operating income and expenses for our consolidated operations (in thousands):

	Fiscal Year Ended August 31,		
	2016	2015	Change
Interest income	$ 683	$ 584	$ 99
Interest expense	$ 1,703	$ 1,205	$ 498
Other income (expense), net	$ 2,461	$ (1,659)	$ 4,120
Provision for income taxes	$ 20,161	$ 18,303	$ 1,858

Interest Income

Interest income remained relatively constant for the fiscal year ended August 31, 2016 compared to fiscal year 2015.

Interest Expense

Interest expense increased $0.5 million for the fiscal year ended August 31, 2016 compared to fiscal year 2015 primarily due to higher interest rates and an increased outstanding balance on our revolving credit facility period over period.

Other Income (Expense), Net

Other income (expense), net changed by $4.1 million for the fiscal year ended August 31, 2016 compared to fiscal year 2015 primarily due to net foreign currency exchange gains which were recorded for fiscal year ended August 31, 2016 compared to net foreign currency exchange losses which were recorded in fiscal year 2015 as a result of significant fluctuations in the foreign currency exchange rates for both the Euro and the U.S. Dollar against the Pound Sterling.

Provision for Income Taxes

The provision for income taxes was 27.7% of income before income taxes for the fiscal year ended August 31, 2016 compared to 29.0% for fiscal year 2015. The decrease in the effective income tax rate from period to period was driven by an increase in the portion of taxable earnings attributable to foreign operations, particularly those in the U.K., which are taxed at lower tax rates.

Net Income

Net income was $52.6 million, or $3.64 per common share on a fully diluted basis, for fiscal year 2016 compared to $44.8 million, or $3.04 per common share on a fully diluted basis, for fiscal year 2015. Changes in foreign currency exchange rates year over year had an unfavorable impact of $2.8 million on net income for fiscal year 2016. Thus, on a constant currency basis, net income for fiscal year 2016 would have been $55.4 million.

Performance Measures and Non-GAAP Reconciliations

In managing our business operations and assessing our financial performance, we supplement the information provided by our financial statements with certain non-GAAP performance measures. These performance measures are part of our current 55/30/25 business model, which includes gross margin, cost of doing business, and earnings before interest, income taxes, depreciation and amortization ("EBITDA"), the latter two of which are non-GAAP performance measures. Cost of doing business is defined as total operating expenses less amortization of definite-lived intangible assets, impairment charges related to intangible assets and depreciation in operating departments, and EBITDA is defined as net income (loss) before interest, income taxes, depreciation and amortization. We target our gross margin to be above 55% of net sales, our cost of doing business to be at or below 30% of net sales, and our EBITDA to be above 25% of net sales. Results for these performance measures may vary from period to period depending on various factors, including economic conditions and our level of investment in activities for the future such as those related to quality assurance, regulatory compliance, and intellectual property protection in order to safeguard our WD-40 brand. The targets for these performance measures are long-term in nature, particularly those for cost of doing business and EBITDA, and we expect to make progress towards achieving them over time as our revenues increase.

The following table summarizes the results of these performance measures:

	Fiscal Year Ended August 31,		
	2017	2016	2015
Gross margin - GAAP	56%	56%	53%
Cost of doing business as a percentage of net sales - non-GAAP	35%	36%	34%
EBITDA as a percentage of net sales - non-GAAP (1)	22%	21%	19%

(1) Percentages may not aggregate to EBITDA percentage due to rounding and because amounts recorded in other income (expense), net on the Company's consolidated statement of operations are not included as an adjustment to earnings in the EBITDA calculation.

We use the performance measures above to establish financial goals and to gain an understanding of the comparative performance of the Company from period to period. We believe that these measures provide our shareholders with additional insights into the Company's results of operations and how we run our business. The non-GAAP financial measures are supplemental in nature and should not be considered in isolation or as alternatives to net income, income from operations or other financial information prepared in accordance with GAAP as indicators of the Company's performance or operations. The use of any non-GAAP measure may produce results that vary from the GAAP measure and may not be comparable to a similarly defined non-GAAP measure used by other companies. Reconciliations of these non-GAAP financial measures to our financial statements as prepared in accordance with GAAP are as follows:

Cost of Doing Business (in thousands, except percentages):

	Fiscal Year Ended August 31,		
	2017	2016	2015
Total operating expenses - GAAP	$ 137,976	$ 143,021	$ 134,788
Amortization of definite-lived intangible assets	(2,879)	(2,976)	(3,039)
Depreciation (in operating departments)	(2,789)	(2,744)	(2,664)
Cost of doing business	$ 132,308	$ 137,301	$ 129,085
Net sales	$ 380,506	$ 380,670	$ 378,150
Cost of doing business as a percentage of net sales - non-GAAP	35%	36%	34%

EBITDA (in thousands, except percentages):

	Fiscal Year Ended August 31,		
	2017	2016	2015
Net income - GAAP	$ 52,930	$ 52,628	$ 44,807
Provision for income taxes	21,692	20,161	18,303
Interest income	(508)	(683)	(584)
Interest expense	2,582	1,703	1,205
Amortization of definite-lived intangible assets	2,879	2,976	3,039
Depreciation	3,890	3,489	3,425
EBITDA	$ 83,465	$ 80,274	$ 70,195
Net sales	$ 380,506	$ 380,670	$ 378,150
EBITDA as a percentage of net sales - non-GAAP	22%	21%	19%

Liquidity and Capital Resources

Overview

The Company's financial condition and liquidity remain strong. Net cash provided by operations was $52.3 million for fiscal year 2017 compared to $60.6 million for fiscal year 2016. We believe we continue to be well positioned to weather any uncertainty in the capital markets and global economy due to our strong balance sheet and efficient business model, along with our growing and diversified global revenues. We continue to manage all aspects of our business including, but not limited to, monitoring the financial health of our customers, suppliers and other third-party relationships, implementing gross margin enhancement strategies and developing new opportunities for growth.

Our principal sources of liquidity are our existing cash and cash equivalents, short-term investments, cash generated from operations and cash currently available from our existing $175.0 million revolving credit facility with Bank of America, N.A. ("Bank of America"), which expires on May 13, 2020. To date, we have used the proceeds of the revolving credit facility for our stock repurchases and plan to continue using such proceeds for our general working capital needs and stock repurchases under our board approved share buy-back plan. The Company also utilized this revolving credit facility to fund the purchase and buildout of its new headquarters office, which was purchased in September 2016 and completed in August 2017. The new office building houses both corporate employees and employees in the Company's Americas segment.

During the fiscal year ended August 31, 2017, we had net new borrowings of $32.0 million U.S. dollars under the revolving credit facility. We regularly convert the vast majority of our draws on our line of credit to new draws with new maturity dates and interest rates. As of August 31, 2017, we had a $154.0 million outstanding balance on the revolving credit facility, of which $134.0 million was classified as long-term and $20.0 million was classified as short-term. There were no other letters of credit outstanding or restrictions on the amount available on this line of credit. Per the terms of the revolving credit facility agreement, our consolidated leverage ratio cannot be greater than three to one and our consolidated interest coverage ratio cannot be less than three to one. See Note 7 – Debt for additional information on these financial covenants. At August 31, 2017, we were in compliance with all debt covenants as required by the revolving credit facility and believe it is unlikely we will fail to comply with any of these covenants over the next twelve months. We would need to have a significant decrease in sales and/or a significant increase in expenses in order for us to not comply with the debt covenants.

At August 31, 2017, we had a total of $117.2 million in cash and cash equivalents and short-term investments. Of this balance, $114.0 million was held in Europe, Australia and China in foreign currencies. It is our intention to indefinitely reinvest the cumulative unremitted earnings at these locations in order to ensure sufficient working capital, expand operations and fund foreign acquisitions in these locations. We believe that our future cash from domestic operations, together with our access to funds available under our unsecured revolving credit facility will provide adequate resources to fund both short-term and long-term operating requirements, capital expenditures, share repurchases, dividend payments, acquisitions and new business development activities in the United States. Although we hold a significant amount of cash outside of the United States and the draws on the credit facility to date have been made by our entity in the United States, we do not foresee any ongoing issues with repaying or refinancing these loans with domestically generated funds since we closely monitor the use of this credit facility. In the event that management elects for any reason in the future to repatriate additional foreign earnings that were previously deemed to be indefinitely reinvested outside of the U.S., we would be required to record additional tax expense at the time when we determine that such foreign earnings are no longer deemed to be indefinitely reinvested outside of the United States.

We believe that our existing consolidated cash and cash equivalents at August 31, 2017, the liquidity provided by our $175.0 million revolving credit facility and our anticipated cash flows from operations will be sufficient to meet our projected consolidated operating and capital requirements for at least the next twelve months. We consider various factors when reviewing liquidity needs and plans for available cash on hand including: future debt, principal and interest payments, future capital expenditure requirements, future share repurchases, future dividend payments (which are determined on a quarterly basis by the Company's Board of Directors), alternative investment opportunities, debt covenants and any other relevant considerations currently facing our business.

Cash Flows

The following table summarizes our cash flows by category for the periods presented (in thousands):

	Fiscal Year Ended August 31,		
	2017	2016	2015
Net cash provided by operating activities	$ 52,337	$ 60,604	$ 55,064
Net cash used in investing activities	(42,291)	(20,920)	(16,951)
Net cash used in financing activities	(23,603)	(38,536)	(38,663)
Effect of exchange rate changes on cash and cash equivalents	(252)	(4,153)	(3,357)
Net decrease in cash and cash equivalents	$ (13,809)	$ (3,005)	$ (3,907)

Operating Activities

Net cash provided by operating activities decreased $8.3 million to $52.3 million for fiscal year 2017 from $60.6 million for fiscal year 2016. Cash flows from operating activities depend heavily on operating performance and changes in working capital. Our primary source of operating cash flows for fiscal year ended August 31, 2017 was net income of $52.9 million, which increased $0.3 million from period to period. The changes in our working capital from period to period were primarily attributable to an overall decrease in accrued payroll and related expenses due to higher earned incentive payouts in the first quarter of fiscal year 2017 compared to the same period of the prior fiscal year as well as lower earned incentive accruals during the fiscal year ended August 31, 2017 as compared to the prior fiscal year. These earned incentive payouts and accruals are based on the Company achieving targets for EBITDA which are set each fiscal year. As a result, these amounts have varied year over year due to the Company's actual or expected achievement of these targets. Higher income taxes receivable balances also contributed to the overall decrease in cash provided by operating activities from period to period. These impacts to working capital were partially offset by changes in trade accounts receivable balances year over year. Such balances a decreased slightly from fiscal year 2016 to fiscal year 2017 whereas they increased significantly from fiscal year 2015 to fiscal year 2016. The significant increase in the trade accounts receivable balance at the end of fiscal year 2016 was primarily due to increased sales volumes in the fourth quarter of fiscal year 2016 as compared to the same quarter in fiscal year 2015 and the timing of payments received from our customers from period to period.

Net cash provided by operating activities increased $5.5 million to $60.6 million for fiscal year 2016 from $55.1 million for fiscal year 2015. Cash flows from operating activities depend heavily on operating performance and changes in working capital. Our primary source of operating cash flows for fiscal year ended August 31, 2016 was net income of $52.6 million, which increased $7.8 million from period to period. This increase was slightly offset by changes in our working capital, which were primarily attributable to an overall increase in the trade accounts receivable balance due to increased sales volumes in the fourth quarter of fiscal year 2016 as compared to the same quarter in fiscal year 2015 and the timing of payments received from our customers from period to period. Also contributing to the change in working capital from period to period were lower earned incentive payouts in the first quarter of fiscal year 2016 compared to the same period of fiscal year 2015 as well as significantly higher accruals for earned incentive compensation in fiscal year 2016 as compared fiscal year 2015.

Investing Activities

Net cash used in investing activities increased $21.4 million to $42.3 million for fiscal year 2017 from $20.9 million for fiscal year 2016 primarily due to an increase of $16.4 million in cash outflow during the fiscal year 2017 related to the purchase and buildout of the Company's new office building, which was completed in August 2017. Also contributing to the total cash outflows was a $5.7 million net increase from period to period in purchases of short-term investments that were made primarily by our U.K. and Australia subsidiaries.

Net cash used in investing activities increased $4.0 million to $20.9 million for fiscal year 2016 from $16.9 million for fiscal year 2015 primarily due to a $9.5 million increase in net purchases of short-term investments that were made by our U.K. and Australia subsidiaries. This increase was partially offset by a decrease of $4.1 million in cash outflow related to the GT85 Limited acquisition which was completed by our U.K. subsidiary in early fiscal year 2015 and a $1.4 million decrease in capital expenditures from period to period.

Financing Activities

Net cash used in financing activities decreased $14.9 million to $23.6 million for fiscal year 2017 from $38.5 million for fiscal year 2016 primarily due to an $18.0 million increase in cash inflows from our revolving credit facility and a $1.0 million decrease in cash outflows for treasury stock purchases from period to period. This decrease was partially offset by an increase of $3.1 million in dividends paid. Also offsetting cash inflows from financing activities was a $0.5 million decrease in excess tax benefits from settlements of stock-based equity awards and a $0.5 million decrease in proceeds from the issuance of common stock upon the exercise of stock options from period to period.

Net cash used in financing activities decreased $0.2 million to $38.5 million for fiscal year 2016 from $38.7 million for fiscal year 2015 primarily due to a $4.0 million increase in cash proceeds from our revolving credit facility, which was almost completely offset by a $1.9 million increase in dividends paid and a $1.9 million increase in cash outflow for treasury stock purchases from period to period.

Effect of Exchange Rate Changes

All of our foreign subsidiaries currently operate in currencies other than the U.S. Dollar and a significant portion of our consolidated cash balance is denominated in these foreign functional currencies, particularly at our U.K. subsidiary which operates in Pound Sterling. As a result, our cash and cash equivalents balances are subject to the effects of the fluctuations in these functional currencies against the U.S. Dollar at the end of each reporting period. The net effect of exchange rate changes on cash and cash equivalents, when expressed in U.S. Dollar terms, was a decrease in cash of $0.3 million, $4.2 million and $3.4 million for fiscal years 2017, 2016 and 2015, respectively. These changes were primarily due to fluctuations in various foreign currency exchange rates from period to period, but the majority is related to the fluctuations in the Pound Sterling against the U.S. Dollar.

Share Repurchase Plans

On June 21, 2016, the Company's Board of Directors approved a share buy-back plan. Under the plan, which became effective on September 1, 2016, the Company is authorized to acquire up to $75.0 million of its outstanding shares through August 31, 2018. The timing and amount of repurchases are based on terms and conditions as may be acceptable to the Company's Chief Executive Officer and Chief Financial Officer and in compliance with all laws and regulations applicable thereto. During the period from September 1, 2016 through August 31, 2017, the Company repurchased 290,573 shares at a total cost of $31.1 million under this $75.0 million plan.

Dividends

The Company has historically paid regular quarterly cash dividends on its common stock. In December 2016, the Board of Directors declared a 17% increase in the regular quarterly cash dividend, increasing it from $0.42 per share to $0.49 per share. On October 10, 2017, the Company's Board of Directors declared a cash dividend of $0.49 per share payable on October 31, 2017 to shareholders of record on October 20, 2017. Our ability to pay dividends could be affected by future business performance, liquidity, capital needs, alternative investment opportunities and loan covenants.

Off-Balance Sheet Arrangements

We have no off-balance sheet arrangements as defined by Item 303(a)(4)(ii) of Regulation S-K.

Contractual Obligations

The following table sets forth our best estimates as to the amounts and timing of minimum contractual payments for our most significant contractual obligations and commitments as of August 31, 2017 for the next five years and thereafter (in thousands). Future events could cause actual payments to differ significantly from these amounts.

