2021 ANNUAL REPORT

OUR {people's} WILL x STRATEGY = SUCCESS

Our Other Secret Formula

While WD-40 Company may be best known for the secret formula found inside the famous blue and yellow can with the little red top, we believe it's actually our **other secret formula** that is driving our company's continued success. And that secret formula is:

Our People's Will x Strategy = Success

We believe in the will of our people. Will is not tangible and you won't find it on our balance sheet. It encompasses morale, motivation, collaboration, inspiration, commitment, and a desire to offer discretionary effort.

Our strategic initiatives are the continuing plan we have in place to achieve the company's long-term objectives. They reflect who we are, what we stand for, and exactly what commitments will propel us into the future.

With these critical factors in mind, success is certain.

OUR TRIBE

OUR TRIBE = OUR SUCCESS WE ARE A TRIBE, AND AS A TRIBE WE'RE HERE FOR EACH OTHER AS MUCH AS WE'RE HERE FOR THE COMPANY. OUR DEFINITION OF TRIBE IS A COMMUNITY OF PEOPLE WITH A SHARED PURPOSE WHO HELP FEED AND DEFEND EACH OTHER. WE'RE HERE TO SUPPORT, PROTECT, NURTURE, AND HELP EACH OTHER GROW WHILE WE WORK TOGETHER TO CREATE POSITIVE LASTING MEMORIES FOR ALL OUR STAKEHOLDERS AROUND THE GLOBE.

I grew up at WD-40 Company. To grow up means you have a community of people who let you grow up. They allow you the space to experience and nurture the goodness in you.

The people I work with are not just my colleagues but my friends. We are there to support one another and lift each other up during these difficult times.

I found that loving my job helps me focus on loving those around me. Going home happy at the end of the day opens the door for a happy relationship with your family.

At WD-40 Company I never had the feeling of fear in my workplace. I always feel engaged to express my constructive concerns with the intention to make it better than it is today.

I have so many fond memories at WD-40 Company, but what sticks out the most is how much we care about each other and how important it is to always do the right thing.

G'day fellow stockholders,

Whenever I am asked to reflect on the WD-40 Company journey over the past fiscal year, I always imagine a day trip along one of the most spectacular, inspiring, and, at times, nerve-wracking, freeways in the world: The Pacific Coast Highway, which lines the breathtaking California coastline. In many ways, it is the perfect metaphor for the WD-40 Company journey of fiscal year 2021.

Our journey in fiscal year 2021 was both harrowing and at the same time joyful. The companionship along the way was exceedingly congenial, collaborative, and dependable. However, the winding road on this journey was not without its unexpected events and challenges. There were blind curves. There were fog pockets. There was congestion, and there were construction zones. There were even lengthy detours that took us away from our straight-forward path. And yet we continued onward, no matter the obstacles, with every confidence that our dedication to the journey would move us forward.

I am grateful for the efforts and dedication of all our tribe members who have invested their time, effort, expertise, expectations, energies, careers, and commitment to the success of our company. And I am equally gratified to witness the proven success of what we call our *other secret formula:*

Will of the People x Strategy = Success

Let me break this formula down for you.

The Will of the People

Is it possible that there is anyone left in world who still needs convincing that a people-first culture is essential to the long-term success of any company? In his Wall Street Journal bestselling memoir of the successful, historic turnaround of Best Buy, *The Heart of Business*, former CEO Hubert Joly refers to that spirit as *human magic*. In his bestseller, *The Infinite Game*, Simon Sinek calls it *the will of the people*. It's that spirit that encompasses morale, motivation, inspiration, commitment, and a desire to offer discretionary effort.

In good years and not so good years, it is the will of our people that makes us great. We entered fiscal year 2021 with the will of our people being high. We had a focused plan; we executed boldly among an array of difficulties both predictable and unpredictable; and we pivoted when detours and obstacles were placed in front of us. And now as we enter fiscal year 2022, the will of our people is even higher. In a mid-year employee engagement check-in survey of our tribe, we discovered that 98% of the tribe is "excited about WD-40 Company's future direction" – which represents an increase of over 4 percentage points from the prior year.

Refreshed Strategic Initiatives

When we combine a strong will of the people with a well-defined strategy the formula leads to our success. Our strategic initiatives are the framework that we have in place to achieve the company's long-term objectives. They are supported by our Must-Win Battles, which are focused action plans. As with almost any long journey, wise travelers understand that they must occasionally reassess their priorities. And so, over the last several months, we decided to refresh our strategic initiatives so that they more accurately and holistically reflect the top priorities of our company moving forward. Our newly refreshed strategic initiatives reflect an intense study of who we are, what we stand for, and exactly what commitments will propel us into the future.

Strategic Initiative 1 – Build a Business for the Future

Our goal under this initiative is to build an enduring business that we will be proud to pass onto the next generation. By using our purpose and values as a decision-making filter, we will make infinite-minded decisions that create and protect long-term stakeholder value. The desired outcome for this strategic initiative is to further embed infinite minded decisions into our business and fully integrate our environmental, social and governance initiatives into the heart of our strategic planning process.

Strategic Initiative 2 – Attract, Develop and Engage Outstanding Tribe Members

We know our people make us great. By building and nurturing an inclusive and diverse, purpose-driven, learning and teaching organization, our tribe members will succeed together while excelling as individuals. We believe in the will of our people. Will is not tangible, you won't find it on our balance sheet. It encompasses morale, motivation, collaboration, inspiration, commitment, and a desire to offer discretionary effort. Some see human capital as an expense. We see our people, our tribe, as an invaluable asset because we know that our success is the result of the engagement and commitment of our people.

Strategic Initiative 3 – Strive for Operational Excellence

Our goal under this initiative is to foster a culture of continuous improvement in which operational excellence is the responsibility of every tribe member. Operational excellence means optimizing collaboration, resources, systems and processes, as well as prioritizing the use of our time, talent, treasure, and technology.

Strategic Initiative 4 – Grow WD-40 Multi-Use Product

We want to make the blue and yellow can with the little red top available to more people, in more places, who will find more uses, more often. To that end, we will grow the product line through continued geographic and digital expansion, increased market penetration, the education of end-users about new uses, and, through the development of new and unique delivery systems to make the product easier to use.

Strategic Initiative 5 – Grow the WD-40 Specialist Product Line

We will leverage the WD-40® Brand by developing new products and categories that build and reinforce the core brand positioning and create growth through continued geographic and digital expansion. We recently debuted new packaging for WD-40 Specialist, which gave us stronger brand presence for both WD-40® Multi-Use Product and WD-40 Specialist® and aligned them as the blue and yellow brand with the little red top.

"When we talk about will, we're talking about the feelings people have when they come to work. Will encompasses morale, motivation, inspiration, commitment, desire to engage, desire to offer discretionary effort and so on… Will represents the sum of all the human elements that contribute to the health of the organization."

– Simon Sinek

Strategic Initiative 6 – Expand and Support Portfolio Opportunities That Help Us Grow

Our goal under this initiative is to expand and support brands that provide us protection. Our focus will be to expand 3-IN-ONE® and GT85® or future maintenance brands with portfolio opportunities that fit well within our unique multi-channel distribution network. In addition, we will support homecare and cleaning product brands that provide healthy profit returns, including well-known brands such as 1001®, Spot Shot®, Solvol®, 2000 Flushes®, Carpet Fresh®, X-14®, Lava®, and NoVac®.

Our Journey Continues

As we move into fiscal year 2022, our next big destination is clearly marked on the map: to drive revenue to our aspirational range of between $650 and $700 million by the end of fiscal year 2025. We know full-well that road hazards and detours still await us as we continue on our journey. However, in good times and not so good times, it is the will of our people that will be the critical factor in our success formula. That formula has served us for more than 68 years and will continue to serve us into the future.

I look forward to updating you on journey in the future.

Garry O. Ridge
CHAIRMAN AND CHIEF EXECUTIVE OFFICER

Dear fellow stockholders,

Fiscal year 2021 was an exceptional year for the blue and yellow brand with the little red top. We saw increased end-user demand across all our trade blocs. For the full fiscal year 2021 we delivered consolidated revenue of $488.1 million, up 19% compared to last fiscal year. We experienced very high end-user demand for our maintenance products due to the higher level of renovation and maintenance activities driven by the pandemic. In addition, we continued to see recoveries in many markets due to improvements in public health and safety standards, as well as expanded brick and mortar distribution and continued success within the e-commerce channel.

All three of our segments performed well in fiscal year 2021 but we saw substantial strength in certain geographies. For the full fiscal year, revenue in the Americas was up 7% to $214.6 million primarily driven by strong sales in Latin America, especially in our newest direct market, Mexico. Revenue in EMEA was up 33% to $208.3 million resulting in the most successful year in the history of the trade bloc. In Asia-Pacific, which is our smallest but fastest growing segment, revenue was up 26% to $65.3 million.

Our Must-Win Battles

Our Must-Win Battles are the primary areas of action that will enable us to deliver against our revenue growth aspirations to drive net sales to between $650 and $700 million by the end of fiscal year 2025. These hyper-focused actions support our overall strategy and are the key drivers of future revenue growth.

Must-Win Battle #1 – Geographic Expansion

Our largest growth opportunity and first Must-Win Battle is the geographic expansion of the blue and yellow can with the little red top. We are focused like never before on our top 20 global growth markets. We increased our marketing investments during the pandemic and are focused on building brand awareness and market penetration in these identified markets. We've seen tremendous growth in markets like France, India, and Russia, where in fiscal year 2021 we saw growth of 36%, 161%, and 43% respectively. In addition, we've seen tremendous growth in Mexico, which has been the fastest growing direct market we have ever launched in the history of the company.

Must-Win Battle #2 – Premiumization

Our second Must-Win Battle is to grow WD-40 Multi-Use Product through premiumization. Premiumization creates opportunities for revenue growth and gross margin expansion. Most importantly, it delights our end-users. Our Smart Straw Next Generation delivery system is currently available in Canada and is being rolled out in the United States. Smart Straw Next Generation supports our objective to grow premium delivery system penetration to greater than 60% of our WD-40 Multi-Use Product sales by 2025.

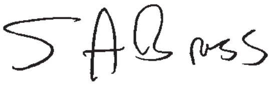
Must-Win Battle #3 – WD-40 Specialist

Our third Must-Win Battle is to grow the WD-40 Specialist product line. We recently completed some very interesting research that suggests that end-users of WD-40 Specialist are some of our most loyal WD-40 Multi-Use Product fans. As you might recall, in early fiscal year 2020 we debuted new packaging for WD-40 Specialist. This gave us stronger brand presence for both WD-40 Multi-Use Product and WD-40 Specialist, aligning them as the blue and yellow brand with the little red top.

Must-Win Battle #4 – Digital Commerce

Our final Must-Win Battle is focused on driving digital commerce. We believe we are well-positioned to benefit from the significant shift to online behaviors in the post-pandemic world. We are focused on developing a data-driven marketing strategy that empowers us to engage directly with end-users in meaningful ways online. That strategy has already delivered a year-over-year increase of nearly 80% in website visits, doubled the views of our digital content globally, and has accelerated and deepened our engagement with end-users on many digital platforms around the world.

As we look toward opportunities on the horizon, we are investing our time, talent, treasure, and technology to support specific growth objectives. We believe investments in these areas will drive our growth in the future.



Steve Brass
PRESIDENT AND CHIEF OPERATING OFFICER

FISCAL YEAR 2021 NET SALES BY SEGMENT

AMERICAS

$214.6 MILLION

NET SALES

REPRESENTS 44% OF GLOBAL SALES

7% FROM FY2020

EMEA

$208.3 MILLION

NET SALES

REPRESENTS 43% OF GLOBAL SALES

33% FROM FY2020

ASIA-PACIFIC

$65.3 MILLION

NET SALES

REPRESENTS 13% OF GLOBAL SALES

26% FROM FY2020

Dear fellow stockholders,

This year we saw both opportunities and challenges as we continued to navigate uncertain times driven by the global pandemic. We experienced growth in each of our segments during the year with continued focus on our strategic initiatives. Like many other companies, we experienced supply chain and transportation disruptions and constraints that impacted all our markets to varying degrees. I am proud of how our tribe members came together to manage these disruptive events and produce such strong financial results.

Net sales increased 19% compared to last year, generating $488.1 million of net sales. Changes in foreign currency exchange rates had a favorable impact on our net sales for this year. On a constant currency basis, net sales would have increased 15% over last year. Net income was $70.2 million, an increase of 16% compared to last year. And we delivered diluted earnings per share of $5.09, compared to $4.40 last year.

Our 55/30/25 Business Model

Our discipline and diligence around our 55/30/25 business model remain a top priority for us. The model targets a gross margin at or above 55% of net sales, a cost of doing business of 30% of net sales, and an EBITDA of 25% of net sales.

For the full fiscal year 2021, our gross margin fell slightly to 54.0%, compared to 54.6% last year. Our cost of doing business increased slightly to 35%, compared to 34% last year. And EBITDA decreased slightly to 20%, compared to 21% last year. All three measures were impacted by inflationary headwinds, which affected our overall costs, with our supply chain being impacted the most. In addition, our incentive compensation plan served as intended to reward our tribe this year in recognition of their amazing efforts through a multifaceted year.

Creating Value

During fiscal year 2020, with the uncertainty of the pandemic in full force, we took certain measures, including suspending our share repurchase plan, to ensure our business was set up to manage through various scenarios. Those decisions, along with the strong results we experienced in fiscal year 2021, have strengthened our balance sheet. Our financial condition and liquidity remain strong.

As a result, I am pleased to share with you that our board of directors recently approved a new share repurchase plan. The newly authorized share repurchase plan reflects our confidence in our long-term growth outlook, our commitment to our capital allocation strategy, and our capacity to return capital to our stockholders.

We also continue to return capital to our shareholders through regular dividends and raised our quarterly dividend to $0.72 per share in the third quarter of fiscal year 2021. In fiscal year 2021, we paid cash dividends of $38.2 million, resulting in an annualized dividend of $2.78 per share.

In closing, I would like to thank our stockholders for their continued confidence in WD-40 Company. We look forward to continuing to increase the value of the company for all our stakeholders.

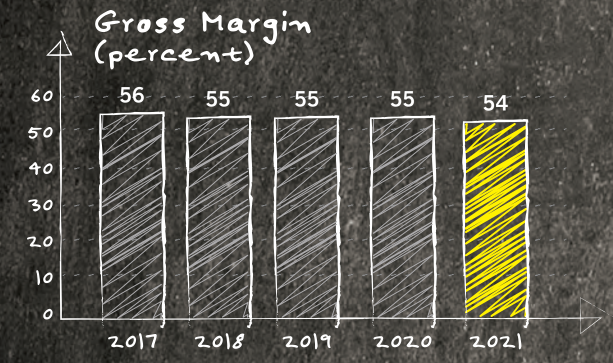
Jay Rembolt
VICE PRESIDENT, FINANCE, TREASURER
AND CHIEF FINANCIAL OFFICER

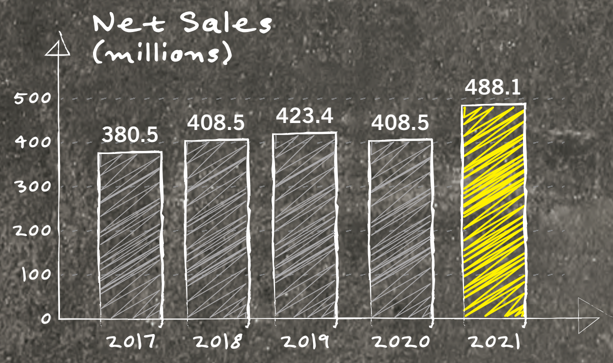
FISCAL YEAR 2021 RESULTS

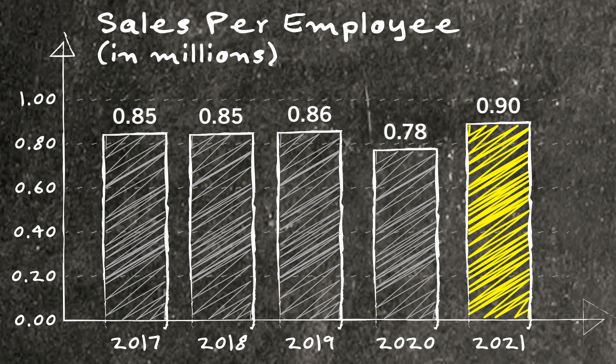
14% RETURN ON SALES[1]

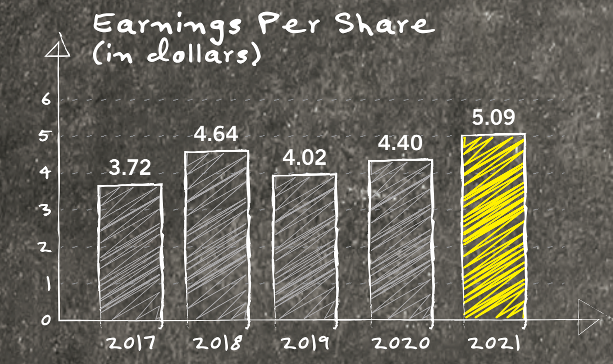
16% RETURN ON ASSETS[2]

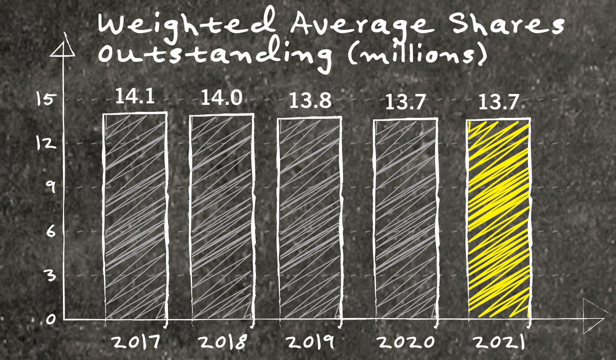
35% RETURN ON INVESTED CAPITAL[3]

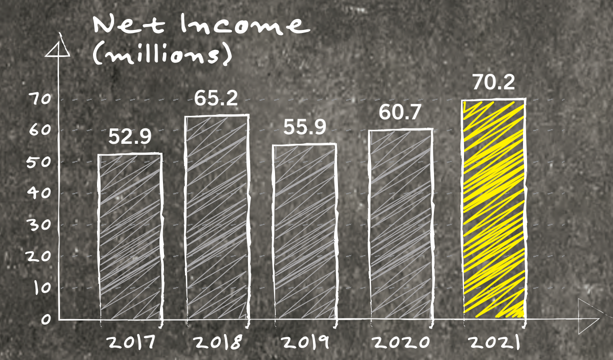












[1] Calculated as net income for fiscal year 2021 divided by net sales for 2021.

[2] Calculated as net income for fiscal year 2021 divided by total assets at 8/31/21.

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

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, 2021.

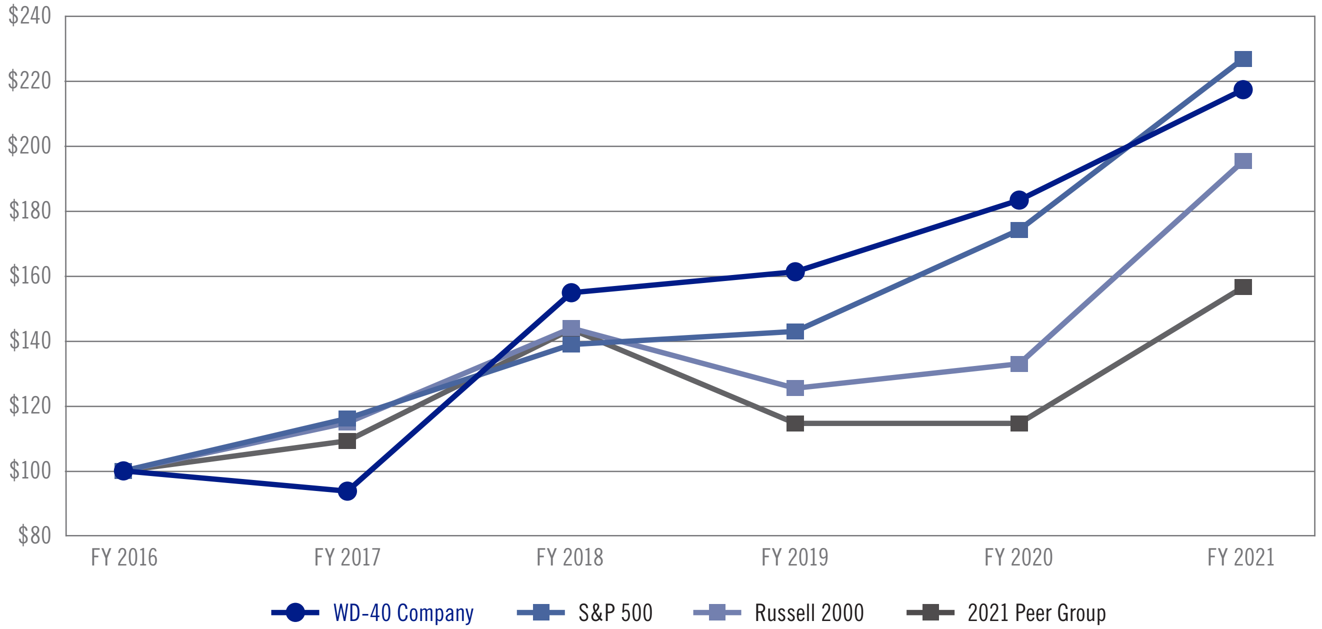
The Company uses the same peer group for the Company's five-year performance graph as the peer group of companies used by the Compensation Committee for purposes of benchmarking executive compensation.

During fiscal year 2020, Flotek Industries Inc. was removed from the peer group used by the Compensation Committee for fiscal year 2021 compensation decisions due to its small market capitalization. As a result, Flotek Industries Inc. was not included for purposes of computing the peer group performance graph returns.

The below comparison assumes $100 was invested on August 31, 2016 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 2021 Peer Group



	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021
WD-40 Company	**100.00**	**93.73**	**155.12**	**161.60**	**183.77**	**217.94**
S&P 500	100.00	116.23	139.09	143.15	174.55	227.48
Russell 2000	100.00	114.91	144.16	125.57	133.13	195.81
2021 Peer Group(1)	100.00	109.30	143.84	114.70	114.70	156.84

*$100 invested on 8/31/16 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 14 companies:

- American Vanguard Corporation
- Balchem Corporation
- Chase Corporation
- Dorman Products
- Hawkins, Inc.
- Ingevity Corporation
- Innospec Inc.
- Landec Corporation
- Prestige Healthcare, Inc
- Quaker Chemical Corporation
- Rayonier Advanced Materials, Inc.
- Sensient Technologies Corporation
- Stoneridge Inc.
- USANA Health Sciences, Inc.

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

SCHEDULE 14A

Proxy Statement Pursuant to Section 14(a) of the
Securities Exchange Act of 1934
(Amendment No.)

☑ Filed by the Registrant

☐ Filed by a Party other than the Registrant

Check the appropriate box:

☐ Preliminary Proxy Statement

☐ Confidential, for Use of the Commission Only
(as permitted by Rule 14a-6(e)(2))

☑ Definitive Proxy Statement

☐ Definitive Additional Materials

☐ Soliciting Material Pursuant to §240.14a-12

WD-40 COMPANY

(Name of Registrant as Specified In Its Charter)

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

Payment of Filing Fee (Check the appropriate box):

☑ No fee required.

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

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

☐ Fee paid previously with preliminary materials.

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

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

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

NOTICE OF ANNUAL MEETING OF STOCKHOLDERS

To the Stockholders:

The 2021 Annual Meeting of Stockholders of WD-40 Company will be held solely via a live audio webcast at the following virtual location and for the following purposes:

When: Tuesday, December 14, 2021 at 10:00 a.m. Pacific Standard Time

Where: https://meetnow.global/MW5G65Q

Items of Business:

1. To elect a Board of Directors for the ensuing year and until their successors are elected and qualified;
2. To hold an advisory vote to approve executive compensation;
3. To ratify the appointment of PricewaterhouseCoopers LLP as the Company's independent registered public accounting firm for fiscal year 2022; and
4. To consider and act upon such other business as may properly come before the meeting.

Who Can Vote: Only the stockholders of record at the close of business on October 18, 2021 are entitled to vote at the meeting.

Attending the Virtual Annual Meeting

In order to prioritize the health and well-being of meeting participants, this year's annual meeting will be conducted virtually. You will be able to attend and participate in the annual meeting online, vote your shares electronically, and submit your questions prior to and during the meeting by visiting: https://meetnow.global/MW5G65Q. There is no physical location for the annual meeting.

Please see "How can I participate in the virtual annual meeting?" beginning on page 3 for information about how to attend and participate in the virtual annual 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

VIA LIVE VIRTUAL MEETING

Attend the Virtual Annual Meeting at
https://meetnow.global/MW5G65Q

By Order of the Board of Directors
Richard T. Clampitt
Corporate Secretary
San Diego, California
November 3, 2021

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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 2021 Annual Report before you vote.

2021 ANNUAL MEETING OF STOCKHOLDERS

Date and Time:
December 14, 2021, at 10:00 a.m. Pacific Standard Time

Record Date:
October 18, 2021

Virtual Meeting Place:
https://meetnow.global/MW5G65Q

Meeting Webcast:
Available on the Company's investor relations website at http:/investor.wd40company.com beginning at 10:00 a.m. Pacific Standard Time on December 14, 2021

CORPORATE GOVERNANCE

Our Corporate Governance Policies Reflect Best Practices

- Annual election of all directors with majority voting requirement
- Governance guidelines for independent director leadership and best governance practices
- Annual performance evaluations for board, committees and individual directors
- All non-employee directors are independent
- Executive sessions of independent directors held at each regularly scheduled board meeting
- Annual consideration of succession planning for the board, the CEO, and senior management
- Company policy prohibits pledging and hedging of WD-40 Company stock by directors
- All equity grants received by directors 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	6
Advisory Vote to Approve Executive Compensation (Item No. 2)	FOR	19
Ratification of Appointment of PricewaterhouseCoopers LLP as the Company's Independent Registered Public Accounting Firm for Fiscal Year 2022 (Item No. 3)	FOR	43

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 Growth 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

Since 2011, the Company's Board of Directors has authorized annual advisory votes for the stockholders to consider and approve the compensation of the Company's Named Executive Officers ("NEOs") as disclosed in the Company's Proxy Statement ("Say-On-Pay" votes).

In 2011, and again at the Company's 2017 Annual Meeting of Stockholders, the Company's stockholders were asked to express their preference as to the frequency of Say-on-Pay votes. In each instance, the Company's stockholders expressed a preference to have Say-on-Pay votes every year.

The Say-on-Pay votes approving NEO compensation for 2011 through 2020 have been approved in each year by more than 95% of the votes cast.

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

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 14, 2021, and at any postponements or adjournments thereof. This Proxy Statement and enclosed form of proxy are first sent to stockholders on or about November 3, 2021.

At the meeting, the stockholders of WD-40 Company will consider and vote upon (i) the election of the Board of Directors for the ensuing year; (ii) an advisory vote to approve executive compensation; and (iii) the ratification of the appointment of PricewaterhouseCoopers LLP as the Company's independent registered public accounting firm for fiscal year 2022. Detailed information concerning these matters is set forth below. Management knows of no other business to come before the meeting.

Q: When and where will the annual meeting be held?

A: As a result of the public health impact of the COVID-19 pandemic and to prioritize the health and well-being of meeting participants, this year's annual meeting will be a virtual meeting of stockholders conducted exclusively via a live audio webcast, accessible at https://meetnow.global/MW5G65Q. Although no physical in-person meeting will be held, we designed the format of this year's virtual annual meeting to ensure that our stockholders of record who attend the virtual annual meeting will be afforded similar rights and opportunities to participate as they would at an in-person meeting.

The virtual annual meeting will begin promptly at 10:00 a.m. Pacific Standard Time, on Tuesday, December 14, 2021. Online access to the audio webcast will open 15 minutes prior to the start of the annual meeting. Stockholders are encouraged to access the annual meeting prior to the start time and allow ample time to log into the audio webcast and test their computer systems.

Q: How can I participate in the virtual annual meeting?

A: We are excited to embrace the latest technology to provide expanded access, improved communication and cost savings for our stockholders and the company. This year's annual meeting will be a completely virtual meeting of stockholders, which will be conducted exclusively by live audio webcast. Anyone may enter the meeting as a guest in listen-only mode, but only stockholders as of the record date and holders of valid proxies are entitled to vote or ask questions at the live meeting. To participate in the annual meeting, you will need to review the information included on your notice, on your proxy card or on the instructions that accompanied your proxy materials.

Stockholders of Record

If you are a registered stockholder (that is, if you hold your shares through our transfer agent, Computershare), you do not need to register to attend the virtual annual meeting. You can participate in the virtual annual meeting by accessing https://meetnow.global/MW5G65Q. You will be able to attend the meeting online, ask a question and vote by following the instructions on your notice, proxy card, or on the instructions that accompanied your proxy materials. If you cannot locate your notice of internet availability or proxy card but would still like to attend the annual meeting, you can join as a guest by selecting "I am a Guest." Guest attendees will not be allowed to vote or submit questions at the annual meeting. Stockholders are encouraged to vote and submit proxies in advance of the meeting by internet, telephone or mail as early as possible.

Beneficial Owners

If you hold your shares through an intermediary, such as a bank or broker, you have several options to participate in the virtual annual meeting. If you would like to attend the meeting and do not want to ask questions or vote you can simply join the meeting as a guest. You can participate in the virtual annual meeting by accessing https://meetnow.global/MW5G65Q. Guest attendees will not be allowed to vote or submit questions at the annual meeting. Stockholders are encouraged to vote and submit proxies in advance of the meeting by internet, telephone or mail as early as possible.

If you are a beneficial owner and want to attend the annual meeting with the ability to ask a question and/or vote, you have two options:

1) The vast majority of beneficial holders do not need to register in advance and will be able to fully participate using the control number received with their voting instruction form. Please note, however, that there is no guarantee this option will be available for every type of beneficial owner voting control number. The inability to provide this option to any or all beneficial owners shall in no way impact the validity of the annual meeting. Most beneficial holders can participate in the virtual annual meeting by accessing https://meetnow.global/MW5G65Q. You will be able to attend the meeting online, ask a question and vote by following the instructions on your notice, proxy card, or on the instructions that accompanied your proxy materials.

2) Beneficial owners may choose the register in advance of the annual meeting if they prefer to use this traditional, paper-based option. To register to participate in the virtual annual meeting you must submit proof of your proxy power (legal proxy) reflecting your WD-40 Company (WDFC) holdings, along with your name and email address to Computershare. Requests for registration must be labeled as "Legal Proxy" and be received no later than 5:00 PM, Eastern Time, on December 8, 2021, using one of the following methods:

- Email: Forward the email from your broker, or attach an image of your legal proxy, to legalproxy@computershare.com.
- Mail: Send a copy of the email or correspondence from your broker, or include your legal proxy, to WD-40 Company Legal Proxy, P.O. Box 43001, Providence, RI 02940-3001

Upon receipt of your valid legal proxy, Computershare will provide you with a control number by email. Once provided, you can attend and participate in the virtual annual meeting by accessing https://meetnow.global/MW5G65Q. Enter the control number provided by Computershare.

Whether or not you plan to attend the meeting, we urge you to vote and submit your proxy using the methods described the Notice of Internet Availability of Proxy Materials we have sent to you, or by following the instructions at www.envisionreports.com/WDFC.

Our virtual meeting procedures are intended to authenticate stockholders' identities, allow stockholders to give their voting instructions, confirm that stockholders' instructions have been recorded properly, and comport with applicable legal requirements.

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

A: The close of business on October 18, 2021 is the record date for stockholders entitled to notice of and to vote at the Annual Meeting of Stockholders of WD-40 Company. On October 18, 2021, WD-40 Company had outstanding 13,708,966 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, and for ratification of the appointment of PricewaterhouseCoopers LLP as the Company's independent registered public accounting firm for fiscal year 2022. 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 2022. 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 14, 2021" 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") Spotlight on Proxy Matters – The Mechanics of Voting at http://www.sec.gov/spotlight/proxymatters/voting_mechanics.shtml.

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 18, 2021	Percent of Class
Blackrock, Inc. 55 East 52nd Street New York, NY 10055	2,070,095 [1]	15.10%
Vanguard Group, Inc. P.O. Box 2600 Valley Forge, PA 19482	1,590,853 [2]	11.60%
Neuberger Berman Group LLC 1290 Avenue of the Americas New York, NY 10104	869,741 [3]	6.34%
APG Asset Management N.V. 1082 MS Amsterdam, P7 00000	1,642,584 [4]	11.98%

1 As of June 30, 2021, BlackRock, Inc. ("BlackRock") filed a report on Form 13F with the Securities and Exchange Commission to report beneficial ownership of a total of 2,070,095 shares managed by fifteen BlackRock investment management subsidiaries. BlackRock disclaims investment discretion with respect to all shares reported as beneficially owned by its investment management subsidiaries. Sole investment discretion and sole voting authority with respect to shares is reported for the following BlackRock subsidiaries: BlackRock Fund Advisors as to 1,585,867 shares; BlackRock Investment Management, LLC as to 53,716 shares; BlackRock Asset Management Ireland Limited as to 29,299 shares; BlackRock Advisors LLC as to 24,512 shares; and seven other BlackRock subsidiaries as to a total of 7,613 shares. BlackRock Institutional Trust Company, N.A. reported sole investment discretion and sole voting authority with respect to 336,291 shares and sole investment discretion and no voting authority with respect to 8,500 shares. Aperio Group, LLC reported sole investment discretion and sole voting authority with respect to 283 shares and sole investment discretion and no voting authority with respect to 13,733 shares. BlackRock Financial Management, Inc. reported sole investment discretion and sole voting authority with respect to 4,207 shares and sole investment discretion and no voting authority with respect to 1,769 shares. BlackRock Investment Management (UK) Limited reported sole investment discretion and sole voting authority with respect to 3,322 shares and sole investment discretion and no voting authority with respect to 983 shares. Beneficial ownership information for BlackRock, Inc. and its investment management subsidiaries as of October 18, 2021 is unavailable.