	Total	1 year	2-3 years	4-5 years	Thereafter
Operating leases	$ 5,660	$ 1,856	$ 2,116	$ 1,218	$ 470

The following summarizes other commitments which are excluded from the contractual obligations table above as of August 31, 2017:

- We have ongoing relationships with various suppliers (contract manufacturers) who manufacture our products. The contract manufacturers maintain title and control of certain raw materials and components, materials utilized in finished products, and of the finished products themselves until shipment to our customers or third-party distribution centers in accordance with agreed upon shipment terms. Although we typically do not have definitive minimum purchase obligations included in the contract terms with our contract manufacturers, when such obligations have been included, they have been immaterial. In the ordinary course of business, we communicate supply needs to our contract manufacturers based on orders and short-term projections, ranging from two to five months. We are committed to purchase the products produced by the contract manufacturers based on the projections provided. Upon the termination of contracts with contract manufacturers, we obtain certain inventory control rights and are obligated to work with the contract manufacturer to sell through all product held by or manufactured by the contract manufacturer on our behalf during the termination notification period. If any inventory remains at the contract manufacturer at the termination date, we are obligated to purchase such inventory which may include raw materials, components and finished goods.

- Under the current terms of the credit facility agreement with Bank of America, we may borrow funds in U.S. dollars or in foreign currencies from time to time during the five-year period commencing March 13, 2015 through May 13, 2020. As of August 31, 2017, we had $154.0 million outstanding on this credit facility. Based on our most recent cash projections and anticipated business activities, we expect to borrow additional amounts ranging from $15.0 million to $20.0 million in fiscal year 2018. We estimate that the interest associated with these incremental borrowings will be approximately $0.4 million for fiscal year 2018 based on estimated applicable interest rates and the expected dates of future borrowings. For additional details on this revolving line of credit, refer to the information set forth in Note 7 – Debt.

- At August 31, 2017, the liability recorded for uncertain tax positions, excluding associated interest and penalties, was approximately $1.0 million. We have estimated that up to $0.4 million of unrecognized tax benefits related to income tax positions may be affected by the resolution of tax examinations or expiring statutes of limitation within the next twelve months.

Critical Accounting Policies

Our results of operations and financial condition, as reflected in our consolidated financial statements, have been prepared in accordance with accounting principles generally accepted in the United States of America. Preparation of financial statements requires us to make estimates and assumptions affecting the reported amounts of assets, liabilities, revenues and expenses and the disclosures of contingent assets and liabilities. We use historical experience and other relevant factors when developing estimates and assumptions and these estimates and assumptions are continually evaluated. Note 2 to our consolidated financial statements included in Item 15 of this report includes a discussion of the Company's significant accounting policies. The accounting policies discussed below are the ones we consider to be most critical to an understanding of our consolidated financial statements because their application places the most significant demands on our judgment. Our financial results may have varied from those reported had different assumptions been used or other conditions prevailed. Our critical accounting policies have been reviewed with the Audit Committee of the Board of Directors.

Revenue Recognition and Sales Incentives

Sales are recognized as revenue at the time of delivery to our customer when risks of loss and title have passed. Sales are recorded net of allowances for damaged goods and other sales returns, sales incentives, trade promotions and cash discounts. For certain of our sales we must make judgments and certain assumptions in order to determine when delivery has occurred. Through an analysis of end-of-period shipments for these particular sales, we determine an average time of transit of product to our customers, and this is used to estimate the time of delivery and whether revenue should be recognized during the current reporting period for such shipments. Differences in judgments or estimates related to the lengthening or shortening of the estimated delivery time used could result in material differences in the timing of revenue recognition.

Sales incentives are recorded as a reduction of sales in our consolidated statements of operations. Sales incentives include on-going trade promotion programs with customers and consumer coupon programs that require us to estimate and accrue for the expected costs of such programs. These programs include cooperative marketing programs, shelf price reductions, coupons, rebates, consideration and allowances given to retailers for shelf space and/or favorable display positions in their stores and other promotional activities. Costs related to these sales incentive programs, with the exception of coupon costs, are recorded as a reduction to sales upon delivery of products to customers. Coupon costs are based upon historical redemption rates and are recorded as a reduction to sales as incurred, which is when the coupons are circulated.

Sales incentives are calculated based primarily on historical rates and consideration of recent promotional activities. The determination of sales incentive costs and the related liabilities require us to use judgment for estimates that include current and past trade promotion spending patterns, status of trade promotion activities and the interpretation of historical spending trends by customer and category. We review our assumptions and adjust our sales incentive allowances accordingly on a quarterly basis. Our consolidated financial statements could be materially impacted if the actual promotion rates are different from the estimated rates. If our accrual estimates for sales incentives at August 31, 2017 were to differ by 10%, the impact on net sales would be approximately $0.7 million.

Accounting for Income Taxes

Current income tax expense is the amount of income taxes expected to be payable for the current year. A deferred income tax liability or asset is established for the expected future tax consequences resulting from the differences in financial reporting and tax bases of assets and liabilities. A valuation allowance is provided if it is more likely than not that some or all of the deferred tax assets will not be realized. In addition to valuation allowances, we provide for uncertain tax positions when such tax positions do not meet the recognition thresholds or measurement standards prescribed by the authoritative guidance on income taxes. Amounts for uncertain tax positions are adjusted in periods when new information becomes available or when positions are effectively settled. We recognize accrued interest and penalties related to uncertain tax positions as a component of income tax expense.

U.S. federal income tax expense is provided on remittances of foreign earnings and on unremitted foreign earnings that are not indefinitely reinvested. U.S. federal income taxes and foreign withholding taxes are not provided when foreign earnings are indefinitely reinvested. We determine whether our foreign subsidiaries will invest their undistributed earnings indefinitely based on the capital needs of the foreign subsidiaries. We reassess this determination each reporting period. Changes to this determination may be warranted based on our experience as well as plans regarding future international operations and expected remittances.

Valuation of Goodwill

The carrying value of goodwill is reviewed for possible impairment in accordance with the authoritative guidance on goodwill, intangibles and other. We assess for possible impairments to goodwill at least annually during our second fiscal quarter and otherwise when events or changes in circumstances indicate that an impairment condition may exist.

During the second quarter of fiscal year 2017, we performed our annual goodwill impairment test. The annual goodwill impairment test was performed at the reporting unit level as required by the authoritative guidance. In accordance with ASU No. 2011-08, "*Testing Goodwill for Impairment*", companies are permitted to first assess qualitative factors to determine whether it is necessary to perform the two-step quantitative goodwill impairment test. We performed a qualitative assessment of each reporting unit to determine whether it was more likely than not that the fair value of a reporting unit was less than its carrying amount. In performing this qualitative assessment, we assessed relevant events and circumstances that may impact the fair value and the carrying amount of each of our reporting units. Factors that were considered included, but were not limited to, the following: (1) macroeconomic conditions; (2) industry and market conditions; (3) historical financial performance and expected financial performance; (4) other entity specific events, such as changes in management or key employees; and (5) events affecting the Company's reporting units, such as a change in the composition of net assets or any expected dispositions. Based on the results of this qualitative assessment, we determined that it is more likely than not that the carrying value of each of our reporting units is less than its fair value and, thus, the two-step quantitative analysis was not required. As a result, we concluded that no impairment of our goodwill existed as of February 28, 2017. We also did not identify or record any impairment losses related to our goodwill during our annual impairment tests performed in fiscal years 2016 and 2015.

While we believe that the estimates and assumptions used in our goodwill impairment test and analyses are reasonable, actual events and results could differ substantially from those included in the calculation. In the event that business conditions change in the future, we may be required to reassess and update our forecasts and estimates used in subsequent goodwill impairment analyses. If the results of these future analyses are lower than current estimates, an impairment charge to our goodwill balances may result at that time.

In addition, there were no indicators of impairment identified as a result of our review of events and circumstances related to our goodwill subsequent to February 28, 2017.

Impairment of Definite-Lived Intangible Assets

We assess for potential impairments to our long-lived assets when there is evidence that events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable and/or its estimated remaining useful life may no longer be appropriate. Any required impairment loss would be measured as the amount by which the asset's carrying amount exceeds its fair value, which is the amount at which the asset could be bought or sold in a current transaction between willing market participants and would be recorded as a reduction in the carrying amount of the related asset and a charge to results of operations. An impairment loss would be recognized when the sum of the expected future undiscounted net cash flows is less than the carrying amount of the asset.

There were no indicators of potential impairment identified as a result of the Company's review of events and circumstances related to its existing definite-lived intangible assets for the periods ended August 31, 2017, 2016 and 2015.

Recently Issued Accounting Standards

Information on Recently Issued Accounting Standards that could potentially impact the Company's consolidated financial statements and related disclosures is incorporated by reference to Part IV—Item 15, "Notes to Condensed Consolidated Financial Statements" Note 2 — Basis of Presentation and Summary of Significant Accounting Policies, included in this report.

Related Parties

The information required by this item is incorporated by reference to Part IV—Item 15, "Notes to Condensed Consolidated Financial Statements" Note 10 — Related Parties, included in this report.

Item 7A. Quantitative and Qualitative Disclosures About Market Risk

Foreign Currency Risk

The Company is exposed to a variety of risks, including foreign currency exchange rate fluctuations. In the normal course of business, the Company employs established policies and procedures to manage its exposure to fluctuations in foreign currency values.

All of the Company's international subsidiaries operate in functional currencies other than the U.S. dollar. As a result, the Company is exposed to foreign currency related risk when the financial statements of its international subsidiaries are translated for consolidation purposes from functional currencies to U.S. dollars. This foreign currency risk can affect sales, expenses and profits as well as assets and liabilities that are denominated in currencies other than the U.S. dollar. The Company does not enter into any hedging activities to mitigate this foreign currency translation risk.

The Company's U.K. subsidiary, whose functional currency is Pound Sterling, utilizes foreign currency forward contracts to limit its exposure to net asset balances held in non-functional currencies, specifically the Euro. The Company regularly monitors its foreign exchange exposures to ensure the overall effectiveness of its foreign currency hedge positions. While the Company engages in foreign currency hedging activity to reduce its risk, for accounting purposes, none of its foreign currency forward contracts are designated as hedges.

Interest Rate Risk

As of August 31, 2017, the Company had a $154.0 million outstanding balance on its existing $175.0 million revolving credit facility agreement with Bank of America. This $175.0 million revolving credit facility is subject to interest rate fluctuations. Under the terms of the credit facility agreement, the Company may borrow loans in U.S. dollars or in foreign currencies from time to time until May 13, 2020. All loans denominated in U.S. dollars will accrue interest at the bank's Prime rate or at LIBOR plus a margin of 0.85 percent (together with any applicable mandatory liquid asset costs imposed by non-U.S. banking regulatory authorities). All loans denominated in foreign currencies will accrue interest at LIBOR plus 0.85 percent. Any significant increase in the bank's Prime rate and/or LIBOR rate could have a material effect on interest expense incurred on any borrowings outstanding under the credit facility.

Item 8. Financial Statements and Supplementary Data

The Company's consolidated financial statements at August 31, 2017 and 2016 and for each of the three fiscal years in the period ended August 31, 2017, and the Report of Independent Registered Public Accounting Firm, are included in Item 15 of this report.

Quarterly Financial Data (Unaudited)

The following table sets forth certain unaudited quarterly consolidated financial data (in thousands, except per share data):

	Fiscal Year Ended August 31, 2017				
	1st	2nd	3rd	4th	Total
Net sales	$ 89,248	$ 96,519	$ 98,178	$ 96,561	$ 380,506
Gross profit	$ 51,040	$ 54,462	$ 54,287	$ 54,096	$ 213,885
Net income	$ 11,758	$ 12,360	$ 14,444	$ 14,368	$ 52,930
Diluted earnings per common share	$ 0.82	$ 0.87	$ 1.02	$ 1.01	$ 3.72

	Fiscal Year Ended August 31, 2016				
	1st	2nd	3rd	4th	Total
Net sales	$ 92,522	$ 94,550	$ 96,446	$ 97,152	$ 380,670
Gross profit	$ 51,408	$ 52,362	$ 54,811	$ 55,788	$ 214,369
Net income	$ 12,062	$ 13,669	$ 12,665	$ 14,232	$ 52,628
Diluted earnings per common share	$ 0.83	$ 0.94	$ 0.88	$ 0.99	$ 3.64

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

None.

Item 9A. Controls and Procedures

Evaluation of Disclosure Controls and Procedures

The term "disclosure controls and procedures" is defined in Rules 13a-15(e) and 15d-15(e) promulgated under the Securities Exchange Act of 1934, as amended ("Exchange Act"). The term disclosure controls and procedures means controls and other procedures of a Company that are designed to ensure the information required to be disclosed by the Company in the reports that it files or submits under the Act is recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms. Disclosure controls and procedures include, without limitation, controls and procedures designed to ensure that information required to be disclosed by a Company in the reports that it files or submits under the Exchange Act is accumulated and communicated to the Company's management, including its principal executive and principal financial officers, or persons performing similar functions, as appropriate to allow timely decisions regarding required disclosures. The Company's Chief Executive Officer and Chief Financial Officer have evaluated the effectiveness of the Company's disclosure controls and procedures as of August 31, 2017, the end of the period covered by this report (the Evaluation Date), and they have concluded that, as of the Evaluation Date, such controls and procedures were effective at ensuring that required information will be disclosed on a timely basis in the Company's reports filed under the Exchange Act. Although management believes the Company's existing disclosure controls and procedures are adequate to enable the Company to comply with its disclosure obligations, management continues to review and update such controls and procedures. The Company has a disclosure committee, which consists of certain members of the Company's senior management.

Management's Report on Internal Control over Financial Reporting

Management is responsible for establishing and maintaining adequate internal control over financial reporting, as such term is defined in Exchange Act Rule 13a-15(f). Under the supervision and with the participation of our Chief Executive Officer and Chief Financial Officer, management conducted an evaluation of the effectiveness of its internal control over financial reporting based upon the framework in *Internal Control — Integrated Framework* issued by the Committee of Sponsoring Organizations of the Treadway Commission in 2013. Based on that evaluation, management concluded that its internal control over financial reporting is effective as of August 31, 2017.

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

PricewaterhouseCoopers LLP, independent registered public accounting firm, who audited and reported on the consolidated financial statements of WD-40 Company included in Item 15 of this report, has audited the effectiveness of WD-40 Company's internal control over financial reporting as of August 31, 2017, as stated in their report included in Item 15 of this report.

Changes in Internal Control over Financial Reporting

For the quarter ended August 31, 2017, there were no significant changes to the Company's internal control over financial reporting that materially affected, or would be reasonably likely to materially affect, its internal control over financial reporting.

Item 9B. Other Information

None.

PART III

Item 10. Directors, Executive Officers and Corporate Governance

Certain information required by this item is set forth under the headings "Security Ownership of Directors and Executive Officers," "Nominees for Election as Directors," "Audit Committee" and "Section 16(a) Beneficial Ownership Reporting Compliance" in the Company's Proxy Statement to be filed with the Securities and Exchange Commission in connection with the 2017 Annual Meeting of Stockholders on December 12, 2017 ("Proxy Statement"), which information is incorporated by reference herein. Additional information concerning executive officers of the Registrant required by this item is included in this report following Item 4 of Part I under the heading, "Executive Officers of the Registrant."

The Registrant has a code of ethics (as defined in Item 406 of Regulation S-K under the Exchange Act) applicable to its principal executive officer, principal financial officer, principal accounting officer or controller and persons performing similar functions. The code of ethics is represented by the Registrant's Code of Conduct applicable to all employees and directors. A copy of the Code of Conduct may be found on the Registrant's internet website on the Corporate Governance link from the Investors page at www.wd40company.com.