2 As of June 30, 2021, Vanguard Group Inc. ("Vanguard") filed a report on Form 13F with the Securities and Exchange Commission to report beneficial ownership of 1,590,853 shares, including 24,905 shares held by Vanguard Fiduciary Trust Co., 11,548 shares held by Vanguard Global Advisors, LLC, and 3,665 shares held by Vanguard Investments Australia, Ltd. Vanguard reported sole investment discretion and no voting authority with respect to 1,549,259 shares, and sole investment discretion and, shared voting authority with respect to 1,476 shares. Vanguard Fiduciary Trust Co. reported shared investment discretion and shared voting authority with respect to all 24,905 shares, Vanguard Global Advisers, LLC reported shared investment discretion and no voting authority with respect to all 11,548 shares, and Vanguard Investments Australia, Ltd. reported shared investment and shared voting authority with respect to all 3,665 shares. Beneficial ownership information as of October 18, 2021 is unavailable.

3 As of June 30, 2021, Neuberger Berman Group LLC ("Neuberger") filed a report on Form 13F with the Securities and Exchange Commission to report beneficial ownership of 869,741 shares. Neuberger reported shared investment discretion and sole voting authority with respect to 854,688 shares, shared investment discretion and sole voting authority with respect to 8,901 shares and sole investment discretion and no voting authority with respect to 6,152 shares. Beneficial ownership information as of October 18, 2021 is unavailable

4 As of June 30, 2021, APG Asset Management N.V. ("APG") filed a report on Form 13F reporting beneficial ownership of 1,642,584 shares. APG reported shared investment discretion with two additional reporting managers as to all such shares. Beneficial ownership information as of October 18, 2021 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.

A nominee for election to the Board of Directors will be elected as a director if the votes cast for such nominee's election exceed the votes cast against such nominee's election. 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.

If an incumbent director nominee fails to receive more votes for his or her election as a director than votes against his or her election, the incumbent director will continue to serve as a director until his or her successor is elected or appointed. However, pursuant to governance guidelines adopted by the Board of Directors, such director nominee will be expected to tender his or her resignation to the Corporate Governance Committee of the Board of Directors. The Corporate Governance Committee will promptly consider such resignation and present a recommendation to the Board of Directors concerning the acceptance or rejection of such resignation for formal action to be taken within 90 days following the Annual Meeting of Stockholders.

Article III, Section 3.2 of the Bylaws of the Company, most recently amended and restated on August 15, 2018, 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 12, 2020, the number of directors was fixed at ten effective as of December 8, 2020, the date of the Company's 2020 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").

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 18, 2021[1]	
Director/Nominee	**Age**	**Principal Occupation**	**Director Since**	**Number**	**Percent of Class**
Daniel T. Carter	65	Former CFO, BevMo! Inc.	2016	3,973 [2]	*
Melissa Claassen	49	Vice President Finance, Emerging Markets, adidas Group	2015	5,320 [3]	*
Eric P. Etchart	65	Former Senior Vice President, The Manitowoc Company	2016	4,611 [4]	*
Lara L. Lee	58	Former business unit president, Lowe's Companies, Inc.	2020	268 [5]	*
Trevor I. Mihalik	55	Executive Vice President and CFO, Sempra Energy	2019	1,413 [6]	*
Graciela I. Monteagudo	55	Former President and CEO of Lala U.S., Inc.	2020	638 [7]	*
David B. Pendarvis	62	Chief Administrative Officer, Global General Counsel and Corporate Secretary, ResMed Inc.	2017	2,779 [8]	*
Garry O. Ridge	65	CEO and Chairman of the Board, WD-40	1997	60,844 [9]	*
Gregory A. Sandfort	66	Lead Independent Director, WD-40 Company; Former CEO, Tractor Supply Company	2011	17,401 [10]	*
Anne G. Saunders	60	Former President, U.S., nakedwines.com	2019	1,128 [11]	*

* Less than one (1) percent.

1 All shares owned directly unless otherwise indicated.

2 Mr. Carter has the right to receive 3,973 shares upon settlement of vested restricted stock units upon termination of his service as a director of the Company.

3 Ms. Claassen has the right to receive 5,320 shares upon settlement of vested restricted stock units upon termination of her service as a director of the Company.

4 Mr. Etchart has the right to receive 3,611 shares upon settlement of vested restricted stock units upon termination of his service as a director of the Company.

5 Ms. Lee has the right to receive 268 shares upon settlement of vested restricted stock units upon termination of her service as a director of the Company.

6 Mr. Mihalik has the right to receive 1,111 shares upon settlement of vested restricted stock units upon termination of his service as a director of the Company.

7 Ms. Monteagudo has the right to receive 638 shares upon settlement of vested restricted stock units upon termination of her service as a director of the Company.

8 Mr. Pendarvis has the right to receive 2,779 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 4,095 shares within 60 days upon vesting and settlement of restricted stock units, the right to receive 7,988 shares within 60 days upon settlement of vested market share units, and the right to receive 3,372 shares within 60 days upon settlement of vested performance share units. Mr. Ridge also has voting and investment power over 1,299 shares held under the Company's 401(k) plan.

10 Mr. Sandfort has the right to receive 12,047 shares upon settlement of vested restricted stock units upon termination of his service as a director of the Company.

11 Ms. Saunders has the right to receive 1,128 shares upon settlement of vested restricted stock units upon termination of her service as a director of the Company.

			Amount and Nature of Beneficial Ownership October 18, 2021[1]	
Executive Officer	**Age**	**Principal Occupation**	**Number**	**Percent of Class**
Jay W. Rembolt	70	Vice President, Finance, Treasurer and CFO, WD-40 Company	41,359 [2]	*
Steven A. Brass	55	President and COO, WD-40 Company	10,036 [3]	*
William B. Noble	63	Managing Director, EMEA, WD-40 Company Limited	9,629 [4]	*
Patricia Q. Olsem	55	Division President, Americas, WD-40 Company	4,609 [5]	*
All Directors, Director Nominees and Executive Officers as a Group			182,621 [6]	1.33%

* 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 798 shares within 60 days upon vesting and settlement of restricted stock units, the right to receive 1,690 shares within 60 days upon settlement of vested market share units, and the right to receive 816 shares within 60 days upon settlement of vested performance share units. Mr. Rembolt also has voting and investment power over 6,610 shares held under the Company's 401(k) plan.

3 Mr. Brass has the right to receive 108 shares upon settlement of vested deferred performance units upon termination of employment, the right to receive 1,457 shares within 60 days upon vesting and settlement of restricted stock units, the right to receive 1,228 shares within 60 days upon settlement of vested market share units, and the right to receive 1,783 shares within 60 days upon settlement of vested performance share units.

4 Mr. Noble has the right to receive 280 shares upon settlement of vested deferred performance units upon termination of employment, the right to receive 441 shares within 60 days upon vesting and settlement of restricted stock units, the right to receive 920 shares within 60 days upon settlement of vested market share units, and the right to receive 835 shares within 60 days upon settlement of vested performance share units.

5 Ms. Olsem has the right to receive 89 shares upon settlement of vested deferred performance units upon termination of employment, the right to receive 638 shares within 60 days upon vesting and settlement of restricted stock units, the right to receive 503 shares within 60 days upon settlement of vested market share units, and the right to receive 825 shares within 60 days upon settlement of vested performance share units.

6 Total includes the rights of executive officers and directors to receive a total of 44,701 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 2,181 shares upon settlement of vested deferred performance units upon termination of employment, the rights of executive officers to receive a total of 9,043 shares within 60 days upon vesting and settlement of restricted stock units, the rights of executive officers to receive a total of 14,336 shares within 60 days upon settlement of vested market share units, the rights of executive officers to receive a total of 9,203 shares of restricted common stock within 60 days upon settlement of vested performance share units, and a total of 7,908 shares held by executive officers under the Company's 401(k) plan.

NOMINEES FOR ELECTION AS DIRECTORS

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 chief financial officer of Semtek, Inc. from 2008 to 2009; 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 degree in accounting from the University of Oklahoma. Mr. Carter is recognized as a NACD Board Leadership Fellow and has earned Harvard's Corporate Director Certificate. 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)
- Finance
- Corporate Governance

MELISSA CLAASSEN – Director

Melissa Claassen was elected to the Board of Directors in 2015. Ms. Claassen is vice president finance, emerging markets – adidas Group. She served as vice president, brand finance at adidas from 2018 to 2019 and as vice president, business unit finance at adidas from 2015 to 2018. 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:

- Compensation
- Finance

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. Mr. Etchart is recognized as a 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 strengthens the Board's commitment to good governance.

Skills and Expertise:

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

Committees:

- Corporate Governance (Chair)
- Finance

LARA L. LEE – Director

Lara L. Lee was elected to the Board of Directors on December 8, 2020. Ms. Lee served as president of Orchard Supply Hardware, a subsidiary of Lowe's Companies, Inc., from 2016 to 2018 and as senior vice president of Lowe's from 2013 to 2018. From 2011 to 2013 she served as chief innovation and operating officer for Continuum, a global consultancy. She was also a partner at an innovation firm, Jump Associates, from 2007 to 2010. Ms. Lee's prior experience included fifteen years at Harley-Davidson Motor Company as vice president, business unit leader, and in various European and Asian strategy and business development roles, and three years as a financial analyst at Otis Elevator Company based in Singapore. Ms. Lee is NACD Directorship Certified and presently serves as a director of Marrone Bio Innovations, Inc. and Liberty Safe Holding Company. She began her career with Ernst & Whinney (now Ernst & Young) in Washington, D.C. and Singapore. Ms. Lee's diverse international and management experience, including expertise in strategic marketing and innovation, will provide the Board with valuable insights.

Skills and Expertise:
- Strategic marketing expertise, including digital, e-commerce and channel marketing
- Diverse experience in innovation across industries and international markets
- Extensive international business and brand development experience

Committees:
- Audit
- Compensation

TREVOR I. MIHALIK – Director

Trevor I. Mihalik was elected to the Board of Directors in 2019. Mr. Mihalik has served as executive vice president and chief financial officer of Sempra Energy since May 2018. Mr. Mihalik was senior vice president controller and chief accounting officer of Sempra Energy from 2014 until 2018 and controller and chief accounting officer from 2012 to 2014. Prior to Sempra Energy, Mr. Mihalik held roles as senior vice president – finance for Iberdrola Renewables and vice president and CFO for Chevron Natural Gas. Mr. Mihalik previously served as director of San Diego Gas & Electric Company and Southern California Gas Company as well as past experience as chairman of the board of Luz del Sur and Chilquinta Energia and as a director of Infraestructura Energética Nova S.A.B. de C.V. Mr. Mihalik's current experience as director of Oncor Electric Delivery Company LLC and IEnova, and his extensive senior management experience with Fortune 500 companies, offers the Board valuable judgment and management perspective.

Skills and Expertise:
- Seasoned finance executive with accounting and public company financial reporting expertise
- Directorship experience for oversight of business management and strategic planning
- Significant transactions experience

Committees:
- Finance (Chair)
- Audit
- Corporate Governance

GRACIELA I. MONTEAGUDO – Director

Graciela I. Monteagudo was elected to the Board of Directors on June 15, 2020. Ms. Monteagudo served as president and CEO of Lala U.S., Inc. from 2017 to 2018. From 2015 to 2017 she served as president, Americas and global marketing for Mead Johnson Nutrition and from 2012 to 2015 she held various leadership roles at Mead Johnson. From 2008 through 2012, she held various leadership roles at Walmart Mexico, including senior vice president and business unit head for Sam's Club stores in Mexico. Ms. Monteagudo has dual Mexican and American citizenship and has held senior management positions in both Latin America and the United States. Ms. Monteagudo is recognized as a NACD Board Leadership Fellow and she has been included in the Women Inc. Magazine Most Influential Corporate Directors list. Ms. Monteagudo presently serves as a director of ACCO Brands Corporation and iHeartMedia, Inc. Ms. Monteagudo's significant leadership experience in Latin America, her extensive global/digital marketing, e-commerce and consumer goods expertise will provide our board with a valuable perspective.

Skills and Expertise:
- Domestic and international business experience, particularly in Latin America
- Consumer products and retail marketing expertise
- Strong global, digital and e-commerce marketing expertise

Committees:
- Audit
- Finance

DAVID B. PENDARVIS – Director

David B. Pendarvis was elected to the Board of Directors in 2017. 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 provides the Board of Directors with valuable perspective for risk oversight.

Skills and Expertise:

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

Committees:

- Audit
- Compensation

GARRY O. RIDGE – CEO

Garry O. Ridge presently serves as CEO and Chair of the Board of Directors. He 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. He was elected to the Board of Directors in 1997 and served as president and CEO from 1997 through June 2019. 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 – Lead Independent Director

Gregory A. Sandfort was elected to the Board of Directors in 2011. He was designated as lead independent director on October 12, 2020. Mr. Sandfort served as chief executive officer of Tractor Supply Company from December 2012 until his retirement in February 2020. 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 is a director of Genesco Inc. He is recognized as a NACD Board Leadership Fellow. 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:

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

Committees:

- Compensation
- Corporate Governance
- Finance

ANNE G. SAUNDERS – Director

Anne G. Saunders was elected to the Board of Directors in 2019. Ms. Saunders served as president, U.S. of nakedwines.com from 2016 through 2017. From 2014 through 2016, she was president, U.S. of FTD Companies, Inc., and from 2012 through 2014 she served as president of Redbox Automated Retail, LLC. From 1990 to 2012, Ms. Saunders held various senior executive level positions at Starbucks, Bank of America, Knowledge Universe (now known as KinderCare Education), eSociety and AT&T. Ms. Saunders is a director of Swiss Water Decaffeinated Coffee Inc. and Nautilus, Inc. Ms. Saunders' functional expertise in brand management, leadership and marketing strategy, as well as her extensive public company board experience, provide valuable experience to the Board.

Skills and Expertise:

- Significant consumer and retail markets experience
- Diverse digital and e-commerce marketing expertise
- Product innovation and development experience

Committees:

- Compensation (Chair)
- Corporate Governance

BOARD LEADERSHIP, RISK OVERSIGHT AND COMPENSATION-RELATED RISK

Corporate Governance Guidelines adopted by the Board of Directors provide, under appropriate circumstances, for the designation of the CEO to serve as board chair and for the designation of a lead independent director to assure the most effective board governance when the CEO is also serving as board chair.

The Board believes that board oversight of and attention to the Company's current strategic initiatives are best served at this time by having Mr. Ridge provide primary leadership at meetings of the Board, while assuring independent director oversight of management of the Board through the designation of a lead director. The Board's determination as to whether having the CEO serve as board chair is in the best interests of the Company is subject to annual review.

The lead director has the following responsibilities and authority:

- To preside at meetings of the Board when the CEO is not present;
- To serve as leader of the independent directors and as a liaison between the CEO and the independent directors;
- To coordinate feedback to the CEO regarding issues discussed in executive sessions;
- To consult with the CEO and the Corporate Secretary regarding meeting materials and other information sent to the Board;
- To review Board meeting agendas in consultation with the CEO;
- To meet periodically with the Board committee chairs to discuss their respective work plans;
- To approve meeting schedules to assure that there is sufficient time for Board consideration of all agenda items;
- To call meetings of the independent directors.

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 and equity awards offered to the Company's executive officers. The Audit Committee considers risks associated with financial reporting and internal control, including ethics and compliance program risks. The Audit Committee also reviews the appropriateness of the Company's insurance programs. 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, including risks related to systems integrity and disaster recovery of primary information technology systems, and supply chain risks associated with disruptive events. The CEO is responsible for overall risk management and provides input to the Board of Directors with respect to the Company's enterprise risk management program 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 the Company's compensation plan design features provide 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 can be found on WD-40 Company's website at http://investor.wd40company.com within the "Corporate Governance" section. 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 2021, 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 7, 2019. Pursuant to the Director Compensation Policy, non-employee directors received a base annual fee of $54,000 for services provided from January 1, 2021 through the date of the Company's 2021 Annual Meeting of Stockholders. The lead independent director received an additional annual fee of $22,000. 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 2021.

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 2020 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 $70,000 to each non-employee director. Each RSU represents the right to receive one share of the Company's common stock. On December 8, 2020, each non-employee director received a non-elective RSU award covering 268 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 2021

The following Director Compensation table provides information concerning director compensation earned by each non-employee director for services rendered in fiscal year 2021. 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 2021, one third of the reported compensation earned or paid in cash is based on the Director Compensation Policy in effect for calendar year 2020 and two thirds of the reported compensation earned or paid in cash is based on the Director Compensation Policy in effect for calendar year 2021. 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 ($)[3]	Total ($)
Daniel T. Carter	$ 76,667	$ 69,744	$ 6,000	$ 152,411
Melissa Claassen	$ 63,333	$ 69,744	$ 6,000	$ 139,077
Eric P. Etchart	$ 66,000	$ 69,744	$ 6,000	$ 141,744
Lara L. Lee	$ 44,000	$ 69,744	$ 6,000	$ 119,744
Trevor I. Mihalik	$ 74,000	$ 69,744	$ 6,000	$ 149,744
Graciela I. Monteagudo	$ 61,500	$ 69,744	$ 6,000	$ 137,244
David B. Pendarvis	$ 64,667	$ 69,744	$ 6,000	$ 140,411
Gregory A. Sandfort	$ 88,667	$ 69,744	$ 6,000	$ 164,411
Anne G. Saunders	$ 68,667	$ 69,744	$ 6,000	$ 144,411

1 For services rendered during fiscal year 2021, directors received RSU awards pursuant to elections made in 2019 (not applicable to Mr. Carter and Mses. Lee and Saunders) and 2020 (not applicable to Mr. Carter and Mses. Lee and Monteagudo) under the Director Compensation Policy with respect to their services as directors in calendar years 2020 and 2021, 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 Ms. Claassen and Messrs. Etchart, Mihalik, Pendarvis and Sandfort for services rendered during fiscal year 2021 was $53,898. The value of elective RSU awards received by Ms. Saunders for services rendered during fiscal year 2021 was $24,983. Mr. Carter, and Mses. Lee and Monteagudo elected to receive all of 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 8, 2020, each director received a non-elective RSU award covering 268 shares of the Company's common stock. Each RSU award granted on December8, 2020 has a grant date fair value equal to the closing price of the Company's common stock on that date in the amount of $260.24 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 18, 2021 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 to be made by the Company in fiscal year 2021 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 consideration by the Board of Directors. The Corporate Secretary may also forward the stockholder communication within the Company to another department to facilitate an appropriate response.

COMMITTEES (membership as of October 18, 2021)

Director	Audit	Compensation	Corporate Governance	Finance
Daniel T. Carter	Chair		✓	✓
Melissa Claassen		✓		✓
Eric P. Etchart			Chair	✓
Lara L. Lee	✓	✓		
Trevor I. Mihalik	✓		✓	Chair
Graciela I. Monteagudo	✓			✓
David B. Pendarvis	✓	✓		
Gregory A. Sandfort		✓	✓	✓
Anne G. Saunders		Chair	✓	
Number of Meetings Held in Fiscal Year 2021	5	4	4	4

CORPORATE GOVERNANCE COMMITTEE NOMINATION POLICIES AND PROCEDURES

The Corporate Governance Committee is comprised of Eric P. Etchart (Chair), Daniel T. Carter, Trevor I. Mihalik, Gregory A. Sandfort and Anne G. Saunders. 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 as describe more fully below. The Board of Directors has not established any specific diversity criteria for the selection of nominees other than the general composition criteria noted below, subject, however, to diversity mandates imposed by the laws of California. The Corporate Governance Committee also oversees an annual process of self-evaluation conducted by each committee of the Board and for the Board as a whole, which includes a board evaluation, individual self-evaluations and peer evaluations.

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 the Board of Directors makes a specific finding that 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 identified and compiled in a database through director networking resources and professional organizations or suggested by individual 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 considers director recruitment and succession planning for the Board at each quarterly meeting. This review entails consideration of various factors that the Committee believes to be relevant to assurance that the Board maintains a level of diversity and experience that is appropriate for its oversight and governance responsibilities consistent with diversity mandates imposed by the laws of California. In addition to age and the tenure of each director on the WD-40 Company Board, the committee considers the extent of each director's experience in management and as directors on other public company boards, if applicable, including service on committees and as committee or board chairs. In addition to a baseline expectation that directors and director candidates will share WD-40 Company values and have demonstrated an ability to promote and sustain a strong corporate culture, the Board endeavors to assure that the mix of skills among existing directors is appropriate for the evolving business of the Company. The following list of specific skills are presently included among the areas of expertise and experience that the Committee believes will best serve the Company. The list is updated from time to time and each director's skills in these areas are graded on a scale to assess the level of competence in each area that is available to the Board as a whole. The table below presents those areas in which the Board has determined that individual directors have deep or knowledgeable level of expertise only, and individual directors who are familiar with those areas are not captured on the table. This information will assist the Board in identifying areas of strengths and weaknesses and will guide the Board on formulating the applicable skills and characteristics of future nominees.

Skills and Experience	Director									
	Daniel T. Carter	**Melissa Claaassen**	**Eric P. Etchart**	**Lara L. Lee**	**Trevor I. Mihalik**	**Graciela I. Monteagudo**	**David B. Pendarvis**	**Garry O. Ridge**	**Gregory A. Sandfort**	**Anne G. Saunders**
Financial	X	X	X	X	X	X	X	X	X	
Legal	X						X			
Organizational Development	X	X		X	X	X	X	X		X
Compensation Design	X		X	X	X	X	X	X	X	X
Consumer or Retail Market	X	X		X		X		X		X
Business-to-Business Sales and Marketing		X	X	X		X	X	X		X
Digital/Internet/ E-Commerce	X	X		X		X	X	X	X	X
Americas Markets and Cultures	X	X	X		X	X	X	X	X	X
EMEA Markets and Cultures		X	X	X	X	X	X	X		X
Asia-Pacific Markets and Cultures		X	X	X	X	X	X	X		X
IT or Cybersecurity	X	X			X		X			
Logistics and Supply Chain Management	X	X					X	X	X	X
Manufacturing		X	X	X				X	X	
Innovation		X		X	X	X	X	X	X	X
Mergers and Acquisitions	X	X	X		X	X	X	X	X	

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 shareholder proposals as set forth below under the heading, *Shareholder Proposals*.

AUDIT COMMITTEE
RELATED PARTY TRANSACTIONS REVIEW AND OVERSIGHT

The Audit Committee is comprised of Daniel T. Carter (Chair), Lara L. Lee, Trevor I. Mihalik, Graciela I. Monteagudo and David Pendarvis. Five meetings of the Audit Committee 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 fulfill other responsibilities provided for in the Audit Committee's Charter. 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, or are related to, 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 related party has a material direct or indirect interest. The Audit Committee has adopted a written policy to provide for its review and oversight of related party transactions. 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 transactions that may involve a related party or may otherwise 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, 2021, 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.

FINANCE COMMITTEE

The Finance Committee is comprised of Trevor I. Mihalik (Chair), Daniel T. Carter, Melissa Claassen, Eric P. Etchart, Graciela I. Monteagudo and Gregory A. Sandfort. 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 Anne G. Saunders (Chair), Melissa Claassen, Lara L. Lee, David B. Pendarvis and Gregory A. Sandfort, 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, 2021, 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.

INSIDER TRADING POLICY - PROHIBITED HEDGING TRANSACTIONS

The Company maintains an insider trading policy, including transaction pre-approval requirements, applicable to its officers and directors required to report changes in beneficial ownership of the Company's common stock under Section 16 of the Exchange Act as well as certain other employees who have significant management or financial reporting responsibilities and can be expected to have access to material non-public information concerning the Company. The Company's insider trading policy also requires 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 policy in violation of the policy will result in the Company's refusal to approve future trading plan requests for that person.

The insider trading policy also includes a prohibition on certain hedging and transactions involving the potential for abuse. Pursuant to the insider trading policy, covered officers, directors and employees may not engage in the following transactions involving the Company's publicly traded securities:

- Short sale transactions
- Transactions in publicly traded options or derivatives
- Hedging transactions
- Pledges or margin account borrowing

ENVIRONMENTAL SOCIAL GOVERNANCE REPORT

WD-40 Company believes that taking an integrated approach to environmental, social and governance ("ESG") issues enhances the sustainability of our business and protects the long-term interests of our investors. Our Board of Directors has ultimate authority and commitment to the Company's performance relative to ESG matters.

The Company is committed to preparing for the future and being a responsible corporate citizen for the benefit of customers, end users, investors, tribe members, the environment and the communities in which we live and work.

In fiscal year 2018, the Company established a cross-regional, cross-functional ESG Project Team to formally address environmental, social and governance topics in order to provide recommendations to management. In that year, the ESG Project Team completed a comprehensive analysis documenting the Company's many activities and guiding structures that fall under the umbrella of ESG topics.

In fiscal year 2019, the ESG Project Team completed an ESG Materiality Assessment to obtain from our various stakeholders their views of what ESG matters were of highest importance. To do so, the ESG Project Team engaged Sustainability Partners, led by Drs. Mary and Brian Nattrass, well-known and respected experts in sustainability programs for businesses, non-profits and governments.

In fiscal year 2020, the ESG Project Team completed a Life Cycle Assessment screening for the Company's flagship product, WD-40 Multi-Use Product, and prepared for the publication of its inaugural ESG report.

In fiscal year 2021, the Company published its first ESG report which can be found at https://www.wd40company.com/our-company/corporate-responsibility/. This report details the Company's current state on the full range of ESG topics, as well as our history of pro-actively and positively impacting our environment, our end users and our communities. The first ESG report also outlines our ESG governance philosophy and ongoing attention to material ESG topics.

Subsequent to the publication of the Company's inaugural ESG report, the ESG Project Team began to focus on the following initiatives to be completed in our next two-year reporting period:

- Measuring and reporting the Company's carbon footprint
    - The Company is expanding the Life Cycle Assessment screening for our primary product, WD-40 Multi-Use Product, which was completed in fiscal year 2020. This expanded Life Cycle Assessment will include a more comprehensive set of data from all of the Company's commercial regions.
    - The Company is completing a full Organizational Life Cycle Assessment, inclusive of all business operations aside from product fulfillment. This comprehensive study will enable the Company to measure its carbon footprint globally as of our benchmark year of fiscal year 2019 and identify possible actions that may be taken to make a material difference in our carbon outputs.
- Improving our understanding of, and performance related to, the circular supply chain
    - The Company is examining the current state of the recycling of aerosol products. This will enable the Company to understand how it may positively increase the use of recycled aerosol product materials.
    - The Company is researching the feasibility of a collaborative, industry-wide effort to create an economically favorable circular supply chain for cans and components of our aerosol products.
- Developing a sustainability lens for tribe members to use in decision-making
    - The Company is developing a sustainability "lens" through which projects, products, activities, vendors, programs, etc., can be evaluated according to their impact on the Company's material ESG domains of product, supply chain and social impact.
    - This "lens" will serve as a way of continually bringing ESG matters to the forefront of our tribe's thinking as we go about conducting business on an ongoing basis.

- Making our organization more diverse, equitable and inclusive than it is today
    - The Company's workforce is distributed globally in 14 countries. Therefore, a clear definition of diversity must be established in a way that is measurable and applicable across cultures and countries.
    - Once diversity is appropriately defined, the Company will identify goals and methods to achieve them, and to further improve inclusivity, diversity and equity globally, as applicable to each specific country and region.

The Company expects its next ESG report will be published early in fiscal year 2023, contemporaneously with the filing of its fiscal year 2022 Proxy Statement.

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 2017 Annual Meeting of Stockholders, the Company's stockholders were 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 2021 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 2021 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.

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 2021, the Company's NEOs were:

- Garry O. Ridge, our Chief Executive Officer and Chairman of the Board ("CEO");
- Jay W. Rembolt, our Vice President, Finance, Treasurer and Chief Financial Officer ("CFO");
- Steven A. Brass, our President and Chief Operating Officer;
- William B. Noble, our Managing Director, EMEA; and
- Patricia Q. Olsem, our Division President, Americas.

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) performance share unit restricted stock awards ("PSU") 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 PSU 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 assesses the effectiveness of the established framework for NEO compensation through a review of each of the principal elements of NEO compensation. The Committee considers measures of Company performance, specifically including regional and global measures based on the Company's Adjusted EBITDA, and also relative Company performance as compared to an 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 2021, the Company's overall financial performance resulted in a very high level of 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. With the exception of regional Adjusted EBITDA for the Americas, which achieved 78% of the maximum for the first level goal for Adjusted EBITDA, the maximum first level goal for Adjusted EBITDA for the EMEA and Asia Pacific regions were achieved and the maximum first and second level goals for global Adjusted EBITDA were achieved. As a result, for fiscal year 2021, each of the NEOs other than Ms. Olsem earned their maximum Incentive Compensation opportunity and Ms. Olsem earned approximately 89% of her maximum Incentive Compensation opportunity.

For fiscal year 2020, the Company's overall financial performance resulted in highly variable achievement of performance measure goals for regional Adjusted EBITDA under the Company's Performance Incentive Program. Depending on local market impacts resulting from efforts to slow the spread of COVID-19, most local market results for the Company were either quite strong or very poor. Due to this variability, a modest portion of the first level performance measure goal for the Americas region was achieved, a small portion of the first level performance goal for the EMEA region was achieved, and no portion of the first level performance goal for the Asia-Pacific region was achieved. As a result, a small portion of the first level goal for global Adjusted EBITDA was achieved and none of the second level goal for global Adjusted EBITDA was achieved. For fiscal year 2020, each of the NEOs identified for fiscal year 2020 other than Ms. Olsem earned Incentive Compensation equal to approximately 10% of their Incentive Compensation opportunity and Ms. Olsem earned Incentive Compensation equal to approximately 35% of her Incentive Compensation opportunity. Due to the extreme variability of the impacts of the COVID-19 pandemic on the Company's financial results across local markets and the regions, the Company awarded additional cash compensation to all employees, including the NEOs, who did not receive at least 25% of their Incentive Compensation opportunity. As a result, each of the NEOs other than Ms. Olsem (who received more than 25% of her Incentive Compensation opportunity) received a supplemental cash compensation award for fiscal year 2020 in an amount equal to approximately 15% of their Incentive Compensation opportunity.

For fiscal year 2019, the Company's overall financial performance resulted in partial achievement of performance measure goals for regional and global Adjusted EBITDA under the Company's Performance Incentive Program. The maximum first level performance measure goals for the EMEA and Asia-Pacific regions were achieved, but only a modest portion of the first level performance goal for the Americas region was achieved. Due to the strong performance of the EMEA and Asia-Pacific segments and modest achievement of goals for the Americas segment, the maximum first level goal for global Adjusted EBITDA was achieved and approximately 35.6% of the second level for global Adjusted EBITDA was achieved. As a result, for fiscal year 2019, each of the NEOs other than Mr. Brass (whose Incentive Compensation for fiscal year 2019 was based on Adjusted EBITDA results for the Americas) earned Incentive Compensation equal to 68% of their Incentive Compensation opportunity and Mr. Brass earned Incentive Compensation equal to 26% of his Incentive Compensation opportunity for fiscal year 2019.

For the three fiscal years ended August 31, 2021, the TSR for the Company's shares exceeded, by an absolute percentage point difference, the return for the Russell 2000 Index (the "Index") by 23.6%. As a result, MSUs awarded to the NEOs in October 2018 provided vested shares of the Company's common stock to the NEOs, other than Ms. Olsem, at 200% of the target number of award shares. Ms. Olsem earned 150% of the target number of award shares for the MSUs awarded to her in October 2018.

For the three fiscal years ended August 31, 2020, the TSR for the Company's shares exceeded, by an absolute percentage point difference, the return for the Russell 2000 Index (the "Index") by 79.2%. As a result, MSUs awarded to the NEOs in October 2017 provided vested shares of the Company's common stock to the NEOs, other than Ms. Olsem, at 200% of the target number of award shares. Ms. Olsem earned 150% of the target number of award shares for the MSUs awarded to her in October 2017.

For the three fiscal years ended August 31, 2019, the TSR for the Company's shares exceeded, by an absolute percentage point difference, the return for the Index by 22.4%. As a result, MSUs awarded to the NEOs in October 2016 provided vested shares of the Company's common stock to the NEOs, other than Mr. Brass and Ms. Olsem, at 200% of the target number of award shares. Mr. Brass and Ms. Olsem earned 150% of the target number of award shares for the MSUs awarded to each of them in October 2016.

FISCAL YEAR 2021 COMPENSATION DECISIONS

Compensation decisions for fiscal year 2021 were made in October 2020 based on individual and Company performance during fiscal year 2020 and a market survey conducted by the Committee's compensation consultant. The position relative to the market median of total compensation for each of the NEOs for fiscal year 2021 is based on peer group and survey data which is discussed 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 2021:

- For fiscal year 2021, base salaries were not increased for any of the NEOs due to the continuing uncertainty for the global economy, labor markets, and the Company's business attributable to the COVID-19 pandemic.
- Annual Incentive Compensation is awarded to the NEOs under the Company's Performance Incentive Compensation Plan as 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 2020, the NEOs received annual RSU awards providing for the issuance of a total of 8,191 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[1]. These awards serve a retention purpose together with an incentive to maximize long term stockholder value through share price appreciation.
- In October 2020, the NEOs received MSU awards subject to performance vesting covering a target number of shares of the Company's common stock equal to 8,191 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[2].
- In October 2020, the NEOs received PSU awards that provided an opportunity to receive up to an aggregate maximum of 7,440 restricted shares of the Company's common stock upon vesting. The PSU awards provided for vesting as of the end of fiscal year 2021 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[3]. The Company's global EBITDA for fiscal year 2021 exceeded the maximum goal for global EBITDA established for the Performance Incentive Program and the PSU awards vested at 100% of the maximum number of shares that each NEO was eligible to earn.
- RSU, MSU and PSU award amounts for fiscal year 2021 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 2020 in areas over which each NEO had direct influence.
- The Company's stockholders have provided advisory votes to approve executive compensation required by Section 14A of the Exchange Act (the "Say-on-Pay" votes) at the Company's annual meeting of stockholders for fiscal years 2018, 2019 and 2020. 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 2021 compensation decisions, the Committee's compensation consulting firm was ClearBridge Compensation Group, LLC. The Committee also has responsibilities in connection with administration of the Company's equity compensation plans.

The Committee operates pursuant to a Charter that outlines its responsibilities, including the Committee's responsibilities with respect to performance reviews and approval of annual compensation arrangements for the Company's executive officers. A copy of the Compensation Committee Charter can be found on WD-40 Company's website at http://investor.wd40company.com within the "Corporate Governance" section.

PROCESS FOR EVALUATING EXECUTIVE OFFICER PERFORMANCE AND COMPENSATION

In accordance with its Charter, the Committee works with the Company's Human Resources function in carrying out its responsibilities. The Vice President of Global Organization Development is management's liaison with the Committee. The Committee's independent compensation consulting firm provides advice and information relating to executive compensation. For fiscal year 2021, 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.

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[1] For a more complete description of the RSU Awards, refer to the *Executive Officer Compensation Decisions* section below under the heading, *Restricted Stock Unit Awards*.

[2] 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*.

[3] For a more complete description of the PSU awards, refer to the *Executive Officer Compensation Decisions* section below under the heading, *Performance Share Unit Restricted Stock Awards*.

EXECUTIVE COMPENSATION PHILOSOPHY AND FRAMEWORK

COMPENSATION OBJECTIVES

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

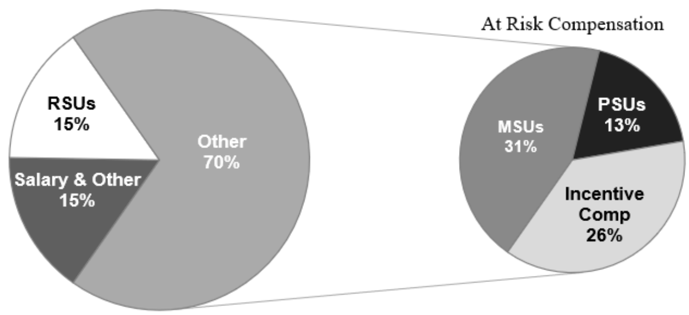
1. Attract, motivate, reward and retain high performing executives;
2. Align the interests and compensation of executives with the value created for stockholders;
3. Create a sense of motivation among executives to achieve both short- and long-term Company objectives;
4. Create a direct, meaningful link 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

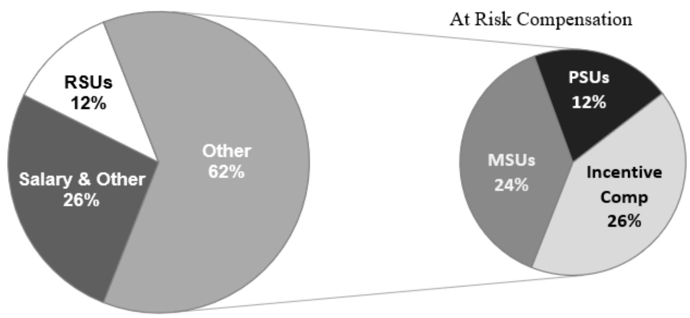
The Company's compensation program consists primarily of base salary, annual cash incentives, and long-term oriented equity awards. Each of these components is discussed in greater detail in the *Executive Officer Compensation Decisions* section below. The Committee has established a target for executive officer total compensation (defined as base salary, plus target Incentive Compensation, plus the value of RSU and MSU equity awards) at the median market level of compensation for each position (details on the use of peer group and survey 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 mix of pay consists of Salary and All Other Compensation amounts as reported in the Summary Compensation Table below, maximum possible values for Stock Awards (RSUs, MSUs and PSUs) as reported in the table in footnote 1 to the Summary Compensation Table, and maximum possible Non-Equity Incentive Plan Compensation (Incentive Compensation) amounts as reported in the Grants of Plan-Based Awards table below. The sum total of these maximum possible compensation amounts for each NEO is referred to as the NEO's "Total Compensation Opportunity." For purposes of the charts below, the Total Compensation Opportunity for the CEO, and for all other NEOs in the aggregate, has been divided among elements of compensation that are considered at risk (MSUs, tied to longer term relative stockholder return, and PSUs and Incentive Compensation, tied to current fiscal year financial performance), and those elements that are not performance-based and not considered at risk (Salary, All Other Compensation and RSUs). Approximately 70% of the CEO's Total Compensation Opportunity for fiscal year 2021 was at risk while approximately 61%, in the aggregate, of the Total Compensation Opportunity for fiscal year 2021 for all of the other NEOs was at risk. As reported in more detail below, for fiscal year 2021, each of the NEOs other than Ms. Olsem earned 100% of their maximum Incentive Compensation amounts, and Ms. Olsem earned approximately 89% of her maximum Incentive Compensation amount, each NEO earned the maximum value of their MSU awards (for the MSU awards granted in October 2018), and each NEO earned the maximum value of their fiscal year 2021 PSU awards.

CEO Compensation



Other NEO Compensation (Aggregate)



COMPENSATION BENCHMARKING

For purposes of its fiscal year 2021 compensation decisions, the Committee examined the executive compensation practices of a peer group of fourteen 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. As compared to the prior year peer group list of companies, the list for fiscal year 2021 omitted two companies that were no longer publicly traded, Cambrex Corporation and Innophos Holdings, Inc., and one company, Flotek Industries Inc., that was no longer considered reasonably comparable to the Company. In addition to the peer group data, the Committee considered general industry company survey data provided by Korn Ferry Hay Group, a global management consulting firm. 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 2021 compensation decisions were as follows:

- American Vanguard Corporation
- Balchem Corporation
- Chase Corporation
- Dorman Products
- Hawkins, Inc.
- Ingevity Corporation
- Innospec Inc.
- Landec Corporation
- Prestige Healthcare, Inc
- Quaker Chemical Corporation
- Rayonier Advanced Materials, Inc.
- Sensient Technologies Corporation
- Stoneridge Inc.
- USANA Health Sciences, Inc.

EXECUTIVE OFFICER COMPENSATION DECISIONS FOR FISCAL YEAR 2021

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 normally 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, leadership, earnings and governance for Mr. Ridge; governance and risk, compliance, forecasting and financial reporting for Mr. Rembolt; growth, leadership, innovation, brand development, earnings and customer relations for Mr. Brass; and business unit performance, teamwork, execution and growth for Mr. Noble and Ms. Olsem.

BASE SALARY: FISCAL YEAR 2021

In October 2020, no base salary increases for executive officers for fiscal year 2021 were approved due the continuing uncertainty for the global economy, labor markets, and the Company's business attributable to the COVID-19 pandemic.

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 2017 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 2021 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.

For purposes of computing the actual financial results to be measured against the goals established for the Regional EBITDA and Global EBITDA performance measures, the Company may exclude certain expenditures as approved by the Committee. For fiscal year 2021, the Committee approved the exclusion of certain expenses in the amount of approximately $2,500,000 associated with the Company's continuing infrastructure investment in enterprise resource planning software.

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 and/or Ms. Olsem will earn some Incentive Compensation because the performance measure for a portion of the Incentive Compensation opportunity payable to them is based on Regional EBITDA.

Depending upon actual performance results, the Incentive Compensation opportunities for fiscal year 2021 range from 0% up to 200% of base salary for Mr. Ridge, from 0% up to 100% of base salary for Mr. Rembolt, from 0% up to 160% of base salary for Mr. Brass, and from 0% up to 110% of base salary for Mr. Noble and Ms. Olsem.

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 2021 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 executive officers and management employees. The maximum Incentive Compensation payout for Mr. Noble and Ms. Olsem required achievement of specified segment goals 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 and Brass (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 executive officers and 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 2021 Performance Incentive Program are disclosed below in the table under the heading, *Grants of Plan-Based Awards - Fiscal Year 2021*.

The following table sets forth the fiscal year 2021 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 Steven A. Brass	William B. Noble	Patricia Q. Olsem	Minimum Goal FY 2021 ($ thousands)	Maximum Goal FY 2021 ($ thousands)
A	Regional EBITDA (Americas)	N/A	N/A	50%	$ 58,346	$ 62,607
A	Regional EBITDA (EMEA)[1]	N/A	50%	N/A	$ 34,022	$ 38,105
A	Global EBITDA	50%	N/A	N/A	$ 83,526	$ 97,452
C	Global EBITDA	50%	50%	50%	$ 87,702	$ 95,405

1 EMEA figures have been converted from Great Britain pounds sterling ("GBP") at an average annual exchange rate for fiscal year 2021 of $1.3632 per GBP.

The following table sets forth the actual fiscal year 2021 performance results and percentage achievement for each of the performance measures under the Performance Incentive Program formulas applicable to the NEOs. Actual earnings results for measurement against the Regional and Global EBITDA goals were adjusted to exclude (a) Incentive Compensation amounts consistent with the manner in which the minimum and maximum performance measure goals are determined as described with reference to the table above and (b) certain Company expenditures as approved by the Committee, as described above.

Level	Performance Measure	Actual FY 2021 ($ thousands)	% Achievement
A	Regional EBITDA (Americas)	$ 61,670	78.0%
A	Regional EBITDA (EMEA)[1]	$ 63,338	100.0%
A	Global EBITDA	$ 117,362	100.0%
C	Global EBITDA	$ 105,932	100.0%

1 EMEA figures have been converted from GBP at an average annual exchange rate for fiscal year 2021 of $1.3632 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 2021 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 October12, 2021, the Committee approved payment of the following Incentive Compensation amounts to the NEOs for fiscal year 2021 performance:

Executive Officer	Title	FY 2021 Annual Opportunity (As % of Base Salary)	FY 2021 Incentive Compensation Paid ($)	FY 2021 Actual Incentive Compensation (As % of Opportunity)
Garry O. Ridge	Chief Executive Officer and Chairman of the Board	200%	$ 1,350,480	100%
Jay W. Rembolt	Vice President, Finance, Treasurer and Chief Financial Officer	100%	$ 327,011	100%
Steven A. Brass	President and Chief Operating Officer	160%	$ 714,275	100%
William B. Noble[1]	Managing Director, EMEA	110%	$ 360,535	100%
Patricia Q. Olsem	Division President, Americas	110%	$ 294,072	89%

1 EMEA figures have been converted from GBP at an average annual exchange rate for fiscal year 2021 of $1.3632 per GBP.

As an example of the operation of the Performance Incentive Program, Ms. Olsem's Incentive Compensation payout for fiscal year 2021 was computed as follows:

- Incentive Compensation Annual Opportunity = 110% X Eligible Earnings ($300,375) = $330,412.
- Level A (Regional EBITDA) = 50% of Annual Opportunity = $165,206.
  — Level A Incentive Compensation = Level A Achievement (78%) X Level A Annual Opportunity = $128,866.
- Level C (Global EBITDA) = 50% of Annual Opportunity = $165,206.
  — Level C Incentive Compensation = Level C Achievement (100%) X Level C Annual Opportunity = $165,206.

Ms. Olsem's aggregate Incentive Compensation payout was the sum of the payouts under Levels A and C of the Performance Incentive Program, or $294,072.

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 performance share unit restricted stock ("PSU") awards. Equity awards for fiscal year 2021 were granted to the NEOs pursuant to the Company's 2016 Stock Incentive Plan (the "Stock Incentive Plan") approved by the stockholders at the 2016 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 2020, the Committee granted primary equity allocations of RSU and MSU awards for fiscal year 2021. 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 were also granted PSU awards in October 2020. As compared to the retention and long-term performance-based attributes of the RSU and MSU awards, the PSU awards provide a near-term 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. PSU awards provide for vesting at the end of the fiscal year for which they are granted. All RSU, MSU and PSU 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 PSU 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.
- PSU awards provide for performance-based vesting tied to the Company's Global EBITDA achievement for the fiscal year in which the awards are granted 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 PSU awards provide for the issuance of restricted shares of the Company's common stock upon vesting. Shares issued following the vesting of PSU awards are restricted and may not be sold until following termination of employment.
- A mix of RSU, MSU and PSU 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) PSU awards offer a reward for exceeding the highest goal for near-term financial results for the Company; (iv) RSU, MSU and PSU awards have a less dilutive impact on a share count basis than stock options; and (v) the issuance of shares of the Company's common stock upon vesting of RSUs and MSUs, and the issuance of restricted shares following vesting of PSU awards encourages long-term stock ownership, promotes retention objectives 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 for termination of employment due to death or disability or 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.

Shares for RSU awards that vest due to death, disability or retirement will be issued within 30 days after the effective date of termination of employment, except for specified employees, including the Company's executive officers, whose RSU shares will be issued 6 months after the effective date of retirement or termination of employment due to disability.

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, or as of the date of issuance in the case of the issuance of RSU shares following retirement, 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 death, disability or 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 MSU award granted to Ms. Olsem in October 2018 provides for a maximum Applicable Percentage of the Target Number of shares of 150% if the Relative TSR is 10% or greater. Otherwise, the Applicable Percentage for the MSU awards granted to Ms. Olsem in October 2019 and October 2020 will be calculated in the same manner as for the other NEOs.

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 (150% for Ms. Olsem for the MSU award granted in October 2018). 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.

Performance Share Unit Restricted Stock Awards

PSU awards provide for performance-based vesting over a performance measurement period of the fiscal year in which the PSU awards are granted (the "Measurement Year"). The PSU awards provide for vesting of a number of PSUs equal to an "Applicable Percentage" of the "Maximum Number" of PSUs awarded to the NEOs as of the conclusion of the Measurement Year. The Applicable Percentage is determined by reference to the performance vesting provisions of the PSU Award Agreement as described below. A number of restricted shares of the Company's common stock equal to the number of vested PSUs will be issued as of the "Settlement Date." The restricted shares issued upon vesting of the PSUs will be subject to a restrictive endorsement and may not be sold until following termination of employment. The Settlement Date for vested PSU awards is the third business day following the Company's public release of its annual earnings for the Measurement Year.

PSU Award Agreements provide for monthly pro-rata vesting of PSUs 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 shares to be issued upon vesting of the PSUs, the Maximum Number of shares covered by the PSU 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.

Payment of required withholding taxes due with respect to the settlement of a vested PSU 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 PSU 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 PSUs 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 PSUs and excluding other non-operating income and expense amounts ("Adjusted Global EBITDA") for the Measurement Year.

For fiscal year 2021, the performance vesting provisions for the PSUs were established as set forth in the table below:

Adjusted Global EBITDA[1]	Applicable Percentage
> $95,179,000	100%
$95,179,000	100%
$90,457,000	5%
< $90,457,000	0%
$90,208,000 *	0%

* Implied zero percentage achievement level.

1 The calculation of Adjusted Global EBITDA for purposes of the performance vesting provisions of the PSUs accounts for full payment of all Incentive Compensation earned for the fiscal year.

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 PSUs is to be rounded to the nearest whole unit and rounded upward from the midpoint.

EQUITY AWARDS – FISCAL YEAR 2021

For fiscal year 2021, 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 PSU awards were granted to the NEOs by the Committee in October 2020. All of the equity awards are set forth below in the table under the heading, *Grants of Plan-Based Awards - Fiscal Year 2021*. In establishing award levels for the NEOs for fiscal year 2021, 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 2020 in areas over which the NEO had particular influence. The PSU award amounts were established by reference to each NEO's Incentive Compensation opportunity amount based on fiscal year 2020 base salary amounts and fiscal year 2021 maximum percentage opportunity for Incentive Compensation – the share equivalent value of the PSUs 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 12, 2021, the Committee certified achievement of the performance measure applicable to MSU awards granted to the NEOs in October 2018. The Committee certified the Company's relative TSR as compared to the Return for the Index for the performance Measurement Period ended August 31, 2021 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, 2021 was 23.6%. 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 2018 was 200% for each of the NEOs other than Ms. Olsem, and 150% for Ms. Olsem.

The following table sets forth the Target Number and vested number of shares underlying the MSU awards granted to each NEO in October 2018:

Executive Officer	Target Number	Vested Shares
Garry O. Ridge	3,994	7,988
Jay W. Rembolt	845	1,690
Steven A. Brass	614	1,228
William B. Noble	460	920
Patricia Q. Olsem	335	503

Performance Share Unit Restricted Stock Award Vesting for Fiscal Year 2021 Performance Achievement

On October 12, 2021, the Committee certified achievement of the performance measure applicable to PSU awards granted to the NEOs in October 2020. The Committee certified the calculation of the Company's Adjusted Global EBITDA (as described above in the description of the PSU awards) in the amount of $100,745,000. As a result, based on the table above in the description of the PSU awards, the Applicable Percentage of the Maximum Number of shares underlying the PSU awards granted in October 2020 was 100%.

The following table sets forth the Maximum Number of shares underlying the PSU awards granted to each NEO and the number of vested PSU restricted shares each NEO has received.

Executive Officer	Maximum Number	Vested PSUs
Garry O. Ridge	3,372	3,372
Jay W. Rembolt	816	816
Steven A. Brass	1,783	1,783
William B. Noble	835	835
Patricia Q. Olsem	825	825

BENEFITS AND PERQUISITES

As is the case with most Company employees, the NEOs are provided with standard health and welfare benefits, and 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.

The Company maintains individual Supplemental Death Benefit Plan agreements for both Mr. Ridge and Mr. Rembolt. 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 or a vehicle allowance 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 for fiscal year 2021 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 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 for fiscal year 2021 (based on cash compensation received as base salary and earned Incentive Compensation, plus the value of vested PSUs at their grant date per share value, plus the value of other equity awards (other than the PSUs) at their grant date per share values), together with the relative position to market mid-point with 100% equaling market median for each NEO:

Executive Officer	Base Salary	Annual Earned Incentive Compensation	Value of Stock Awards[1]	Value of Vested PSU Awards[2]	Total Compensation	Present Value of Total Compensation Received as a Percentage of Market Median
Garry O. Ridge	$ 675,240	$ 1,350,480	$ 1,599,918	$ 675,041	$ 4,300,679	135%
Jay W. Rembolt	$ 327,011	$ 327,011	$ 299,885	$ 163,355	$ 1,117,262	118%
Steven A. Brass	$ 446,422	$ 714,275	$ 799,959	$ 356,939	$ 2,317,595	159%
William B. Noble[3]	$ 327,760	$ 360,535	$ 166,958	$ 167,159	$ 1,022,412	162%
Patricia Q. Olsem	$ 300,375	$ 294,072	$ 349,932	$ 165,157	$ 1,109,536	118%

1 For purposes of comparing total compensation for fiscal year 2021 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 October 12, 2020 grant date closing price was $200.19. 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 PSUs) for fiscal year 2021 is set forth below in the table under the heading, *Grants of Plan-Based Awards - Fiscal Year 2021*.

2 For purposes of comparing total compensation for fiscal year 2021 to market median compensation levels for each NEO, the Committee included the Value of vested PSUs based on the closing price of the Company's common stock on the grant date of $200.19 per share. The Committee treats the PSUs separately from other stock-based awards and has included their value (based on the number of PSU Shares earned by each NEO) as an additional element of short-term incentive compensation because the PSUs are designed as a supplemental reward for achievement of financial performance for the fiscal year that exceeds the highest level of performance required under the Company's Performance Incentive Program.

3 Mr. Noble's salary and Incentive Compensation amounts have been converted from GBP at an average annual exchange rate for fiscal year 2021 of $1.3632 per GBP.

Total compensation for our NEOs for fiscal year 2021 was assessed by the Committee's compensation consulting firm as part of the process for executive compensation decision-making for fiscal year 2022. As noted in the table above, total compensation for the NEOs ranged from 118% to 162% 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 appropriate for a year in which the Company's results were very strong in all regions. These market position comparisons are based on an analysis from the Committee's compensation consultant that incorporates peer group proxy analysis and general industry survey data for current NEO roles.

OTHER COMPENSATION POLICIES

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

A description of the Company's insider trading policies applicable to our executive officers is included above in this Proxy Statement under the heading, *Insider Trading Policy – Prohibited Hedging Transactions*.

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, if applicable, shares underlying vested equity awards held by the executive officers.

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 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 PSU 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 PSU awards, if and when vested, provide for issuance of shares that may not be sold until following termination of employment. Outstanding unvested RSU and MSU awards held as of August 31, 2021 by the NEOs are set forth in the table below under the heading, *Outstanding Equity Awards at 2021 Fiscal Year End*. All NEOs hold vested deferred performance unit awards and Messrs. Ridge and Noble hold vested RSU awards that must be retained until termination of employment as noted above in the footnotes to the tables under the heading, *Security Ownership of Directors and Executive Officers*.

TAX CONSIDERATIONS

Section 162(m) of the Internal Revenue Code of 1986 (the "Code") limits the deductibility of compensation payable in any tax year to certain covered executive officers. Section 162(m) of the Code generally provides that a company covered by the statute 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.

While the Compensation Committee will always seek to maximize the deductibility of compensation paid to the Company's executive officers, the Committee provides total compensation to the executive officers in line with competitive practice, the Company's compensation philosophy, and the interests of stockholders. Therefore, the Company presently pays some compensation to its executive officers that may not be deductible under Section 162(m) and it is anticipated that the Company will continue to do so.

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 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 PSUs). 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 MSU awards depending upon the actual level of achievement of the applicable performance measure. In the case of our PSUs, no value is included in the Summary Compensation Table or in the table under the heading, *Grants of Plan-Based Awards – Fiscal Year 2021*, because ASC Topic 718 requires that we assess the probability of vesting of the PSUs as of the grant date. As of the grant date, we did not consider it probable that the PSUs would become vested even though it was possible that our executive officers would receive shares upon vesting of the PSUs following the end of the fiscal year upon achievement of the applicable performance measure.

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, 2021, and, based upon that review and discussion, recommended to the board that it be so included.

Compensation Committee
Anne G. Saunders (Chair)
Melissa Claassen
Lara L. Lee
David B. Pendarvis
Gregory A. Sandfort

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 2021, our executive officers received compensation benefits for services rendered in fiscal year 2021 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 2021, annual salary and earned Incentive Compensation was 54% of total compensation for our CEO and from 57% to 71% of total compensation for the other NEOs.

SUMMARY COMPENSATION TABLE

The following table shows information for the three fiscal years ended August 31, 2021, August 31, 2020, and August 31, 2019 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 2021 (collectively, the "Named Executive Officers" or "NEOs"):

Name and Principal Position	Year	Salary	Bonus	Stock Awards[1]	Non-Equity Incentive Plan Compensation[2]	All Other Compensation[3]	Total
Garry O. Ridge	2021	$ 675,240	$ -	$ 1,574,584	$ 1,350,480	$ 129,584	$ 3,729,888
Chief Executive Officer	2020	$ 675,240	$ 196,718	$ 1,775,853	$ 140,647	$ 119,403	$ 2,907,861
and Chairman of the Board	2019	$ 662,000	$ -	$ 1,405,209	$ 897,285	$ 115,347	$ 3,079,841
Jay W. Rembolt	2021	$ 327,011	$ -	$ 295,136	$ 327,011	$ 106,787	$ 1,055,945
Vice President, Finance,	2020	$ 327,011	$ 47,634	$ 332,844	$ 34,037	$ 101,178	$ 842,704
Treasurer and Chief Financial Officer	2019	$ 320,599	$ -	$ 297,297	$ 217,275	$ 98,645	$ 933,816
Steven A. Brass	2021	$ 446,422	$ -	$ 787,292	$ 714,275	$ 97,156	$ 2,045,145
President and Chief Operating Officer	2020	$ 446,422	$ 103,727	$ 721,505	$ 74,161	$ 96,810	$ 1,442,625
	2019	$ 365,937	$ -	$ 216,024	$ 95,272	$ 92,651	$ 769,884
William B. Noble[4]	2021	$ 327,760	$ -	$ 164,315	$ 360,535	$ 81,147	$ 933,757
Managing Director, EMEA	2020	$ 304,173	$ 67,767	$ 185,234	$ 15,880	$ 36,597	$ 609,651
	2019	$ 303,112	$ -	$ 161,842	$ 185,020	$ 80,786	$ 730,760
Patricia Q. Olsem	2021	$ 300,375	$ -	$ 344,391	$ 294,072	$ 95,166	$ 1,034,004
Division President, Americas	2020	$ 300,375	$ -	$ 288,602	$ 104,419	$ 96,630	$ 790,026
	2019	$ 249,533	$ -	$ 105,589	$ 19,304	$ 87,825	$ 462,251

1 Stock Awards other than PSUs for fiscal year 2021 and deferred performance units ("DPUs") for fiscal years 2020 and 2019 are reported at their grant date fair values. Grant date fair value assumptions and related information is set forth in Note 15, Stock-based Compensation, to the Company's financial statements included in the Company's annual report on Form 10-K filed on October 22, 2021. Stock Awards consisting of MSUs awarded in fiscal years 2021, 2020, and 2019 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 PSUs awarded for fiscal year 2021 and DPUs awarded for fiscal years 2020 and 2019 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 granted in fiscal year 2019, the NEOs other than Ms. Olsem receive 200% of the target number of shares. For achievement of the highest level of the applicable performance measure for the MSUs awarded to Ms. Olsem in fiscal year 2019, she receives 150% of the target number of shares. For achievement of the highest level of the applicable performance measure for the PSUs granted in fiscal year 2021, NEOs receive restricted PSU Shares covering the maximum number of shares reported for purposes of the table under the heading, *Grants of Plan-Based Awards – Fiscal Year 2021* and as described above in the Compensation Discussion and Analysis section under the heading, *Equity Compensation*.

SUMMARY COMPENSATION TABLE (footnote 1 continued)

The following table sets forth the amounts that would have been included for the Stock Awards for fiscal years 2021, 2020, and 2019 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 and PSUs were included at their grant date fair values based on the maximum number of shares covered by the DPUs and PSUs:

Executive Officer	Year	RSUs	MSUs (Maximum)	DPUs (Maximum)	Total Stock Awards
Garry O. Ridge	2021	$ 778,661	$ 1,591,847	$ 666,004	$ 3,036,512
	2020	$ 776,364	$ 1,998,979	$ 652,585	$ 3,427,928
	2019	$ 630,133	$ 1,550,151	$ 639,395	$ 2,819,679
Jay W. Rembolt	2021	$ 145,950	$ 298,372	$ 161,168	$ 605,490
	2020	$ 145,512	$ 374,663	$ 157,913	$ 678,088
	2019	$ 133,316	$ 327,961	$ 154,757	$ 616,034
Steven A. Brass	2021	$ 389,330	$ 795,923	$ 352,160	$ 1,537,413
	2020	$ 315,426	$ 812,158	$ 317,112	$ 1,444,696
	2019	$ 96,871	$ 238,306	$ 153,955	$ 489,132
William B. Noble	2021	$ 81,257	$ 166,116	$ 164,921	$ 412,294
	2020	$ 80,980	$ 208,508	$ 164,340	$ 453,828
	2019	$ 72,574	$ 178,535	$ 108,570	$ 359,679
Patricia Q. Olsem	2021	$ 170,308	$ 348,167	$ 162,946	$ 681,421
	2020	$ 126,170	$ 324,863	$ 131,472	$ 582,505
	2019	$ 52,853	$ 79,182	$ 53,724	$ 185,759

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 2021 are set forth below in the table under the heading, *Grants of Plan-Based Awards - Fiscal Year 2021*.

3 All Other Compensation for each of the NEOs includes the following items: (i) employer profit sharing and matching contributions to the Company's 401(k) Profit Sharing Plan for each NEO other than Mr. Noble, and a U.K. employer retirement benefit contribution for Mr. Noble in fiscal years 2019 and 2020 ("Retirement Benefits"); (ii) dividend equivalent amounts paid to Messrs. Ridge and Noble with respect to RSUs held by each of them that are vested and that will not be settled in shares until termination of employment and dividend equivalent amounts paid to each of the NEOs with respect to Vested DPUs that will not be settled in shares until termination of employment ("Dividend Equivalents"); (iii) the value of supplemental life insurance benefits received by Messrs. Ridge and Rembolt described below under the heading, *Supplemental Death Benefit Plans and Supplemental Insurance Benefits* ("Death Benefits"); (iv) a taxable payment 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 ("In Lieu Benefit"); (v) perquisites and benefits received by each of the NEOs include group life, medical, dental, vision, wellness and other insurance benefits ("Welfare Benefits"); and (vi) vehicle allowance costs which include lease or depreciation expense, fuel, maintenance and insurance costs for each of NEO other than Mr. Noble, and a cash allowance and fuel for Mr. Noble ("Vehicle Allowance").

4 Mr. Noble's Salary, Non-Equity Incentive Plan Compensation and All Other Compensation for each fiscal year have been converted from GBP at average annual exchange rates for the year as follows: for fiscal year 2021 at $1.3632 per GBP, for fiscal year 2020 at $1.2651 per GBP, and for fiscal year 2019 at $1.2859 per GBP.

The following table sets forth the separate amounts included in All Other Compensation for fiscal year 2021 for each of the NEOs:

Executive Officer	Retirement Benefits	Dividend Equivalents	Death Benefits	In Lieu Benefit	Welfare Benefits	Vehicle Allowance	Total All Other Compensation
Garry O. Ridge	$ 48,056	$ 19,046	$ 7,029	$ -	$ 37,453	$ 18,000	$ 129,584
Jay W. Rembolt	$ 48,056	$ 862	$ 6,743	$ -	$ 35,722	$ 15,404	$ 106,787
Steven A. Brass	$ 48,056	$ 300	$ -	$ -	$ 34,250	$ 14,550	$ 97,156
William B. Noble	$ -	$ 11,818	$ -	$ 40,456	$ 10,764	$ 18,109	$ 81,147
Patricia Q. Olsem	$ 48,056	$ 247	$ -	$ -	$ 33,597	$ 13,266	$ 95,166

GRANTS OF PLAN-BASED AWARDS - FISCAL YEAR 2021

In December 2016, the Company's stockholders approved the WD-40 Company 2016 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 2021 the executive officers were granted RSU, MSU and PSU awards under the Company's 2016 Stock Incentive Plan. Descriptions of the RSU, MSU and PSU awards are provided above in the Compensation Discussion and Analysis section under the heading, *Equity Compensation.*

Information concerning the grant of RSU, MSU and PSU 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 2021 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 2021 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	10/12/2020	$ 1	$ 675,240	$ 1,350,480					
	10/12/2020 (MSU)				1,998	3,996	7,992		$ 795,923
	10/12/2020 (RSU)							3,996	$ 778,661
	10/12/2020 (PSU)				168		3,372		-
Jay W. Rembolt	10/12/2020	$ 1	$ 163,506	$ 327,011					
	10/12/2020 (MSU)				374	749	1,498		$ 149,186
	10/12/2020 (RSU)							749	$ 145,950
	10/12/2020 (PSU)				40		816		-
Steven A. Brass	10/12/2020	$ 1	$ 357,138	$ 714,275					
	10/12/2020 (MSU)				999	1,998	3,996		$ 397,962
	10/12/2020 (RSU)							1,998	$ 389,330
	10/12/2020 (PSU)				89		1,783		-
William B. Noble[5]	10/12/2020	$ 1	$ 180,268	$ 360,536					
	10/12/2020 (MSU)				208	417	834		$ 83,058
	10/12/2020 (RSU)							417	$ 81,257
	10/12/2020 (PSU)				41		835		-
Patricia Q. Olsem	10/12/2020	$ 1	$ 165,207	$ 330,413					
	10/12/2020 (MSU)				437	874	1,748		$ 174,083
	10/12/2020 (RSU)							874	$ 170,308
	10/12/2020 (PSU)				41		825		-

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 2021 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 PSU awards as described in the Compensation Discussion and Analysis section under the heading, *Equity Compensation*. There is no applicable Target number of shares for PSU 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 Mr. Noble's Salary, Non-Equity Incentive Plan Compensation and All Other Compensation for each fiscal year have been converted from GBP at average annual exchange rates for the year as follows: for fiscal year 2021 at $1.3632 per GBP, for fiscal year 2020 at $1.2651 per GBP, and for fiscal year 2019 at $1.2859 per GBP.

OUTSTANDING EQUITY AWARDS AT 2021 FISCAL YEAR END

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

	Stock Awards						
Name	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	8,148	$	1,952,505	24,570	$	5,887,709
Jay W. Rembolt	1,557	$	373,104	4,798	$	1,149,745
Steven A. Brass	3,350	$	802,761	8,714	$	2,088,136
William B. Noble	862	$	206,561	2,650	$	635,020
Patricia Q. Olsem	1,444	$	346,026	3,298	$	790,300

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 $239.63 per unit, determined by reference to the closing price for the Company's common stock as of August 31, 2021.

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 MSU awards that were not vested as of the fiscal year end was $239.63 per unit, determined by reference to the closing price for the Company's common stock as of August 31, 2021.

OPTION EXERCISES AND STOCK VESTED – FISCAL YEAR 2021

No shares of the Company's common stock were acquired on exercise of stock options in the Company's last fiscal year for the NEOs. The following table sets forth the number of shares of the Company's common stock acquired upon the vesting of RSU, MSU, and PSU awards in the Company's last fiscal year and the aggregate dollar value realized with respect to such vested RSU and MSU awards.