Item 11. Executive Compensation

Information required by this item is incorporated by reference to the Proxy Statement under the headings "Board of Directors Compensation," "Compensation Committee Interlocks and Insider Participation," "Compensation Discussion and Analysis," "Compensation Committee Report," "Executive Compensation," "Supplemental Death Benefit Plans and Supplemental Insurance Benefits" and "Change of Control Severance Agreements."

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

Certain information required by this item is incorporated by reference to the Proxy Statement under the headings "Principal Security Holders" and "Security Ownership of Directors and Executive Officers."

Equity Compensation Plan Information

The following table provides information regarding shares of the Company's common stock authorized for issuance under equity compensation plans as of August 31, 2017:

Plan category	Number of securities to be issued upon exercise of outstanding options, warrants and rights (a)	Weighted-average exercise price of outstanding options warrants and rights (b)	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a)) (c)
Equity compensation plans approved by security holders	198,525 [1]	$ 36.03 [2]	979,546
Equity compensation plans not approved by security holders	n/a	n/a	n/a
	198,525 [1]	$ 36.03 [2]	979,546

[1] Includes 5,960 securities to be issued upon exercise of outstanding stock options; 116,770 securities to be issued pursuant to outstanding restricted stock units; 44,919 securities to be issued pursuant to outstanding market share units ("MSUs") based on 100% of the target number of MSU shares to be issued upon achievement of the applicable performance measure specified for such MSUs; and 30,876 securities to be issued pursuant to outstanding deferred performance units ("DPUs") based on 100% of the maximum number of DPU shares to be issued upon achievement of the applicable performance measure specified for such DPUs.

[2] Weighted average exercise price only applies to stock options outstanding of 5,960, which is included as a component of the number of securities to be issued upon exercise of outstanding options, warrants and rights.

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

Information required by this item is incorporated by reference to the Proxy Statement under the headings "Director Independence", "Audit Committee" and "Related Party Transactions Review and Oversight."

Item 14. Principal Accountant Fees and Services

Information required by this item is incorporated by reference to the Proxy Statement under the heading "Ratification of Appointment of Independent Registered Public Accounting Firm."

PART IV

Item 15. Exhibits, Financial Statement Schedules

(2) Financial statement schedules are omitted because they are not applicable or the required information is shown in the consolidated financial statements or notes thereto.

(3) Exhibits

Exhibit No.	Description
	Articles of Incorporation and Bylaws.
3(a)	Certificate of Incorporation, incorporated by reference from the Registrant's Form 10-K filed October 22, 2012, Exhibit 3(a) thereto.
3(b)	Amended and Restated Bylaws of WD-40 Company, incorporated by reference from the Registrant's Form 8-K filed July 14, 2017, Exhibit 3.1 thereto.
	Material Contracts.
	Executive Compensation Plans and Arrangements (Exhibits 10(a) through 10(t) are management contracts and compensatory plans or arrangements required to be filed as exhibits pursuant to Item 15(b)).
10(a)	WD-40 Company 2016 Stock Incentive Plan, incorporated by reference from the Registrant's Proxy Statement filed November 3, 2016, Appendix A thereto.
10(b)	WD-40 Company 2007 Stock Incentive Plan, incorporated by reference from the Registrant's Form 10-K filed October 22, 2012, Exhibit 10(a) thereto.
10(c)	Fourth Amended and Restated WD-40 Company 1990 Incentive Stock Option Plan, incorporated by reference from the Registrant's Form 10-K filed October 22, 2015, Exhibit 10(b) thereto.
10(d)	WD-40 Directors' Compensation Policy and Election Plan dated October 9, 2017.
10(e)	Form of Indemnity Agreement between the Registrant and its executive officers and directors, incorporated by reference from the Registrant's Form 10-K filed October 22, 2013, Exhibit 10(d) thereto.
10(f)	Form of Restricted Stock Unit Award Agreement for grants of Restricted Stock Units to Executive Officers in fiscal years 2015 and 2016, incorporated by reference from the Registrant's Form 10-K filed October 24, 2016, Exhibit 10(e) thereto.
10(g)	Form of Restricted Stock Unit Agreement for grants of Restricted Stock Units to Executive Officers in fiscal year 2017.
10(h)	Form of Market Share Unit Award Agreement for grants of Market Share Units to Executive Officers in fiscal years 2015 and 2016, incorporated by reference from the Registrant's Form 8-K filed October 31, 2012, Exhibit 10(a) thereto.
10(i)	Form of Market Share Unit Award Agreement for grants of Market Share Units to Executive Officers in fiscal year 2017.
10(j)	Form of Deferred Performance Unit Award Agreement for grants of Deferred Performance Units to Executive Officers in fiscal year 2017.
10(k)	Amended and Restated of WD-40 Company's Performance Incentive Compensation Plan, incorporated by reference from the Registrant's Proxy Statement filed November 1, 2012, Appendix A thereto.
10(l)	Form of WD-40 Company Supplemental Death Benefit Plan applicable to certain executive officers of the Registrant, incorporated by reference from the Registrant's Form 10-K filed October 24, 2016, Exhibit 10(i) thereto.

10(m)	Change of Control Severance Agreement between WD-40 Company and Jay W. Rembolt dated October 16, 2008, incorporated by reference from the Registrant's Form 10-K filed October 21, 2014, Exhibit 10(h) thereto.
10(n)	Change of Control Severance Agreement between WD-40 Company and Richard T. Clampitt dated October 15, 2014, incorporated by reference from the Registrant's Form 10-K filed October 21, 2014, Exhibit 10(i) thereto.
10(o)	Change of Control Severance Agreement between WD-40 Company and Stanley A. Sewitch dated October 15, 2014, incorporated by reference from the Registrant's Form 10-K filed October 21, 2014, Exhibit 10(j) thereto.
10(p)	Change of Control Severance Agreement between WD-40 Company and Garry O. Ridge dated February 14, 2006.
10(q)	Change of Control Severance Agreement between WD-40 Company and Michael L. Freeman dated February 14, 2006.
10(r)	Change of Control Severance Agreement between WD-40 Company and Geoffrey J. Holdsworth dated February 14, 2006.
10(s)	Change of Control Severance Agreement between WD-40 Company and William B. Noble dated February 14, 2006.
10(t)	Change of Control Severance Agreement between WD-40 Company and Steven Brass dated June 22, 2016, incorporated by reference from the Registrant's Form 10-Q filed January 9, 2017, Exhibit 10(c) thereto
10(u)	Credit Agreement dated June 17, 2011 among WD-40 Company and Bank of America, N.A..
10(v)	First Amendment to Credit Agreement dated January 7, 2013 among WD-40 Company and Bank of America, N.A., incorporated by reference from the Registrant's Form 10-Q filed January 9, 2013, Exhibit 10(b) thereto.
10(w)	Second Amendment to Credit Agreement dated May 13, 2015 among WD-40 Company and Bank of America, N.A., incorporated by reference from the Registrant's Form 8-K/A filed May 18, 2015, Exhibit 10(a) thereto.
10(x)	Third Amendment to Credit Agreement dated November 16, 2015 among WD-40 Company and Bank of America, N.A., incorporated by reference from the Registrant's Form 8-K filed November 19, 2015, Exhibit 10(a) thereto.
10(y)	Fourth Amendment to Credit Agreement dated September 1, 2016 among WD-40 Company and Bank of America, N.A., incorporated by reference from the Registrant's Form 8-K filed September 2, 2016, Exhibit 10(a) thereto.
10(z)	Purchase and Sale Agreement and Escrow Instructions dated July 29, 2016, incorporated by reference from the Registrant's Form 8-K filed August 4, 2016, Exhibit 10(a) thereto.
10(aa)	Standard Form of Agreement between Owner and Contractor dated February 23, 2017 and Change Order #1 dated March 9, 2017 between WD-40 Company and Back's Construction, Inc., incorporated by reference from the Registrant's Form 10-Q filed April 6, 2017, Exhibit 10(d) thereto.
21	Subsidiaries of the Registrant.
23	Consent of Independent Registered Public Accounting Firm dated October 23, 2017.
31(a)	Certification of Chief Executive Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
31(b)	Certification of Chief Financial Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
32(a)	Certification of Chief Executive Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
32(b)	Certification of Chief Financial Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
101. INS	XBRL Instance Document
101. SCH	XBRL Taxonomy Extension Schema Document
101. CAL	XBRL Taxonomy Extension Calculation Linkbase Document
101. DEF	XBRL Taxonomy Extension Definition Linkbase Document
101. LAB	XBRL Taxonomy Extension Labels Linkbase Document
101. PRE	XBRL Taxonomy Extension Presentation Linkbase Document

Item 16. Form 10-K Summary

Not applicable.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the Registrant has duly caused this annual report to be signed on its behalf by the undersigned, thereunto duly authorized.

WD-40 COMPANY
Registrant

/s/ JAY W. REMBOLT
JAY W. REMBOLT
Vice President, Finance
Treasurer and Chief Financial Officer
Date: October 23, 2017

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

/s/ GARRY O. RIDGE
GARRY O. RIDGE
Chief Executive Officer and Director
(Principal Executive Officer)
Date: October 23, 2017

/s/ PETER D. BEWLEY
PETER D. BEWLEY, Director
Date: October 23, 2017

/s/ DANIEL T. CARTER
DANIEL T. CARTER, Director
Date: October 23, 2017

/s/ MELISSA CLAASSEN
MELISSA CLAASSEN, Director
Date: October 23, 2017

/s/ MARIO L. CRIVELLO
MARIO L. CRIVELLO, Director
Date: October 23, 2017

/s/ ERIC P. ETCHART
ERIC P. ETCHART, Director
Date: October 23, 2017

/s/ LINDA A. LANG
LINDA A. LANG, Director
Date: October 23, 2017

/s/ DANIEL E. PITTARD
DANIEL E. PITTARD, Director
Date: October 23, 2017

/s/ GREGORY A. SANDFORT
GREGORY A. SANDFORT, Director
Date: October 23, 2017

/s/ NEAL E. SCHMALE
NEAL E. SCHMALE, Director
Date: October 23, 2017

Report of Independent Registered Public Accounting Firm

To the Board of Directors and Shareholders of WD-40 Company

In our opinion, the accompanying consolidated balance sheets and the related consolidated statements of operations, of comprehensive income, of shareholders’ equity and of cash flows present fairly, in all material respects, the financial position of WD-40 Company and its subsidiaries as of August 31, 2017 and 2016, and the results of their operations and their cash flows for each of the three years in the period ended August 31, 2017 in conformity with accounting principles generally accepted in the United States of America. Also in our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as of August 31, 2017, based on criteria established in *Internal Control - Integrated Framework* (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). The Company's management is responsible for these financial statements, for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting, included in Management's Report on Internal Control over Financial Reporting appearing under Item 9A. Our responsibility is to express opinions on these financial statements and on the Company's internal control over financial reporting based on our integrated audits. We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement and whether effective internal control over financial reporting was maintained in all material respects. Our audits of the financial statements included examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. Our audit of internal control over financial reporting included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. Our audits also included performing such other procedures as we considered necessary in the circumstances. We believe that our audits provide a reasonable basis for our opinions.

A company’s internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company’s internal control over financial reporting includes those policies and procedures that (i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (ii) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (iii) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company’s assets that could have a material effect on the financial statements.

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

/s/ PricewaterhouseCoopers LLP

San Diego, California
October 23, 2017

WD-40 COMPANY
CONSOLIDATED BALANCE SHEETS
(In thousands, except share and per share amounts)

	August 31, 2017	August 31, 2016
Assets		
Current assets:		
Cash and cash equivalents	$ 37,082	$ 50,891
Short-term investments	80,166	57,633
Trade accounts receivable, less allowance for doubtful accounts of $240 and $394 at August 31, 2017 and 2016, respectively	64,259	64,680
Inventories	35,340	31,793
Other current assets	8,007	4,475
Total current assets	224,854	209,472
Property and equipment, net	29,439	11,545
Goodwill	95,597	95,649
Other intangible assets, net	16,244	19,191
Deferred tax assets, net	495	621
Other assets	3,088	3,190
Total assets	$ 369,717	$ 339,668
Liabilities and Shareholders' Equity		
Current liabilities:		
Accounts payable	$ 20,898	$ 18,690
Accrued liabilities	18,997	15,757
Accrued payroll and related expenses	14,222	20,866
Revolving credit facility, current portion	20,000	-
Income taxes payable	1,306	3,381
Total current liabilities	75,423	58,694
Revolving credit facility	134,000	122,000
Deferred tax liabilities, net	18,949	16,365
Other long-term liabilities	1,958	2,214
Total liabilities	230,330	199,273
Commitments and Contingencies (Note 11)		
Shareholders' equity:		
Common stock — authorized 36,000,000 shares, $0.001 par value; 19,688,238 and 19,621,820 shares issued at August 31, 2017 and 2016, respectively; and 13,984,183 and 14,208,338 shares outstanding at August 31, 2017 and 2016, respectively	20	20
Additional paid-in capital	150,692	145,936
Retained earnings	315,764	289,642
Accumulated other comprehensive income (loss)	(28,075)	(27,298)
Common stock held in treasury, at cost — 5,704,055 and 5,413,482 shares at August 31, 2017 and 2016, respectively	(299,014)	(267,905)
Total shareholders' equity	139,387	140,395
Total liabilities and shareholders' equity	$ 369,717	$ 339,668

See accompanying notes to consolidated financial statements.

WD-40 COMPANY
CONSOLIDATED STATEMENTS OF OPERATIONS
(In thousands, except per share amounts)

	Fiscal Year Ended August 31,		
	2017	**2016**	**2015**
Net sales	$ 380,506	$ 380,670	$ 378,150
Cost of products sold	166,621	166,301	177,972
Gross profit	213,885	214,369	200,178
Operating expenses:			
Selling, general and administrative	114,560	117,767	108,873
Advertising and sales promotion	20,537	22,278	22,876
Amortization of definite-lived intangible assets	2,879	2,976	3,039
Total operating expenses	137,976	143,021	134,788
Income from operations	75,909	71,348	65,390
Other income (expense):			
Interest income	508	683	584
Interest expense	(2,582)	(1,703)	(1,205)
Other income (expense), net	787	2,461	(1,659)
Income before income taxes	74,622	72,789	63,110
Provision for income taxes	21,692	20,161	18,303
Net income	$ 52,930	$ 52,628	$ 44,807
Earnings per common share:			
Basic	$ 3.73	$ 3.65	$ 3.05
Diluted	$ 3.72	$ 3.64	$ 3.04
Shares used in per share calculations:			
Basic	14,089	14,332	14,582
Diluted	14,123	14,379	14,649

See accompanying notes to consolidated financial statements.

WD-40 COMPANY
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
(In thousands)

	Fiscal Year Ended August 31,		
	2017	**2016**	**2015**
Net income	$ 52,930	$ 52,628	$ 44,807
Other comprehensive loss:			
Foreign currency translation adjustment	(777)	(18,576)	(9,825)
Total comprehensive income	$ 52,153	$ 34,052	$ 34,982

See accompanying notes to consolidated financial statements.