	Stock Awards		
Executive Officer	Number of Shares Acquired on Vesting[1] (#)	Value Realized on Vesting[2] ($)	
Garry O. Ridge	16,482	$	3,890,193
Jay W. Rembolt	3,228	$	762,600
Steven A. Brass	4,593	$	1,087,891
William B. Noble	2,325	$	550,390
Patricia Q. Olsem	1,804	$	427,858

1 The Number of Shares Acquired on Vesting for each NEO includes shares of the Company's common stock issued on October 23, 2020 upon vesting of RSU and MSU awards and shares of restricted stock to be issued with respect to PSU awards that vested on August 31, 2021.

2 The Value Realized on Vesting for the RSUs and MSUs as of October 23, 2020 is calculated based on the number of vested RSU and MSU awards multiplied by the closing price of $235.10 for the Company's common stock as of that date. The Value Realized on Vesting for the PSUs as of August 31, 2021 is calculated based on the number of PSU restricted shares issued to the NEOs multiplied by the closing price of $239.63 for the Company's common stock as of August 31, 2021.

NONQUALIFIED DEFERRED COMPENSATION – FISCAL YEAR 2021

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

Executive Officer	Aggregate Earnings in Last FY[1] ($)	Aggregate Balance at Last FYE[2] ($)
Garry O. Ridge	$ 241,498	$ 1,641,705
Jay W. Rembolt	$ 10,928	$ 74,285
Steven A. Brass	$ 3,807	$ 25,880
William B. Noble	$ 149,848	$ 1,018,667
Patricia Q. Olsem	$ 3,137	$ 21,327

1 The Aggregate Earnings in Last FY represents the increase in value from August 31, 2020 to August 31, 2021of 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, 2021 of $239.63 and on August 31, 2020 of $204.38, an increase in value of $35.25 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 2021.

2 The Aggregate Balance at Last FYE represents the value as of August 31, 2021 of the deferred settlement RSUs and Vested DPUs held by each NEO 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, 2021 in the amount of $239.63 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 Messrs. Ridge and Rembolt. 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. Each of the NEOs is 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 2021 base salaries, the supplemental death benefit to be provided to Messrs. Ridge and Rembolt as of the end of fiscal year 2021 would have been as set forth in the following table:

Executive Officer	Death Benefit
Garry O. Ridge	$ 675,240
Jay W. Rembolt	$ 327,011

CHANGE OF CONTROL SEVERANCE AGREEMENTS

Each executive officer serves at the discretion of the Board of Directors. The Company has entered into Change of Control Severance Agreements ("Severance Agreements") with each of the NEOs. The Severance Agreements provide that each executive officer will receive certain severance benefits if his or her employment is terminated without "Cause" or if he or she 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 equity incentive awards that are not then fully vested (with the exception of PSU 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 2021 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 2021.

Executive Officer	Severance Pay[1]	Welfare Benefits[2]	Accelerated Vesting of RSUs and MSUs[3]	Total Change of Control Severance Benefits
Garry O. Ridge	$ 2,793,070	$ 68,185	$ 4,896,360	$ 7,757,615
Jay W. Rembolt	$ 1,067,605	$ 67,785	$ 947,976	$ 2,083,366
Steven A. Brass	$ 1,248,620	$ 63,785	$ 1,846,829	$ 3,159,234
William B. Noble	$ 947,946	$ 13,645	$ 524,071	$ 1,485,662
Patricia Q. Olsem	$ 809,587	$ 63,785	$ 803,000	$ 1,676,372

1 For each NEO other than Mr. Brass and Ms. Olsem, Severance Pay includes two times the reported Salary for fiscal year 2021 plus two times the average of reported Non-Equity Incentive Plan Compensation for the five years ended August 31, 2020. For Mr. Brass and Ms. Olsem, Severance Pay includes two times the reported Salary for fiscal year 2021 plus two times the reported Non-Equity Incentive Plan Compensation for fiscal year 2020.

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 $239.63 for each RSU and MSU based on the closing price for the Company's common stock as of August 31, 2021. 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*.

CEO PAY RATIO

As required by the Dodd-Frank Wall Street Reform and Consumer Protection Act and the SEC pay ratio disclosure rule, we are providing the ratio of the total annual compensation of our CEO, Mr. Ridge, to that of the Company's "median employee" for fiscal year 2021. For fiscal year 2021, the pay ratio of the CEO's compensation to the median employee's compensation was approximately 47 to 1.

We identified the Company's median employee from all employees of the Company (excluding the CEO) as of August 31, 2021. We included all worldwide employees, including full-time, part-time and temporary employees. As of August 31, 2021, the Company employed 557 individuals located in 16 countries.

For purposes of identifying the Company's median employee as of August 31, 2021, we calculated total compensation for fiscal year 2021 for each employee other than the CEO by including salary or regular hourly wages paid in the fiscal year, Incentive Compensation paid during the fiscal year under the Company's Performance Incentive Program, and the grant date value of equity awards (RSUs and MSUs) granted to employees in the fiscal year. Compensation paid to employees who were hired after the beginning of the fiscal year or who terminated prior to the end of the fiscal year was not annualized. For employees who received compensation denominated in a foreign currency, such amounts were converted to U.S. dollars at average annual exchange rates as of August 31, 2021.

To determine the CEO pay ratio, the total annual compensation for the median employee was calculated for fiscal year 2021 by including all elements of compensation required to be included in the Summary Compensation Table for fiscal year 2021 in the same manner as such compensation was calculated for the CEO. The Company's median employee is located in the United States.

For fiscal year 2021, the total annual compensation of our CEO was $4,395,892 and the total annual compensation of our median employee was $93,554. Accordingly, the ratio of the total annual compensation of our CEO to that of our median employee was approximately 47 to 1.

AUDIT COMMITTEE REPORT

In accordance with its Charter, the Audit Committee provides assistance to the Company's Board of Directors in fulfilling its oversight responsibilities relating to the quality and integrity of the accounting, auditing, and reporting practices of the Company, including assessment of the effectiveness of internal controls over financial reporting. Each member of the Audit Committee meets the independence criteria prescribed by applicable regulations and rules of the SEC for audit committee membership and is an "independent director" within the meaning of applicable NASDAQ listing standards.

Management is responsible for preparing the Company's financial statements in accordance with accounting principles generally accepted in the United States of America ("GAAP") and for establishing and maintaining internal control over financial reporting. The Company's independent registered public accounting firm ("auditor") is responsible for performing an integrated audit of the Company's financial statements and internal control over financial reporting and expressing opinions as to whether the financial statements have been prepared in accordance with GAAP and as to management's assessment of the effectiveness of internal control over financial reporting.

The Audit Committee reviewed the Company's audited financial statements for the fiscal year ended August 31, 2021. The Audit Committee discussed and reviewed with management the audited financial statements and management's assessment of the effectiveness of its internal controls over financial reporting. The Audit Committee discussed and reviewed with the Company's auditor the audited financial statements and the auditor's attestation report regarding effectiveness of management's internal controls over financial reporting. The Audit Committee also discussed with the auditor those matters required to be discussed by PCAOB Auditing Standard No. 1301, Communications with Audit Committees, which provides that certain matters related to the conduct of the financial statement audit are to be communicated to the Audit Committee. In fulfilling its oversight responsibilities, the Audit Committee met separately with management and separately with the Company's auditor to discuss results of audit examinations and evaluations of internal controls.

The Audit Committee is responsible for the appointment, retention, compensation, and oversight of the Company's auditor. In this regard, the Audit Committee discussed with the auditor their independence from management and the Company, including matters in written documents and a letter received from the auditor as required by PCAOB Rule 3526, Communication with Audit Committees Concerning Independence. In evaluating the auditor's independence, the Audit Committee also considered whether the auditor's provision of any non-audit services impaired or compromised the firm's independence.

The Audit Committee considered several factors in selecting PricewaterhouseCoopers LLP as the Company's auditor, including the firm's independence and internal quality controls, the overall depth of talent, and their familiarity with the Company's businesses and internal controls over financial reporting. Further, in conjunction with the mandated rotation of auditing firm's coordinating partner, the Audit Committee and its chair oversee and are directly involved in the selection process for any change in coordinating partners.

Based on the reviews and discussions referred to above, the Audit Committee recommended to the Board that the Company's audited financial statements be included in its annual report on Form 10-K for its fiscal year ended August 31, 2021, and that PricewaterhouseCoopers LLP serve as the Company's independent registered public accounting firm for the fiscal year ending August 31, 2022.

Audit Committee
Daniel T. Carter, Chair
Lara L. Lee
Trevor I. Mihalik
Graciela I. Monteagudo
David B. Pendarvis

ITEM NO. 3
RATIFICATION OF APPOINTMENT OF
INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

The Audit Committee of the Board of Directors has appointed PricewaterhouseCoopers LLP as the independent registered public accounting firm for the Company to audit the consolidated financial statements of the Company for fiscal year 2022. 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 $1,398,900 for the year ended August 31, 2021, and $1,307,705 for the year ended August 31, 2020.

AUDIT-RELATED FEES

Audit-related services consist of assurance and related services that are reasonably related to the performance of the audit or review of the Company's consolidated financial statements and are not reported under "Audit Fees." No such fees were billed to the Company by PricewaterhouseCoopers LLP for the years ended August 31, 2021 and August 31, 2020.

TAX FEES

Tax fees consist of tax compliance, tax advice, tax consulting or tax planning services provided by PricewaterhouseCoopers LLP to the Company. Tax fees billed to the Company by PricewaterhouseCoopers LLP were $217,925 for the year ended August 31, 2021 and $202,200 for the year ended August 31, 2020. Such fees for fiscal years 2021 and 2020 were associated with both tax compliance and tax consulting services.

ALL OTHER FEES

Other fees for services provided by PricewaterhouseCoopers LLP for fiscal years 2021 and 2020 consisted of fees for access provided by PricewaterhouseCoopers LLP to its online research reference and disclosure checklist materials. The aggregate fees billed to the Company by PricewaterhouseCoopers LLP for other services performed for the Company were $2,700 for both the year ended August 31, 2021 and the year ended August 31, 2020.

SHAREHOLDER PROPOSALS

Shareholder proposals must be received by the Company no sooner than June 6, 2022 and not later than July 6, 2022 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 2022 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 3, 2021

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.

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, 2021

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
Commission Company Name: WD 40 CO

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	Trading Symbol	Name of exchange on which registered
Common stock, par value $0.001 per share	WDFC	NASDAQ

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

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

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, 2021 was approximately $4,199,540,511.

As of October 18, 2021, there were 13,708,966 shares of the registrant's common stock outstanding.

Documents Incorporated by Reference:

The Proxy Statement for the annual meeting of stockholders on December 14, 2021 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, 2021

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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 our 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; anticipated input costs for manufacturing and the costs associated with distribution of our products; 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; expected tax rates and the impact of tax legislation and regulatory action; the length and severity of the current COVID-19 pandemic and its impact on the global economy and our financial results; 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," "target," "estimate" and similar expressions. We undertake 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, we sold only one product, WD-40® Multi-Use Product, a maintenance product which acts as a lubricant, rust preventative, penetrant and moisture displacer. Over the last two decades, we have evolved and expanded our product offerings through both research and development activities and through the acquisition of several brands worldwide. As a result, we have built a family of brands and product lines that deliver high quality performance at a good value to our end users.

We currently market and sell our products in more than 176 countries and territories worldwide primarily through warehouse club stores, hardware stores, automotive parts outlets, industrial distributors and suppliers, mass retail and home center stores, value retailers, grocery stores, online retailers, farm supply, sport retailers, and independent bike dealers.

Our sales come from 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.

Our strategic initiatives are the areas where we will continue to focus our time, talent and resources in future periods. We have recently decided to refresh our strategic initiatives to more accurately and holistically reflect the top priorities of the Company as we look towards fiscal year 2022 and beyond. These strategic initiatives include:
(i) building a business for the future;
(ii) attracting, developing and engaging outstanding tribe members;
(iii) striving for operational excellence;
(iv) growing WD-40 Multi-Use Product;
(v) growing WD-40 Specialist product line; and
(vi) expanding and supporting portfolio opportunities that help us grow.

Our top priority is to build an enduring business that we will be proud to pass onto the next generation by using our purpose and values as a decision-making filter. Our desired outcome for this top strategic initiative is to further align and integrate our business decisions with Environmental, Social, and Governance ("ESG") factors and considerations. We understand that we cannot achieve this without attracting, developing and engaging outstanding people, whom we refer to collectively as a tribe, that strive for operational excellence daily. The principal driver of our growth continues to be taking the blue and yellow brand with the little red top, to new users in global markets. We continue to be focused and committed to innovation and renovation of our products. We see innovation and renovation as important factors to the long-term growth of our brands and product lines, and intend to continue to work on future products, product lines, product packaging, product delivery systems and promotional innovations and renovations in order to expand our product portfolio to help us grow. We are also focused on expanding our current brands in existing markets with new product development. Our product development teams support new product development and current product improvement for our brands. Over the years, our research and development team has made an innovation impact on most of our brands. Key innovations for our 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®, 3-IN-ONE RVcare® and 3-IN-ONE® Professional Garage Door Lube.

Our homecare and cleaning products, particularly those in the U.S., are considered harvest brands which continue to provide positive returns, but are becoming a smaller part of the business as sales of the maintenance products grow with the execution of our strategic initiatives. Although we have evaluated strategic alternatives for certain of our homecare and cleaning products, particularly those in the U.S., we have continued to sell products within these brands but with a reduced level of marketing investment.

Human Capital Resources

Our success is the result of the engagement and commitment of our people, whom we refer to as tribe members. We believe that a tribe is a group of people who come together to feed and defend one another in order to fulfill a common purpose. Our purpose can only be achieved with the efforts of our 540 tribe members who create positive lasting memories for our stakeholders, especially our end users as they work to ensure that our products solve problems in factories, workshops, and homes around the world. Our workforce is distributed globally in 16 countries, with approximately 34% in the Americas, 43% in EMEA, 15% in Asia-Pacific, and 8% corporate employees. Women make up approximately 46% of our global tribe. The average tenure of our global tribe is 8 years.

One of our most important strategic initiatives is to attract, develop and engage outstanding tribe members. We believe that our ability to attract, develop, engage, and retain outstanding tribe members is the result of our inclusive, purpose-driven, learning focused and values guided culture. This strategic initiative guides our commitment to develop tribe members throughout the organization. One of the primary responsibilities of our leaders, whom we refer to as coaches, is to tailor individual development plans to support the needs of our tribe members to achieve their performance goals. We also offer various internal training programs to our tribe members and encourage attendance at external training programs that allow tribe members to grow from both a technical and leadership standpoint. As a result of the culture we have nurtured and evolved, we have increased employee engagement over time while expanding the size of our tribe to support our growing business. Our most recent biennial global employee engagement survey, which was conducted in January 2020 by an independent third-party, resulted in a very high employee engagement rating of 93%.

Consistently living our company values grants each of us the freedom and agility to make autonomous decisions yet remain aligned as we act in the best interest of all our stakeholders across the globe. Our approach to diversity and inclusion focuses on what unites us rather than what separates us. Our diverse global tribe, hired primarily within local markets, contain an array of talent and experiences, work in harmony to solve problems and bring purpose to our work life. Our tribe is comprised of talented and dedicated members, many of whom collaborate with their international peers in the areas of: marketing, sales, customer service, finance and accounting, legal, information technology, human resources, supply chain and logistics, innovation, R&D, quality, and other technical fields.

We believe our culture is a competitive advantage, and we prioritize it as such. Understanding the views, perspectives and experiences of our end-users and tribe members are a foundational element in maintaining and growing the WD-40 Company brand and business. Our language, norms, artifacts, and traditions result in psychological safety, learning, and goal achievement. This includes a total rewards strategy that ensures each tribe member can sustain their well-being today and into the future.

The recent global pandemic reinforced the importance of our priority to maintain the safety, health, and well-being of every tribe member. In response to the COVID-19 pandemic, most of our workforce worked remotely, in accordance with public health and safety guidance. Requisite safety protocols were implemented to ensure the health and safety of our tribe members whose roles were essential to be onsite in support of ongoing operations. The pandemic inspired us to launch what we call “Work from Where”, a philosophy to support the work-life integration of our global tribe members. This “Work from Where” philosophy enables our coaches and tribe members to align on where work is completed.

The Compensation Committee of our Board of Directors provides oversight of our relevant people-management practices. Our approach to compensation attempts to align the interests of every tribe member with the creation of company value over time. We completed a study in February 2020 to examine gender pay differences to determine if there were occasions of compensation decisions not being based on job-related criteria. This study identified no biased decision-making, as any differences were explainable by job-related criteria. We will continue to conduct equitable pay studies going forward and will include results from those studies in our future ESG reports. We invite you to review our ESG Report (located on our Internet site at www.wd40company.com) for more information about corporate responsibility, our tribe, programs, and initiatives. Nothing on our website shall be deemed incorporated by reference into this Annual Report on Form 10-K.

Products

Maintenance Products

Included in our 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.

Our signature product is WD-40 Multi-Use Product in the blue and yellow can with the little red top. It is included within the maintenance product category and accounts for a significant majority of our sales. We have various products and product lines which we currently sell 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. 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 and consumer enthusiasts. The WD-40 Specialist product line is sold primarily in the U.S. and many countries in Europe, as well as parts of Canada, Latin America, Australia and Asia. Within the WD-40 Specialist product line, we also sell bike-specific products across all our segments, motorbike-specific products in Europe, lawn and garden specific products in Australia, and automotive specific products in Asia.

We also have the following additional brands which are included within our 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. 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 professional-grade aerosol maintenance products, such as 3-IN-ONE RVcare products, 3-IN-ONE Garage Door Lubricant and 3-IN-ONE Lock Dry Lube. The long legacy, brand awareness and 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 and Australia.

<u>GT85®</u> - The GT85 brand is a multi-purpose bike maintenance product line 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 United Kingdom. This brand was acquired by our U.K. subsidiary in September 2014 and it has helped build upon our strategy to develop new product categories for WD-40 Specialist and WD-40 BIKE.

Homecare and Cleaning Products

We sell our homecare and cleaning products in certain locations worldwide and they include a portfolio of well-known brands as follows:

<u>2000 Flushes®</u> - The 2000 Flushes brand is a line of long-lasting automatic toilet bowl cleaners. It includes a variety of formulas, including the Bleach and Blue plus Bleach that has a unique EPA-approved “kills bacteria” claim. 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 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 Instant Carpet Stain & Odor Eliminator, 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., Canada and the United Kingdom. Spot Shot products are 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 and aerosol quick-dry foam products. These products are sold primarily through grocery, mass, and value retail channels as well as through online retailers in the U.K. and Australia. Although Carpet Fresh brand products are also sold in the U.S., they are sold by a third-party under a licensing agreement. In the U.K., these products are sold under the 1001 brand name. 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.

Lava®/Solvol® - 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 automatic toilet bowl cleaners. X-14 is sold primarily in the U.S. through grocery and mass retail channels as well as through online retailers.

Sales and Marketing

Our sales do not reflect any significant degree of seasonality. However, it is common for our 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 we gain or lose customers, when we gain or lose store count for a customer or when our 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, we 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 our 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 our sales levels to increase or decrease from period to period. It is also common and/or possible that we 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. We are accustomed to such fluctuations and manage this as part of our normal business activities.

Manufacturing

We outsource directly or through our marketing distributors the manufacturing of our 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, Colombia, the U.K., Italy, Australia, China, South Korea and India. Although we have definitive minimum purchase obligations included in the contract terms with certain contract manufacturers, when such obligations have been included, they have either been immaterial or the minimum amounts have been such that they are well below the volume of goods that we have historically purchased. Supply needs are communicated by us to our contract manufacturers, and we are committed to purchase the products manufactured based on orders and short-term projections, ranging from two months to six months, provided to the contract manufacturers. We also formulate and manufacture concentrate used in our WD-40 products at certain of our own facilities and at third-party contract manufacturers.

In addition to the commitments to purchase products from contract manufacturers described above, we 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

We rely on a limited number of third-party contract manufacturers and component suppliers, including single or sole-sourced suppliers, for certain of our raw materials, packaging, product components and other necessary supplies. Where possible and where it makes business sense, we work with secondary or multiple suppliers to qualify additional supply and, historically, we have been able to obtain adequate capacity and raw materials. However, during the COVID-19 pandemic, the Company has experienced certain constraints, particularly in its Americas supply chain. These challenges include general aerosol-related production capacity constraints primarily due to increased demand at third-party manufacturers along with shortages of certain other raw materials and freight services. The primary components and raw materials for our products include petroleum-based specialty chemicals and aerosol cans, which are manufactured from commodities that are subject to market price fluctuations. The availability of these components and raw materials is affected by a variety of supply and demand factors, including global market conditions, plant capacity utilization, and natural disasters. Although we expect these components and raw materials to continue to be readily available in the future and we have developed resiliency and risk mitigation plans, we will continue to be exposed to some level of market risks, as described above.

Research and Development

We recognize the importance of innovation and renovation to our long-term success and are focused on and committed to research and new product development activities, primarily in our maintenance product group. Our 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 our 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 we meet all regulatory requirements for the formulation of our products.

Competition

The markets for our products, particularly those related to our homecare and cleaning products, are highly competitive. Our 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. We are 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 our Company. We rely on the awareness of our brands among consumers, the value offered by those brands as perceived by consumers, product innovation and renovation and our multiple channel distributions as our 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

We own a number of patents, but rely primarily upon our 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.

Financial Information about Foreign and Domestic Operations

For detailed information about our foreign and domestic operations, including net sales by reportable segment and long-lived assets by geography, refer to Note 16 - Business Segments and Foreign Operations of the consolidated financial statements, included in Item 15 of this report.

Access to SEC Filings

Our 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 our website at www.wd40company.com. These reports can be accessed free of charge from our website as soon as reasonably practicable after we electronically file such materials with, or furnish them to, the Securities and Exchange Commission (“SEC”). Information contained on our website is not included as a part of, or incorporated by reference into, this report. The SEC also maintains an internet site (www.sec.gov) that contains our 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.

Global economic conditions may negatively impact our 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 our products by our customers and end users. Consumer purchases of discretionary items, which could include our 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 our 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 our competitors may increase their level of promotional activities to maintain sales volumes, both of which may negatively impact our financial condition and results of operations.

In addition, our sales and operating results may be affected by uncertain or changing economic and market conditions, including inflation, deflation, prolonged weak consumer demand, political instability, public health crises or other changes that may affect the principal markets, trade channels, and industrial segments in which we conduct our business. Public health crises, including epidemics or pandemics, may affect the principal markets, trade channels, and industrial segments in which we conduct our business. For example, we are continuously monitoring the impact of the current COVID-19 pandemic, which has caused a significant disruption to global financial markets and supply chains beginning in early calendar year 2020. Supply chains at many companies globally have been strained due to increased competition for production line capacity and logistics resources, labor shortages, and shortages of certain materials as a result of the pandemic. These constraints have sometimes impacted the ability of our third-party manufacturers to procure certain raw materials needed to manufacture our products and this has periodically resulted in us not being able to meet the demand for our products from customers and end-users in certain markets. The additional costs resulting from these recent constraints in our supply chain and distribution networks may continue to unfavorably impact our gross margin and operating results in future periods for as long as such constraints and challenges exist

The extent to which the COVID-19 pandemic impacts our results will depend on future developments, which remain uncertain and cannot be predicted, including new information which may emerge concerning the severity of outbreaks associated with new variants, as well as the international actions that are being taken to contain these outbreaks. Although several vaccines and treatments are authorized for use against COVID-19, these vaccines and treatments are being produced, distributed and accepted by the public at varying rates globally. Therefore, uncertainty continues to exist regarding the severity and duration of this rapidly evolving pandemic and it remains difficult for us to estimate the extent to which the COVID-19 pandemic will impact our financial results and operations in future periods and whether those impacts will be favorable or unfavorable. The COVID-19 pandemic has resulted in high levels of renovation and maintenance activities by end-users in recent periods and this contributed to our strong sales of maintenance products in fiscal year 2021. If renovation activities decrease by our end-users or spending patterns change as the pandemic evolves or improves in future periods, this could adversely impact our financial results.

If economic or market conditions in key global markets deteriorate, we may experience material adverse effects on our business, financial condition and results of operations. Adverse economic and market conditions could also harm our business by negatively affecting the parties with whom we do business, including our customers, retailers, distributors and wholesalers, and third-party contract manufacturers and suppliers. These conditions could impair the ability of our customers to pay for products they have purchased from us. As a result, allowances for doubtful accounts and write-offs of accounts receivable from our customers may increase. In addition, our third-party contract manufacturers and their suppliers may experience financial difficulties or business disruptions that could negatively affect their operations and their ability to supply us with finished goods and the raw materials, packaging, and components required for our products.

Our financial results could suffer if we are unable to implement and successfully manage our strategic initiatives or if our strategic initiatives do not achieve the intended results.

There is no assurance that we will be able to implement and successfully manage our strategic initiatives, including our six core strategic initiatives, or that the strategic initiatives will achieve the intended results. Our six core strategic initiatives include: (i) building a business for the future; (ii) attracting, developing and engaging outstanding tribe members; (iii) striving for operational excellence; (iv) growing WD-40 Multi-Use Product; (v) growing WD-40 Specialist product line; and (vi) expanding and supporting portfolio opportunities that help us grow. An important part of our success depends on our continuing ability to attract, engage and develop highly qualified people. Our future performance depends in significant part on maintaining high levels of employee engagement and nurturing our values and culture. We believe that our company culture is a critical driver of our success and we invest substantial time and resources in building, maintaining and evolving our culture. Any failure to preserve and evolve our culture could negatively affect our future success, including our ability to retain and recruit employees. Our success also depends on the continued service of our 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 our business and prospects. Competition for such talent is intense, and there can be no assurance that we can retain our key employees or attract, assimilate and retain employees who are fully engaged in the future. If we are unable to implement and successfully manage our strategic initiatives in accordance with our business plans, our business and financial results could be adversely affected. Moreover, the Company cannot be certain that the implementation of our strategic initiatives will necessarily advance our business or financial results as intended.

If the success and reputation of one or more of our leading brands erodes, our 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 our 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. Our brands can also be adversely impacted due to the activities and pressures placed on them by our competitors. Further, our business, financial condition and results of operations could be negatively impacted if one of our 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 our products, can be due to items such as product contamination, regulatory non-compliance, packaging errors, incorrect ingredients or components in our product or low-quality ingredients in our products due to suppliers delivering items that do not meet our 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 our brands and a decline in product quality could result in product liability claims. In addition, our brand value depends on our ability to maintain a positive consumer perception of our corporate integrity and brand culture. Negative claims or publicity involving the Company, our products, or any of our key employees could damage our reputation and brand image, regardless of whether such claims are accurate. This risk is compounded by the increasing use of social and digital media by consumers and the speed by which information and opinions are shared. If we are unable to anticipate and respond to sudden challenges in the marketplace, trends in the market and changing consumer demands and sentiment, our financial results may be negatively impacted. Although we make every effort to prevent brand erosion and preserve our reputation and the reputation of our brands, there can be no assurance that such efforts will be successful.

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

We rely on a limited number of third-party contract manufacturers, logistics providers and suppliers, including single or sole source suppliers for certain raw materials, packaging, product components and other necessary supplies. We do not have direct control over the management or business of these third parties, except indirectly through terms negotiated in service or supply contracts. As a result, we currently face, and will continue to face, substantial risks associated with our reliance on third-party manufacturers, suppliers, and/or logistics providers, including but not limited to the following areas:

- Changes to the terms of doing business with these providers or the production capacity they allocate to our products;
- Disagreements or the inability to maintain good relationships with these providers, including the failure of these providers to be aligned with our company values;
- Financial difficulties experienced by these providers;
- Consolidation of third-party packagers, which could result in the acquiring company not being interested in manufacturing our products;
- Significant disruptions in the production or transportation of our products due to events having regional or global impacts on economic activity, such as the COVID-19 pandemic or extreme weather conditions; or
- Significant disruptions in the production or transportation of our products due to competition for materials, components, labor or services from third-party vendors.

In addition, if we are unable to contract with third-party manufacturers or suppliers for the quantity and quality levels needed for our business, we could experience disruptions in production and our financial results could be adversely affected. In particular, the COVID-19 pandemic has resulted in significant supply chain constraints and transportation disruptions that have arisen periodically throughout the pandemic. Some of the challenges that we have experienced include general aerosol-related production capacity constraints and competition for such capacity by other companies who utilize the same third-party manufacturers for their aerosol production. These challenges have periodically resulted in us not being able to meet the demand for our products by customers and end-users in certain markets, most significantly those markets in our Americas segment where demand for aerosols has, for certain products, outpaced the available production capacity in the region. Although we have been actively working on various initiatives in partnership with our third-party manufacturers in order to increase the capacity and resilience of our supply chain to meet strong end-user demand, we are not able to estimate the degree of the impact or the costs associated with potential future disruptions within our supply chain and distribution networks as these issues are being resolved.

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

Our sales outside of the U.S. were approximately 66% of consolidated net sales in fiscal year 2021. As a result, our ability to execute our strategic initiatives will continue to face substantial risks associated with having increased global operations outside the U.S., including:

- economic or political instability in any of our global markets;
- challenges associated with conducting business in foreign jurisdictions, including those related to our understanding of and compliance with business laws and regulations in such foreign jurisdictions;
- increasing tax complexity or changes in tax law associated with operating in multiple tax jurisdictions;
- a dispersed employee base and requirements for compliance with varied employment regulations and labor laws, including health and safety regulations and wage and hour laws, in countries outside the U.S.;
- varying and complex privacy laws in foreign jurisdictions; 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 our ability to sell our products on a competitive basis in global markets outside the United States. In addition, continued developments in the U.S. political climate have introduced greater uncertainty with respect to tax policies, trade relations, tariffs and government regulations affecting trade between the U.S. and other countries. These developments, as well as the risks outlined above, could have a material adverse effect on our business, financial condition and results of operations.

Approximately 50% of our revenues in fiscal year 2021 were generated in currencies other than the U.S. Dollar, which is our reporting currency. In addition, all of our foreign operating subsidiaries have functional currencies other than the U.S. Dollar and our largest subsidiary is located in the U.K. and generates significant sales in Pound Sterling and Euro. As a result, we are exposed to foreign currency exchange rate risk with respect to our sales, expenses, profits, cash and cash equivalents, other assets and liabilities denominated in currencies other than the U.S. Dollar. In particular, our financial results are negatively impacted when the foreign currencies in which our subsidiary offices operate weaken relative to the U.S. Dollar. Although we use instruments to hedge certain foreign currency risks, primarily those associated with our U.K. subsidiary and net assets denominated in non-functional currencies, we are not fully protected against foreign currency fluctuations and, therefore, our 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.

Additionally, our 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 we further develop and grow our business operations outside the U.S., we are exposed to additional complexities and risks, particularly in China, Russia and other 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. Evolving privacy laws and regulations in Europe, the U.S. and other jurisdictions present additional risks. Any failure to comply with these laws, even if inadvertent, could result in significant penalties or otherwise harm our reputation and business. Although we have adopted policies and contract terms to mandate compliance with these laws, there can be no assurance that all of our employees, contractors and agents will comply with our requirements. Violations of these laws could be costly and disrupt our business, which could have a material adverse effect on our business, financial condition and results of operations.

Sales unit volume growth may be difficult to achieve.

Our ability to achieve sales volume growth will depend on our ability to (i) execute our strategic initiatives, (ii) drive growth in new markets by making targeted end users aware of our products and making them easier to buy, (iii) drive growth within our existing markets through innovation, renovation and enhanced merchandising and marketing of our established brands, and (iv) capture market share from our competitors. It is more difficult for us to achieve sales volume growth in developed markets where our products are widely used as compared to in developing or emerging markets where our products have been newly introduced or are not as well known by consumers. In order to protect our existing market share or capture additional market share from our competitors, we may need to increase our expenditures related to promotions and advertising or introduce and establish new products or product lines. In past periods, we have also increased sales prices on certain of our 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 and end users adjust to sales price increases or purchase alternative products at lower prices. In addition, the continued prominence and growth of the online retail sales channel has presented both us and our customers that sell our products online with the challenge of balancing online and physical store retailing methods. As a result of the COVID-19 pandemic, some sales are shifting more to these online retail sales channels, and this may present a challenge in our markets where we have a less developed e-commerce business. Although we are engaged in e-commerce with respect to our products, if we are not successful in expanding sales in such alternative retail channels or we experience challenges with operating in such channels, our financial condition and results of operations may be negatively impacted. In addition, a change in the strategies of our existing customers, including shelf simplification, the discontinuation of certain product offerings or the shift in shelf space to competitors' products could reduce our sales and potentially offset sales volume increases achieved as a result of other sales growth initiatives. If we are unable to increase market share in our existing product lines by developing product improvements, investing adequately in our 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, we may not achieve our 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 our financial condition and results of operations.

Increases in the cost of finished goods, which may be driven by higher costs for components, raw materials and third-party manufacturing fees, as well as increases in the cost of transportation and other necessary supplies or services may harm our financial condition and results of operations. Petroleum-based specialty chemicals and aerosol cans, which constitute a significant portion of the costs for many of our 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 impacts the cost of petroleum-based specialty chemicals, many of which are indexed to the price of regional crude oil or related refined products . Fluctuations in oil and diesel fuel prices have also historically impacted our cost of transporting our products, compounded recently by increased regulations imposed on the freight industry and additional macroeconomic factors which have resulted in increased freight costs. For example, the COVID-19 pandemic has resulted in global supply chain constraints and transportation disruptions that have led to increased competition for freight resources, higher fees charged by our third-party manufacturers, increased raw material costs and other input costs that have negatively impacted our results of operations. When there are significant increases in the costs of components, raw materials, third-party manufacturing fees and other expenses, and if we are not able to increase the prices of our products or achieve cost savings to offset such cost increases, our gross margins and operating results will be negatively impacted.

In addition, if we increase our sales prices in response to increases in the cost of such raw materials, and those raw material costs later decline significantly, we may not be able to sustain our 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 our products, any significant fluctuation in the costs of components and raw materials could have a material impact on the gross margins realized on our products. Sustained increases in the cost of raw materials, components, fees from our third-party contract packagers, transportation and other necessary supplies or services, or significant volatility in such costs, could have a material adverse effect on our financial condition and results of operations.

Malfunctions or implementation issues related to the critical information systems that we use for the daily operations of our business, cyberattacks and data breaches could adversely affect our ability to conduct business.

To conduct our business, we rely extensively on information technology systems, networks and services, many of which are managed, hosted and provided by third-party service providers. We cannot guarantee that our security measures will prevent cyberattacks resulting in breaches of our own or our third-party service providers' databases and systems. Techniques used in these attacks change frequently and may be difficult to detect for periods of time. Although we have policies and procedures in place governing (i) the timely investigation of cybersecurity incidents, (ii) the timely disclosure of any related material nonpublic information resulting from a material cybersecurity incident, and (iii) the safeguarding against insider trading of directors, officers, and other corporate insiders between the period of investigation and the public disclosure of such an incident; cybersecurity incidents themselves, such as the release of sensitive data from our databases and systems, could adversely affect our business, financial condition and results of operations. The increasing number of information technology security threats and the development of more sophisticated cyberattacks, including ransomware, pose a potential risk to the security of our information technology systems and networks, as well as to the confidentiality, availability and integrity of our data. In addition, the increased use of remote work infrastructure due to the COVID-19 pandemic also increases the possible cybersecurity risks. Further, such incidents could also materially increase the costs that we already incur to protect against such risks.

In addition, system failure, malfunction or loss of data that is housed in the Company's or its third-party service providers' critical information systems could disrupt our ability to timely and accurately process transactions and produce key financial reports, including information on our operating results, financial position and cash flows. Our information systems could be damaged or cease to function properly due to a number of other reasons as well, including catastrophic events and power outages. Although we have 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, we may experience interruptions in our ability to manage our daily operations and this could adversely affect our 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 that is not widely used by other companies. This system is also used by three of our other regional offices: our Canada, Australia and Malaysia offices. The company that owns and supports this application may not be able to provide the same level of support as that of larger information systems. If the company that owns and 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 our daily operations or our business, financial condition and results of operations.

Management determined in fiscal year 2020 that it is appropriate to implement a new information system that will be used at all of these offices. We are currently in the development and early testing stages of this implementation. This information system will be used to process all of the daily transactions and to produce key financial reports for all of these offices. If we encounter difficulties in completing this critical information system implementation, we may experience interruptions in our ability to manage our daily operations and report financial results and this could adversely affect our business, financial condition and results of operations.

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

The manufacturing, chemical composition, packaging, storage, distribution and labeling of our products and the manner in which our business operations are conducted must comply with an extensive array of federal, state and foreign laws and regulations. If we are not successful in complying with the requirements of all such regulations, we could be fined or other actions could be taken against us by the applicable governing body, including the possibility of a required product recall. Any such regulatory action could adversely affect our 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 our ability to obtain raw materials, components and/or finished goods or could result in increased costs. In particular, legislators, consumers, investors and other stakeholders are increasingly focusing on climate change, petroleum usage, waste, recycled material content, and other sustainability concerns pertaining to companies' ESG policies. Concern over climate change may result in new or increased legal and regulatory requirements to reduce or mitigate negative impacts to the environment or may result in new reporting and disclosure requirements. In the event that such regulations result in increased product or administrative costs, we may not be in a position to increase selling prices, and therefore an increase in costs could have a material adverse effect on our business, financial condition and results of operations.

Some of our products have chemical compositions that are controlled by various state, federal and international laws and regulations that are subject to change. We are required to comply with these laws and regulations and we seek to anticipate regulatory developments that could impact our ability to continue to produce and market our products. We invest in research and development to maintain product formulations that comply with such laws and regulations. There can be no assurance that we will not be required to alter the chemical composition of one or more of our 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 our products in response to any such regulatory requirements could have a material adverse effect on our business, financial condition and results of operations.

We are 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 our products and, if so, whether they originate from the Democratic Republic of Congo ("DRC") or adjoining countries. Although we have concluded that our current products do not contain such conflict minerals in our annual evaluations to date, if we were to conclude that these materials exist within our products in future periods, we may have difficulty verifying the origin of such materials for purposes of disclosures required by the SEC rules.

We are also subject to numerous environmental laws and regulations that impose various environmental controls on our 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 our 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. We believe that our expenditures related to environmental matters have not had, and are not currently expected to have, a material adverse effect on our financial condition, results of operations or cash flows. However, the environmental laws under which we operate are complicated, often become increasingly more stringent and may be applied retroactively. Accordingly, there can be no assurance that we 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 our business, financial condition or results of operations.

In addition, certain countries and other jurisdictions in which we operate have data protection laws that impose strict regulations on the Company. Non-compliance with any of these regulations may result in significant penalties being imposed on us. Many international and local governmental authorities are considering increased legislative and regulatory requirements concerning protection of personal data which may impact us and increase our costs to comply with these requirements in future periods.

Additional laws and regulations require that we carefully manage our supply chain for the production, distribution and sale of goods. Our failure to comply with any of these regulations or our inability to adequately predict the manner in which these local regulations are interpreted and applied to our business by the applicable enforcement agencies could have a materially adverse effect on our business, financial condition and results of operations.

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

We rely on trademark, trade secret protection, patent and copyright laws to protect our intellectual property rights. Although we maintain a global enforcement program to protect our intellectual property rights, there can be no assurance that these intellectual property rights will be maximized or that they can be successfully asserted. If other companies or entities infringe on our intellectual property rights or take part in counterfeiting activities, they may dilute the value of our brands in the marketplace, which could diminish the value that consumers associate with our brands and harm our sales.

There is a risk that we will not be able to obtain and protect our own intellectual property rights or, where appropriate, license intellectual property rights necessary to support new product introductions or product lines dependent upon such licensed rights. We cannot be certain that these rights, if obtained, will not be withdrawn, invalidated, circumvented or challenged in the future, and we could incur significant costs in connection with legal actions to defend and preserve our 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 our 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. Our failure to protect or successfully assert our intellectual property rights or failure to protect our other proprietary information could make us less competitive and this could have a material adverse effect on our business, financial condition and results of operations.

Trade secret protection, particularly for our 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 enough to maintain the secrecy of our trade secrets or if chemical disclosure regulations do not allow for continued protection of essential elements of our trade secret formulations, the loss of trade secret protection could have an adverse effect on our financial condition.

If we are 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 our 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 us 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 our business, financial condition and results of operations.

Our operating results and financial performance may not meet expectations, which could adversely affect our stock price.

We cannot be sure that our operating results and financial performance, which include sales growth, net income, earnings per common share, gross margin and cash flows, will meet expectations. If our assumptions and estimates are incorrect or if we do not achieve all of our key goals or strategic initiatives, then our actual performance could vary materially from our internal expectations and those of the market. Failure to meet or exceed these expectations could cause the market price of our stock to decline. In addition, the trading market for our common stock is influenced by the research and reports that securities analysts and industry analysts publish about the Company or our business. We do not have any control over these reports or analysts. If securities or industry analysts adversely change their recommendations regarding our common stock or if any of these analysts cease coverage of the Company in their reports, our stock price and trading volume could decline. Our 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 our operating results and financial condition. To some extent, we plan our 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 or operating profits due to actual expense levels that are higher than might otherwise have been appropriate.

We face competition in our markets which could lead to reduced sales and profitability.

We encounter competition from similar and alternative products, many of which are produced and marketed by major national or multinational companies. In addition, we frequently discover products in certain markets that are counterfeit reproductions of our 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 other emerging markets, could adversely impact our sales and potentially damage the value and reputation of our brands.

Our 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 our homecare and cleaning products are larger and have financial resources greater than ours. 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 us.

Competitive activity may require us to increase our investment in marketing or reduce our 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 our 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 us or the infringement of our products and brands will not have a material adverse effect on our business, financial condition and results of operations.

Dependence on key customers could adversely affect our business, financial condition and results of operations.

We sell our products through a network of domestic and international mass retail, trade supply and consumer retailers as well as through 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 our customers have been part of consolidations in the retail industry, these limited customers account for a large percentage of our net sales. Although we expect that a significant portion of our revenues will continue to be derived from this limited number of customers, there was no individual customer that contributed to more than 10% of our consolidated net sales in fiscal year 2021. However, changes in the strategies of our 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 our sales. The loss of, or reduction in, orders from any of our most significant customers could have a material adverse effect on our brand values, business, financial condition and results of operations. Large customers may seek price reductions, added support or promotional concessions. If we agree to such customer demands and/or requests, it could negatively impact our ability to maintain existing profit margins.

In addition, our business is based primarily upon individual sales orders, and we typically do not enter into long-term contracts with our customers. Accordingly, these customers could reduce their purchasing levels or cease buying products from us at any time and for any reason. We are 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 we cease doing business with a significant customer or if sales of our products to a significant customer materially decrease, our business, financial condition and results of operations may be harmed.

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

Our future performance and growth depend, in part, on our ability to successfully develop, introduce and/or establish new products as both brand extensions and/or line extensions. We cannot be certain that we will successfully achieve those goals. We compete 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. Our ability to understand end user needs and preferences is key to maintaining and improving the competitiveness of our 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 we 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 product not being first to market. As we continue to focus on innovation and renovation of our products, our business, financial condition or results of operations could be adversely affected in the event that we are not able to effectively develop and introduce new or renovated products and line or brand extensions.

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

We distribute our products throughout the world in one of two ways: the direct distribution model, in which products are sold directly by us to wholesalers and retailers in the U.S., Canada, Mexico, Australia, China, the U.K. and a number of other countries, including those 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 countries where we do not have direct Company-owned operations. Instead, we partner with local companies who perform the sales, marketing and distribution functions. We invest time and resources into these relationships. Should our relationship with a marketing distributor change or terminate, our sales within such a marketing distributor's territory could be adversely impacted until such time as a suitable replacement can be found and our key marketing strategies are implemented. There is a risk that changes in such marketing distributor relationships, including a change in key marketing distributor personnel or a transition to the direct distribution model, that if not managed successfully, could result in a disruption in the affected markets and that such a disruption could have a material adverse effect on our 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 our business, financial condition and results of operations.

Product liability claims and other litigation and/or regulatory action could adversely affect our sales and operating results.

While we make every effort to ensure that the products we develop and market are safe for consumers and comply with all applicable regulations, the use of our products may expose us to liability claims resulting from such use and potential enforcement actions, including the risk of recall. Claims could be based on allegations that, among other things, our products are improperly labeled or that statements we make on our labels are not accurate, 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 our sales and operating results. We maintain product liability insurance to protect us from loss attributable to product liability 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 may also expose us to litigation risks, including risks that may not be covered by insurance such as contract disputes. If successful claims are asserted by regulatory agencies or third parties against us for non-compliance or uninsured liabilities or liabilities in excess of applicable limits of insurance coverage, our business, financial condition and results of operations may be adversely affected. In addition, if one of our products was determined to be defective, we could be required to recall the product, which could result in adverse publicity, loss of revenues and significant expenses.

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

Resolution of income tax matters may impact our financial condition and results of operations.

Significant judgment is required in determining our effective income tax rate and in evaluating tax positions, particularly those related to uncertain tax positions. We provide 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 our 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 our effective tax rate in the year of resolution. Unfavorable resolution of any tax matter could increase our 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 on such matters, see Part IV – Item 15, "Exhibits, Financial Statement Schedules" Note 13 – Income Taxes, included in this report.

Changes in tax rules may also materially affect, either adversely or favorably, our future financial results or the way management conducts its business. For example, on September 13, 2021, the House Ways & Means Committee formally released a tax proposal to be part of the "*Build Back Better Act*" reconciliation bill. The release of the legislative text is a significant milestone toward the passage of new tax laws. If made into law, this proposal may materially impact the Company's statutory and effective tax rate and as a result impact future financial results. Previously, on December 22, 2017, the "*Tax Cuts and Jobs Act*" (the "Tax Act") was signed into law and became effective beginning January 1, 2018. The Tax Act significantly changed U.S. tax law and tax rates, as well as mandated the application of a one-time “toll tax” on unremitted foreign earnings, among other things. In addition, we are required to make assertions on whether our foreign subsidiaries will invest their undistributed earnings indefinitely and these assertions are based on the capital needs of the foreign subsidiaries. Generally, unremitted earnings of our foreign subsidiaries are not considered to be indefinitely reinvested. However, there are exceptions regarding our newly formed subsidiary in Mexico as well as specific statutory remittance restrictions imposed on our China subsidiary. Costs associated with repatriating unremitted foreign earnings, including U.S. state income taxes and foreign withholding taxes, are immaterial to our consolidated financial statements. For additional information on income tax matters, see Part IV—Item 15, “Exhibits, Financial Statement Schedules” Note 13 — Income Taxes, included in this report.

Although many impacts of the Tax Act have been favorable for us both in the near term and long term, the Tax Act also authorized the Treasury Department to issue regulations with respect to the new provisions. We cannot predict how subsequent changes in the Tax Act, regulations, or other guidance issued under it, including conforming or non-conforming state tax rules, might affect our business, financial condition and results of operations. In addition, there can be no assurance that U.S. tax laws, including the corporate income tax rate, will not undergo significant additional changes in the near future.

Our business development activities may not be successful.

We 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 we are not able to identify, acquire and successfully integrate acquired products or companies or successfully manage joint ventures or other strategic partnerships, we 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 have a material adverse effect on our business, financial condition and results of operations. In addition, there can be no assurance that our 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 our results of operations and financial condition. In addition, to the extent that the economic benefits associated with any of our business development activities diminish in the future, we may be required to record impairments to goodwill, intangible assets or other assets associated with such activities, which could also adversely affect our business, financial condition and results of operations.

Goodwill and intangible assets are subject to impairment risk.

In accordance with the authoritative accounting guidance on goodwill and intangibles, we assess the potential impairment of our 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. We also assess our 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 our strategy for our overall business or use of acquired assets, unexpected negative industry or economic trends, decline in our 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 our 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. We may be required to record a significant charge in our consolidated financial statements during the period in which any impairment of our goodwill or intangible assets is identified and this could negatively impact our financial condition and results of operations. Changes in management estimates and assumptions as they relate to valuation of goodwill and intangible assets could affect our financial condition or results of operations in the future. Our review of events and circumstances during fiscal year 2021 included consideration of the ongoing COVID-19 pandemic. For additional information, see Part IV – Item 15, “Exhibits, Financial Statement Schedules” Note 5 – Goodwill and Other Intangible Assets, included in this report.

We may also divest of certain of our assets, businesses or brands that do not align with our strategic initiatives. Any divestiture could negatively impact our profitability 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. We may also be required to recognize impairment charges as a result of a divestiture.

We may not have sufficient cash to service our indebtedness or to pay cash dividends.

Our debt consists of fixed rate senior notes and a revolving credit facility. Prior to April 2020, management has used the proceeds of the revolving credit facility primarily for stock repurchases. In order to service our debt, we are required to use our income from operations to make interest and principal payments required by the terms of our borrowing agreements. In addition, our borrowing agreements include covenants to maintain certain financial ratios and to comply with other financial terms, conditions and covenants. Also, we have historically paid out a large part of its earnings to stockholders in the form of regular quarterly cash dividends.

We may incur substantial debt in the future for general business and development activities. In addition, we may continue to use available cash balances to execute share repurchases under approved share buy-back plans. To the extent that we are 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 us. If we are unable to obtain such financing or to service our existing or future debt with our operating income, or if available cash balances are affected by future business performance, unstable global economic conditions, liquidity, capital needs, alternative investment opportunities or debt covenants, we could be required to reduce, suspend or eliminate our dividend payments to our stockholders. We may also elect to suspend share repurchases depending on available cash balances or concerns that we may have on future cash balances.

Item 1B. Unresolved Staff Comments

None.

Item 2. Properties

Americas

We own and occupy an office located in San Diego, California which houses both corporate employees and employees in our Americas segment. We also lease a regional sales office in Miami, Florida, a research and development office and laboratory in Pine Brook, New Jersey and office space in Toronto, Ontario, Canada and Monterrey Nuevo Leon, Mexico.

EMEA

We own and occupy an office as well as a plant facility located in Milton Keynes, United Kingdom. In addition, we lease space for our branch offices in Germany, France, Italy, Spain, Portugal and the Netherlands.

Asia-Pacific

We lease 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 12 — 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, 2021:

Name, Age and Year Elected to Current Position			Title
Garry O. Ridge	65	1997	Chief Executive Officer
Steven A. Brass	55	2019	President and Chief Operating Officer
Jay W. Rembolt	70	2008	Vice President, Finance, Treasurer and Chief Financial Officer
Patricia Q. Olsem	54	2019	Division President, The Americas
William B. Noble	63	1996	Managing Director, EMEA
Geoffrey J. Holdsworth	59	1997	Managing Director, Asia-Pacific
Jeffrey G. Lindeman	58	2020	Vice President, Global Organization Development
Richard T. Clampitt	66	2014	Vice President, General Counsel and Corporate Secretary

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. 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 European Commercial Director. He then served as Division President, The Americas, from 2016 until 2019, when he was promoted to his current position as President and Chief Operating Officer.

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.

Ms. Olsem joined the Company in 2005 and has held various senior management positions including, Vice President Americas Innovation Development Group, Senior Vice President Marketing and Innovation of the Americas, and Senior Vice President and General Manager of the United States. She was promoted to her current position as Division President, The Americas in 2019.

Mr. Noble joined the Company's Australian 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. Holdsworth joined the Company's Australian 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. Lindeman was named Vice President, Global Organizational Development on December 8, 2020. He joined WD-40 Company in 2016. From 2016 to 2020 he held management positions within the Company's EMEA segment, including director of human resources, information technology, supply chain and finance. Prior to joining the Company, Mr. Lindeman worked as the senior director of talent and engagement for San Diego International Airport from 2006 to 2016.

Mr. Clampitt was named as Corporate Secretary on October 15, 2013 and joined the Company in 2014 as Vice President, General Counsel and Corporate Secretary. 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.

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

Our common stock is traded on the NASDAQ Global Select Market under the trading symbol WDFC. On October 18, 2021, the last reported sales price of our common stock on the NASDAQ Global Select Market was $228.96 per share, and there were 13,708,966 shares of common stock outstanding held by approximately 582 holders of record.

Dividends

We have historically paid regular quarterly cash dividends on our common stock. In March 2021, the Board of Directors declared a 7% increase in the regular quarterly cash dividend, increasing it from $0.67 per share to $0.72 per share. On October 4, 2021, our Board of Directors declared a cash dividend of $0.72 per share payable on October 29, 2021 to shareholders of record on October 15, 2021.

The Board of Directors of the Company presently intends to continue the payment of regular quarterly cash dividends on our common stock. Our 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 April 8, 2020, we elected to suspend repurchases under our previously approved share buy-back plan, which subsequently expired on August 31, 2020. We made this election in order to preserve cash while we continued to monitor the long-term impacts of the COVID-19 pandemic. No repurchase transactions were made during fiscal year 2021.

On October 12, 2021, our Board of Directors approved a new share buy-back plan. Under the plan, which will become effective on November 1, 2021, we are authorized to acquire up to $75.0 million of our outstanding shares through August 31, 2023. The timing and amount of repurchases are based on terms and conditions as may be acceptable to our Chief Executive Officer and Chief Financial Officer, subject to present loan covenants and in compliance with all laws and regulations applicable thereto.

Item 6. Selected Financial Data

Reserved pursuant to amendments in SEC Release No. 33-10890 that eliminate the selected financial data requirements under Item 301 of Regulation S-K.

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 our financial statements with a narrative from the perspective of management on our 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, and Recently Issued Accounting Standards. The MD&A is provided as a supplement to, and should be read in conjunction with, our 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 a wide range of maintenance products and 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 products 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 warehouse club stores, hardware stores, automotive parts outlets, industrial distributors and suppliers, mass retail and home center stores, value retailers, grocery stores, online retailers, farm supply, sport retailers, and independent bike dealers.

Highlights

The following summarizes the financial and operational highlights for our business during the fiscal year ended August 31, 2021:

- *Consolidated net sales increased $79.6 million, or 19%, for fiscal year 2021 compared to the prior fiscal year. Changes in foreign currency exchange rates had a favorable impact of $19.7 million on consolidated net sales for fiscal year 2021. Thus, on a constant currency basis, net sales would have increased by $59.9 million, or 15%, for fiscal year 2021 compared to the prior fiscal year. This favorable impact from changes in foreign currency exchange rates mainly came from our EMEA segment, which accounted for 43% of our consolidated sales for the fiscal year ended August 31, 2021.*

- *Gross profit as a percentage of net sales decreased to 54.0% for fiscal year 2021 compared to 54.6% for the prior fiscal year.*

- *Consolidated net income increased $9.5 million, or 16%, for fiscal year 2021 compared to the prior fiscal year. Changes in foreign currency exchange rates had a favorable impact of $3.7 million on consolidated net income for fiscal year 2021. Thus, on a constant currency basis, net income would have increased by $5.8 million, or 10%, for fiscal year 2021 compared to the prior fiscal year.*

- *Although consolidated results for the fiscal year ended August 31, 2021 were significantly improved from the last fiscal year due to a variety of factors, the Company's operations and business continue to be impacted by the COVID-19 pandemic. See the Impact of COVID-19 on Our Business section which follows for details*

- *Diluted earnings per common share for fiscal year 2021 were $5.09 versus $4.40 in the prior fiscal year.*

Our strategic initiatives and the areas where we will continue to focus our time, talent and resources in future periods include: (i) building a business for the future; (ii) attracting, developing and engaging outstanding tribe members; (iii) striving for operational excellence; (iv) growing WD-40 Multi-Use Product; (v) growing WD-40 Specialist product line; and (vi) expanding and supporting portfolio opportunities that help us grow.

Impact of COVID-19 on Our Business

In the prior fiscal year 2020, our financial results and operations were negatively impacted for many of our markets by the COVID-19 pandemic, particularly in the third and fourth quarters, during the early stages of the pandemic which began in early calendar year 2020. We have since been able to reduce the adverse impacts of the COVID-19 pandemic on our business due to the strength of our brands, our increased focus on e-commerce, the global expansion in the distribution of our products, a continued focus on our strategic initiatives, our strong culture and the dedication of our employees. As a result of these activities and the shift in consumer spending patterns towards products such as ours during the pandemic, we have experienced increased sales period over period in most of our markets during fiscal year 2021. Sales during this period increased 19%, or 15% on a constant currency basis, when compared to the prior fiscal year primarily due to a higher level of renovation and maintenance activities by end-users during the pandemic, recoveries in many markets due to improvements in public health and safety related to the pandemic, and increased distribution and sales within the e-commerce channel.

We are continuing to actively manage and monitor supply chain and transportation disruptions and constraints that have arisen periodically within all three of our business segments, but particularly in the Americas, during the COVID-19 pandemic. Some of the challenges that we have experienced include general aerosol production capacity constraints and competition for such capacity by other companies who utilize the same third-party manufacturers for their aerosol production, as well as significant competition for freight resources and increased raw material and other input costs that have resulted due to these constraints. In addition, supply chains at many companies globally are being strained due to shortages of certain materials and this is impacting the ability of our third-party manufacturers to procure certain of the raw materials needed to manufacture our products. These challenges have periodically resulted in us not being able to meet the high level of demand for our products by customers and end-users in certain markets, most significantly those markets in our Americas segment where demand for aerosols has significantly outpaced the available production capacity in the region. We have been actively working on various initiatives in partnership with our third-party manufacturers in order to increase the capacity and flexibility of our supply chain to meet strong end-user demand. Although we are not able to estimate the degree of the impact or the costs associated with potential future disruptions within our supply chain and distribution networks, we believe that the changes we continue to implement as a result of the pandemic will have a positive lasting impact on our ability to better manage any future disruptions. However, some of the additional costs resulting from these recent constraints in our supply chain and distribution network are expected to unfavorably impact our cost of goods sold and lower our gross margin in the near-term.

Although several vaccines and treatments are authorized for use against COVID-19, these vaccines and treatments are being produced, distributed and accepted at varying rates globally. Therefore, uncertainty continues to exist regarding the severity and duration of this rapidly evolving pandemic and it remains difficult for us to estimate the extent to which the COVID-19 pandemic will impact our financial results and operations in future periods. Also, as social distancing requirements resulting from the COVID-19 pandemic continue to lessen in future periods, it is uncertain how this will impact the high levels of renovation and maintenance activities by end-users in recent periods, which contributed to our strong sales in fiscal year 2021. If such activities decrease in future periods, this could adversely impact our financial results.

We have continued to follow a variety of measures to promote the safety and security of our employees, support the communities in which we operate and ensure the availability and functioning of our critical infrastructure. These measures include allowing for or requiring remote working arrangements for employees in some regions and the imposition of travel restrictions. These policies and initiatives will continue to impact how we operate for as long as they are in effect and our safe, phased office reentry plans for employees will vary by region based on the evolving situation within those regions.

See our risk factors disclosed in Part I—Item 1A, “Risk Factors,” for information on risks associated with pandemics in general and COVID-19 specifically.

Results of Operations

Fiscal Year Ended August 31, 2021 Compared to Fiscal Year Ended August 31, 2020

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	
	2021	2020	Dollars	Percent
Net sales:				
Maintenance products	$ 448,817	$ 369,444	$ 79,373	21%
Homecare and cleaning products	39,292	39,054	238	1%
Total net sales	488,109	408,498	79,611	19%
Cost of products sold	224,370	185,481	38,889	21%
Gross profit	263,739	223,017	40,722	18%
Operating expenses	174,898	145,797	29,101	20%
Income from operations	$ 88,841	$ 77,220	$ 11,621	15%
Net income	$ 70,229	$ 60,710	$ 9,519	16%
Earnings per common share - diluted	$ 5.09	$ 4.40	$ 0.69	16%

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	
	2021	2020	Dollars	Percent
Americas	$ 214,601	$ 200,493	$ 14,108	7%
EMEA	208,252	156,241	52,011	33%
Asia-Pacific	65,256	51,764	13,492	26%
Total	$ 488,109	$ 408,498	$ 79,611	19%

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	
	2021	2020	Dollars	Percent
Maintenance products	$ 194,295	$ 178,739	$ 15,556	9%
Homecare and cleaning products	20,306	21,754	(1,448)	(7)%
Total	$ 214,601	$ 200,493	$ 14,108	7%
% of consolidated net sales	**44%**	**49%**		

Sales in the Americas segment, which includes the U.S., Canada and Latin America, increased to $214.6 million, up $14.1 million, or 7%, for the fiscal year ended August 31, 2021 compared to the prior fiscal year. Changes in foreign currency exchange rates had a favorable impact on sales for the Americas segment from period to period. Sales for the fiscal year ended August 31, 2021 translated at the exchange rates in effect for the prior fiscal year would have been $213.6 million in the Americas segment. Thus, on a constant currency basis, sales would have increased by $13.1 million, slightly below 7%, for the fiscal year ended August 31, 2021 compared to the prior fiscal year.

Sales of maintenance products in the Americas segment increased $15.6 million, or 9%, for the fiscal year ended August 31, 2021 compared to the prior fiscal year. This sales increase was mainly driven by increased sales of maintenance products in Latin America, which were up $11.4 million, or 51%, from period to period. Sales in Latin America increased primarily due to the transition to the direct marketing model in Mexico. Early in the third quarter of fiscal year 2020, we shifted away from a distribution model for Mexico where we sold products through a large wholesale customer who then supplied various retail customers, to one where we sell direct to these retail customers. This resulted in increased sales in Latin America during fiscal year 2021 compared to the prior fiscal year. In addition, increased demand for our products as a result of a higher level of renovation and maintenance activities exhibited by our end-users during the COVID-19 pandemic resulted in increased sales of maintenance products in Latin America. Sales were also higher in Canada and the United States and were up $2.2 million, or 20%, and $2.0 million, or 1%, respectively, due to increases in renovation and maintenance activities exhibited by our end-users in both regions. Although the U.S. experienced significant challenges meeting customer and end user demand in certain markets in fiscal year 2021 due to supply chain constraints related to competition for aerosol production capacity and distribution resources, it experienced some improvement in its supply chain in the second half of fiscal year 2021. This resulted in increased sales of maintenance products year over year driven by sales of WD-40 Multi-Use Product, which were up $6.2 million, or 5%. However, as a result of these supply chain challenges, sales of our WD-40 Specialist and 3-In-One products decreased $2.7 million, or 17%, and $1.7 million, or 19%, respectively, in the United States from period to period.

Sales of homecare and cleaning products in the Americas segment decreased $1.4 million, or 7%, for the fiscal year ended August 31, 2021 compared to the prior fiscal year. This sales decrease was driven primarily by a decrease in sales of Lava, X-14 and Spot Shot brand products in the U.S., which were down $1.0 million or 33%, $0.7 million or 41%, and $0.5 million or 7%, respectively, from period to period. These decreases were partially offset by increased sales of the 2000 Flushes brand products, which were up $1.1M or 15%, from period to period. We experienced a significant increase in sales of most of our homecare and cleaning products during the second half of fiscal year 2020 due to increased demand for such products as a result of the COVID-19 pandemic. During the second half of fiscal year 2021, we have seen demand for certain of these homecare and cleaning products return to more normal levels due to improvements in public health and safety restrictions related to the pandemic in many regions within the Americas. In addition, sales levels for our homecare and cleaning products in the Americas were also negatively impacted during the fiscal year ended August 31, 2021 by the challenges in our Americas supply chain and the discontinuation of certain products within these brands. While each of our homecare and cleaning products have continued to generate positive cash flows, we had experienced decreased or flat sales for many of these products in recent fiscal years prior to the start of the COVID-19 pandemic.

For the Americas segment, 77% of sales came from the U.S., and 23% of sales came from Canada and Latin America combined for the fiscal year ended August 31, 2021 compared to the prior fiscal year 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	
	2021	2020	Dollars	Percent
Maintenance products	$ 198,309	$ 146,540	$ 51,769	35%
Homecare and cleaning products	9,943	9,701	242	2%
Total (1)	$ 208,252	$ 156,241	$ 52,011	33%
% of consolidated net sales	**43%**	**38%**		

(1) While our reporting currency is the 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 50% of its sales are generated in Euro and 15-20% 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 $208.3 million, up $52.0 million, or 33%, for the fiscal year ended August 31, 2021 compared to the prior fiscal year. Changes in foreign currency exchange rates had a favorable impact on sales for the EMEA segment from period to period. Sales for the fiscal year ended August 31, 2021 translated at the exchange rates in effect for the prior fiscal year would have been $193.1 million in the EMEA segment. Thus, on a constant currency basis, sales would have increased by $36.9 million, or 24%, for the fiscal year ended August 31, 2021 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). Sales in the direct markets increased to $142.2 million, up $32.1 million, or 29%, for the fiscal year ended August 31, 2021 compared to the prior fiscal year primarily due to increased sales of WD-40 Multi-Use Product, WD-40 Specialist and WD-40 Bike of $21.1 million or 28%, $5.3 million or 42% and $1.9 million or 70%, respectively, throughout all of the direct markets. Additionally, sales of 3-In-One increased $2.7 million or 31% during the period. These increases in sales were primarily due to increased demand for our products as a result of a higher level of renovation and maintenance activities exhibited by our end-users during the COVID-19 pandemic and the success of promotional programs that were conducted during the second half of fiscal year 2021 to meet the high level of demand. This increased demand and consumption of our products resulted in increased sales, particularly within the e-commerce channel. In addition, sales levels were much higher in fiscal year 2021 compared to the prior period due to comparatively severe lockdowns measures that occurred during the prior fiscal year, particularly during the third quarter, which limited many retailers' ability to participate in promotional activities and sell high volumes of certain products. Sales from direct markets accounted for 68% of the EMEA segment's sales for the fiscal year ended August 31, 2021 compared to 70% 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 $19.9 million, or 43%, for the fiscal year ended August 31, 2021 compared to the corresponding period of the prior fiscal year, primarily due to increased sales of the WD-40 Multi-Use Product in Eastern Europe, Northern Europe, the Middle East and India, which were up $5.9 million, $5.8 million, $4.1 million and $3.4 million, respectively. This increase in sales from period to period was primarily due to recoveries experienced during fiscal year 2021 in distributor markets that previously experienced more severe lockdowns during the second half of fiscal year 2020 due to the COVID-19 pandemic. During fiscal year 2021, many of these regions experienced improved economic conditions as a result of reductions in COVID-19 related restrictions. This allowed our marketing distributors to participate in more of our promotional activities and to adjust to more normal levels of inventory for our product, which resulted in increased sales to meet the higher level of demand caused by increases in renovation and maintenance activities by end-users during the pandemic. The distributor markets accounted for 32% of the EMEA segment's total sales for the fiscal year ended August 31, 2021, compared to 30% 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	
	2021	2020	Dollars	Percent
Maintenance products	$ 56,213	$ 44,166	$ 12,047	27%
Homecare and cleaning products	9,043	7,598	1,445	19%
Total	$ 65,256	$ 51,764	$ 13,492	26%
% of consolidated net sales	**13%**	**13%**		

Sales in the Asia-Pacific segment, which includes Australia, China and other countries in the Asia region, increased to $65.3 million, up $13.5 million, or 26%, for the fiscal year ended August 31, 2021 compared to the prior fiscal year. Changes in foreign currency exchange rates had a favorable impact on sales for the Asia-Pacific segment from period to period. Sales for the fiscal year ended August 31, 2021 translated at the exchange rates in effect for the prior fiscal year would have been $61.7 million in the Asia-Pacific segment. Thus, on a constant currency basis, sales would have increased by $9.9 million, or 19%, for the fiscal year ended August 31, 2021 compared to the prior fiscal year.