WD-40 COMPANY
CONSOLIDATED STATEMENTS OF SHAREHOLDERS' EQUITY
(In thousands, except share and per share amounts)

	Common Stock		Additional Paid-in	Retained	Accumulated Other Comprehensive	Treasury Stock		Total Shareholders'
	Shares	Amount	Capital	Earnings	Income (Loss)	Shares	Amount	Equity
Balance at August 31, 2014	19,464,310	$ 19	$ 136,212	$ 237,596	$ 1,103	4,709,948	$ (205,515)	$ 169,415
Issuance of common stock under share-based compensation plan, net of shares withheld for taxes	82,578	1	1,449					1,450
Stock-based compensation			2,782					2,782
Tax benefits from settlements of stock-based equity awards			1,208					1,208
Cash dividends ($1.48 per share)				(21,720)				(21,720)
Acquisition of treasury stock						386,450	(30,259)	(30,259)
Foreign currency translation adjustment					(9,825)			(9,825)
Net income				44,807				44,807
Balance at August 31, 2015	19,546,888	$ 20	$ 141,651	$ 260,683	$ (8,722)	5,096,398	$ (235,774)	$ 157,858
Issuance of common stock under share-based compensation plan, net of shares withheld for taxes	74,932		(1,434)					(1,434)
Stock-based compensation			3,655					3,655
Tax benefits from settlements of stock-based equity awards			2,064					2,064
Cash dividends ($1.64 per share)				(23,669)				(23,669)
Acquisition of treasury stock						317,084	(32,131)	(32,131)
Foreign currency translation adjustment					(18,576)			(18,576)
Net income				52,628				52,628
Balance at August 31, 2016	19,621,820	$ 20	$ 145,936	$ 289,642	$ (27,298)	5,413,482	$ (267,905)	$ 140,395
Issuance of common stock under share-based compensation plan, net of shares withheld for taxes	66,418		(921)					(921)
Stock-based compensation			4,138					4,138
Tax benefits from settlements of stock-based equity awards			1,539					1,539
Cash dividends ($1.89 per share)				(26,808)				(26,808)
Acquisition of treasury stock						290,573	(31,109)	(31,109)
Foreign currency translation adjustment					(777)			(777)
Net income				52,930				52,930
Balance at August 31, 2017	19,688,238	$ 20	$ 150,692	$ 315,764	$ (28,075)	5,704,055	$ (299,014)	$ 139,387

See accompanying notes to consolidated financial statements.

WD-40 COMPANY
CONSOLIDATED STATEMENTS OF CASH FLOWS
(In thousands)

	Fiscal Year Ended August 31,		
	2017	2016	2015
Operating activities:			
Net income	$ 52,930	$ 52,628	$ 44,807
Adjustments to reconcile net income to net cash provided by operating activities:			
Depreciation and amortization	6,769	6,465	6,464
Net gains on sales and disposals of property and equipment	(115)	(75)	(71)
Deferred income taxes	1,608	(2,227)	(1,334)
Excess tax benefits from settlements of stock-based equity awards	(1,539)	(2,064)	(1,205)
Stock-based compensation	4,138	3,655	2,782
Unrealized foreign currency exchange losses (gains), net	364	(986)	2,086
Provision for bad debts	(138)	52	302
Changes in assets and liabilities:			
Trade accounts receivable	482	(9,936)	(314)
Inventories	(3,487)	(1,001)	2,037
Other assets	(3,514)	1,557	1,731
Accounts payable and accrued liabilities	2,827	2,871	(2,464)
Accrued payroll and related expenses	(8,328)	5,486	(2,722)
Income taxes payable	605	4,235	2,737
Other long-term liabilities	(265)	(56)	228
Net cash provided by operating activities	52,337	60,604	55,064
Investing activities:			
Purchases of property and equipment	(20,150)	(4,354)	(5,784)
Proceeds from sales of property and equipment	430	301	333
Acquisition of business	-	-	(4,117)
Purchases of short-term investments	(27,136)	(24,899)	(10,575)
Maturities of short-term investments	4,565	8,032	3,192
Net cash used in investing activities	(42,291)	(20,920)	(16,951)
Financing activities:			
Treasury stock purchases	(31,109)	(32,131)	(30,259)
Dividends paid	(26,808)	(23,669)	(21,720)
Proceeds from issuance of common stock	775	1,200	2,111
Excess tax benefits from settlements of stock-based equity awards	1,539	2,064	1,205
Net proceeds from revolving credit facility	32,000	14,000	10,000
Net cash used in financing activities	(23,603)	(38,536)	(38,663)
Effect of exchange rate changes on cash and cash equivalents	(252)	(4,153)	(3,357)
Net decrease in cash and cash equivalents	(13,809)	(3,005)	(3,907)
Cash and cash equivalents at beginning of period	50,891	53,896	57,803
Cash and cash equivalents at end of period	$ 37,082	$ 50,891	$ 53,896
Supplemental cash flow information:			
Cash paid for:			
Interest	$ 2,625	$ 1,573	$ 1,168
Income taxes, net of tax refunds received	$ 21,933	$ 16,494	$ 15,414

See accompanying notes to consolidated financial statements.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Note 1. The Company

WD-40 Company ("the Company"), based in San Diego, California, is a global marketing organization dedicated to creating positive lasting memories by developing and selling products that solve problems in workshops, factories and homes around the world. The Company markets its maintenance products and its homecare and cleaning products under the following well-known brands: WD-40®, 3-IN-ONE®, GT85®, X-14®, 2000 Flushes®, Carpet Fresh®, no vac®, Spot Shot®, 1001®, Lava® and Solvol®. Currently included in the WD-40 brand are the WD-40 Multi-Use Product and the WD-40 Specialist® and WD-40 BIKE® product lines.

The Company's brands are sold in various locations around the world. Maintenance products are sold worldwide in markets throughout North, Central and South America, Asia, Australia, Europe, the Middle East and Africa. Homecare and cleaning products are sold primarily in North America, the United Kingdom ("U.K.") and Australia. The Company's products are sold primarily through mass retail and home center stores, warehouse club stores, grocery stores, hardware stores, automotive parts outlets, sport retailers, independent bike dealers, online retailers and industrial distributors and suppliers.

Note 2. Basis of Presentation and Summary of Significant Accounting Policies

Basis of Consolidation

The consolidated financial statements include the accounts of the Company and its wholly-owned subsidiaries. All intercompany transactions and balances have been eliminated in consolidation.

Use of Estimates

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenues and expenses and the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting periods. Actual results could differ from those estimates.

Supplier Risk

The Company relies on a limited number of suppliers, including single or sole source suppliers for certain of its raw materials, packaging, product components and other necessary supplies. Where possible and where it makes business sense, the Company works with secondary or multiple suppliers to qualify additional supply sources. To date, the Company has been able to obtain adequate supplies of these materials which are used in the production of its maintenance products and homecare and cleaning products in a timely manner from existing sources.

Cash and Cash Equivalents

Cash equivalents are highly liquid investments purchased with an original maturity of three months or less.

Short-term Investments

The Company's short-term investments consist of term deposits and callable time deposits. These short-term investments had a carrying value of $80.2 million and $57.6 million at August 31, 2017 and 2016, respectively. The term deposits are subject to penalty for early redemption before their maturity, and the callable time deposits require a notice before redemption.

Trade Accounts Receivable and Allowance for Doubtful Accounts

Trade accounts receivable are recorded at the invoiced amount and do not bear interest. The allowance for doubtful accounts is the Company's best estimate of the amount of probable credit losses in existing accounts receivable. The Company determines the allowance for doubtful accounts based on historical write-off experience and the identification of specific balances deemed uncollectible. Trade accounts receivable are charged against the allowance when the Company believes it is probable that the trade accounts receivable will not be recovered. The Company does not have any off-balance sheet credit exposure related to its customers. Allowance for doubtful accounts related to the Company's trade accounts receivable were not significant at August 31, 2017 and 2016.

Inventories

Inventories are stated at the lower of cost or market and cost is determined based on a first-in, first-out method or, for a portion of raw materials inventory, the average cost method. When necessary, the Company adjusts the carrying value of its inventory to the lower of cost or market, including any costs to sell or dispose of such inventory. Appropriate consideration is given by the Company to obsolescence, excessive inventory levels, product deterioration and other factors when evaluating net realizable value for the purposes of determining the lower of cost or market.

Included in inventories are amounts for certain raw materials and components that the Company has provided to its third-party contract manufacturers but that remain unpaid to the Company as of the balance sheet date. The Company's contract manufacturers package products to the Company's specifications and, upon order from the Company, ship ready-to-sell inventory to either the Company's third-party distribution centers or directly to its customers. The Company transfers certain raw materials and components to these contract manufacturers for use in the manufacturing process. Contract manufacturers are obligated to pay the Company for these raw materials and components upon receipt. Amounts receivable from the contract manufacturers as of the balance sheet date related to transfers of these raw materials and components by the Company to its contract manufacturers are considered product held at third-party contract manufacturers and are included in inventories in the accompanying consolidated balance sheets.

Property and Equipment

Property and equipment is stated at cost. Depreciation is computed using the straight-line method based upon estimated useful lives of ten to forty years for buildings and improvements, three to fifteen years for machinery and equipment, three to five years for vehicles, three to ten years for furniture and fixtures and three to five years for software and computer equipment. Depreciation expense totaled $3.9 million, $3.5 million and $3.4 million for fiscal years 2017, 2016 and 2015, respectively. These amounts include factory depreciation expense which is recognized as cost of products sold and totaled $1.1 million for fiscal year 2017 and $0.8 million for each of the fiscal years ended August 31, 2016 and 2015.

Software

The Company capitalizes costs related to computer software obtained or developed for internal use. Software obtained for internal use has generally been enterprise-level business and finance software that the Company customizes to meet its specific operational needs. Costs incurred in the application development phase are capitalized and amortized over their useful lives, which are generally three to five years.

Goodwill

Goodwill represents the excess of the purchase price over the fair value of tangible and intangible assets acquired. The carrying value of goodwill is reviewed for possible impairment in accordance with the authoritative guidance on goodwill, intangibles and other. The Company assesses possible impairments to goodwill at least annually during its second fiscal quarter and otherwise when events or changes in circumstances indicate that an impairment condition may exist. In performing the annual impairment test of its goodwill, the Company considers the fair value concepts of a market participant and the highest and best use for its intangible assets. In addition to the annual impairment test, goodwill is evaluated each reporting period to determine whether events and circumstances would more likely than not reduce the fair value of a reporting unit below its carrying value.

When testing goodwill for impairment, the Company first assesses qualitative factors to determine whether it is necessary to perform the two-step quantitative goodwill impairment test. If, after assessing qualitative factors, the Company determines it is not more likely than not that the fair value of a reporting unit is less than its carrying amount, then performing additional quantitative tests is unnecessary. Otherwise, a two-step quantitative test is performed to identify the potential impairment and to measure the amount of goodwill impairment, if any. Any required impairment losses are recorded as a reduction in the carrying amount of the related asset and charged to results of operations. No goodwill impairments were identified by the Company during fiscal years 2017, 2016 and 2015.

Long-lived Assets

The Company's long-lived assets consist of property and equipment and definite-lived intangible assets. Long-lived assets are depreciated or amortized, as applicable, on a straight-line basis over their estimated useful lives. The Company assesses potential impairments to its long-lived assets when there is evidence that events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable and/or its remaining useful life may no longer be appropriate. Any required impairment loss would be measured as the amount by which the asset's carrying amount exceeds its fair value, which is the amount at which the asset could be bought or sold in a current transaction between willing market participants and would be recorded as a reduction in the carrying amount of the related asset and a charge to results of operations. An impairment loss would be recognized when the sum of the expected future undiscounted net cash flows is less than the carrying amount of the asset. No impairments to its long-lived assets were identified by the Company during fiscal years 2017, 2016 and 2015.

Fair Value of Financial Instruments

Accounting Standards Codification ("ASC") 820, "*Fair Value Measurements and Disclosures*", defines fair value as the exchange price that would be received for an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The Company categorizes its financial assets and liabilities measured at fair value into a hierarchy that categorizes fair value measurements into the following three levels based on the types of inputs used in measuring their fair value:

Level 1: Observable inputs such as quoted market prices in active markets for identical assets or liabilities;
Level 2: Observable market-based inputs or observable inputs that are corroborated by market data; and
Level 3: Unobservable inputs reflecting the Company's own assumptions.

Under fair value accounting, assets and liabilities are classified in their entirety based on the lowest level of input that is significant to the fair value measurement. As of August 31, 2017, the Company had no assets or liabilities that are measured at fair value in the financial statements on a recurring basis, with the exception of the foreign currency forward contracts, which are classified as Level 2 within the fair value hierarchy. The carrying values of cash equivalents, short-term investments and short-term borrowings are recorded at cost, which approximates their fair values primarily due to their short-term maturities and are classified as Level 2 within the fair value hierarchy. In addition, the carrying value of long-term borrowings on the Company's consolidated balance sheets approximate fair value and is also classified as Level 2 within the fair value hierarchy. During the fiscal years ended August 31, 2017, 2016 and 2015, the Company did not record any significant nonrecurring fair value measurements for assets or liabilities in periods subsequent to their initial recognition.

Concentration of Credit Risk

Financial instruments, which potentially subject the Company to significant concentrations of credit risk, consist principally of cash and cash equivalents, short-term investments and trade accounts receivable. The Company's policy is to place its cash in high credit quality financial institutions, in investments that include demand deposits, term deposits and callable time deposits. The Company's trade accounts receivable are derived from customers located in North America, South America, Asia-Pacific, Europe, the Middle East, Africa and India. The Company limits its credit exposure from trade accounts receivable by performing on-going credit evaluations of customers, as well as insuring its trade accounts receivable in selected markets.

Insurance Coverage

The Company carries insurance policies to cover insurable risks such as property damage, business interruption, product liability, workers' compensation and other risks, with coverage and other terms that it believes to be adequate and appropriate. These policies may be subject to applicable deductible or retention amounts, coverage limitations and exclusions. The Company does not maintain self-insurance with respect to its material risks; therefore, the Company has not provided for self-insurance reserves as of August 31, 2017 and 2016.

Revenue Recognition and Sales Incentives

Sales are recognized as revenue at the time of delivery to the customer when risks of loss and title have passed. Sales are recorded net of allowances for damaged goods and other sales returns, sales incentives, trade promotions and cash discounts.

The Company records the costs of promotional activities such as sales incentives, trade promotions, coupon offers and cash discounts that are given to its customers as a reduction of sales in its consolidated statements of operations. The Company offers on-going trade promotion programs with customers and consumer coupon programs that require the Company to estimate and accrue the expected costs for such programs. Programs include cooperative marketing programs, shelf price reductions, coupons, rebates, consideration and allowances given to retailers for shelf space and/or favorable display positions in their stores and other promotional activities. Costs related to rebates, cooperative advertising and other promotional activities are recorded as a reduction to sales upon delivery of the Company's products to its customers. Coupon costs are based upon historical redemption rates and are recorded as a reduction to sales as incurred, which is when the coupons are circulated.

Cost of Products Sold

Cost of products sold primarily includes the cost of products manufactured on the Company's behalf by its third-party contract manufacturers, net of volume and other rebates. Cost of products sold also includes the costs to manufacture WD-40 concentrate, which is done at the Company's own facilities or at third-party contract manufacturers. When the concentrate is manufactured by the Company, cost of products sold includes direct labor, direct materials and supplies; in-bound freight costs related to purchased raw materials and finished product; and depreciation of machinery and equipment used in the manufacturing process.

Selling, General and Administrative Expenses

Selling, general and administrative expenses include costs related to selling the Company's products, such as the cost of the sales force and related sales and broker commissions; shipping and handling costs paid to third-party companies to distribute finished goods from the Company's third-party contract manufacturers and distribution centers to its customers; other general and administrative costs related to the Company's business such as general overhead, legal and accounting fees, insurance, and depreciation; and other employee-related costs to support marketing, human resources, finance, supply chain, information technology and research and development activities.