Sales in Asia, which represented 67% of the total sales in the Asia-Pacific segment, increased $9.7 million, or 29%, for the fiscal year ended August 31, 2021 compared to the prior fiscal year. Sales in the Asia distributor markets increased $5.6 million, or 28%, for the fiscal year ended August 31, 2021 compared to the corresponding period of the prior fiscal year. These increased sales were primarily due to the easing of COVID-19 lockdown measures in many of the Asia markets during fiscal year 2021 compared to late in fiscal year 2020. These reduced lockdown measures have positively impacted economic conditions and resulted in increased demand and higher sales in many regions period over period, particularly in the Philippines, South Korea, Indonesia, Malaysia and Hong Kong, during fiscal year 2021. Sales in China increased $4.1 million, or 31%, primarily due to improved market conditions as a result of the reduction of COVID-19 lockdown measures compared to the prior fiscal year when the COVID-19 outbreak resulted in significant governmental restrictions on movement and commerce. Changes in foreign currency exchange rates had a $1.3 million favorable impact on sales in China. On a constant currency basis, sales would have increased by $2.8 million, or 21%, from period to period.

Sales in Australia increased $3.8 million, or 21%, for the fiscal year ended August 31, 2021 compared to the prior fiscal year due to higher sales of maintenance products, which were up $2.4 million, or 23%, from period to period primarily due to a higher level of renovation and maintenance activities undertaken by our end-users during the COVID-19 pandemic which resulted in increased sales. In addition, sales of homecare and cleaning products, which were up $1.4 million, or 19%, also increased as a result of higher demand resulting from the COVID-19 pandemic. Changes in foreign currency exchange rates had a favorable impact on Australian sales. On a constant currency basis, sales would have increased by $1.5 million, or 8%, from period to period.

Gross Profit

Gross profit increased to $263.7 million for the fiscal year ended August 31, 2021 compared to $223.0 million for the prior fiscal year. As a percentage of net sales, gross profit decreased to 54.0% for the fiscal year ended August 31, 2021 compared to 54.6% for the prior fiscal year.

Gross margin was unfavorably impacted by 0.9 percentage points due to increases in manufacturing costs and higher miscellaneous costs from period to period. The increased manufacturing costs were primarily driven by higher labor and overhead costs at our third-party manufacturers caused by global supply chain constraints as a result of the COVID-19 pandemic. These pandemic-related challenges began to significantly impact gross margin, particularly in the Americas segment, starting in the second quarter of fiscal year 2021 and continued throughout the remainder of the fiscal year. No such challenges existed in the corresponding periods of the prior fiscal year. Gross margin was also negatively impacted by 0.4 percentage points from period to period due to higher warehousing and in-bound freight costs, primarily in the Americas and EMEA segments. Changes in foreign currency exchange rates from period to period in the EMEA segment negatively impacted by 0.3 percentage points. Gross margin was also negatively impacted by 0.1 percentage points from period to period due to increases to advertising, promotional, and other discounts that we give to our customers in all three segments. 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.

These unfavorable impacts to gross margin were partially offset by 0.5 percentage points due to favorable changes in the costs of aerosol cans in the EMEA and Americas segments. Gross margin was also positively impacted by 0.4 percentage points from period to period due to favorable changes in the costs of petroleum-based specialty chemicals, primarily in the Americas and Asia-Pacific segments. There is often a delay of one quarter or more before changes in raw material costs impact the cost of products sold due to production and inventory life cycles. Although the average cost of crude oil and aerosol cans that flowed through our costs of goods sold was lower during fiscal year 2021 compared to the prior fiscal year, such costs increased towards the back half of our fiscal year and began to negatively impact our gross margin, particularly starting in the fourth quarter. The recent increases in the price of crude oil and aerosol cans that we are seeing in the market are expected to unfavorably impact our cost of goods sold for as long as these costs remain at these higher levels. We have implemented sales price increases in all three segments from period to period and this positively impacted gross margin by 0.2 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 $16.5 million and $12.9 million for the fiscal years ended August 31, 2021 and 2020, respectively.

Selling, General and Administrative Expenses

Selling, general and administrative ("SG&A") expenses for the fiscal year ended August 31, 2021 increased $23.5 million to $145.5 million from $122.0 million for the prior fiscal year. As a percentage of net sales, SG&A expenses slightly decreased to 29.8% for the fiscal year ended August 31, 2021 from 29.9% for the prior fiscal year. The increase in SG&A expenses from period to period was due to a variety of factors, but most significantly due to increased employee-related costs of $16.1 million due to increased incentive compensation accruals and higher stock-based compensation associated with performance share units from period to period resulting from significantly stronger financial results from period to period. Changes in foreign currency exchange rates from period to period increased SG&A expenses by $4.8 million. Increases in freight costs associated with higher sales levels as well as carrier price increases due to constraints and limited capacity in the global distribution networks from period to period also increased SG&A expenses by $2.9 million. In addition, professional services fees increased $2.8 million due to the ongoing implementation of our new information system, increased cloud-based software usage and license fees. Other miscellaneous expenses also increased $0.5 million from period to period. These increases to SG&A expenses were offset by a decrease in travel and meeting expenses of $3.6 million from period to period. Travel and meeting expenses decreased primarily due to continued initiatives to reduce the transmission of COVID-19, including the imposition of business travel restrictions for all employees and the cancellation of all large meetings, such as regional sales meetings and global leadership meetings, in support of social distancing requirements.

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, 2021 and 2020 were $5.6 million and $6.0 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, 2021 increased $6.4 million to $28.0 million from $21.6 million for the prior fiscal year. As a percentage of net sales, these expenses were 5.7% and 5.3% for the fiscal years ended August 31, 2021 and 2020, respectively. Changes in foreign currency exchange rates had an unfavorable impact of $1.3 million on advertising and sales promotion expenses from period to period. Advertising and sales promotion expenses for the fiscal year ended August 31, 2021 translated at the exchange rates in effect for the prior fiscal year would have been $26.7 million. The increase in advertising and sales promotion expenses was due to a higher level of promotional programs and marketing support in all three segments as a result of increased consumer demand and higher sales from period to period. This higher level of advertising and sales promotion expense was also due to significant increases in spending during the fourth quarter of fiscal year 2021 compared to the corresponding period of our prior fiscal year to support our strategic initiatives and to invest in growth markets. These increases were partially offset by the decrease of physical marketing and sampling activities from period to period, such as the cancellations of trade shows, due to the continued indirect effects of the COVID-19 pandemic during fiscal year 2021.

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 $24.8 million and $18.9 million for the fiscal years ended August 31, 2020 and 2019, respectively. Therefore, our total investment in advertising and sales promotion activities totaled $52.8 million and $42.1 million for the fiscal years ended August 31, 2021 and 2020, respectively.

Amortization of Definite-lived Intangible Assets Expense

Amortization of our definite-lived intangible assets decreased $0.8 million to $1.4 million for the fiscal years ended August 31, 2021, compared to $2.2 million for the prior fiscal year. This decrease from period to period was primarily due to decreased amortization associated with the 2000 Flushes trade name, which became fully amortized during the third quarter of fiscal year 2020.

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	
	2021	2020	Dollars	Percent
Americas	$ 51,591	$ 51,089	$ 502	1%
EMEA	53,003	37,620	15,383	41%
Asia-Pacific	19,121	14,982	4,139	28%
Unallocated corporate (1)	(34,874)	(26,471)	(8,403)	32%
Total	$ 88,841	$ 77,220	$ 11,621	15%

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

Americas

Income from operations for the Americas segment increased to $51.6 million, up $0.5 million, or 1%, for the fiscal year ended August 31, 2021 compared to the prior fiscal year, primarily due to a $14.1 million increase in sales, significantly offset by higher operating expenses and a lower gross margin. As a percentage of net sales, gross profit for the Americas segment decreased from 53.2% to 52.0% period over period primarily due to higher third-party manufacturing costs and increased warehousing, distribution and freight costs as a result of supply chain constraints due to the direct and indirect effects of the COVID-19 pandemic. These unfavorable impacts to gross margin were partially offset by the combined favorable impacts of lower costs of petroleum-based specialty chemicals and aerosol cans from period to period. Although the average cost of crude oil and aerosol cans that flowed through costs of goods sold was lower during fiscal year 2021 compared to the prior fiscal year in the Americas segment, such costs increased towards the back half of our fiscal year and began to negatively impact gross margin, particularly starting in the fourth quarter. The increased sales were accompanied by a $4.5 million increase in total operating expenses period over period, primarily due to higher accruals for incentive compensation and stock-based compensation, as well as higher outbound freight costs due to increased sales and higher freight costs in the market from period to period. In addition, increased advertising and sales promotion expenses impacted operating expenses from period to period. These increases in operating expenses were partially offset by lower travel and meeting expenses due to initiatives adopted by the Company during the third quarter of fiscal year 2020 that remained in place throughout fiscal year 2021 to reduce the transmission of COVID-19. In addition, operating expenses were favorably impacted by decreased amortization associated with the 2000 Flushes trade name, which became fully amortized during the third quarter of fiscal year 2020. Operating income as a percentage of net sales decreased from 25.5% to 24.0% period over period.

EMEA

Income from operations for the EMEA segment increased to $53.0 million, up $15.4 million, or 41%, for the fiscal year ended August 31, 2021 compared to the prior fiscal year, primarily due a $52.0 million increase in sales, partially offset by higher operating expenses and a lower gross margin. As a percentage of net sales, gross profit for the EMEA segment decreased from 56.4% to 55.6% period over period primarily due to unfavorable changes in third-party manufacturing costs and unfavorable changes in foreign currency exchange rates, as well as increases in warehousing, distribution and freight costs from period to period. These unfavorable impacts to gross margin were partially offset by the favorable impacts of decreased costs of aerosol cans, as well as sales price increases from period to period. Although the average cost of aerosol cans that flowed through our costs of goods sold was lower during fiscal year 2021 compared to the prior fiscal year in the EMEA segment, such costs increased towards the back half of our fiscal year and began to negatively impact gross margin, particularly starting in the fourth quarter. The increased sales were accompanied by a $12.2 million increase in total operating expenses period over period, primarily due to higher accruals for incentive compensation and stock-based compensation, as well as increased advertising and sales promotion expenses and increased outbound freight costs due to higher sales from period to period. These increases in operating expenses were partially offset by lower travel and meeting expenses due to initiatives adopted by the Company during the third quarter of fiscal year 2020 that remained in place throughout fiscal year 2021 to reduce the transmission of COVID-19. Operating income as a percentage of net sales increased from 24.1% to 25.5% period over period.

Asia-Pacific

Income from operations for the Asia-Pacific segment increased to $19.1 million, up $4.1 million, or 28%, for the fiscal year ended August 31, 2021 compared to the prior fiscal year, primarily due to a $13.5 million increase in sales and a higher gross margin, which were partially offset by higher operating expenses. As a percentage of net sales, gross profit for the Asia-Pacific segment increased from 54.5% to 55.8% period over period primarily due to favorable changes in both sales mix and market mix and lower costs of petroleum-based specialty chemicals that flowed through our costs of goods sold during fiscal year 2021. Although the average cost of crude oil that flowed through our costs of goods sold was lower during fiscal year 2021 compared to the prior fiscal year in the Asia-Pacific segment, such costs have increased towards the back half of our fiscal year and began to negatively impact gross margin, particularly starting in the fourth quarter. These favorable impacts to gross margin during fiscal year 2021 were slightly offset by the unfavorable impact of increased costs of aerosol cans from period to period. The increased sales were accompanied by a $4.0 million increase in total operating expenses period over period, primarily due to higher accruals for incentive compensation and other employee costs, as well as a higher level of advertising and sales promotion expenses from period to period. Operating income as a percentage of net sales increased from 28.9% to 29.3% 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,		
	2021	2020	Change
Interest income	$ 81	$ 93	$ (12)
Interest expense	$ 2,395	$ 2,439	$ (44)
Other income (expense), net	$ (28)	$ 641	$ (669)
Provision for income taxes	$ 16,270	$ 14,805	$ 1,465

Interest Income

Interest income was not significant for both the fiscal years ended August 31, 2021 and 2020.

Interest Expense

Interest expense remained relatively constant at $2.4 million for both the fiscal years ended August 31, 2021 and 2020.

Other Income (Expense), Net

Other income (expense), net was not significant for the fiscal year ended 2021 compared to $0.6 million in other income for the corresponding period of the prior fiscal year. This change from period to period was primarily due to net foreign currency gains during fiscal year 2020 as a result of fluctuations in the foreign currency exchange rates for both the U.S. Dollar and the Euro against the Pound Sterling.

Provision for Income Taxes

The provision for income taxes was 18.8% of income before income taxes for the fiscal year ended August 31, 2021 compared to 19.6% for the prior fiscal year. The decrease in the effective income tax rate from period to period was primarily due to an increase in excess tax benefits from settlements of stock-based equity awards, as well as increased benefits from earnings from foreign operations.

Net Income

Net income was $70.2 million, or $5.09 per common share on a fully diluted basis, for fiscal year 2021 compared to $60.7 million, or $4.40 per common share on a fully diluted basis, for the prior fiscal year. Changes in foreign currency exchange rates year over year had a favorable impact of $3.7 million on net income for fiscal year 2021. Thus, on a constant currency basis, net income for fiscal year 2021 would have been $66.5 million.

Results of Operations

Fiscal Year Ended August 31, 2020 Compared to Fiscal Year Ended August 31, 2019

For discussion related to changes in financial condition and the results of operations for fiscal year 2020 compared to fiscal year 2019, refer to Part II - Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations included in our Annual Report on Form 10-K for the fiscal year ended August 31, 2020, which was filed with the SEC on October 21, 2020.

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 at or above 55% of net sales, our cost of doing business to be at 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,		
	2021	2020	2019
Gross margin - GAAP	54%	55%	55%
Cost of doing business as a percentage of net sales - non-GAAP	35%	34%	34%
EBITDA as a percentage of net sales - non-GAAP (1)	20%	21%	21%

(1) Percentages may not aggregate to EBITDA percentage due to rounding and because amounts recorded in other income (expense), net on our 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 our comparative performance 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,		
	2021	2020	2019
Total operating expenses - GAAP	$ 174,898	$ 145,797	$ 149,958
Amortization of definite-lived intangible assets	(1,449)	(2,211)	(2,706)
Depreciation (in operating departments)	(4,311)	(4,095)	(3,829)
Cost of doing business - non-GAAP	$ 169,138	$ 139,491	$ 143,423
Net sales	$ 488,109	$ 408,498	$ 423,350
Cost of doing business as a percentage of net sales - non-GAAP	35%	34%	34%

EBITDA (in thousands, except percentages):

	Fiscal Year Ended August 31,		
	2021	2020	2019
Net income - GAAP	$ 70,229	$ 60,710	$ 55,908
Provision for income taxes	16,270	14,805	24,862
Interest income	(81)	(93)	(155)
Interest expense	2,395	2,439	2,541
Amortization of definite-lived intangible assets	1,449	2,211	2,706
Depreciation	5,570	5,490	4,886
EBITDA	$ 95,832	$ 85,562	$ 90,748
Net sales	$ 488,109	$ 408,498	$ 423,350
EBITDA as a percentage of net sales - non-GAAP	20%	21%	21%

Liquidity and Capital Resources

Overview

Our financial condition and liquidity remain strong. Net cash provided by operations was $84.7 million for fiscal year 2021 compared to $72.7 million for fiscal year 2020. Although there continues to be a certain level of uncertainty related to the impact of the current COVID-19 pandemic on our future results, we believe our efficient business model and the steps that we have taken leave us positioned to manage our business through this crisis as it continues to unfold. 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, as well as cash generated from operations and cash currently available from our existing unsecured Credit Agreement with Bank of America. We use proceeds of the revolving credit facility primarily for our general working capital needs. The Company also holds borrowings under a Note Purchase and Private Shelf Agreement. See Note 8 – Debt for additional information on these agreements. Included in Note 8 – Debt is information on the Credit Agreement that we amended with Bank of America on September 30, 2020, and a third amendment to the Note Agreement. In the first quarter of fiscal year 2021 we refinanced existing draws under our Credit Agreement in the United States through the issuance of new notes under the Note Agreement in the amount of $52.0 million.

We have historically maintained a balance of outstanding draws on our line of credit in U.S. Dollars in the Americas segment, as well as in Euros and Pound Sterling in the EMEA segment. Euro and Pound Sterling denominated draws will fluctuate in U.S. Dollars from period to period due to changes in foreign currency exchange rates. During the first quarter of fiscal year 2021, we repaid $50.0 million of our U.S. borrowings outstanding under our line of credit using $52.0 million in proceeds that we received on September 30, 2020 from the issuance and sale of the Series B and C Notes which mature in November 2027 and 2030, respectively. Our remaining outstanding balance under our line of credit is denominated completely in Euros and Pound Sterling as of August 31, 2021. We regularly convert many of our draws on our line of credit to new draws with new maturity dates and interest rates. We have the ability to refinance any draws under the line of credit with successive short-term borrowings through the September 30, 2025 maturity date of the Credit Agreement. Outstanding draws for which we have both the ability and intent to refinance with successive short-term borrowings for a period of at least twelve months are classified as long-term. As of

August 31, 2021, we had a $46.5 million balance of outstanding draws on the revolving credit facility, all of which was classified as long-term. In addition, we paid $0.8 million in principal payments on our Series A Notes during fiscal year 2021, which had an outstanding balance of $17.2 million as of August 31, 2021. There were no other letters of credit outstanding or restrictions on the amount available on our line of credit or notes. Per the terms of both the Note Agreement and the Credit Agreement, our consolidated leverage ratio cannot be greater than three and a half to one and our consolidated interest coverage ratio cannot be less than three to one. See Note 8 – Debt for additional information on these financial covenants. At August 31, 2021, we were in compliance with all debt covenants. We continue to monitor our compliance with all debt covenants and, at the present time, we believe that the likelihood of being unable to satisfy these covenants is remote.

We believe that our future cash from domestic and international 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, dividend payments, acquisitions, new business development activities and share repurchases. On April 8, 2020, we suspended repurchases under our most recent share buy-back plan, which subsequently expired on August 31, 2020, in order to preserve cash while we continued to monitor the long-term impacts of the COVID-19 pandemic. Subsequent to the end of fiscal year 2021 on October 12, 2021, our Board of Directors approved a new share buy-back plan. Under the plan, which will become effective on November 1, 2021, we are authorized to acquire up to $75.0 million of our outstanding shares through August 31, 2023. At August 31, 2021, we had a total of $86.0 million in cash and cash equivalents. We do not foresee any ongoing issues with repaying our borrowings and we closely monitor the use of this credit facility.

Cash Flows

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

	Fiscal Year Ended August 31,		
	2021	2020	2019
Net cash provided by operating activities	$ 84,714	$ 72,664	$ 62,851
Net cash provided by (used in) investing activities	(14,460)	(18,945)	(12,680)
Net cash used in financing activities	(40,750)	(26,709)	(69,009)
Effect of exchange rate changes on cash and cash equivalents	(5)	2,219	(2,795)
Net increase (decrease) in cash and cash equivalents	$ 29,499	$ 29,229	$ (21,633)

Operating Activities

Net cash provided by operating activities increased $12.0 million to $84.7 million for fiscal year 2021 from $72.7 million for fiscal year 2020. 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, 2021 was net income of $70.2 million, which increased $9.5 million from period to period. In addition, differences in adjustments to reconcile net income to cash increased net cash provided by operating activities by $1.9 million primarily due to increases in stock-based compensation from period to period which were partially offset by various other adjustments. Although the changes in our working capital did not have a significant impact on net cash provided by operating activities in total, there were various increases and decreases of items within working capital from period to period. Changes in working capital that decreased cash were primarily attributable to increases to inventory and increases in trade and other accounts receivable as a result of significantly increased sales from period to period and increases in other assets, driven by the ongoing implementation of our new information system. These changes in working capital were almost completely offset by increases in accounts payable in the Americas and EMEA segments due to higher levels of production and the timing of payments to vendors from period to period as well as increases in accrued payroll and related expenses during fiscal year 2021 primarily due to significantly higher accruals for incentive compensation from period to period.

Investing Activities

Net cash used in investing activities decreased $4.4 million to $14.5 million for fiscal year 2021 compared to $18.9 million for fiscal year 2020, primarily due to decreased capital expenditures. Capital expenditures decreased by $4.2 million primarily due to the renovations and equipping of the Company's office building in Milton Keynes, England that were completed in the first quarter of fiscal year 2020 and a lower level of manufacturing-related capital expenditures within the U.K. and the United States from period to period. Capital expenditures during fiscal year 2021 were primarily related to manufacturing equipment which is currently under construction and will be located at our third-party manufacturers in the United States and the United Kingdom once completed.

Financing Activities

Net cash used in financing activities increased $14.1 million to $40.8 million for fiscal year 2021 from $26.7 million for fiscal year 2020. This change was primarily due to $80.0 million in net proceeds that we drew under our line of credit in March 2020 in response to the COVID-19 pandemic with no comparable event occurring in fiscal year 2021. In the first quarter of fiscal year 2021, we repaid $50.0 million of such borrowings outstanding under our line of credit using $52.0 million in proceeds that we received from the issuance and sale of senior notes during the quarter. This net borrowing activity resulted in a $2.0 million cash inflow during the period compared to $29.6 million in net proceeds on our line of credit in the prior fiscal year. In addition, increases in dividends paid to our shareholders of $2.2 million and increases in shares withheld to cover taxes on conversion of equity rewards of $1.0 million, resulted in higher cash outflows from period to period. Offsetting these increases in cash outflows was a decrease in treasury stock repurchases due to the suspension of such repurchases beginning in the third quarter of fiscal year 2020, which resulted in a decrease in cash outflows of $16.8 million 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 not significant in fiscal year 2021, while such changes resulted in an increase in cash of $2.2 million in fiscal year 2020 and a decrease in cash of $2.8 million for fiscal year 2019. 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.

Cash Flows

Fiscal Year Ended August 31, 2020 Compared to Fiscal Year Ended August 31, 2019

For discussion related to changes in the consolidated statements of cash flows for fiscal year 2020 compared to fiscal year 2019, refer to Part II - Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations included in our Annual Report on Form 10-K for the fiscal year ended August 31, 2020, which was filed with the SEC on October 21, 2020.

Share Repurchase Plans

The information required by this item is incorporated by reference to Part IV—Item 15, "Exhibits, Financial Statement Schedules" Note 9 — Share Repurchase Plans, included in this report.

Dividends

We have historically paid regular quarterly cash dividends on our common stock. In March 2021, the Board of Directors declared a 7% increase in the regular quarterly cash dividend, increasing it from $0.67 per share to $0.72 per share. On October 4, 2021, our Board of Directors declared a cash dividend of $0.72 per share payable on October 29, 2021 to shareholders of record on October 15, 2021. 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

We hold borrowings under our Note Purchase and Private Shelf Agreement with fixed repayment requirements and under a Revolving Credit Facility that has variable underlying interest rates. For additional details on these borrowings, including ability and intent assessment on our credit facility agreement with Bank of America, refer to the information set forth in Part IV—Item 15, "Exhibits, Financial Statement Schedules", Note 8 – Debt.

Additionally, we have ongoing relationships with various third-party suppliers (contract manufacturers) that manufacture our products and third-party distribution centers which warehouse and ship our products to customers. 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 have definitive minimum purchase obligations in the contract terms with certain of our contract manufacturers, when such obligations have been included, they have either been immaterial or the minimum amounts have been such that they are well below the volume of goods that we have historically purchased. In addition, 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 six 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. The amounts for inventory purchased under termination commitments have been immaterial.

In addition to the commitments to purchase products from contract manufacturers described above, we may also enter into commitments with other manufacturers to purchase finished goods and components to support innovation initiatives and/or supply chain initiatives. As of August 31, 2021, no such commitments were outstanding.

At August 31, 2021, the liability recorded for uncertain tax positions, excluding associated interest and penalties, was approximately $9.3 million. For additional details on our uncertain tax positions, refer to the information set forth in Part IV—Item 15, "Exhibits, Financial Statement Schedules" Note 13 – Income Taxes. We have estimated that up to $0.3 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 our 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.

Revenue Recognition

Sales are recognized as revenue at a point in time upon transferring control of the product to the customer. This typically occurs when products are shipped or delivered, depending on when risks of loss and title have passed to the customer per the terms of the contract. 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 are recorded net of allowances for damaged goods and other sales returns, sales incentives, trade promotions and cash discounts. We apply a five-step approach in determining the amount and timing of revenue to be recognized which includes the following: (1) identifying the contract with a customer, (2) identifying the performance obligations in the contract, (3) determining the transaction price, (4) allocating the transaction price to the performance obligations in the contract and (5) recognizing revenue when the performance obligation is satisfied

In determining the transaction price, management evaluates whether the price is subject to refund or adjustment related to variable consideration to determine the net consideration to which we expect to be entitled. We record estimates of variable consideration, which primarily includes rebates/other discounts (cooperative marketing programs, volume-based discounts, shelf price reductions and allowances for shelf space, charges from customers for services they provided to us related to the sale and penalties/fines charged to us by our customers for failing to adhere to contractual obligations), coupon offers, cash discount allowances, and sales returns, as a reduction of sales in the consolidated statements of operations. These estimates are based on the expected value method considering all reasonably available information, including current and past trade promotion spending patterns, status of trade promotion activities and the interpretation of historical spending trends by customer and category, customer agreements and/or currently known factors that arise in the normal course of business. We review our assumptions and adjust these estimates 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, 2021 were to differ by 10%, the impact on net sales would be approximately $1.0 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. Based on changes in the related tax law as well as forecasted results, 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.

We are required to make assertions on whether our foreign subsidiaries will invest their undistributed earnings indefinitely and these assertions are based on the capital needs of the foreign subsidiaries. Generally, unremitted earnings of our foreign subsidiaries are not considered to be indefinitely reinvested. However, there are exceptions regarding our newly formed subsidiary in Mexico as well as specific statutory remittance restrictions imposed on our China subsidiary. Costs associated with repatriating unremitted foreign earnings, including U.S. state income taxes and foreign withholding taxes, are immaterial to our consolidated financial statements. For additional information on income tax matters, see Part IV—Item 15, "Exhibits, Financial Statement Schedules" Note 13 — Income Taxes, included in this report.

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 our review of events and circumstances related to our existing definite-lived intangible assets for the periods ended August 31, 2021, 2020 or 2019. In addition to our quarterly evaluation of events and circumstances to assess whether definite-lived intangible assets have been impaired, we also periodically perform quantitative analyses to support these conclusions and determine the sensitivity of such estimates. The majority of our $7.2 million in definite-lived intangible assets as of August 31, 2021 are related to certain brands of our homecare and cleaning products. Although sales of certain of these products have declined in recent periods, according to our most recent analysis performed during fiscal year 2021, sales declines would have to significantly exceed these products' recent historical trends in order to trigger an impairment, which we do not currently anticipate in future periods. Our review of events and circumstances included consideration of the ongoing COVID-19 pandemic.

Recently Issued Accounting Standards

Information on Recently Issued Accounting Standards that could potentially impact our consolidated financial statements and related disclosures is incorporated by reference to Part IV—Item 15, "Exhibits, Financial Statement Schedules" Note 2 — Basis of Presentation and Summary of Significant Accounting Policies, included in this report.

Item 7A. Quantitative and Qualitative Disclosures About Market Risk

Foreign Currency Risk

We are exposed to a variety of risks, including foreign currency exchange rate fluctuations. In the normal course of business, we employ established policies and procedures to manage our exposure to fluctuations in foreign currency values.

All of our international subsidiaries operate in functional currencies other than the U.S. Dollar. As a result, we are exposed to foreign currency related risk when the financial statements of our 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. We do 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 our exposure to net asset balances held in non-functional currencies. We regularly monitor our foreign exchange exposures to ensure the overall effectiveness of our foreign currency hedge positions. While we engage in foreign currency hedging activity to reduce our risk, for accounting purposes, none of our foreign currency forward contracts are designated as hedges.

Commodity Price Risk

Petroleum-based specialty chemicals and aerosol cans constitute a significant portion of the cost of many of our maintenance products. Volatility in the price of oil directly impacts the cost of petroleum-based specialty chemicals which are indexed to the price of crude oil. If there are significant increases in the costs of crude oil, our gross margins and operating results will be negatively impacted. We do not currently have a strategy or policy to enter into transactions to hedge crude oil price volatility, but we regularly review this policy based on market conditions and other factors.

Interest Rate Risk

As of August 31, 2021, we had a $46.5 million outstanding balance on our existing $150.0 million revolving credit facility agreement with Bank of America. This $150.0 million revolving credit facility is subject to interest rate fluctuations. Under the terms of the credit facility agreement, we may borrow loans in U.S. dollars or in foreign currencies from time to time until September 30, 2025. In addition, we had $69.2 million in fixed rate borrowings consisting of senior notes under our note purchase agreements as of August 31, 2021. On September 30, 2020, we entered into amendments to both the line of credit and note agreement and refinanced existing draws under our credit facility in the United States through the issuance of additional notes in the amount of $52.0 million. For additional details on our long-term borrowings as of August 31, 2021 and subsequent debt restructuring, refer to the information set forth in Part IV—Item 15, "Exhibits, Financial Statement Schedules" and Note 8 – Debt, respectively. Interest rates associated with this revolving credit facility are based on Prime and LIBOR rates. 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. The U.K.'s Financial Conduct Authority has announced the LIBOR benchmark will be phased out by a target date of December, 31, 2021. Although we expect the contract on our revolving credit facility to be amended by this target date to include the incorporation of an alternative reference rate, we do not believe this anticipated event represents a material increase to our interest rate risk.

Item 8. Financial Statements and Supplementary Data

Our consolidated financial statements at August 31, 2021 and 2020 and for each of the three fiscal years in the period ended August 31, 2021, and the Report of Independent Registered Public Accounting Firm, are included in Item 15 of this report.

Quarterly Financial Data (Unaudited)

Pursuant to amendments in SEC Release No. 33-10890, we have omitted historical quarterly financial data for our business over the last two fiscal year periods as there has not been any retrospective change to the information previously reported.

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 Exchange 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, 2021, 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, 2021.

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, 2021, as stated in their report included in Item 15 of this report.

Changes in Internal Control over Financial Reporting

There were no changes to the Company's internal control over financial reporting that occurred during the Company's most recent fiscal quarter ended August 31, 2021, that materially affected, or would be reasonably likely to materially affect, the Company's 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 in sections under the headings "Security Ownership of Directors and Executive Officers," "Nominees for Election as Directors," and "Audit Committee – Related Party Transactions Review and Oversight" in our Proxy Statement to be filed with the Securities and Exchange Commission in connection with the 2021 Annual Meeting of Stockholders on December 14, 2021 ("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 sections of the Proxy Statement under the headings "Board of Directors Compensation" (and the table following such section), "Compensation Committee - Compensation Committee Interlocks and Insider Participation," "Compensation Discussion and Analysis," "Compensation Committee Report," "Executive Compensation" (and the compensation tables following such section), "Supplemental Death Benefit Plans and Supplemental Insurance Benefits," "Change of Control Severance Agreements" and "CEO Pay Ratio."

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 our common stock authorized for issuance under equity compensation plans as of August 31, 2021:

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	127,576 (1)	$ -	543,700
Equity compensation plans not approved by security holders	n/a	n/a	n/a
	127,576 (1)	$ -	543,700

(1) Includes 69,001 securities to be issued pursuant to outstanding restricted stock units; 36,594 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; 3,729 securities to be issued pursuant to outstanding deferred performance units ("DPUs"); and 18,252 securities to be issued pursuant to outstanding performance share units ("PSUs") based on 100% of the maximum number of PSU shares to be issued upon achievement of the applicable performance measure specified for such PSUs.

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" and "Audit Committee - 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, 2018, 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 August 16, 2018, Exhibit 3.1 thereto.
	Material Contracts.
	Executive Compensation Plans and Arrangements (Exhibits 10(a) through 10(s) 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 Directors' Compensation Policy and Election Plan dated October 12, 2021.
10(c)	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(d)	Form of Restricted Stock Unit Agreement for grants of Restricted Stock Units to Executive Officers in fiscal years 2019 and 2020, incorporated by reference from the Registrant's Form 10-K filed October 21, 2020, Exhibit 10(d) thereto.
10(e)	Form of Market Share Unit Award Agreement for grants of Market Share Units to Executive Officers in fiscal years 2019 and 2020, incorporated by reference from the Registrant's Form 10-K filed October 21, 2020, Exhibit 10(e) thereto.
10(f)	Form of Deferred Performance Unit Award Agreement for grants of Deferred Performance Units to Executive Officers incorporated by reference from the Registrant's Form 10-K filed October 21, 2020, Exhibit 10(f) thereto.
10(g)	Form of Restricted Stock Unit Agreement for grants of Restricted Stock Units to Executive Officers in fiscal year 2021, incorporated by reference from the Registrant's Form 10-K filed October 21, 2020, Exhibit 10(g) thereto.
10(h)	Form of Market Share Unit Award Agreement for grants of Market Share Units to Executive Officers in fiscal year 2021 incorporated by reference from the Registrant's Form 10-K filed October 21, 2020, Exhibit 10(h) thereto.
10(i)	Form of Performance Share Unit Restricted Stock Award Agreement for grants of Performance Share Units to Executive Officers in fiscal year 2021, incorporated by reference from the Registrant's Form 10-K filed October 21, 2020, Exhibit 10(i) thereto.
10(j)	Form of Restricted Stock Unit Agreement for grants of Restricted Stock Units to Executive Officers in fiscal year 2022.
10(k)	Form of Market Share Unit Award Agreement for grants of Market Share Units to Executive Officers in fiscal year 2022.
10(l)	Form of Performance Share Unit Restricted Stock Award Agreement for grants of Performance Share Units to Executive Officers in fiscal year 2022.

10(m)	WD-40 Company 2017 Performance Incentive Compensation Plan, incorporated by reference from the Registrant's Proxy Statement filed November 2, 2017, Appendix A thereto.
10(n)	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(o)	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(p)	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(q)	Change of Control Severance Agreement between WD-40 Company and Garry O. Ridge dated February 14, 2006, incorporated by reference from the Registrant's Form 10-K filed October 23, 2017, Exhibit 10(p) thereto.
10(r)	Change of Control Severance Agreement between WD-40 Company and Geoffrey J. Holdsworth dated February 14, 2006, incorporated by reference from the Registrant's Form 10-K filed October 23, 2017, Exhibit 10(r) thereto.
10(s)	Change of Control Severance Agreement between WD-40 Company and William B. Noble dated February 14, 2006, incorporated by reference from the Registrant's Form 10-K filed October 23, 2017, Exhibit 10(s) thereto.
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)	Change of Control Severance Agreement between WD-40 Company and Patricia Q. Olsem dated October 8, 2019, incorporated by reference from the Registrant's Form 10-Q filed January 9, 2020, Exhibit 10(a) thereto.
10(v)	Change of Control Severance Agreement between WD-40 Company and Jeffrey G. Lindeman dated December 8, 2020 incorporated by reference from the Registrant's Form 10-Q filed April 8, 2021, Exhibit 10(e) thereto.
10(w)	Credit Agreement dated March 16, 2020 among WD-40 Company and Bank of America, incorporated by reference from the Registrant's Form 8-K filed March 20, 2020, Exhibit 10(a) thereto.
10(x)	Form of Acknowledgement Letter Agreement dated April 8, 2020 among WD-40 Company and Bank of America, incorporated by reference from the Registrant's Form 10-Q filed April 9, 2020, Exhibit 10(d) thereto.
10(y)	First Amendment to Credit Agreement dated September 30, 2020 among WD-40 Company and Bank of America, N.A., incorporated by reference from the Registrant's Form 8-K filed October 6, 2020, Exhibit 10(a) thereto.
10(z)	Note Purchase and Private Shelf Agreement dated November 15, 2017 among WD-40 Company and Prudential and certain Note Purchasers, incorporated by reference from the Registrant's Form 8-K filed November 17, 2017, Exhibit 10(a) thereto.
10(aa)	First Amendment to Note Purchase Agreement dated February 23, 2018 among WD-40 Company and Prudential and certain Note Purchasers, incorporated by reference from the Registrant's Form 8-K filed February 27, 2018, Exhibit 10(b) thereto.
10(ab)	Second Amendment to Note Purchase and Private Shelf Agreement dated March 16, 2020 among WD-40 Company and Prudential and certain Note Purchasers, incorporated by reference from the Registrant's Form 8-K filed March 20, 2020, Exhibit 10(b) thereto.
10(ac)	Form of Limited Consent Letter Agreement dated April 8, 2020 among WD-40 Company and Prudential and certain Note Purchasers, incorporated by reference from the Registrant's Form 10-Q filed April 9, 2020, Exhibit 10(e) thereto.
10(ad)	Third Amendment to Note Purchase and Private Shelf Agreement dated September 30, 2020 among WD-40 Company and Prudential and certain Note Purchasers, incorporated by reference from the Registrant's Form 8-K filed October 6, 2020, Exhibit 10(e) thereto.
10(ae)	Series B Senior Notes dated September 30, 2020, incorporated by reference from the Registrant's Form 8-K filed October 6, 2020, Exhibit 10(f) thereto.
10(af)	Series C Senior Notes dated September 30, 2020, incorporated by reference from the Registrant's Form 8-K filed October 6, 2020, Exhibit 10(g) thereto.
21	Subsidiaries of the Registrant.
23	Consent of Independent Registered Public Accounting Firm dated October 22, 2021.
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	The following materials from WD-40 Company's Annual report on Form 10-K for the fiscal year ended August 31, 2021 formatted in iXBRL (Inline eXtensible Business Reporting Language): (i) the Consolidated Statement of Operations, (ii) the Consolidated Statement of Comprehensive Income, (ii) the Consolidated Statement of Cash Flows, (iv) the Consolidated Balance Sheet, (v) the Consolidated Statement of Shareholders' Equity, and (vi) Notes to the Consolidated Financial Statements.
104	The cover page from the Company's Annual Report on Form 10-K for the fiscal year ended August 31, 2021, formatted in iXBRL and contained in Exhibit 101.

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 22, 2021

/s/ RAE ANN PARTLO
RAE ANN PARTLO
Vice President and Corporate Controller
Principal Accounting Officer
Date: October 22, 2021

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 22, 2021

/s/ DANIEL T. CARTER
DANIEL T. CARTER, Director
Date: October 22, 2021

/s/ MELISSA CLAASSEN
MELISSA CLAASSEN, Director
Date: October 22, 2021

/s/ ERIC P. ETCHART
ERIC P. ETCHART, Director
Date: October 22, 2021

/s/ LARA L. LEE
LARA L. LEE, Director
Date: October 22, 2021

/s/ TREVOR I. MIHALIK
TREVOR I. MIHALIK, Director
Date: October 22, 2021

/s/ GRACIELA I. MONTEAGUDO
GRACIELA I. MONTEAGUDO, Director
Date: October 22, 2021

/s/ DAVID B. PENDARVIS
DAVID B. PENDARVIS, Director
Date: October 22, 2021

/s/ GREGORY A. SANDFORT
GREGORY A. SANDFORT, Director
Date: October 22, 2021

/s/ ANNE G. SAUNDERS
ANNE G. SAUNDERS, Director
Date: October 22, 2021

Report of Independent Registered Public Accounting Firm

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

Opinions on the Financial Statements and Internal Control over Financial Reporting

We have audited the accompanying consolidated balance sheets of WD-40 Company and its subsidiaries (the "Company") as of August 31, 2021 and 2020, and the related consolidated statements of operations, of comprehensive income, of shareholders' equity and of cash flows for each of the three years in the period ended August 31, 2021, including the related notes (collectively referred to as the "consolidated financial statements"). We also have audited the Company's internal control over financial reporting as of August 31, 2021, based on criteria established in *Internal Control - Integrated Framework* (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO).

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of the Company as of August 31, 2021 and 2020, and the results of its operations and its cash flows for each of the three years in the period ended August 31, 2021 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, 2021, based on criteria established in Internal Control - Integrated Framework (2013) issued by the COSO.

Basis for Opinions

The Company's management is responsible for these consolidated 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 the Company's consolidated financial statements and on the Company's internal control over financial reporting based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (PCAOB) and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

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

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

Definition and Limitations of Internal Control over Financial Reporting

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (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.

Critical Audit Matters

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

Rebates - Cooperative Marketing Program Accruals

As described in Notes 2 and 11 to the consolidated financial statements, sales are recorded net of allowances for damaged goods and other sales returns, sales incentives, trade promotions and cash discounts. In determining the transaction price, management evaluates whether the price is subject to refund or adjustment related to variable consideration to determine the net consideration to which the Company expects to be entitled. Management records estimates of variable consideration, which primarily includes rebates/other discounts (cooperative marketing programs, volume-based discounts, shelf price reductions and allowances for shelf space, charges from customers for services they provide to the Company related to the sale and penalties/fines charged to the Company by customers associated with failing to adhere to contractual obligations), coupon offers, cash discount allowances, and sales returns, as a reduction of sales in its consolidated statements of operations. These estimates are based on the expected value method considering all reasonably available information, including current and past trade promotion spending patterns, status of trade promotion activities, the interpretation of historical spending trends by customer and category, customer agreements and/or currently known factors that arise in the normal course of business. Management reviews its assumptions and adjusts these estimates accordingly on a quarterly basis. The Company had an $8.4 million balance in rebate/other discount liabilities as of August 31, 2021, which are included in accrued liabilities on the Company's consolidated balance sheets, and recorded approximately $28.7 million in rebates/other discounts as a reduction to sales during fiscal year 2021.

The principal considerations for our determination that performing procedures relating to the cooperative marketing program accruals is a critical audit matter are (i) the significant judgment by management to estimate the cooperative marketing program accruals, which in turn led to a high degree of auditor judgment in performing procedures to evaluate the status of trade promotion activities within the cooperative marketing program accruals, and (ii) the high level of audit effort and subjectivity in performing procedures to evaluate the current and past trade promotion spending patterns and the status of trade promotion activities used to determine the cooperative marketing program accruals.

Addressing the matter involved performing procedures and evaluating audit evidence in connection with forming our overall opinion on the consolidated financial statements. These procedures included testing the effectiveness of controls relating to the estimation of cooperative marketing program accruals, which related to controls over the current and past trade promotion spending patterns and the status of trade promotion activities used in management's estimate. These procedures also included, among others, (i) testing management's process to estimate the cooperative marketing program accruals, including evaluating the appropriateness of the expected value method, testing the completeness, accuracy and relevance of underlying data used, including the current and past trade promotion spending patterns, and evaluating the reasonableness of the status of the trade promotion activities assumption considering the overall business environment, and (ii) evaluating the completeness of offers made to customers for potential promotional activities, which may require accrual as of period end.

/s/ PricewaterhouseCoopers LLP

San Diego, California
October 22, 2021

We have served as the Company's auditor since at least 1972. We have not been able to determine the specific year we began serving as auditor of the Company.

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

	August 31, 2021	August 31, 2020
Assets		
Current assets:		
Cash and cash equivalents	$ 85,961	$ 56,462
Trade and other accounts receivable, less allowance for doubtful accounts of $463 and $362 at August 31, 2021 and 2020, respectively	89,558	80,672
Inventories	55,752	41,264
Other current assets	9,948	6,756
Total current assets	241,219	185,154
Property and equipment, net	70,145	60,759
Goodwill	95,869	95,731
Other intangible assets, net	7,244	8,633
Operating lease right-of-use assets	8,824	8,168
Deferred tax assets, net	858	464
Other assets	6,044	3,728
Total assets	$ 430,203	$ 362,637
Liabilities and Shareholders' Equity		
Current liabilities:		
Accounts payable	$ 33,499	$ 21,676
Accrued liabilities	25,658	21,660
Accrued payroll and related expenses	25,662	14,767
Short-term borrowings	800	800
Income taxes payable	317	1,213
Total current liabilities	85,936	60,116
Long-term borrowings	114,940	113,098
Deferred tax liabilities, net	10,401	11,291
Long-term operating lease liabilities	7,062	6,520
Other long-term liabilities	11,482	11,299
Total liabilities	229,821	202,324
Commitments and Contingencies (Note 12)		
Shareholders' equity:		
Common stock — authorized 36,000,000 shares, $0.001 par value; 19,856,865 and 19,812,685 shares issued at August 31, 2021 and 2020, respectively; and 13,708,966 and 13,664,786 shares outstanding at August 31, 2021 and 2020, respectively	20	20
Additional paid-in capital	163,737	157,850
Retained earnings	430,735	398,731
Accumulated other comprehensive income (loss)	(26,030)	(28,208)
Common stock held in treasury, at cost — 6,147,899 shares at both August 31, 2021 and 2020	(368,080)	(368,080)
Total shareholders' equity	200,382	160,313
Total liabilities and shareholders' equity	$ 430,203	$ 362,637

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,		
	2021	2020	2019
Net sales	$ 488,109	$ 408,498	$ 423,350
Cost of products sold	224,370	185,481	191,010
Gross profit	263,739	223,017	232,340
Operating expenses:			
Selling, general and administrative	145,493	121,980	123,946
Advertising and sales promotion	27,956	21,606	23,306
Amortization of definite-lived intangible assets	1,449	2,211	2,706
Total operating expenses	174,898	145,797	149,958
Income from operations	88,841	77,220	82,382
Other income (expense):			
Interest income	81	93	155
Interest expense	(2,395)	(2,439)	(2,541)
Other (expense) income, net	(28)	641	774
Income before income taxes	86,499	75,515	80,770
Provision for income taxes	16,270	14,805	24,862
Net income	$ 70,229	$ 60,710	$ 55,908
Earnings per common share:			
Basic	$ 5.11	$ 4.41	$ 4.03
Diluted	$ 5.09	$ 4.40	$ 4.02
Shares used in per share calculations:			
Basic	13,698	13,691	13,799
Diluted	13,733	13,719	13,830

See accompanying notes to consolidated financial statements.

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

	Fiscal Year Ended August 31,		
	2021	**2020**	**2019**
Net income	$ 70,229	$ 60,710	$ 55,908
Other comprehensive income (loss):			
Foreign currency translation adjustment	2,178	4,274	(4,748)
Total comprehensive income	$ 72,407	$ 64,984	$ 51,160

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, 2018	19,729,774	$ 20	$ 153,469	$ 351,266	$ (27,636)	5,879,361	$ (321,630)	$ 155,489
Issuance of common stock under share-based compensation plan, net of shares withheld for taxes	44,203		(2,783)					(2,783)
Stock-based compensation			4,446					4,446
Cash dividends ($2.37 per share)				(32,889)				(32,889)
Acquisition of treasury stock						175,955	(29,625)	(29,625)
Foreign currency translation adjustment					(4,748)			(4,748)
Cumulative effect of change in accounting principle				(225)	(98)			(323)
Net income				55,908				55,908
Balance at August 31, 2019	19,773,977	$ 20	$ 155,132	$ 374,060	$ (32,482)	6,055,316	$ (351,255)	$ 145,475
Issuance of common stock under share-based compensation plan, net of shares withheld for taxes	38,708		(2,640)					(2,640)
Stock-based compensation			5,358					5,358
Cash dividends ($2.62 per share)				(36,039)				(36,039)
Acquisition of treasury stock						92,583	(16,825)	(16,825)
Foreign currency translation adjustment					4,274			4,274
Net income				60,710				60,710
Balance at August 31, 2020	19,812,685	$ 20	$ 157,850	$ 398,731	$ (28,208)	6,147,899	$ (368,080)	$ 160,313
Issuance of common stock under share-based compensation plan, net of shares withheld for taxes	44,180		(3,668)					(3,668)
Stock-based compensation			9,555					9,555
Cash dividends ($2.78 per share)				(38,225)				(38,225)
Foreign currency translation adjustment					2,178			2,178
Net income				70,229				70,229
Balance at August 31, 2021	19,856,865	$ 20	$ 163,737	$ 430,735	$ (26,030)	6,147,899	$ (368,080)	$ 200,382

See accompanying notes to consolidated financial statements.

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

	Fiscal Year Ended August 31,		
	2021	2020	2019
Operating activities:			
Net income	$ 70,229	$ 60,710	$ 55,908
Adjustments to reconcile net income to net cash provided by operating activities:			
Depreciation and amortization	7,019	7,701	7,593
Net gains on sales and disposals of property and equipment	(249)	(124)	(99)
Deferred income taxes	(1,334)	(509)	(4)
Stock-based compensation	9,555	5,358	4,446
Unrealized foreign currency exchange losses (gains), net	(511)	265	651
Provision for bad debts	210	134	67
Changes in assets and liabilities:			
Trade and other accounts receivable	(6,595)	(4,499)	(7,318)
Inventories	(13,774)	555	(4,800)
Other assets	(5,343)	232	5,802
Operating lease assets and liabilities, net	15	233	-
Accounts payable and accrued liabilities	15,485	2,725	(7,948)
Accrued payroll and related expenses	10,702	(1,042)	879
Other long-term liabilities and income taxes payable	(695)	925	7,674
Net cash provided by operating activities	84,714	72,664	62,851
Investing activities:			
Purchases of property and equipment	(15,059)	(19,307)	(13,282)
Proceeds from sales of property and equipment	599	362	383
Maturities of short-term investments	-	-	219
Net cash provided by (used in) investing activities	(14,460)	(18,945)	(12,680)
Financing activities:			
Treasury stock purchases	-	(16,825)	(29,625)
Dividends paid	(38,225)	(36,039)	(32,889)
Proceeds from issuance of long-term senior notes	52,000	-	-
Repayments of long-term senior notes	(800)	(800)	(800)
Net proceeds (repayments) from revolving credit facility	(50,056)	29,595	(2,912)
Shares withheld to cover taxes upon conversion of equity awards	(3,668)	(2,640)	(2,783)
Net cash used in financing activities	(40,749)	(26,709)	(69,009)
Effect of exchange rate changes on cash and cash equivalents	(6)	2,219	(2,795)
Net increase (decrease) in cash and cash equivalents	29,499	29,229	(21,633)
Cash and cash equivalents at beginning of period	56,462	27,233	48,866
Cash and cash equivalents at end of period	$ 85,961	$ 56,462	$ 27,233
Supplemental cash flow information:			
Accrued capital expenditures	1,123	1,764	1,848
Cash paid for:			
Interest	$ 2,319	$ 2,259	$ 2,199
Income taxes, net of tax refunds received	$ 19,254	$ 12,569	$ 16,879

See accompanying 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 a wide range of 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 products 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 warehouse club stores, hardware stores, automotive parts outlets, industrial distributors and suppliers, mass retail and home center stores, value retailers, grocery stores, online retailers, farm supply, sport retailers, and independent bike dealers.

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.

COVID-19 Considerations

The COVID-19 pandemic has adversely impacted global economic conditions and has contributed to significant volatility in financial markets beginning in early calendar year 2020, as described in the "*Impact of COVID-19 on Our Business*" section included in Part II – Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations. Although the Company's current estimates contemplate current conditions, the inputs into certain of the Company's significant and critical accounting estimates include judgments and assumptions about the economic implications of the COVID-19 pandemic and how management expects them to change in the future, as appropriate. It is reasonably possible that actual results experienced may differ materially from the Company's estimates in future periods, which could materially affect our results of operations and financial condition.

Cash and Cash Equivalents

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

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, 2021 and 2020.

Inventories

Inventories are stated at the lower of cost or net realizable value. Cost is determined primarily 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 net realizable value, 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 net realizable value.

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. 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 generally 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, three to seven years for R&D lab equipment and office equipment and three to five years for software and computer equipment. The useful lives of major on-premises information system installations such as implementations of enterprise resource planning ("ERP") systems are determined on an individual basis. Depreciation expense totaled $5.6 million, $5.5 million and $4.9 million for fiscal years 2021, 2020 and 2019, respectively. These amounts include equipment depreciation expense which is recognized as cost of products sold and totaled $1.2 million in fiscal year 2021, $1.4 million in fiscal year 2020 and $1.1 million in fiscal year 2019.

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.

Leases

The Company leases real estate for its regional sales offices, a research and development facility, and offices located at its international subsidiaries and branch locations. In addition, the Company leases a fleet of automobiles. The Company has also identified warehouse leases within certain third-party distribution center service contracts. To determine if a contract contains a lease, the Company assesses its contracts and determines if there is an identified asset for which the Company has obtained the right to control, as defined in ASC 842. Right-of-use ("ROU") assets and lease liabilities are recognized based on the present value of lease payments over the lease term with lease expense recognized over the term of the lease. As the Company's leases typically do not contain a readily determinable implicit rate, the Company determines the present value of the lease liability using its estimated secured incremental borrowing rate at the lease commencement date based on the lease term and the currency of the lease on a collateralized basis.

Lease agreements may contain rent escalation clauses, renewal or termination options, and rent holidays, amongst other features. ROU assets include amounts for scheduled rent increases. The lease term includes the non-cancelable period of the lease and options to extend or terminate the lease when it is reasonably certain the Company will exercise those options, and is reviewed in subsequent periods if a triggering event occurs. The Company has made the accounting policy election to use certain ongoing practical expedients made available by ASC 842 to: (i) not separate lease components from non-lease components for real estate – office buildings, machinery and equipment, lab equipment, office equipment, furniture and fixtures, and IT equipment; and (ii) exclude leases with an initial term of 12 months or less ("short-term" leases) from the consolidated balance sheets and recognize related lease payments in the consolidated statements of operations on a straight-line basis over the lease term.

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 a 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 a quantitative test is unnecessary. Otherwise, a quantitative test is performed to identify the potential impairment and to measure the amount of goodwill impairment, if any. The Company also performs a quantitative assessment periodically, regardless of the results of the qualitative assessments. 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 2021, 2020 or 2019.

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 for 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 2021, 2020 or 2019.

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, 2021, 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 and short-term borrowings are recorded at cost, which approximates their fair values, primarily due to their short-term nature. In addition, the carrying value of borrowings held under the Company's revolving credit facility approximates fair value, based on Level 2 inputs, due to the variable nature of underlying interest rates, which generally reflect market conditions. The Company's fixed rate long-term borrowings consist of senior notes and are recorded at carrying value. The Company estimates that the fair value of its senior notes, based on Level 2 inputs, was approximately $68.2 million as of August 31, 2021, which was determined based on a discounted cash flow analysis using current market interest rates for instruments with similar terms, compared to their carrying value of $69.2 million. During the fiscal years ended August 31, 2021, 2020 and 2019, 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 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.

Concentration of 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. Historically, 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 and has been able to access adequate production capacity at its third-party manufacturers. However, during the COVID-19 pandemic, the Company has experienced challenges within its supply chain, but particularly in its Americas supply chain. These challenges include general aerosol production capacity constraints primarily due to increased demand at the third-party manufacturers that the Company utilizes as well as shortages of certain raw materials.

Insurance Coverage

The Company carries insurance policies to cover insurable risks such as property damage, business interruption, product liability, cyber 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, 2021 and 2020.

Revenue Recognition

The Company recognizes revenue related to the sale of products when it satisfies a performance obligation in an amount reflecting the consideration to which it expects to be entitled. Sales are recorded net of allowances for damaged goods and other sales returns, sales incentives, trade promotions and cash discounts. The Company applies a five-step approach in determining the amount and timing of revenue to be recognized which includes the following: (1) identifying the contract with a customer, (2) identifying the performance obligations in the contract, (3) determining the transaction price, (4) allocating the transaction price to the performance obligations in the contract and (5) recognizing revenue when the performance obligation is satisfied.

In determining the transaction price, the Company evaluates whether the price is subject to refund or adjustment related to variable consideration to determine the net consideration to which the Company expects to be entitled. The Company records estimates of variable consideration, which primarily includes rebates/other discounts (cooperative marketing programs, volume-based discounts, shelf price reductions and allowances for shelf space, charges from customers for services they provided to us related to the sale and penalties/fines charged to us by customers associated with failing to adhere to contractual obligations), coupon offers, cash discount allowances, and sales returns, as a reduction of sales in its consolidated statements of operations. These estimates are based on the expected value method considering all reasonably available information, including current and past trade promotion spending patterns, status of trade promotion activities, the interpretation of historical spending trends by customer and category, customer agreements and/or currently known factors that arise in the normal course of business. The Company reviews its assumptions and adjusts these estimates accordingly on a quarterly basis.

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. In addition, cost of products sold includes fees charged to the Company by its third-party distribution centers to warehouse and administer finished products once they are received from the Company's third-party contract manufacturers.

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 employee-related and various other 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 the movement of finished goods from third-party contract manufacturers to the Company's third-party distribution centers and from one third-party distribution center to another are capitalized in the cost of inventory and subsequently included in cost of sales when the sale to the customer is 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 $16.5 million, $12.9 million and $16.3 million for fiscal years 2021, 2020 and 2019, 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 as well as market and sales data analyses. Advertising and sales promotion expenses also include product samples which are given to customers and are initiated by the Company and costs associated with shared marketing fund programs that the Company has in place with its marketing distributor customers. Total advertising and sales promotion expenses were $28.0 million, $21.6 million and $23.3 million for fiscal years 2021, 2020 and 2019, 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 $5.6 million, $6.0 million and $6.5 million in fiscal years 2021, 2020 and 2019, 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 basis 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.

The Company is required to make assertions on whether its foreign subsidiaries will invest their undistributed earnings indefinitely and these assertions are based on the capital needs of the foreign subsidiaries. Generally, unremitted earnings of the Company's foreign subsidiaries are not considered to be indefinitely reinvested. However, there are exceptions regarding the Company's newly formed subsidiary in Mexico as well as specific statutory remittance restrictions imposed on the Company's China subsidiary. Costs associated with repatriating unremitted foreign earnings, including U.S. state income taxes and foreign withholding taxes, are immaterial to the Company's consolidated financial statements. For additional information on income tax matters, see Part IV—Item 15, "Exhibits, Financial Statement Schedules" Note 13 — Income Taxes, included in this report.

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 in the Company's consolidated statements of operations. The Company had $0.3 million in net losses and $0.4 million and $0.6 million of net gains in foreign currency transactions in fiscal years 2021, 2020 and 2019, respectively.

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 utilizes foreign currency forward contracts to limit its exposure to net asset balances held in non-functional currencies, primarily at its U.K. subsidiary. 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 in other income (expense), net 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, 2021, the Company had a notional amount of $3.6 million outstanding in foreign currency forward contracts, which matured in September 2021. Unrealized net gains and losses related to foreign currency forward contracts were not significant at August 31, 2021 or 2020. Realized net losses related to foreign currency forward contracts were not significant for the fiscal years ended August 31, 2021 and 2020. Both unrealized and realized net gains and losses are recorded in other income on the Company's consolidated statements of operations.

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 various types of stock-based equity awards 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. Stock-based equity awards are measured at the grant date, based on the estimated fair value of the award, and are recognized as stock-based compensation expense on a straight-line basis over the requisite service period of the entire award, net of the impacts of award forfeitures as they occur. The requisite service period is generally the maximum vesting period of the award. 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 does not currently grant stock options. The fair values of restricted stock unit awards and performance share 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 performance share 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. The Company records any excess tax benefits or deficiencies from settlements of its stock-based equity awards within the provision for income taxes on the Company's consolidated statements of operations in the reporting periods in which the settlement of the equity awards occur.

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

The Company did not adopt any new accounting standards during its fiscal year 2021 that had a significant impact on its consolidated financial statements. However, the adoption of new SEC guidance impacted certain of the Company's disclosure requirements. In November 2020, the SEC adopted the final rule under SEC Release No. 33-10890, Management's Discussion and Analysis, Selected Financial Data, and Supplementary Financial Information, to modernize and simplify Management's Discussion and Analysis and certain financial statement disclosure requirements. These updates are part of the SEC's broad disclosure effectiveness initiative intended to improve the content of SEC filings and simplify compliance for registrants. The SEC also adopted the final rule under SEC Release No. 33-10825, Modernization of Regulation S-K Items 101, 103, and 105, in August 2020. These amendments modernize the description of business, legal proceedings, and risk factor disclosure requirements, and were effective on November 9, 2020. The Company updated its disclosures accordingly to comply with these amendments and these amendments do not impact the Company's consolidated financial statements.

Recently Issued Accounting Standards

In December 2019, the FASB issued ASU No. 2019-12, "*Simplifying the Accounting for Income Taxes*" under ASC 740, which simplifies the accounting for income taxes by removing certain exceptions to the general principles in Topic 740 and amends existing guidance to improve consistent application. This guidance is effective for fiscal years beginning after December 15, 2020, including interim periods within that fiscal year. 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.

Note 3. Inventories

Inventories consisted of the following (in thousands):

	August 31, 2021	August 31, 2020
Product held at third-party contract manufacturers	$ 9,036	$ 4,393
Raw materials and components	8,981	5,034
Work-in-process	802	385
Finished goods	36,933	31,452
Total	$ 55,752	$ 41,264

Note 4. Property and Equipment

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

	August 31, 2021	August 31, 2020
Machinery, equipment and vehicles	$ 22,504	$ 20,434
Buildings and improvements	29,697	28,271
Computer and office equipment	5,742	5,420
Software	10,559	9,959
Furniture and fixtures	2,794	2,641
Capital in progress	31,016	21,939
Land	4,406	4,374
Subtotal	106,718	93,038
Less: accumulated depreciation and amortization	(36,573)	(32,279)
Total	$ 70,145	$ 60,759

Note 5. Goodwill and Other Intangible Assets

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, 2019	$ 85,420	8,717	1,210	95,347
Translation adjustments	41	343	-	384
Balance as of August 31, 2020	85,461	9,060	1,210	95,731
Translation adjustments	15	124	(1)	138
Balance as of August 31, 2021	$ 85,476	$ 9,184	$ 1,209	$ 95,869

During the second quarter of fiscal year 2021, the Company performed its annual goodwill impairment test. The annual goodwill impairment test was performed at the reporting unit level as required by the authoritative guidance as of the Company's most recent goodwill impairment testing date, December 1, 2020. During the fiscal year 2021 annual goodwill impairment test, 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, including the impacts of the COVID-19 pandemic; (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 personnel; 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 as of the goodwill impairment testing date and, thus, a quantitative analysis was not required. The estimated fair value of each of the Company's reporting units exceeded their respective carrying values so significantly that an impairment charge to the Company's goodwill balances is remote. The Company concluded that 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 December 1, 2020 through August 31, 2021. 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 Spot Shot, Carpet Fresh, 1001, EZ REACH and GT85 trade names, are included in other intangible assets, net in the Company's consolidated balance sheets. The following table summarizes the definite-lived intangible assets and the related accumulated amortization (in thousands):

	August 31, 2021	August 31, 2020
Gross carrying amount	$ 36,657	$ 36,363
Accumulated amortization	(29,413)	(27,730)
Net carrying amount	$ 7,244	$ 8,633

There has been no impairment charge for the period ended August 31, 2021 and there were no indicators of impairment identified as a result of the Company's review of events and circumstances related to its existing definite-lived intangible assets. The Company's review of events and circumstances included consideration of the ongoing COVID-19 pandemic.

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, 2019	$ 8,401	2,251	-	$ 10,652
Amortization expense	(1,848)	(363)	-	(2,211)
Translation adjustments	-	192	-	192
Balance as of August 31, 2020	6,553	2,080	-	8,633
Amortization expense	(1,058)	(391)	-	(1,449)
Translation adjustments	-	60	-	60
Balance as of August 31, 2021	$ 5,495	$ 1,749	$ -	$ 7,244

The estimated amortization expense for the Company's definite-lived intangible assets is not significant in any future individual fiscal year.

Note 6. Leases

The Company leases real estate for its regional sales offices, a research and development facility, and offices located at its international subsidiaries and branch locations. In addition, the Company leases an automobile fleet in the United States. The Company has also identified warehouse leases within certain third-party distribution center service contracts. All other leases are insignificant to the Company's consolidated financial statements. To determine if a contract contains a lease, the Company assesses its contracts and determines if there is an identified asset for which the Company has obtained the right to control, as defined in ASC 842.

The Company records right-of-use assets and lease liabilities on its consolidated balance sheets for leases with an expected term greater than one year. The lease term includes the committed lease term, also taking into account early termination and renewal options that management is reasonably certain to exercise. For leases that do not have a readily determinable implicit rate, the Company uses its estimated secured incremental borrowing rate based on the information available at the lease commencement date to determine the present value of lease payments. The Company's estimated secured incremental borrowing rate is determined using a portfolio approach based on the rate of interest the Company would have to pay to borrow an amount equal to the lease payments on a collateralized basis over a similar term. The Company uses the unsecured borrowing rate and risk-adjusts that rate to approximate a collateralized rate in the currency of the lease. As of August 31, 2021, finance leases were not significant and all leases recorded on the Company's consolidated balances sheets were operating leases. Residual value guarantees, restrictions, covenants, sublease income, net gains or losses from sale and leaseback transactions, and transactions with related parties associated with leases are also not significant. The Company has made the accounting policy election to use certain ongoing practical expedients made available by ASC 842 to: (i) not separate lease components from nonlease components for real estate – office buildings, machinery and equipment, lab equipment, office equipment, furniture and fixtures, and IT equipment; and (ii) exclude leases with an initial term of 12 months or less ("short-term" leases) from the consolidated balance sheets and will recognize related lease payments in the consolidated statements of operations on a straight-line basis over the lease term. However, the Company had no significant short-term leases as of August 31, 2021. The Company obtained additional right-of-use assets of $2.2 million in exchange for lease obligations related to renewals of existing leases during fiscal year 2021.

The Company recorded $2.1 million and $2.0 million in lease expense during the fiscal years ended August 31, 2021 and 2020, respectively. This lease expense was included in selling, general and administrative expenses. The Company recorded $0.6 million of lease expense classified within cost of products sold for the fiscal year ended August 31, 2021, and an insignificant amount for the fiscal year ended August 31, 2020. During the fiscal year ended August 31, 2021 and 2020, the Company paid cash of $2.0 million and $1.9 million related to lease liabilities, respectively. Variable lease expense under the Company's lease agreements was not significant for both the fiscal years ended August 31, 2021 and 2020. As of August 31, 2021, the weighted-average remaining lease term was 6.7 years and the weighted-average discount rate was 2.8% for the Company's operating leases. As of August 31, 2020, the weighted-average remaining lease term was 6.8 years and the weighted-average discount rate was 3.1% for the Company's operating leases. There were no leases that had not yet commenced as of August 31, 2021 that will create additional significant rights and obligations for the Company.

Right-of-use assets and lease liabilities consisted of the following (in thousands):

	August 31, 2021	August 31, 2020
Assets:		
Operating lease right-of-use assets	$ 8,824	$ 8,168
Liabilities:		
Current operating lease liabilities[(1)]	1,903	1,840
Long-term operating lease liabilities	7,062	6,520
Total operating lease liabilities	$ 8,965	$ 8,360

(1) Current operating lease liabilities are classified in accrued liabilities on the Company's condensed consolidated balance sheet.