Shipping and Handling Costs

Shipping and handling costs associated with in-bound freight and movement of product from third-party contract manufacturers to the Company's third-party warehouses are capitalized in the cost of inventory and subsequently included in cost of sales when recognized in the statement of operations. Shipping and handling costs associated with out-bound transportation are included in selling, general and administrative expenses and are recorded at the time of shipment of product to the Company's customers. Out-bound shipping and handling costs were $16.4 million, $16.1 million and $15.8 million for fiscal years 2017, 2016 and 2015, respectively.

Advertising and Sales Promotion Expenses

Advertising and sales promotion expenses are expensed as incurred. Advertising and sales promotion expenses include costs associated with promotional activities that the Company pays to third parties, which include costs for advertising (television, print media and internet), administration of coupon programs, consumer promotions, product demonstrations, public relations, agency costs, package design expenses and market research costs. Total advertising and sales promotion expenses were $20.5 million, $22.3 million and $22.9 million for fiscal years 2017, 2016 and 2015, respectively.

Research and Development

The Company is involved in research and development efforts that include the ongoing development or innovation of new products and the improvement, extension or renovation of existing products or product lines. All research and development costs are expensed as incurred and are included in selling, general and administrative expenses. Research and development expenses were $8.4 million, $7.7 million and $9.0 million in fiscal years 2017, 2016 and 2015, respectively. These expenses include costs associated with general research and development activities, as well as those associated with internal staff, overhead, design testing, market research and consultants.

Income Taxes

Current income tax expense is the amount of income taxes expected to be payable for the current year. A deferred income tax liability or asset is established for the expected future tax consequences resulting from the differences in financial reporting and tax bases of assets and liabilities. A valuation allowance is provided if it is more likely than not that some or all of the deferred tax assets will not be realized. In addition to valuation allowances, the Company provides for uncertain tax positions when such tax positions do not meet the recognition thresholds or measurement standards prescribed by the authoritative guidance on income taxes. Amounts for uncertain tax positions are adjusted in periods when new information becomes available or when positions are effectively settled. The Company recognizes accrued interest and penalties related to uncertain tax positions as a component of income tax expense.

U.S. federal income tax expense is provided on remittances of foreign earnings and on unremitted foreign earnings that are not indefinitely reinvested. U.S. federal income taxes and foreign withholding taxes are not provided when foreign earnings are indefinitely reinvested. The Company determines whether its foreign subsidiaries will invest their undistributed earnings indefinitely based on the capital needs of the foreign subsidiaries and reassesses this determination each reporting period. Changes to the Company's determination may be warranted based on the Company's experience as well as its plans regarding future international operations and expected remittances.

Foreign Currency

The Company translates the assets and liabilities of its foreign subsidiaries into U.S. dollars at current rates of exchange in effect at the end of the reporting period. Income and expense items are translated at rates that approximate the rates in effect at the transaction date. Gains and losses from translation are included in accumulated other comprehensive income or loss. Gains or losses resulting from foreign currency transactions (transactions denominated in a currency other than the entity's functional currency) are included as other income (expense) in the Company's consolidated statements of operations. The Company had $0.4 million and $2.4 million of net gains in foreign currency transactions in fiscal years 2017 and 2016, respectively, and $1.7 million of net losses in fiscal year 2015.

In the normal course of business, the Company employs established policies and procedures to manage its exposure to fluctuations in foreign currency exchange rates. The Company's U.K. subsidiary, whose functional currency is Pound Sterling, utilizes foreign currency forward contracts to limit its exposure to net asset balances held in non-functional currencies, specifically the Euro. The Company regularly monitors its foreign currency exchange rate exposures to ensure the overall effectiveness of its foreign currency hedge positions. While the Company engages in foreign currency hedging activity to reduce its risk, for accounting purposes, none of its foreign currency forward contracts are designated as hedges.

Foreign currency forward contracts are carried at fair value, with net realized and unrealized gains and losses recognized currently in other income (expense) in the Company's consolidated statements of operations. Cash flows from settlements of foreign currency forward contracts are included in operating activities in the consolidated statements of cash flows. Foreign currency forward contracts in an asset position at the end of the reporting period are included in other current assets, while foreign currency forward contracts in a liability position at the end of the reporting period are included in accrued liabilities in the Company's consolidated balance sheets. At August 31, 2017, the Company had a notional amount of $23.4 million outstanding in foreign currency forward contracts, which matured in September 2017. Unrealized net losses related to foreign currency forward contracts were $0.6 million at August 31, 2017, while unrealized net gains and losses were not significant at August 31, 2016. Realized net losses related to foreign currency forward contracts were $0.5 million for the fiscal year ended August 31, 2017, while realized net gains and losses were not significant for the fiscal year ended August 31, 2016.

Earnings per Common Share

Unvested share-based payment awards that contain nonforfeitable rights to dividends or dividend equivalents, whether paid or unpaid, are participating securities that are required to be included in the computation of earnings per common share pursuant to the two-class method. Accordingly, the Company's outstanding unvested, if any, and outstanding vested stock-based equity awards that provide such nonforfeitable rights to dividend equivalents are included as participating securities in the calculation of earnings per common share ("EPS") pursuant to the two-class method.

The Company calculates EPS using the two-class method, which provides for an allocation of net income between common stock and other participating securities based on their respective participation rights to share in dividends. Basic EPS is calculated by dividing net income available to common shareholders for the period by the weighted-average number of common shares outstanding during the period. Net income available to common shareholders for the period includes dividends paid to common shareholders during the period plus a proportionate share of undistributed net income allocable to common shareholders for the period; the proportionate share of undistributed net income allocable to common shareholders for the period is based on the proportionate share of total weighted-average common shares and participating securities outstanding during the period.

Diluted EPS is calculated by dividing net income available to common shareholders for the period by the weighted-average number of common shares outstanding during the period increased by the weighted-average number of potentially dilutive common shares (dilutive securities) that were outstanding during the period if the effect is dilutive. Dilutive securities are comprised of stock options, restricted stock units, market share units and deferred performance units granted under the Company's prior and current equity incentive plans.

Stock-based Compensation

The Company accounts for stock-based equity awards exchanged for employee and non-employee director services in accordance with the authoritative guidance for share-based payments. Under such guidance, stock-based compensation expense is measured at the grant date, based on the estimated fair value of the award, and is recognized as expense, net of estimated forfeitures, over the requisite service period. Compensation expense is amortized on a straight-line basis over the requisite service period for the entire award, which is generally the maximum vesting period of the award.

The fair value of stock options is determined using a Black-Scholes option pricing model. The fair values of restricted stock unit awards and deferred performance unit awards are based on the fair value of the Company's common stock on the date that such awards are granted. The fair value of market share unit awards is determined using a Monte Carlo simulation model. For the deferred performance unit awards, the Company adjusts the compensation expense over the service period based upon the expected achievement level of the applicable performance condition. As the grant date fair value of market share unit awards reflects the probabilities of the actual number of such awards expected to vest, compensation expense for such awards is not adjusted based on the expected achievement level of the applicable performance condition. An estimated forfeiture rate is applied and included in the calculation of stock-based compensation expense at the time that the stock-based equity awards are granted and revised, if necessary, in subsequent periods if actual forfeiture rates differ from those estimates. Compensation expense related to the Company's stock-based equity awards is recorded as selling, general and administrative expenses in the Company's consolidated statements of operations.

The Company calculates its windfall tax benefits additional paid-in capital pool that is available to absorb tax deficiencies in accordance with the short-cut method provided for by the authoritative guidance for share-based payments. As of August 31, 2017, the Company determined that it has a remaining pool of windfall tax benefits.

Segment Information

The Company discloses certain information about its business segments, which are determined consistent with the way the Company's Chief Operating Decision Maker organizes and evaluates financial information internally for making operating decisions and assessing performance. In addition, the Chief Operating Decision Maker assesses and measures revenue based on product groups.

Recently Adopted Accounting Standards

In August 2014, the FASB issued ASU No. 2014-15, "*Disclosure of Uncertainties about an Entity's Ability to Continue as a Going Concern*". This updated guidance requires management to evaluate whether there is substantial doubt about an entity's ability to continue as a going concern within one year of the date that the financial statements are issued and provide related disclosures if necessary. This guidance is effective for the first annual fiscal period ending after December 15, 2016, and for all interim and annual periods thereafter. The Company adopted this guidance in the fourth quarter of fiscal year 2017 on a prospective basis and there was no impact on its consolidated financial statements and related disclosures.

Recently Issued Accounting Standards

In May 2017, the Financial Accounting Standards Board ("FASB") issued ASU No. 2017-09, "*Scope of Modification Accounting*", to reduce diversity in practice and provide clarity regarding existing guidance in ASC 718, "*Stock Compensation*". The amendments in this updated guidance clarify that an entity should apply modification accounting in response to a change in the terms and conditions of an entity's share-based payment awards unless three newly specified criteria are met. This guidance is effective for fiscal years beginning after December 15, 2017, including interim periods within that reporting period. Early adoption is permitted. The Company has evaluated the potential impacts of this updated guidance, and it does not expect the adoption of this guidance to have a material impact on its consolidated financial statements and related disclosures.

In January 2017, the FASB issued ASU No. 2017-04, *"Simplifying the Test for Goodwill Impairment"*. This updated guidance eliminates Step 2 from the current two-step quantitative model for goodwill impairment tests. Step 2 required an entity to calculate an implied fair value, which included a hypothetical purchase price allocation requirement, for reporting units that failed Step 1. Per this updated guidance, a goodwill impairment will instead be measured as the amount by which a reporting unit's carrying value exceeds its fair value as identified in Step 1. This guidance is effective for fiscal years beginning after December 15, 2019, including interim periods within that reporting period. Early adoption is permitted for interim or annual goodwill impairment tests performed on testing dates after January 1, 2017. The Company has evaluated the potential impacts of this updated guidance, and it does not expect the adoption of this guidance to have a material impact on its consolidated financial statements and related disclosures.

In October 2016, the FASB issued ASU No. 2016-16, *"Intra-Entity Transfers of Assets Other Than Inventory",* which requires an entity to recognize the income tax consequences of an intra-entity transfer of an asset other than inventory when the transfer occurs. This guidance is effective for fiscal years beginning after December 15, 2017, including interim periods within that reporting period. Early adoption is permitted in the first interim period of an entity's annual financial statements. The Company has evaluated the potential impacts of this updated guidance, and it does not expect the adoption of this guidance to have a material impact on its consolidated financial statements and related disclosures.

In August 2016, the FASB issued ASU No. 2016-15, "*Classification of Certain Cash Receipts and Cash Payments*". The amendments in this updated guidance address eight specific cash flow issues to reduce the existing diversity in practice in how certain cash receipts and cash payments are presented and classified in the statement of cash flows. This guidance is effective for fiscal years beginning after December 15, 2017, including interim periods within that reporting period. Early adoption is permitted and should be applied using a retrospective approach. The Company is in the process of evaluating the potential impacts of this new guidance on its consolidated financial statements.

In June 2016, the FASB issued ASU No. 2016-13, "*Measurement of Credit Losses on Financial Instruments*", which requires entities to estimate all expected credit losses for certain types of financial instruments, including trade receivables, held at the reporting date based on historical experience, current conditions, and reasonable and supportable forecasts. The updated guidance also expands the disclosure requirements to enable users of financial statements to understand the entity's assumptions, models and methods for estimating expected credit losses. This guidance is effective for fiscal years beginning after December 15, 2019, including interim periods within that reporting period. Early adoption is permitted. The Company is in the process of evaluating the potential impacts of this new guidance on its consolidated financial statements.

In March 2016, the FASB issued ASU No. 2016-09, "*Improvements to Employee Share-Based Payment Accounting*". The amendments in this updated guidance include changes to simplify the Codification for several aspects of the accounting for share-based payment transactions, including those related to the income tax consequences, classification of awards as either equity or liabilities, accounting for forfeitures, minimum statutory withholding requirements and classification of certain items on the statement of cash flows. Certain of these changes are required to be applied retrospectively while other changes are required to be applied prospectively. This guidance is effective for fiscal years beginning after December 15, 2016, including interim periods within that reporting period. Early adoption was permitted. The Company did not adopt this updated guidance early and therefore this guidance will become effective for the Company during the first quarter of fiscal year 2018. The Company expects that the adoption of this new guidance will have a more than inconsequential impact on the Company's consolidated financial statements. For example, if the Company had adopted this updated guidance in fiscal year 2017, its income tax expense for the year would have been reduced by approximately $1.5 million due to the recognition of excess tax benefits in the provision for income taxes rather than through additional paid-in-capital. The Company also expects to change its policy related to forfeitures upon adoption of this new guidance such that it will recognize the impacts of forfeitures as they occur rather than recognizing them based on an estimated forfeiture rate. Although the Company is still assessing the impacts of this change in policy for forfeitures on its consolidated financial statements, it does not expect that the impact will be material. In addition, the Company's presentation of employee taxes paid on shares of certain equity awards withheld by the Company for tax-withholding purposes will be reported as a financing activity instead of an operating activity in the Consolidated Statement of Cash Flows, while the excess tax benefits from settlements of stock-based equity awards will be reported as an operating activity under this new guidance.

In February 2016, the FASB issued ASU No. 2016-02, "*Leases*". The new standard establishes a right-of-use model that requires a lessee to record a right-of-use asset and a lease liability on the balance sheet for all leases with terms longer than twelve months. Leases will be classified as either finance or operating, with classification affecting the pattern of expense recognition in the income statement. This guidance is effective for fiscal years beginning after December 15, 2018, including interim periods within that reporting period. Early adoption is permitted and should be applied using a modified retrospective approach. The Company is in the process of evaluating the impacts of this new guidance on its consolidated financial statements and related disclosures.

In May 2014, the FASB issued ASU No. 2014-09, "*Revenue from Contracts with Customers*", which supersedes the revenue recognition requirements in ASC 605, "*Revenue Recognition*". The core principle of this updated guidance and related amendments is that an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. This new guidance requires an entity to recognize revenue for product sales at the point in time in which control of goods transfers to the Company's customers which, as defined, could be different than the point in time in which revenue had been recognized by the Company under existing U.S. GAAP, which was based on when title and the risks and rewards of ownership were transferred to the customer. The new guidance also requires additional disclosure about the nature, amount, timing and uncertainty of revenue and cash flows arising from customer contracts, including significant judgments and changes in judgments and assets recognized from costs incurred to obtain or fulfill a contract. Although early adoption is permitted, the Company has concluded that it will not adopt this guidance early and it will become effective for the Company on September 1, 2018. The Company will adopt this new guidance following the modified retrospective approach and will recognize the cumulative effect of initially applying the guidance as an adjustment to the opening balance of retained earnings on September 1, 2018. Management is in the process of a detailed review of the Company's customer contracts which is focused principally on, but not limited to, identifying the point in time at which the control of goods transfers to customers. Management is nearing the completion of this review and is still in the process of determining the impacts that this new guidance will have on the Company's consolidated financial statements and related disclosures.

Note 3. Inventories

Inventories consisted of the following (in thousands):

	August 31, 2017	August 31, 2016
Product held at third-party contract manufacturers	$ 3,021	$ 3,521
Raw materials and components	3,021	2,996
Work-in-process	215	163
Finished goods	29,083	25,113
Total	$ 35,340	$ 31,793

Note 4. Property and Equipment

Property and equipment, net, consisted of the following (in thousands):

	August 31, 2017	August 31, 2016
Machinery, equipment and vehicles	$ 17,491	$ 14,892
Buildings and improvements	16,953	4,223
Computer and office equipment	4,552	3,605
Software	7,947	7,392
Furniture and fixtures	1,608	1,286
Capital in progress	861	2,200
Land	3,453	254
Subtotal	52,865	33,852
Less: accumulated depreciation and amortization	(23,426)	(22,307)
Total	$ 29,439	$ 11,545

Note 5. Goodwill and Other Intangible Assets

Acquisitions

During the first quarter of fiscal year 2015, the Company entered into an agreement by and between GT 85 Limited ("GT85") and WD-40 Company Limited, which is the Company's U.K. subsidiary, to acquire the GT85 business and certain of its assets for a purchase consideration of $4.1 million. Of this purchase consideration, $3.7 million was paid in cash upon completion of the acquisition ("completion") and the remaining balance was paid in June 2015. Located in the U.K., the GT85 business was engaged in the marketing and sale of the GT85® and SG85 brands of maintenance products. This acquisition complements the Company's maintenance products and will help to build upon its strategy to develop new product categories for WD-40 Specialist and WD-40 BIKE.

The purchase price was allocated to certain customer-related, trade name-related, and technology-based intangible assets in the amount of $1.7 million, $0.9 million, and $0.2 million, respectively. The Company began to amortize these definite-lived intangible assets on a straight-line basis over their estimated useful lives of eight, ten, and four years, respectively, in the first quarter of fiscal year 2015. The purchase price exceeded the fair value of the intangible assets acquired and, as a result, the Company recorded goodwill of $1.3 million in connection with this transaction. This acquisition did not have a material impact on the Company's condensed consolidated financial statements, and as a result no pro forma disclosures have been presented.

Goodwill

The following table summarizes the changes in the carrying amounts of goodwill by segment (in thousands):

	Americas	EMEA	Asia-Pacific	Total
Balance as of August 31, 2015	$ 85,532	$ 9,667	$ 1,210	$ 96,409
Translation adjustments	(80)	(680)	-	(760)
Balance as of August 31, 2016	85,452	8,987	1,210	95,649
Translation adjustments	(4)	(48)	-	(52)
Balance as of August 31, 2017	$ 85,448	$ 8,939	$ 1,210	$ 95,597

During the second quarter of fiscal year 2017, the Company performed its annual goodwill impairment test. The annual goodwill impairment test was performed at the reporting unit level, which resides at a component level below the Company's operating segment level and for which discrete financial information is available, as required by the authoritative guidance. The Company performed a qualitative assessment of each reporting unit to determine whether it was more likely than not that the fair value of a reporting unit was less than its carrying amount. In performing this qualitative assessment, the Company assessed relevant events and circumstances that may impact the fair value and the carrying amount of each of its reporting units. Factors that were considered included, but were not limited to, the following: (1) macroeconomic conditions; (2) industry and market conditions; (3) historical financial performance and expected financial performance; (4) other entity specific events, such as changes in management or key employees; and (5) events affecting the Company's reporting units, such as a change in the composition of net assets or any expected dispositions. Based on the results of this qualitative assessment, the Company determined that it is more likely than not that the carrying value of each of its reporting units is less than its fair value and, thus, the two-step quantitative analysis was not required. As a result, the Company concluded that no impairment of its goodwill existed as of February 28, 2017.

In addition, there were no indicators of impairment identified as a result of the Company's review of events and circumstances related to its goodwill subsequent to February 28, 2017, the date of its most recent annual goodwill impairment test. To date, there have been no impairment losses identified and recorded related to the Company's goodwill.

Definite-lived Intangible Assets

The Company's definite-lived intangible assets, which include the 2000 Flushes, Spot Shot, Carpet Fresh, 1001 and GT85 trade names, the Belgium customer list, the GT85 customer relationships and the GT85 technology are included in other intangible assets, net in the Company's condensed consolidated balance sheets. The following table summarizes the definite-lived intangible assets and the related accumulated amortization (in thousands):

	August 31, 2017	August 31, 2016
Gross carrying amount	$ 35,891	$ 36,009
Accumulated amortization	(19,647)	(16,818)
Net carrying amount	$ 16,244	$ 19,191

There has been no impairment charge for the period ended August 31, 2017 as a result of the Company's review of events and circumstances related to its existing definite-lived intangible assets.

Changes in the carrying amounts of definite-lived intangible assets by segment are summarized below (in thousands):

	Americas	EMEA	Asia-Pacific	Total
Balance as of August 31, 2015	$ 17,121	$ 5,840	$ -	$ 22,961
Amortization expense	(2,208)	(768)	-	(2,976)
Translation adjustments	-	(794)	-	(794)
Balance as of August 31, 2016	14,913	4,278	-	19,191
Amortization expense	(2,207)	(672)	-	(2,879)
Translation adjustments	-	(68)	-	(68)
Balance as of August 31, 2017	$ 12,706	$ 3,538	$ -	$ 16,244

The estimated amortization expense for the Company's definite-lived intangible assets in future fiscal years is as follows (in thousands):

	Trade Names	Customer-Based	Technology
Fiscal year 2018	$ 2,419	$ 446	$ 33
Fiscal year 2019	2,414	259	-
Fiscal year 2020	2,019	165	-
Fiscal year 2021	1,230	165	-
Fiscal year 2022	1,229	165	-
Thereafter	5,700	-	-
Total	$ 15,011	$ 1,200	$ 33

Included in the total estimated future amortization expense is the amortization expense for the 1001 trade name and the GT85 intangible assets, which are based on current foreign currency exchange rates, and as a result amounts in future periods may differ from those presented due to fluctuations in those rates.

Note 6. Accrued and Other Liabilities

Accrued liabilities consisted of the following (in thousands):

	August 31, 2017	August 31, 2016
Accrued advertising and sales promotion expenses	$ 10,889	$ 9,763
Accrued professional services fees	1,456	1,262
Accrued sales taxes and other taxes	1,701	954
Other	4,951	3,778
Total	$ 18,997	$ 15,757

Accrued payroll and related expenses consisted of the following (in thousands):

	August 31, 2017	August 31, 2016
Accrued incentive compensation	$ 6,554	$ 12,203
Accrued payroll	3,338	3,559
Accrued profit sharing	2,257	2,716
Accrued payroll taxes	1,503	1,744
Other	570	644
Total	$ 14,222	$ 20,866

Note 7. Debt

Revolving Credit Facility

On June 17, 2011, the Company entered into an unsecured credit agreement with Bank of America, N.A. ("Bank of America"). Since June 17, 2011, this unsecured credit agreement has been amended four times, most recently on September 1, 2016, (the "Fourth Amendment"). This Fourth Amendment amended the credit agreement in connection with the purchase of the Company's new office building and related land located at 9715 Businesspark Avenue, San Diego, California (the "Property"). The Fourth Amendment permits the Company to spend $18.0 million in aggregate for the acquisition and improvement costs for the Property, with any excess applied against the $7.5 million permitted annually by the amended agreement for other capital expenditures. In addition, the Fourth Amendment also includes changes to the agreement that will allow, as a permitted lien, any agreement with Bank of America for secured debt.

Per the terms of the amended agreement, the revolving commitment may not exceed $175.0 million and the aggregate amount of the Company's capital stock that it may repurchase may not exceed $150.0 million during the period from November 16, 2015 to the maturity date of the agreement so long as no default exists immediately prior and after giving effect thereto. This revolving credit facility matures on May 13, 2020, and includes representations, warranties and covenants customary for credit facilities of this type, as well as customary events of default and remedies. In addition, per the terms of the amended agreement, the Company and Bank of America may enter into an autoborrow agreement in form and substance satisfactory to Bank of America, providing for the automatic advance of revolving loans in U.S. Dollars to the Company's designated account at Bank of America. In the second quarter of fiscal year 2016, the Company entered into an autoborrow agreement with Bank of America and this agreement has been in effect since that time

For the financial covenants, the definition of consolidated EBITDA includes the add back of non-cash stock-based compensation to consolidated net income when arriving at consolidated EBITDA. The terms of the financial covenants are as follows:

- The consolidated leverage ratio cannot be greater than three to one. The consolidated leverage ratio means, as of any date of determination, the ratio of (a) consolidated funded indebtedness as of such date to (b) consolidated EBITDA for the most recently completed four fiscal quarters.
- The consolidated interest coverage ratio cannot be less than three to one. The consolidated interest coverage ratio means, as of any date of determination, the ratio of (a) consolidated EBITDA for the most recently completed four fiscal quarters to (b) consolidated interest charges for the most recently completed four fiscal quarters

Since the autoborrow feature provides for borrowings to be made and repaid by the Company on a daily basis, any such borrowings made under an active autoborrow agreement are classified as short-term on the Company's consolidated balance sheets. The Company had no balance under the autoborrow agreement as of August 31, 2017. In addition, the Company assesses its ability and intent to refinance the outstanding draws on the line of credit at the end of each reporting period in order to determine the proper balance sheet classification for amounts outstanding on the line of credit. During the fiscal year ended August 31, 2017, the Company borrowed $20.0 million on the line of credit which it intends to repay in less than twelve months. As a result, the Company has classified $20.0 million borrowed under the revolving credit facility during the fiscal year ended August 31, 2017 as short-term on its consolidated balance sheets.

In addition to the $20.0 million in borrowings classified as short-term, the Company borrowed an additional $12.0 million U.S. Dollars under the revolving credit facility during the fiscal year ended August 31, 2017. Based on management's ability and intent to refinance these new draws and remainder of the Company's short-term borrowings under the facility with successive short-term borrowings for a period of at least twelve months, the Company has classified $134.0 million outstanding under the revolving credit facility as a long-term liability at August 31, 2017. The Company regularly converts existing draws on its line of credit to new draws with new maturity dates and interest rates. As of August 31, 2017, the Company had a $154.0 million outstanding balance on the revolving credit facility and was in compliance with all debt covenants under this credit facility.

Note 8. Share Repurchase Plans

On June 21, 2016, the Company's Board of Directors approved a share buy-back plan. Under the plan, which became effective on September 1, 2016, the Company is authorized to acquire up to $75.0 million of its outstanding shares through August 31, 2018. The timing and amount of repurchases are based on terms and conditions as may be acceptable to the Company's Chief Executive Officer and Chief Financial Officer and in compliance with all laws and regulations applicable thereto. During the period from September 1, 2016 through August 31, 2017, the Company repurchased 290,573 shares at a total cost of $31.1 million under this $75.0 million plan.

Note 9. Earnings per Common Share

The table below reconciles net income to net income available to common shareholders (in thousands):

	Fiscal Year Ended August 31,		
	2017	2016	2015
Net income	$ 52,930	$ 52,628	$ 44,807
Less: Net income allocated to participating securities	(323)	(334)	(271)
Net income available to common shareholders	$ 52,607	$ 52,294	$ 44,536

The table below summarizes the weighted-average number of common shares outstanding included in the calculation of basic and diluted EPS (in thousands):

	Fiscal Year Ended August 31,		
	2017	2016	2015
Weighted-average common shares outstanding, basic	14,089	14,332	14,582
Weighted-average dilutive securities	34	47	67
Weighted-average common shares outstanding, diluted	14,123	14,379	14,649

There were no anti-dilutive stock-based equity awards outstanding for the fiscal year ended August 31, 2017. For the fiscal years ended August 31, 2016 and 2015, weighted-average stock-based equity awards outstanding that are non-participating securities in the amounts of 4,501 and 1,337, respectively, were excluded from the calculation of diluted EPS under the treasury stock method as they were anti-dilutive.

Note 10. Related Parties

On October 11, 2011, the Company's Board of Directors elected Mr. Gregory A. Sandfort as a director of WD-40 Company. Mr. Sandfort is the Chief Executive Officer of Tractor Supply Company ("Tractor Supply"), which is a WD-40 Company customer that acquires products from the Company in the ordinary course of business.

The consolidated financial statements include sales to Tractor Supply of $1.2 million for each of the fiscal years 2017 and 2016, respectively, and $1.1 million for fiscal year 2015. Accounts receivable from Tractor Supply were not significant as of August 31, 2017 and 2016.

Note 11. Commitments and Contingencies

Leases

The Company was committed under certain non-cancelable operating leases at August 31, 2017 which provide for the following future fiscal year minimum payments (in thousands):

	2018	2019	2020	2021	2022	Thereafter
Operating leases	$ 1,856	$ 1,223	$ 893	$ 739	$ 479	$ 470

Rent expense was $2.1 million, $1.9 million, and $2.1 million for the fiscal years ended August 31, 2017, 2016 and 2015, respectively.

Purchase Commitments

The Company has ongoing relationships with various suppliers (contract manufacturers) who manufacture the Company's products. The contract manufacturers maintain title and control of certain raw materials and components, materials utilized in finished products, and of the finished products themselves until shipment to the Company's customers or third-party distribution centers in accordance with agreed upon shipment terms. Although the Company typically does not have definitive minimum purchase obligations included in the contract terms with its contract manufacturers, when such obligations have been included, they have been immaterial. In the ordinary course of business, supply needs are communicated by the Company to its contract manufacturers based on orders and short-term projections, ranging from two to five months. The Company is committed to purchase the products produced by the contract manufacturers based on the projections provided.

Upon the termination of contracts with contract manufacturers, the Company obtains certain inventory control rights and is obligated to work with the contract manufacturer to sell through all product held by or manufactured by the contract manufacturer on behalf of the Company during the termination notification period. If any inventory remains at the contract manufacturer at the termination date, the Company is obligated to purchase such inventory which may include raw materials, components and finished goods. The amounts for inventory purchased under termination commitments have been immaterial.

In addition to the commitments to purchase products from contract manufacturers described above, the Company may also enter into commitments with other manufacturers to purchase finished goods and components to support innovation and renovation initiatives and/or supply chain initiatives. As of August 31, 2017, no such commitments were outstanding.

Litigation

From time to time, the Company is subject to various claims, lawsuits, investigations and proceedings arising in the ordinary course of business, including but not limited to, product liability litigation and other claims and proceedings with respect to intellectual property, breach of contract, labor and employment, tax and other matters.

On February 24, 2017, a legal action was filed against the Company in a United States District Court in Ohio (FirstPower Group, LLC v. WD-40 Company, WD-40 Manufacturing Company, Wal-Mart Stores East, LP, Lowe's Home Centers, LLC, and Home Depot U.S.A., Inc.). The complaint alleged claims of trademark infringement, unfair competition, counterfeiting, and deceptive trade practices arising out of the Company's marketing and sale of the WD-40 EZ-REACH Flexible Straw product. FirstPower Group, LLC ("FirstPower") claimed exclusive ownership and the right to use the words "EZ REACH" for lubricating oil products based on certain registered trademarks covering such words. On February 24, 2017, FirstPower also filed a motion for preliminary injunction seeking an interim order prohibiting the alleged infringement of FirstPower's asserted trademark rights. On July 18, 2017 the District Court issued a Memorandum Opinion denying FirstPower's motion for preliminary injunction. On October 13, 2017 the case was dismissed as to all of the defendants pursuant to a confidential settlement agreement between the Company and FirstPower, which did not have a material impact on the Company's business, financial condition or results of operations.

Indemnifications

As permitted under Delaware law, the Company has agreements whereby it indemnifies senior officers and directors for certain events or occurrences while the officer or director is, or was, serving at the Company's request in such capacity. The maximum potential amount of future payments the Company could be required to make under these indemnification agreements is unlimited; however, the Company maintains Director and Officer insurance coverage that mitigates the Company's exposure with respect to such obligations. As a result of the Company's insurance coverage, management believes that the estimated fair value of these indemnification agreements is minimal. Thus, no liabilities have been recorded for these agreements as of August 31, 2017.

From time to time, the Company enters into indemnification agreements with certain contractual parties in the ordinary course of business, including agreements with lenders, lessors, contract manufacturers, marketing distributors, customers and certain vendors. All such indemnification agreements are entered into in the context of the particular agreements and are provided in an attempt to properly allocate risk of loss in connection with the consummation of the underlying contractual arrangements. Although the maximum amount of future payments that the Company could be required to make under these indemnification agreements is unlimited, management believes that the Company maintains adequate levels of insurance coverage to protect the Company with respect to most potential claims arising from such agreements and that such agreements do not otherwise have value separate and apart from the liabilities incurred in the ordinary course of the Company's business. Thus, no liabilities have been recorded with respect to such indemnification agreements as of August 31, 2017.

Note 12. Income Taxes

Income before income taxes consisted of the following (in thousands):

	Fiscal Year Ended August 31,		
	2017	2016	2015
United States	$ 42,060	$ 41,128	$ 38,044
Foreign [(1)]	32,562	31,661	25,066
Income before income taxes	$ 74,622	$ 72,789	$ 63,110

(1) Included in these amounts are income before income taxes for the EMEA segment of $28.1 million, $28.3 million and $21.9 million for the fiscal years ended August 31, 2017, 2016 and 2015, respectively.

The provision for income taxes consisted of the following (in thousands):

	Fiscal Year Ended August 31,		
	2017	2016	2015
Current:			
Federal	$ 10,813	$ 13,269	$ 12,302
State	744	894	966
Foreign	7,465	7,593	5,886
Total current	19,022	21,756	19,154
Deferred:			
United States	2,627	(1,100)	(870)
Foreign	43	(495)	19
Total deferred	2,670	(1,595)	(851)
Provision for income taxes	$ 21,692	$ 20,161	$ 18,303

Deferred tax assets and deferred tax liabilities consisted of the following (in thousands):

	August 31, 2017	August 31, 2016
Deferred tax assets:		
Accrued payroll and related expenses	$ 1,252	$ 1,621
Accounts receivable	644	498
Reserves and accruals	2,393	2,292
Unrealized exchange loss	25	992
Stock-based compensation expense	3,213	2,976
Uniform capitalization	1,598	1,473
Tax credit carryforwards	2,309	2,038
Other	1,264	2,043
Total gross deferred tax assets	12,698	13,933
Valuation allowance	(2,328)	(2,054)
Total net deferred tax assets	10,370	11,879
Deferred tax liabilities:		
Property and equipment, net	(2,109)	(558)
Amortization of tax goodwill and intangible assets	(26,036)	(26,321)
Investments in partnerships	(679)	(744)
Total deferred tax liabilities	(28,824)	(27,623)
Net deferred tax liabilities	$ (18,454)	$ (15,744)

The Company had state net operating loss ("NOL") carryforwards of $2.6 million and $2.4 million as of August 31, 2017 and 2016, respectively, which generated a net deferred tax asset of $0.2 million for each of the fiscal years 2017 and 2016. The state NOL carryforwards, if unused, will expire between fiscal year 2018 and 2037. The Company also had cumulative tax credit carryforwards of $2.3 million and $2.0 million as of August 31, 2017 and 2016, respectively, of which $2.1 million and $1.9 million, respectively, is attributable to a U.K. tax credit carryforward, which does not expire. Future utilization of the tax credit carryforwards and certain state NOL carryovers is uncertain and is dependent upon several factors that may not occur, including the generation of future taxable income in certain jurisdictions. At this time, management cannot conclude that it is "more likely than not" that the related deferred tax assets will be realized. Accordingly, a full valuation allowance has been recorded against the related deferred tax asset associated with cumulative tax credit carryforwards.

A reconciliation of the statutory federal income tax rate to the Company's effective tax rate is as follows (in thousands):

	Fiscal Year Ended August 31,		
	2017	2016	2015
Amount computed at U.S. statutory federal tax rate	$ 26,118	$ 25,476	$ 22,088
State income taxes, net of federal tax benefits	327	397	578
Effect of foreign operations	(4,277)	(4,382)	(3,221)
Benefit from qualified domestic production deduction	(1,295)	(1,190)	(1,131)
Other	819	(140)	(11)
Provision for income taxes	$ 21,692	$ 20,161	$ 18,303

The provision for income taxes was 29.1% and 27.7% of income before income taxes for the fiscal years ended August 31, 2017 and 2016, respectively. The increase in the effective income tax rate from period to period was primarily driven by an immaterial out-of-period correction that the Company recorded in the second quarter of fiscal year 2017 associated with the tax impacts from certain unrealized foreign currency exchange losses in periods prior to fiscal year 2017.

As of August 31, 2017, the Company has not provided for U.S. federal and state income taxes and foreign withholding taxes on $137.5 million of the undistributed earnings of certain foreign subsidiaries, mostly attributable to the U.K., since these earnings are considered indefinitely reinvested outside of the United States. The amount of unrecognized deferred U.S. federal and state income tax liability, net of unrecognized foreign tax credits, is estimated to be approximately $12.9 million as of August 31, 2017. This net liability is impacted by changes in foreign currency exchange rates and, as a result, will fluctuate with any changes in such rates. If management decides to repatriate foreign earnings in future periods, the Company would be required to provide for the incremental U.S. federal and state income taxes as well as foreign withholding taxes on such amounts in the period in which the decision is made. In the fourth quarter of fiscal year 2016, the Company approved a one-time repatriation of $8.2 million of historical foreign earnings from its Australia and China subsidiaries due to favorable tax consequences stemming principally from the strengthening of the U.S. dollar against various currencies in which the Company conducts business. This action resulted in the recognition of an incremental immaterial tax benefit in fiscal year 2016. The Company continues to consider the remaining amount of unremitted foreign earnings in Australia and China, in addition to the U.K, to be indefinitely reinvested outside of the United States. The Company continues to provide for U.S. income taxes and foreign withholding taxes on the undistributed earnings of its Canada and Malaysia subsidiaries, whose earnings are not considered indefinitely reinvested.

Reconciliations of the beginning and ending amounts of the Company's gross unrecognized tax benefits, excluding interest and penalties, are as follows (in thousands):

	Fiscal Year Ended August 31,	
	2017	2016
Unrecognized tax benefits - beginning of fiscal year	$ 1,239	$ 1,279
Net decreases - prior period tax positions	(68)	-
Net increases - current period tax positions	228	211
Expirations of statute of limitations for assessment	(382)	(251)
Settlements	(36)	-
Unrecognized tax benefits - end of fiscal year	$ 981	$ 1,239

Gross unrecognized tax benefits totaled $1.0 million and $1.2 million as of August 31, 2017 and 2016, of which $0.6 million and $0.9 million, respectively, would affect the Company's effective income tax rate if recognized. There were no material interest or penalties included in income tax expense for the fiscal years ended August 31, 2017 and 2016. The total balance of accrued interest and penalties related to uncertain tax positions was also immaterial at August 31, 2017 and 2016.

The Company is subject to taxation in the U.S. and in various state and foreign jurisdictions. Due to expired statutes, the Company's federal income tax returns for years prior to fiscal year 2014 are not subject to examination by the U.S. Internal Revenue Service. The Company was notified in September 2016 by the U.S. Internal Revenue Service of its plans to perform an income tax audit for the tax period ended August 31, 2015. The income tax examination was concluded in the third quarter of fiscal year 2017 with no changes to the original return as filed. The Company is also currently under audit in various state and international jurisdictions for fiscal years 2013 through 2016. Generally, for the majority of state and foreign jurisdictions where the Company does business, periods prior to fiscal year 2013 are no longer subject to examination. The Company has estimated that up to $0.4 million of unrecognized tax benefits related to income tax positions may be affected by the resolution of tax examinations or expiring statutes of limitation within the next twelve months. Audit outcomes and the timing of settlements are subject to significant uncertainty.

Note 13. Stock-based Compensation

As of August 31, 2017, the Company had one stock incentive plan, the WD-40 Company 2016 Stock Incentive Plan ("2016 Plan"), which was approved by the Company's shareholders effective as of December 13, 2016. The 2016 Plan permits the granting of various stock-based equity awards, including non-qualified stock options, incentive stock options, stock appreciation rights, restricted stock, restricted stock units, performance shares, performance units and other stock-based awards to employees, directors and consultants. To date through August 31, 2017, the Company had granted awards of restricted stock units ("RSUs") under the 2016 Plan. Additionally, as of August 31, 2017, there were still outstanding stock options, RSUs, market share units ("MSUs") and deferred performance units ("DPUs") which had been granted under the Company's prior equity incentive plans. The 2016 Plan is administered by the Board of Directors (the "Board") or the Compensation Committee or other designated committee of the Board (the "Committee"). All stock-based equity awards granted under the 2016 Plan are subject to the specific terms and conditions as determined by the Committee at the time of grant of such awards in accordance with the various terms and conditions specified for each award type per the 2016 Plan. The total number of shares of common stock authorized for issuance pursuant to grants of awards under the 2016 Plan is 1,000,000. As of August 31, 2017, 979,546 shares of common stock remained available for future issuance pursuant to grants of awards under the 2016 Plan. The shares of common stock to be issued pursuant to awards under the 2016 Plan may be authorized but unissued shares or treasury shares. The Company has historically issued new authorized but unissued shares upon the settlement of the various stock-based equity awards under its equity incentive plans.

Vesting of the RSUs granted to directors is immediate, with shares to be issued pursuant to the vested RSUs upon termination of each director's service as a director of the Company. Vesting of the one-time grant of RSUs granted to certain key executives of the Company in March 2008 in settlement of these key executives' benefits under the Company's supplemental employee retirement plan agreements was over a period of three years from the date of grant, with shares to be issued pursuant to the vested RSUs six months following the day after each executive officer's termination of employment with the Company. Vesting of the RSUs granted to certain high level employees is over a period of three years from the date of grant, subject to potential earlier vesting in the event of retirement of the holder of the award in accordance with the award agreement, with shares to be issued pursuant to the vested RSUs at the time of vest. The director RSU holders and the executive officer March 2008 grant date RSU holders are entitled to receive dividend equivalents with respect to their RSUs, payable in cash as and when dividends are declared by the Company's Board of Directors.

Vesting of the MSUs granted to certain high level employees follows a performance measurement period of three fiscal years commencing with the Company's fiscal year in which the MSU awards are granted (the "Measurement Period"). Shares will be issued pursuant to the vested MSUs following the conclusion of the applicable MSU Measurement Period after the Committee's certification of achievement of the applicable performance measure for such awards and the vesting of the MSU awards and the applicable percentage of the target number of MSU shares to be issued. The recipient must remain employed with the Company for vesting purposes until the date on which the Committee certifies achievement of the applicable performance measure for the MSU awards, subject to potential pro-rata vesting in the event of earlier retirement of the holder of the award in accordance with the award agreement.

Vesting of the DPUs granted to certain high level employees follows a performance measurement period of one fiscal year that is the same fiscal year in which the DPU awards are granted (the "Measurement Year"). A number of DPUs equal to the applicable percentage of the maximum number of DPUs awarded will be confirmed as vested following the conclusion of the applicable DPU Measurement Year after the Committee's certification of achievement of the applicable performance measure for such awards (the "Vested DPUs"). The recipient must remain employed with the Company for vesting purposes until August 31 of the Measurement Year, subject to potential pro-rata vesting in the event of earlier retirement of the holder of the award in accordance with the award agreement. For recipients who are residents of the United States, the Vested DPUs must be held until termination of employment, with shares to be issued pursuant to the Vested DPUs six months following the day after each such recipient's termination of employment with the Company. For recipients who are not residents of the United States, the Committee has discretion to either defer settlement of each such recipient's Vested DPUs by issuance of shares following termination of employment or settle each Vested DPU in cash by payment of an amount equal to the closing price of one share of the Company's common stock as of the date of the Committee's certification of the relative achievement of the applicable performance measure for the DPU awards. Until issuance of shares in settlement of the Vested DPUs, the holders of each Vested DPU that is not settled in cash are entitled to receive dividend equivalents with respect to their Vested DPUs, payable in cash as and when dividends are declared by the Company's Board of Directors.

Stock-based compensation expense is amortized on a straight-line basis over the requisite service period for the entire award. Stock-based compensation expense related to the Company's stock-based equity awards totaled $4.1 million, $3.7 million and $2.8 million for the fiscal years ended August 31, 2017, 2016 and 2015, respectively. The Company recognized income tax benefits related to such stock-based compensation of $1.4 million, $1.2 million and $0.9 million for the fiscal years ended August 31, 2017, 2016 and 2015, respectively. As of August 31, 2017, the total unamortized compensation cost related to non-vested stock-based equity awards was $0.8 million and $1.6 million for RSUs and MSUs, respectively, which the Company expects to recognize over remaining weighted-average vesting periods of 1.5 and 1.7 years for RSUs and MSUs, respectively. No unamortized compensation cost for DPUs remained as of August 31, 2017.

Stock Options

Fiscal year 2008 was the last fiscal period in which the Company granted stock options. The estimated fair value of each of the Company's stock option awards granted in and prior to fiscal year 2008 was determined on the date of grant using the Black-Scholes option pricing model.

A summary of the Company's stock option award activity is as follows (in thousands, except share and per share amounts and contractual term in years data):

Stock Options	Number of Shares	Weighted-Average Exercise Price Per Share	Weighted-Average Remaining Contractual Term Per Share (in years)	Aggregate Intrinsic Value
Outstanding at August 31, 2016	27,820	$ 35.59		
Granted	-	$ -		
Exercised	(21,860)	$ 35.47		
Forfeited or expired	-	$ -		
Outstanding at August 31, 2017	5,960	$ 36.03	0.1	$ 435
Exercisable at August 31, 2017	5,960	$ 36.03	0.1	$ 435

The total intrinsic value of stock options exercised was $1.6 million, $2.5 million and $3.3 million for the fiscal years ended August 31, 2017, 2016 and 2015, respectively.

The income tax benefits from stock options exercised totaled $0.4 million, $0.7 million and $1.1 million for the fiscal years ended August 31, 2017, 2016 and 2015, respectively.

Restricted Stock Units

The estimated fair value of each of the Company's RSU awards was determined on the date of grant based on the closing market price of the Company's common stock on the date of grant for those RSUs which are entitled to receive dividend equivalents with respect to the RSUs, or based on the closing market price of the Company's common stock on the date of grant less the grant date present value of expected dividends during the vesting period for those RSUs which are not entitled to receive dividend equivalents with respect to the RSUs.

A summary of the Company's restricted stock unit activity is as follows (in thousands, except share and per share amounts):

Restricted Stock Units	Number of Shares		Weighted-Average Grant Date Fair Value Per Share		Aggregate Intrinsic Value
Outstanding at August 31, 2016	130,035	$	54.80		
Granted	21,501	$	109.23		
Converted to common shares	(34,479)	$	58.71		
Forfeited	(287)	$	81.44		
Outstanding at August 31, 2017	116,770	$	63.61	$	12,722
Vested at August 31, 2017	87,258	$	52.78	$	9,507

The weighted-average grant date fair value of all RSUs granted during the fiscal years ended August 31, 2017, 2016 and 2015 was $109.23, $95.89 and $69.35, respectively. The total intrinsic value of all RSUs converted to common shares was $3.6 million, $2.8 million and $1.8 million for the fiscal years ended August 31, 2017, 2016 and 2015, respectively.

The income tax benefits from RSUs converted to common shares totaled $1.3 million, $1.0 million and $0.6 million for the fiscal years ended August 31, 2017, 2016 and 2015, respectively.

Market Share Units

The MSUs are market performance-based awards that shall vest with respect to the applicable percentage of the target number of MSU shares based on relative total stockholder return ("TSR") for the Company as compared to the total return for the Russell 2000 Index ("Index") over the performance Measurement Period. The ultimate number of MSUs that vest may range from 0% to 200% of the original target number of shares depending on the relative achievement of the TSR performance measure at the end of the Measurement Period. The probabilities of the actual number of MSUs expected to vest and resultant actual number of shares of common stock expected to be awarded are reflected in the grant date fair values of the various MSU awards; therefore, the compensation expense for the MSU awards will be recognized assuming the requisite service period is rendered and will not be adjusted based on the actual number of such MSU awards to ultimately vest.

The estimated fair value of each of the Company's MSU awards, which are not entitled to receive dividend equivalents with respect to the MSUs, was determined on the date of grant using the Monte Carlo simulation model, which utilizes multiple input variables to simulate a range of possible future stock prices for both the Company and the Index and estimates the probabilities of the potential payouts. The determination of the estimated grant date fair value of the MSUs is affected by the Company's stock price and a number of assumptions including the expected volatilities of the Company's stock and the Index, the Company's risk-free interest rate and expected dividends. The following weighted-average assumptions for MSU grants for the last three fiscal years were used in the Monte Carlo simulation model:

	Fiscal Year Ended August 31,		
	2017	2016	2015
Expected volatility	21.1%	22.2%	22.0%
Risk-free interest rate	1.0%	0.9%	0.8%
Expected dividend yield	0.0%	0.0%	0.0%

The expected volatility utilized was based on the historical volatilities of the Company's common stock and the Index in order to model the stock price movements. The volatility used was calculated over the most recent 2.89-year periods for MSUs granted during each of the fiscal years ended August 31, 2017 and 2016, and over the most recent 2.88-year period for MSUs granted during the fiscal year ended August 31, 2015, which were the remaining terms of the performance Measurement Period at the dates of grant. The risk-free interest rates used were based on the implied yield available on a U.S. Treasury zero-coupon bill with a remaining term equivalent to the remaining performance Measurement Period. The MSU awards stipulate that, for purposes of computing the relative TSR for the Company as compared to the return for the Index, dividends paid with respect to both the Company's stock and the Index are to be treated as being reinvested into the stock of each entity as of the ex-dividend date. Accordingly, an expected dividend yield of zero was used in the Monte Carlo simulation model, which is the mathematical equivalent to reinvesting dividends in the issuing entity over the performance Measurement Period.

A summary of the Company's market share unit activity is as follows (in thousands, except share and per share amounts):

Market Share Units	Number of Shares		Weighted-Average Grant Date Fair Value Per Share		Aggregate Intrinsic Value
Outstanding at August 31, 2016	45,700	$	87.82		
Granted	14,683	$	90.91		
Performance factor adjustments	10,974	$	73.44		
Converted to common shares	(25,825)	$	71.20		
Forfeited	(613)	$	82.51		
Outstanding at August 31, 2017 [(1)]	44,919	$	94.95	$	4,894

(1) This figure represents the total number of shares underlying MSU grants assuming achievement of the target number of shares at 100%. As the ultimate number of shares that vest could be as high as 200% of the target, the Company may be required to issue additional shares to satisfy outstanding MSU award grants.

The weighted-average grant date fair value of all MSUs granted during the fiscal years ended August 31, 2017, 2016 and 2015 was $90.91, $120.99 and $71.66 respectively. The total intrinsic value of all MSUs converted to common shares was $2.8 million and $3.7 million for the fiscal years ended August 31, 2017 and 2016, respectively. No MSUs were converted to common shares during the fiscal year ended August 31, 2015.

The income tax benefits from MSUs converted to common shares totaled $0.9 million and $1.2 million for the fiscal years ended August 31, 2017 and 2016, respectively.

Deferred Performance Units

The DPU awards provide for performance-based vesting over a performance measurement period of the fiscal year in which the DPU awards are granted. The performance vesting provisions of the DPUs are based on relative achievement within an established performance measure range of the Company's reported earnings before interest, income taxes, depreciation in operating departments, and amortization computed on a consolidated basis for the Measurement Year, before deduction of the stock-based compensation expense for the Vested DPUs and excluding other non-operating income and expense amounts ("Adjusted Global EBITDA"). The ultimate number of DPUs that vest may range from 0% to 100% of the original maximum number of DPUs awarded depending on the relative achievement of the Adjusted Global EBITDA performance measure at the end of the Measurement Year.

The estimated fair value of each of the Company's DPU awards was determined on the date of grant based on the closing market price of the Company's common stock on the date of grant less the grant date present value of expected dividends during the vesting period for the DPUs, which are not entitled to receive dividend equivalents with respect to the unvested DPUs.

A summary of the Company's deferred performance unit activity is as follows (in thousands, except share and per share amounts):

Deferred Performance Units	Number of Shares		Weighted-Average Grant Date Fair Value Per Share		Aggregate Intrinsic Value
Outstanding at August 31, 2016	26,323	$	94.54		
Granted	25,882	$	110.19		
Performance factor adjustments	(21,240)	$	94.54		
Converted to common shares	(89)	$	94.54		
Forfeited	-	$	-		
Outstanding at August 31, 2017	30,876	$	107.66	$	3,364
Vested at August 31, 2017	4,994	$	94.54	$	544

The weighted-average grant date fair value of all DPUs granted during the fiscal years ended August 31, 2017, 2016 and 2015 was $110.19, $94.54 and $75.14, respectively. The total intrinsic value of all DPUs converted to common shares was not significant for the fiscal year ended August 31, 2017. No DPUs were converted to common shares during the fiscal years ended August 31, 2016, or 2015.

The income tax benefits from DPUs converted to common shares were not significant for the fiscal year ended August 31, 2017.

Note 14. Other Benefit Plans

The Company has a WD-40 Company Profit Sharing/401(k) Plan and Trust (the "Profit Sharing/401(k) Plan") whereby regular U.S. employees who have completed certain minimum service requirements can defer a portion of their income through contributions to a trust. The Profit Sharing/401(k) Plan provides for Company contributions to the trust, as approved by the Board of Directors, as follows: 1) matching contributions to each participant up to 50% of the first 6.6% of compensation contributed by the participant; 2) fixed non-elective contributions in the amount equal to 10% of eligible compensation; and 3) a discretionary non-elective contribution in an amount to be determined by the Board of Directors up to 5% of eligible compensation. The Company's contributions are subject to overall employer contribution limits and may not exceed the amount deductible for income tax purposes. The Profit Sharing/401(k) Plan may be amended or discontinued at any time by the Company. The Company's contribution expense for the Profit Sharing/401(k) Plan was $3.3 million, $3.2 million and $3.1 million for the fiscal years ended August 31, 2017, 2016 and 2015, respectively.

The Company's international subsidiaries have similar benefit plan arrangements, dependent upon the local applicable laws and regulations. The plans provide for Company contributions to an appropriate third-party plan, as approved by the subsidiary's Board of Directors. The Company's contribution expense related to the international plans was $1.4 million, $1.5 million and $1.4 million for the fiscal years ended August 31, 2017, 2016 and 2015, respectively.

Note 15. Business Segments and Foreign Operations

The Company evaluates the performance of its segments and allocates resources to them based on sales and operating income. The Company is organized on the basis of geographical area into the following three segments: the Americas; EMEA; and Asia-Pacific. Segment data does not include inter-segment revenues. Unallocated corporate expenses are general corporate overhead expenses not directly attributable to the operating segments and are reported separate from the Company's identified segments. The corporate overhead costs include expenses for the Company's accounting and finance, information technology, human resources, research and development, quality control and executive management functions, as well as all direct costs associated with public company compliance matters including legal, audit and other professional services costs.

	Americas	EMEA	Asia-Pacific	Unallocated Corporate (1)	Total
Fiscal Year Ended August 31, 2017					
Net sales	$ 184,929	$ 136,771	$ 58,806	$ -	$ 380,506
Income from operations	$ 48,303	$ 35,389	$ 16,765	$ (24,548)	$ 75,909
Depreciation and amortization expense	$ 4,270	$ 2,090	$ 254	$ 155	$ 6,769
Interest income	$ 8	$ 389	$ 111	$ -	$ 508
Interest expense	$ 2,570	$ -	$ 12	$ -	$ 2,582
Fiscal Year Ended August 31, 2016					
Net sales	$ 191,397	$ 135,235	$ 54,038	$ -	$ 380,670
Income from operations	$ 48,404	$ 31,702	$ 15,162	$ (23,920)	$ 71,348
Depreciation and amortization expense	$ 4,071	$ 2,084	$ 280	$ 30	$ 6,465
Interest income	$ 5	$ 485	$ 193	$ -	$ 683
Interest expense	$ 1,689	$ -	$ 14	$ -	$ 1,703
Fiscal Year Ended August 31, 2015					
Net sales	$ 187,344	$ 136,847	$ 53,959	$ -	$ 378,150
Income from operations	$ 46,674	$ 30,173	$ 12,602	$ (24,059)	$ 65,390
Depreciation and amortization expense	$ 4,078	$ 2,102	$ 253	$ 31	$ 6,464
Interest income	$ 9	$ 417	$ 158	$ -	$ 584
Interest expense	$ 1,197	$ -	$ 8	$ -	$ 1,205

(1) Unallocated corporate expenses are general corporate overhead expenses not directly attributable to any one of the operating segments. These expenses are reported separate from the Company's identified segments and are included in Selling, General and Administrative expenses on the Company's consolidated statements of operations.

The Company's Chief Operating Decision Maker does not review assets by segment as part of the financial information provided and therefore, no asset information is provided in the above table.

Net sales by product group are as follows (in thousands):

	Fiscal Year Ended August 31,		
	2017	2016	2015
Maintenance products	$ 342,295	$ 339,974	$ 333,306
Homecare and cleaning products	38,211	40,696	44,844
Total	$ 380,506	$ 380,670	$ 378,150

Net sales and long-lived assets by geographic area are as follows (in thousands):

	Fiscal Year Ended August 31,		
	2017	2016	2015
Net Sales by Geography:			
United States	$ 150,086	$ 158,139	$ 153,116
International	230,420	222,531	225,034
Total	$ 380,506	$ 380,670	$ 378,150
Long-lived Assets by Geography [(2)] :			
United States	$ 23,346	$ 6,419	$ 5,955
International	6,093	5,126	5,421
Total	$ 29,439	$ 11,545	$ 11,376

[(2)] Includes tangible assets and property and equipment, net, attributed to the geographic location in which such assets are located.

Note 16. Subsequent Events

On October 10, 2017, the Company's Board of Directors declared a cash dividend of $0.49 per share payable on October 31, 2017 to shareholders of record on October 20, 2017.

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CORPORATE INFORMATION

BOARD OF DIRECTORS

Linda A. Lang
Chairman of the Board
Former Chairman and CEO
Jack in the Box, Inc.

Peter D. Bewley
Governance Committee Chair
Former Senior Vice President,
General Counsel and Corporate Secretary
The Clorox Company

Daniel T. Carter
Audit Committee Chair
Former Executive Vice President and CFO
BevMo! Inc.

Melissa Claassen
Finance Committee Chair
Vice President, Business Unit Finance
adidas

Mario L. Crivello
Investor

Eric P. Etchart
Former Senior Vice President
Manitowoc Company

Daniel E. Pittard
Former President and CEO
Rubio's Restaurants Inc.

Garry O. Ridge
President and Chief Executive Officer
WD-40 Company

Gregory A. Sandfort
Compensation Committee Chair
President and Chief Executive Officer
Tractor Supply Company

Neal E. Schmale
Former President and COO
Sempra Energy

EXECUTIVE OFFICERS

Garry O. Ridge
President and Chief Executive Officer

Steven A. Brass
Division President, Americas

Richard T. Clampitt
Vice President, General Counsel and
Corporate Secretary

Michael L. Freeman
Chief Strategy Officer

Geoffrey J. Holdsworth
Managing Director, Asia-Pacific

William B. Noble
Managing Director, EMEA

Jay W. Rembolt
Vice President, Finance, Treasurer and
Chief Financial Officer

Stanley A. Sewitch
Vice President, Global Organization Development

INDEPENDENT ACCOUNTANTS

PricewaterhouseCoopers LLP
San Diego, California

TRANSFER AGENT

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Louisville, KY 40233-5000
Phone: +1-781-575-2879
https://www-us.computershare.com/investor/contact

ANNUAL MEETING

December 12, 2017, 2:00 PM
WD-40 Company
9715 Businesspark Avenue
San Diego, California 92131

INVESTOR RELATIONS

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Director, Investor Relations and
Corporate Communications
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PHYSICAL ADDRESS

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Phone: +1-858-251-5600

OPERATING SUBSIDIARIES

WD-40 Company Limited
Milton Keynes, United Kingdom

WD-40 Company (Canada) Ltd.
Etobicoke, Canada

WD-40 Company (Australia) Pty. Limited
Epping, Australia

Wu Di (Shanghai) Industrial Co., Ltd.
Shanghai, China

WD-40 Company (Malaysia) SDN. BHD.
Selangor, Malaysia

STOCK INFORMATION

The common stock of the Company is traded on the NASDAQ® Global Select Market under the symbol "WDFC." The Company's publicly filed reports, including financial statements and supporting exhibits, are available on the Securities and Exchange Commission's EDGAR system, on the Company's website at www.wd40company.com, or by writing to the Corporate Secretary, WD-40 Company, P.O. Box 80607, San Diego, California 92138-0607.

LEGAL DISCLAIMERS

This annual report contains "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995. Such statements reflect management's current expectations for the Company's future performance but are subject to risks, uncertainties and assumptions that could cause actual results to differ materially from those anticipated in or implied by the forward-looking statements.

The Company's expectations, beliefs and projections are expressed in good faith but there can be no assurance that they will be achieved or accomplished. Our forward-looking statements are generally identified with words such as "believe," "expect," "intend," "plan," "could," "may" and similar expressions. Actual events or results can differ materially from those expressed or implied. Please refer to the information set forth under the captions "Risk Factors" and "Forward-Looking Statements" in our Annual Report on Form 10-K for the year ended August 31, 2017 and other reports and documents that we file from time to time with the Securities and Exchange Commission for some of the factors that may cause actual results to differ materially from the forward-looking statements. Except as required by law, we undertake no obligation to update any forward-looking statement.

Corporate information as of October 15, 2017

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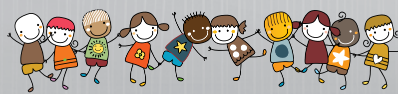
OUR GLOBAL REACH

OUR 448 TRIBE MEMBERS  LIVE AND WORK IN 14 COUNTRIES, SPEAK MORE THAN 7 LANGUAGES 

AND ARE LOCATED IN 6 DIFFERENT TIME ZONES.  WD-40 COMPANY PRODUCTS CAN BE FOUND ON ALL 7 CONTINENTS. WE HAVE A FAN CLUB WITH OVER 100,000 

MEMBERS LOCATED ALL AROUND THE WORLD. THE BLUE AND YELLOW CAN WITH THE LITTLE RED TOP HAS BEEN CREATING POSITIVE 

LASTING MEMORIES FOR MORE THAN 64 YEARS. THE FORMULA FOR WD-40 MULTI-USE PRODUCT IS A TRADE SECRET SO PROTECTED WE 

DON'T EVEN HAVE A PATENT FOR IT. IF YOU REALLY NEED THE SECRET FORMULA, YOU CAN FIND IT... WRITTEN ON A SINGLE NOTEPAD... LOCKED IN A VAULT  SOMEWHERE IN CALIFORNIA... IF YOU CAN GET IN. 

WD-40 COMPANY

www.wd40company.com

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