The Company's maturities of its operating lease liabilities, including early termination and renewal options that management is reasonably certain to exercise, are as follows as of August 31, 2021 (in thousands):

	Operating Leases
Fiscal year 2022	2,134
Fiscal year 2023	1,774
Fiscal year 2024	1,557
Fiscal year 2025	1,050
Fiscal year 2026	720
Thereafter	2,741
Total undiscounted future cash flows	$ 9,976
Less: Interest	(1,011)
Present value of lease liabilities	$ 8,965

Note 7. Accrued and Other Liabilities

Accrued liabilities consisted of the following (in thousands):

	August 31, 2021	August 31, 2020
Accrued advertising and sales promotion expenses	$ 11,796	$ 10,787
Accrued professional services fees	2,122	1,761
Accrued sales taxes and other taxes	1,708	1,751
Deferred revenue	3,696	1,446
Short-term operating lease liability	1,903	1,840
Other	4,433	4,075
Total	$ 25,658	$ 21,660

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

	August 31, 2021	August 31, 2020
Accrued incentive compensation	$ 14,068	$ 5,702
Accrued payroll	4,746	4,396
Accrued profit sharing	3,273	2,726
Accrued payroll taxes	2,952	1,446
Other	623	497
Total	$ 25,662	$ 14,767

Note 8. Debt

As of August 31, 2021, the Company held borrowings under two separate agreements as detailed below.

Note Purchase and Private Shelf Agreement

The Company holds borrowings under its Note Purchase and Private Shelf Agreement (the "Note Agreement") by and among the Company, PGIM, Inc. ("Prudential"), and certain affiliates and managed accounts of Prudential (the "Note Purchasers"). The Note Agreement has been amended three times, most recently on September 30, 2020 (the "Third Amendment"). The Third Amendment permitted the Company to enter into the first amendment of its existing amended and restated revolving credit agreement with Bank of America and also included certain conforming amendments to the credit agreement, including the revision of financial and restrictive covenants.

Credit Agreement

The Company's Amended and Restated Credit Agreement (the "Credit Agreement") with Bank of America consists of a revolving commitment for borrowing by the Company up to $150.0 million with a sublimit of $100.0 million for WD-40 Company Limited, a wholly owned operating subsidiary of the Company for Europe, the Middle East, Africa and India.

On September 30, 2020, the Company entered into a First Amendment to Credit Agreement (the "First Amendment to Credit Agreement") with Bank of America. In addition to other non-material and technical amendments to the Credit Agreement, the First Amendment to Credit Agreement extended the maturity date from March 16, 2025 to September 30, 2025, revised certain financial and restrictive covenants, increased the limitation amounts on other unsecured Indebtedness and Investments and adjusted the interest rates on subsequent borrowings under the Credit Agreement using a three-tier pricing approach tied to the Company's Consolidated Leverage Ratio. Capitalized terms not otherwise defined in this report have the meaning given to such terms in the Credit Agreement.

Short-term and long-term borrowings under the Company's Credit Agreement and Note Agreement consisted of the following (in thousands):

	Issuance	Maturities (calendar year)	August 31, 2021	August 31, 2020
Credit Agreement - revolving credit facility (1)(3)	Various	9/30/2025	46,540	$ 95,898
Note Agreement				
Series A Notes - 3.39% fixed rate(2)	11/15/2017	2021-2032	17,200	18,000
Series B Notes - 2.50% fixed rate(3)	9/30/2020	11/15/2027	26,000	-
Series C Notes - 2.69% fixed rate(3)	9/30/2020	11/15/2030	26,000	-
Total borrowings			115,740	113,898
Short-term portion of borrowings			(800)	(800)
Total long-term borrowings			$ 114,940	$ 113,098

(1) The Company has the ability to refinance any draw under the line of credit with successive short-term borrowings through the maturity date. Outstanding draws for which management has both the ability and intent to refinance with successive short-term borrowings for a period of at least twelve months are classified as long-term. As of August 31, 2021, the entire balance on this facility is classified as long-term and only contains amounts denominated in Euros and Pound Sterling. Euro and Pound Sterling denominated draws will fluctuate in U.S. Dollars from period to period due to changes in foreign currency exchange rates.

(2) Principal payments are required semi-annually in May and November of each year in equal installments of $0.4 million through May 15, 2032. The remaining outstanding principal in the amount of $8.4 million will become due on November 15, 2032.

(3) On September 30, 2020, the Company refinanced $50.0 million of existing draws under its Credit Agreement in the United States through the issuance of two new $26.0 million notes ("Series B Notes" and "Series C Notes", respectively) under its Note Agreement. Interest on these new notes is payable semi-annually in May and November of each year with no principal due until the maturity date. The first interest payment on both the Series B and Series C Notes was paid in May 2021.

Both the Note Agreement and the Credit Agreement contain representations, warranties, events of default and remedies, as well as affirmative, negative and other financial covenants customary for these types of agreements. These covenants include, among other things, certain limitations on the ability of the Company and its subsidiaries to incur indebtedness, create liens, dispose of assets, make investments, declare, make or incur obligations to make certain restricted payments, including the payment of dividends and payments for the repurchase of the Company's capital stock and enter into certain merger or consolidation transactions. The Credit Agreement includes, among other limitations on indebtedness, a $125.0 million limit on other unsecured indebtedness.

Each agreement also includes a most favored lender provision which requires that any time any other lender has the benefit of one or more financial or operational covenants that is different than, or similar to, but more restrictive than those contained in its own agreement, those covenants shall be immediately and automatically incorporated by reference to the other lender's agreement. Both the Note Agreement and the Credit Agreement require the Company to adhere to the same financial covenants. 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 and a half 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

As of August 31, 2021, the Company was in compliance with all debt covenants under both the Note Agreement and the Credit Agreement.

Note 9. Share Repurchase Plan

On April 8, 2020, the Company elected to suspend repurchases under its previously approved share buy-back plan, which subsequently expired on August 31, 2020. The Company made this election in order to preserve cash while it continued to monitor the long-term impacts of the COVID-19 pandemic.

On October 12, 2021, the Company's Board of Directors approved a new share buy-back plan. Under the plan, which will become effective on November 1, 2021, the Company is authorized to acquire up to $75.0 million of its outstanding shares through August 31, 2023. 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, subject to present loan covenants and in compliance with all laws and regulations applicable thereto.

Note 10. Earnings per Common Share

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

	Fiscal Year Ended August 31,		
	2021	2020	2019
Net income	$ 70,229	$ 60,710	$ 55,908
Less: Net income allocated to participating securities	(277)	(294)	(333)
Net income available to common shareholders	$ 69,952	$ 60,416	$ 55,575

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,		
	2021	2020	2019
Weighted-average common shares outstanding, basic	13,698	13,691	13,799
Weighted-average dilutive securities	35	28	31
Weighted-average common shares outstanding, diluted	13,733	13,719	13,830

There were no anti-dilutive stock-based equity awards outstanding for the fiscal years ended August 31, 2021. For the fiscal years ended August 31, 2020 and 2019,weighted-average stock-based equity awards outstanding that are non-participating securities in the amount of 6,172 and 1,082, respectively, were excluded from the calculation of diluted EPS under the treasury stock method as they were anti-dilutive.

Note 11. Revenue Recognition

The following paragraphs detail the Company’s revenue recognition policies and provide additional information used in its determination of net sales and contract balances under ASC 606.

Revenue Recognition

The Company generates revenue from sales of its products to customers in its Americas, EMEA and Asia-Pacific segments. Product sales for the Company include maintenance products and homecare and cleaning products. The Company recognizes revenue related to the sale of these products when it satisfies a performance obligation in an amount reflecting the consideration to which it expects to be entitled. Sales are recorded net of allowances for damaged goods and other sales returns, sales incentives, trade promotions and cash discounts. The Company applies a five-step approach in determining the amount and timing of revenue to be recognized which includes the following: (1) identifying the contract with a customer, (2) identifying the performance obligations in the contract, (3) determining the transaction price, (4) allocating the transaction price to the performance obligations in the contract and (5) recognizing revenue when the performance obligation is satisfied.

Contracts with customers are renewable periodically and contain terms and conditions with respect to payment, delivery, sales incentives, warranty and supply, but do not require mandatory purchase commitments. In the absence of a specific sales agreement with a customer, the Company’s standard terms and conditions at the time of acceptance of purchase orders apply to the sales transaction. The Company’s standard terms and conditions are either included in a standalone document or on the Company’s price lists or both, and these standard terms and conditions are provided to the customer prior to the sales transaction. The Company considers the customer purchase orders, governed by specific sales agreements or the Company’s standard terms and conditions, to be the contract with the customer. The Company considers each transaction to sell products as separate and distinct, with no additional promises made, and as a result, all of the Company's sales are single performance obligation arrangements for which the transaction price is equivalent to the stated price of the product, net of any variable consideration for items such as sales returns, discounts, rebates and other sales incentives. The Company recognizes sales at a point in time upon transferring control of its product to the customer. This typically occurs when products are shipped or delivered, depending on when risks of loss and title have passed to the customer per the terms of the contract.

Taxes imposed by governmental authorities on the Company's revenue, such as sales taxes and value added taxes, are excluded from net sales. Sales commissions are paid to certain third-parties based upon specific sales levels achieved during a defined time period. Since the Company’s contracts related to these sales commissions do not exceed one year, the Company has elected as a practical expedient to expense these payments as incurred. The Company also elected the practical expedient related to shipping and handling fees which allows the Company to account for freight costs as fulfillment activities instead of assessing such activities as performance obligations. The Company’s freight costs are sometimes paid by the customer, while other times, the freight costs are included in the sales price. The Company does not account for freight costs as a separate performance obligation, but rather as an activity performed to transfer the products to its customers.

Variable Consideration - Sales Incentives

In determining the transaction price, the Company evaluates whether the price is subject to refund or adjustment related to variable consideration to determine the net consideration to which the Company expects to be entitled. The Company records estimates of variable consideration, which primarily includes rebates/other discounts (cooperative marketing programs, volume-based discounts, shelf price reductions and allowances for shelf space, charges from customers for services they provided to us related to the sale and penalties/fines charged to us by customers associated with failing to adhere to contractual obligations), coupon offers, cash discount allowances, and sales returns, as a reduction of sales in its consolidated statements of operations. These estimates are based on the expected value method considering all reasonably available information, including current and past trade promotion spending patterns, status of trade promotion activities, the interpretation of historical spending trends by customer and category, customer agreements and/or currently known factors that arise in the normal course of business. The Company reviews its assumptions and adjusts these estimates accordingly on a quarterly basis.

Rebates/Other Discounts — The Company offers various on-going trade promotion programs with customers and provides other discounts to customers that require management to estimate and accrue for the expected costs of such programs or discounts. These programs include cooperative marketing, volume-based discounts, shelf price reductions, consideration and allowances given to retailers for shelf space and/or favorable display positions in their stores and other promotional activities. Other discounts include items such as charges from customers for services they provide related to the sale of WD-40 Company products and penalties/fees associated with WD-40 Company failing to adhere to contractual obligations (e.g., errors on purchase orders, errors on shipment, late deliveries, etc.). Costs related to rebates, cooperative advertising and other promotional activities and other discounts are recorded as a reduction to sales upon delivery of the Company’s products to its customers. The Company had a $8.4 million and $7.5 million balance in rebate/other discount liabilities as of August 31, 2021 and 2020, respectively, which are included in accrued liabilities on the Company's consolidated balance sheets. The Company recorded approximately $28.7 million and $20.7 million in rebates/other discounts as a reduction to sales during fiscal years 2021 and 2020, respectively.

Coupons — 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. Coupon redemption liabilities, which are included in accrued liabilities on the Company's consolidated balance sheets, were not significant at August 31, 2021 and 2020. Coupons recorded as a reduction to sales were not significant during fiscal years 2021 and 2020, respectively.

Cash discounts — The Company offers certain of its customers a cash discount program to incentivize them to pay the invoice earlier than the normal payment date on the invoice. Although payment terms vary, most customers typically pay within 30 to 90 days of invoicing. The Company had a $0.5 million balance in the allowance for cash discounts at both August 31, 2021 and 2020. The Company recorded approximately $4.9 million and $4.4 million in cash discounts as a reduction to sales during fiscal year 2021 and 2020, respectively.

Sales returns — The Company recognizes revenue net of allowances for estimated returns, which is generally based on historical return rates, with a corresponding reduction to cost of products sold. Although the Company typically does not have definitive sales return provisions included in the contract terms with its customers, when such provisions have been included, they have not been significant. The Company presents its provision for sales returns on a gross basis as a liability. The Company's refund liability for sales returns is included in accrued liabilities and represents the amount expected to be owed to the customers for product returns. The Company's refund liability for sales returns was $0.5 million at August 31, 2021 and was not significant at August 31, 2020. The Company also records an asset for the value of inventory that represents the right to recover products from customers associated with sales returns. The value of this inventory is recorded to other current assets and the balance in this account associated with product returns was not significant at August 31, 2021 and August 31, 2020.

Disaggregation of Revenue

The Company's revenue is presented on a disaggregated basis in Note 16 – Business Segments and Foreign Operations included in this report. 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. The Chief Operating Decision Maker assesses and measures revenue based on geographic area and product groups.

Contract Balances

Contract liabilities consist of deferred revenue related to undelivered products. Deferred revenue is recorded when payments have been received from customers for undelivered products. Revenue is subsequently recognized when revenue recognition criteria are met, generally when control of the product transfers to the customer. The Company had contract liabilities of $3.7 million and $1.4 million as of August 31, 2021 and 2020, respectively. All of the $1.4 million that was included in contract liabilities as of August 31, 2020 was recognized to revenue during fiscal year 2021. These contract liabilities are recorded in accrued liabilities on the Company's consolidated balance sheets. The Company did not have any contract assets as of August 31, 2021 and August 31, 2020.

Note 12. Commitments and Contingencies

Purchase Commitments

The Company has ongoing relationships with various suppliers (contract manufacturers) that manufacture the Company's products and third-party distribution centers that warehouse and ship the Company's products to customers. 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 has definitive minimum purchase obligations included in the contract terms with certain of its contract manufacturers, when such obligations have been included, they have either been immaterial or the minimum amounts have been such that they are well below the volume of goods that the Company has historically purchased. 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 months to six 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, 2021, 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. As of August 31, 2021, there were no unasserted claims or pending proceedings for claims against the Company that the Company believes will result in a probable loss for the Company and, as to claims that the Company believes may result in a reasonably possible loss, the Company believes that no reasonably possible outcome of any such claim will have a materially adverse impact on the Company's financial condition, results of operations or cash flows.

On or about August 18, 2020, Benny Bong ("Bong") filed a civil action against the Company and the Company's wholly-owned subsidiary, WD-40 Manufacturing Company ("WD-40 Manufacturing"), in Indonesia in the Commercial District Court of Central Jakarta, case reference number 41 / Pdt.Sus-Merek / 2020 / PN.Niaga.Jkt.Pst. (the "Jakarta Litigation"). In April 2021, the Company and WD-40 Manufacturing, owner of the WD-40 brand trademarks, were served with Summons and Complaint for the Jakarta Litigation, in which Bong is seeking damages based on the Company's enforcement actions against Bong following registration of a Get All-40 trademark that includes a yellow shield logo similar to the WD-40 brand shield logo (the "Get All 40 Trademark"). The complaint asserts claims for damages for more than $25.0 million.

The dispute underlying the Jakarta Litigation follows 2018 litigation filed by WD-40 Manufacturing, in which the Commercial District Court ordered cancellation of two earlier Get All-40 trademark registrations. In January 2021, WD-40 Manufacturing filed a new cancellation action in a separate proceeding before the Commercial District Court seeking to invalidate the most recent Get All-40 Trademark registration. In August 2021, the Commercial District Court granted WD-40 Manufacturing's action for cancellation of the Get All-40 Trademark. Bong initiated appeal of the cancellation decision in September 2021.

The Company denies the allegations asserted by Bong and will vigorously defend itself in the Jakarta Litigation. The Company believes that an unfavorable outcome in the Jakarta Litigation is not probable. Due to the uncertainty as to the claims asserted by Bong for recovery of damages and as to future actions in the Jakarta Litigation, the Company is unable to estimate an amount of possible future loss or a range of possible loss.

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, 2021.

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, 2021.

Note 13. Income Taxes

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

	Fiscal Year Ended August 31, 2021	2020	2019
United States	$ 40,949	$ 43,000	$ 47,962
Foreign (1)	45,550	32,515	32,808
Income before income taxes	$ 86,499	$ 75,515	$ 80,770

(1) Included in these amounts are income before income taxes for the EMEA segment of $38.8 million, $27.0 million and $26.6 million for the fiscal years ended August 31, 2021, 2020 and 2019, respectively.

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

	Fiscal Year Ended August 31, 2021	2020	2019
Current:			
Federal	$ 5,871	$ 7,267	$ 15,591
State	1,007	822	800
Foreign	10,944	7,139	7,679
Total current	17,822	15,228	24,070
Deferred:			
United States	(1,201)	(619)	843
Foreign	(351)	196	(51)
Total deferred	(1,552)	(423)	792
Provision for income taxes	$ 16,270	$ 14,805	$ 24,862

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

	August 31, 2021	August 31, 2020
Deferred tax assets:		
Accrued payroll and related expenses	$ 1,029	$ 891
Reserves and accruals	1,115	1,079
Stock-based compensation expense	2,387	2,162
Lease Accounting	882	828
Uniform capitalization	1,558	954
Tax credit carryforwards	3,911	3,374
Other	1,569	1,437
Total gross deferred tax assets	12,451	10,725
Valuation allowance	(3,984)	(3,442)
Total net deferred tax assets	8,467	7,283
Deferred tax liabilities:		
Property and equipment, net	(1,927)	(1,515)
Amortization of tax goodwill and intangible assets	(15,109)	(15,205)
Lease Accounting	(856)	(808)
Other	(118)	(582)
Total deferred tax liabilities	(18,010)	(18,110)
Net deferred tax liabilities	$ (9,543)	$ (10,827)

The Company had state net operating loss ("NOL") carryforwards of $4.5 million and $3.9 million as of August 31, 2021 and 2020, respectively, which generated a net deferred tax asset of $0.3 million as of both August 31, 2021 and 2020. The state NOL carryforwards, if unused, will expire between fiscal year 2022 and 2041. The Company also had tax credit carryforwards of $3.9

million and $3.4 million as of August 31, 2021 and 2020, respectively, of which $3.7 million and $3.2 million, respectively, is attributable to U.K. tax credit carryforwards, which do not expire. Future utilization of the U.K. tax credit carryforwards and certain state credit carryforwards 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 valuation allowance has been recorded against the related deferred tax asset associated with the U.K. tax credit carryforwards and certain state 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,		
	2021	2020	2019
Amount computed at U.S. statutory federal tax rate	$ 18,165	$ 15,858	$ 16,962
State income taxes, net of federal tax benefits	803	853	963
Effect of foreign operations	629	297	318
Net benefit from GILTI/FDII	(1,764)	(1,582)	(1,404)
Tax Cuts and Jobs Act:			
Toll tax, net of foreign tax credits	-	-	8,665
Benefit from stock compensation	(1,813)	(1,129)	(1,107)
Other	250	508	465
Provision for income taxes	$ 16,270	$ 14,805	$ 24,862

The provision for income taxes was 18.8% and 19.6% of income before income taxes for the fiscal years ended August 31, 2021 and 2020, respectively. The decrease in the effective income tax rate from period to period was primarily due to an increase in excess tax benefits from settlements of stock-based equity awards, as well as increased benefits from earnings from foreign operations.

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,	
	2021	2020
Unrecognized tax benefits - beginning of fiscal year	$ 9,352	$ 9,384
Net increases (decreases) - prior period tax positions	31	-
Net increases - current period tax positions	254	230
Expirations of statute of limitations for assessment	(323)	(262)
Unrecognized tax benefits - end of fiscal year	$ 9,314	$ 9,352

Gross unrecognized tax benefits totaled $9.3 million and $9.4 million for the fiscal years ended August 31, 2021 and 2020, respectively, of which $9.1 million and $9.2 million in fiscal years ended August 31, 2021 and 2020, respectively, would affect the Company's effective income tax rate if recognized. Interest and penalties related to uncertain tax positions included in tax expense was $0.3 million and $0.5 million for fiscal year ending August 31, 2021 and 2020, respectively, primarily related to the toll tax liability reserve. The total balance of accrued interest and penalties related to uncertain tax positions was $1.2 million and $1.0 million for the fiscal years ended August 31, 2021 and 2020, respectively.

The Company is subject to taxation in the U.S. and in various state and foreign jurisdictions. Due to expired statutes and closed audits, the Company's federal income tax returns for years prior to fiscal year 2018 are not subject to examination by the U.S. Internal Revenue Service. The Company is currently under audit in various state jurisdictions for fiscal years 2017 through 2020. Generally, for the majority of state and foreign jurisdictions where the Company does business, periods prior to fiscal year 2017 are no longer subject to examination. The Company has estimated that up to $0.3 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 14. Stock-based Compensation

As of August 31, 2021, 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, 2021, the Company had granted awards of restricted stock units ("RSUs"), market share units ("MSUs"), deferred performance units ("DPUs") and performance share units ("PSUs") under the 2016 Plan. Additionally, as of August 31, 2021, there were still certain outstanding awards which had been granted under the Company's prior equity incentive plan. 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, 2021, 543,700 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 shares not previously issued, or treasury shares. The Company has historically issued new authorized shares not previously issued 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.

During fiscal year 2021, PSU awards were granted for the first time under the 2016 Plan in October 2021 and granting of new DPUs was discontinued by the Company. No DPUs were granted in fiscal year 2021. Although certain vested DPU awards granted in prior periods remain outstanding due to a deferred settlement feature contained within these award agreements, the expense associated with these awards has been fully recognized in prior periods. Many features of the Company's PSU award agreements are similar to the discontinued DPU awards with the exception of the timing and terms of issuances. Vested DPUs contain a deferred settlement feature wherein the awards must be held until termination of employment, prior to which the recipients are entitled to dividend equivalents, with vested shares to be issued six months following each such recipient's termination of employment with the Company. Vested PSUs are issuable prior to termination of employment but contain a period of restriction, wherein the recipient cannot sell or otherwise dispose of the stock until six months following termination of employment with the Company. Vesting of the PSUs granted to certain high level employees follows a performance measurement period of one fiscal year that is the same fiscal year in which the PSU awards are granted (the "Measurement Year"). A number of PSUs equal to the applicable percentage of the maximum number of PSUs awarded will be confirmed as vested and issuable following the conclusion of the applicable PSU Measurement Year after the Committee's certification of achievement of the applicable performance measure for such awards. 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.

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 is as follows by award type (in thousands):

	Fiscal Year Ended August 31,		
	2021	2020	2019
RSU compensation expense	$ 3,656	$ 3,325	$ 2,876
MSU compensation expense	2,294	2,033	1,570
PSU compensation expense (1)	3,605	-	-
Total	$ 9,555	$ 5,358	$ 4,446

(1) PSU awards, similar to DPU awards that were replaced by PSUs in fiscal year 2021, contain performance conditions for which accrual of expense is based on the probable outcome of the performance conditions. Vesting of DPUs related to the measurement years of both fiscal year 2020 and 2019 was deemed not probable at the end of each fiscal year. DPUs were then discontinued by the Company prior fiscal year 2021. PSUs pertaining to the measurement year of fiscal year 2021 vested at 100% since the performance conditions were fully achieved.

The Company recorded deferred tax assets related to such stock-based compensation of $2.0 million, $1.2 million and $1.0 million for the fiscal years ended August 31, 2021, 2020 and 2019, respectively. As of August 31, 2021, the total unamortized compensation cost related to non-vested stock-based equity awards was $0.5 million and $2.8 million for RSUs and MSUs, respectively, which the Company expects to recognize over remaining weighted-average vesting periods of 1.6 and 1.75 years for RSUs and MSUs, respectively. No unamortized compensation cost for DPUs or PSUs remained as of August 31, 2021.

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, 2020	86,154	$ 106.20	
Granted	17,244	$ 208.29	
Converted to common shares	(33,996)	$ 104.94	
Forfeited	(401)	$ 183.37	
Outstanding at August 31, 2021	69,001	$ 131.88	$ 16,535
Vested at August 31, 2021	44,701	$ 103.07	$ 10,712

The weighted-average grant date fair value of all RSUs granted during the fiscal years ended August 31, 2021, 2020 and 2019 was $208.29, $184.43 and $163.93, respectively. The total intrinsic value of all RSUs converted to common shares was $8.5 million, $5.4 million and $6.0 million for the fiscal years ended August 31, 2021, 2020 and 2019, respectively.

The income tax benefits from RSUs converted to common shares totaled $1.9 million, $1.2 million and $1.4 million for the fiscal years ended August 31, 2021, 2020 and 2019, respectively.

Market Share Units

The MSUs are market performance-based awards that 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 grant date fair value of MSUs are estimated using a Monte Carlo simulation model and are expensed over the requisite service period rendered. Assumptions and estimates utilized in the model include expected volatilities of the

Company's stock and the Index, the Company's risk-free interest rate and expected dividends. 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 is not adjusted based on the actual number of such MSU awards to ultimately vest.

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,		
	2021	**2020**	**2019**
Expected volatility	28.5%	21.4%	19.6%
Risk-free interest rate	0.2%	1.4%	3.0%
Expected dividend yield	0.0%	0.0%	0.0%

The expected volatility utilized is 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 2.88-year period for MSUs granted during the fiscal year ended August 31, 2021 and over the most recent 2.90-year periods for MSUs granted during each of the fiscal years ended August 31, 2020 and 2019, which were the remaining terms of the performance Measurement Period at the dates of grant. The risk-free interest rates used are 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 expected dividend yield of zero was used in the Monte Carlo simulation model for the purposes of computing the relative TSR of the Company compared to the Index since it is the mathematical equivalent to reinvesting dividends in each 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, 2020	39,118	$ 164.14	
Granted	13,701	$ 184.96	
Performance factor adjustments	11,105	$ 107.05	
Converted to common shares	(25,289)	$ 104.64	
Forfeited	(2,041)	$ 180.13	
Outstanding at August 31, 2021 (1)	36,594	$ 194.83	$ 8,769

(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, 2021, 2020 and 2019 was $184.96, $216.77 and $177.82, respectively. The total intrinsic value of all MSUs converted to common shares was $5.9 million, $4.4 million and $4.0 million for the fiscal years ended August 31, 2021, 2020 and 2019, respectively.

The income tax benefits from MSUs converted to common shares totaled $1.3 million for the fiscal year ended August 31, 2021, and $0.9 million for the fiscal years ended August 31, 2020 and 2019.

Deferred Performance Units

During fiscal year 2021, the Company discontinued the granting of new DPU awards. Although certain vested DPU awards granted in prior period remain outstanding due to the deferred settlement feature contained within these award agreements, the expense associated with these awards has been fully recognized in prior periods. DPU awards converted to common shares issued to recipients following termination of employment from the Company were not material to the Company's consolidated financial statements and related disclosures during fiscal years 2021, 2020 and 2019 respectively.

Performance Share Units

The PSU awards provide for performance-based vesting over a measurement period of the fiscal year in which the PSU awards are granted. The performance vesting provisions of the PSUs 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 PSUs and excluding other non-operating income and expense amounts ("Adjusted Global EBITDA"). The ultimate number of PSUs 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 PSU 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 PSUs, which are not entitled to receive dividend equivalents with respect to the unvested PSUs.

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

Performance Share Units	Number of Shares	Weighted-Average Grant Date Fair Value Per Share	Aggregate Intrinsic Value
Outstanding at August 31, 2020	-	$ -	
Granted	19,468	$ 197.51	
Performance factor adjustments	-	$ -	
Converted to common shares	-	$ -	
Forfeited	(1,216)	$ 197.51	
Outstanding at August 31, 2021 (1)	18,252	$ 197.51	$ 4,373

(1) PSUs pertaining to the measurement year of fiscal year 2021 vested at 100% since performance conditions were fully achieved at an attainment level of 100%, which was certified subsequent to August 31, 2021 by the Company's compensation committee.

The weighted-average grant date fair value of all PSUs granted during the fiscal years ended August 31, 2021 was $197.51. These PSU awards were granted for the first time in October 2021. There have been no PSUs converted to common shares as of the fiscal year ended August 31, 2021.

Note 15. 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 $3.9 million for fiscal year 2021, $3.6 million for fiscal year 2020 and $3.3 million for fiscal year 2019.

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 $1.9 million for the fiscal year ended August 31, 2021 and $1.6 million for the fiscal years ended August 31, 2020 and 2019.

Note 16. 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 business 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, 2021					
Net sales	$ 214,601	$ 208,252	$ 65,256	$ -	$ 488,109
Income from operations	$ 51,591	$ 53,003	$ 19,121	$ (34,874)	$ 88,841
Depreciation and amortization expense	$ 3,219	$ 3,174	$ 307	$ 319	$ 7,019
Interest income	$ 1	$ 5	$ 75	$ -	$ 81
Interest expense	$ 1,909	$ 481	$ 5	$ -	$ 2,395
Fiscal Year Ended August 31, 2020					
Net sales	$ 200,493	$ 156,241	$ 51,764	$ -	$ 408,498
Income from operations	$ 51,089	$ 37,620	$ 14,982	$ (26,471)	$ 77,220
Depreciation and amortization expense	$ 4,361	$ 2,855	$ 307	$ 178	$ 7,701
Interest income	$ 15	$ 2	$ 76	$ -	$ 93
Interest expense	$ 1,867	$ 567	$ 5	$ -	$ 2,439
Fiscal Year Ended August 31, 2019					
Net sales	$ 193,972	$ 160,615	$ 68,763	$ -	$ 423,350
Income from operations	$ 50,069	$ 37,246	$ 20,813	$ (25,746)	$ 82,382
Depreciation and amortization expense	$ 4,532	$ 2,538	$ 282	$ 241	$ 7,593
Interest income	$ 29	$ 23	$ 103	$ -	$ 155
Interest expense	$ 2,156	$ 379	$ 6	$ -	$ 2,541

(1) Unallocated corporate expenses are general corporate overhead expenses not directly attributable to any one of the business 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, 2021	2020	2019
Maintenance products	$ 448,817	$ 369,444	$ 386,644
Homecare and cleaning products	39,292	39,054	36,706
Total	$ 488,109	$ 408,498	$ 423,350

Net sales and long-lived assets by geographic area are as follows (in thousands):

	Fiscal Year Ended August 31,		
	2021	2020	2019
Net Sales by Geography:			
United States	$ 164,946	$ 164,446	$ 157,904
International	323,163	244,052	265,446
Total	$ 488,109	$ 408,498	$ 423,350
Long-lived Assets by Geography (1) :			
United States	$ 37,204	$ 32,242	$ 24,535
International	32,941	28,517	20,541
Total	$ 70,145	$ 60,759	$ 45,076

(1) Includes tangible assets and property and equipment, net, attributed to the geographic location in which such assets are located.

Note 17. Subsequent Events

Dividend Declaration

On October 4, 2021, the Company's Board of Directors declared a cash dividend of $0.72 per share payable on October 29, 2021 to shareholders of record on October 15, 2021.

Share Repurchase Plan

On October 12, 2021, the Company's Board of Directors approved a new share buy-back plan. Under the plan, which will become effective on November 1, 2021, the Company is authorized to acquire up to $75.0 million of its outstanding shares through August 31, 2023. 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, subject to present loan covenants and in compliance with all laws and regulations applicable thereto.

CORPORATE INFORMATION

BOARD OF DIRECTORS

Garry O. Ridge
Chairman of the Board
Chief Executive Officer
WD-40 Company

Daniel T. Carter
Audit Committee Chair
Former Executive Vice President and CFO
BevMo! Inc.

Melissa Claassen
Vice President Finance, Emerging Markets
adidas

Eric P. Etchart
Governance Committee Chair
Former Senior Vice President
Manitowoc Company

Lara L. Lee
Former Business Unit President
Lowe's Companies Inc.

Trevor I. Mihalik
Finance Committee Chair
Executive Vice President and CFO
Sempra Energy

Graciela I. Monteagudo
Former President and CEO
Lala U.S., Inc.

David B. Pendarvis
Chief Administrative Officer and
Global General Counsel
ResMed Inc.

Gregory A. Sandfort
Lead Director
Former Chief Executive Officer
Tractor Supply Company

Anne G. Saunders
Compensation Committee Chair
Former President, U.S.
nakedwines.com

EXECUTIVE OFFICERS

Garry O. Ridge
Chief Executive Officer

Steven A. Brass
President and Chief Operating Officer

Richard T. Clampitt
Vice President, General Counsel and
Corporate Secretary

Geoffrey J. Holdsworth
Managing Director, Asia-Pacific

Jeff Lindeman
Vice President, Global Organization
Development

William B. Noble
Managing Director, EMEA

Patricia Q. Olsem
Division President, Americas

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

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San Diego, California

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Phone: +1-781-575-2879
https://www-us.computershare.com/investor/contact

ANNUAL MEETING

December 14, 2021, 10:00 AM Pacific Standard Time
https://meetnow.global/MW5G65Q

INVESTOR RELATIONS

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Vice President, Stakeholder and Investor Engagement
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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

WD-40 Co. (Mexico) S. de R.L. de C.V.
Monterrey Nuevo Leon, Mexico

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," "aim," "anticipate," "target," "estimate" 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, 2021 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 18, 2021.

STRATEGIC INITIATIVES

#1 BUILD A BUSINESS FOR THE FUTURE

Build an enduring business that we will be proud to pass onto the next generation. By using our purpose and values as a decision-making filter, we will make infinite-minded decisions that create and protect long-term stakeholder value.

#2 ATTRACT, DEVELOP, AND ENGAGE OUTSTANDING TRIBE MEMBERS

We know our people make us great. By building and nurturing an inclusive and diverse, purpose-driven, learning and teaching organization, our tribe members will succeed together while excelling as individuals.

#3 STRIVE FOR OPERATIONAL EXCELLENCE

Foster a culture of continuous improvement in which operational excellence is the responsibility of every tribe member. Operational excellence means optimizing collaboration, resources, systems and processes as well as prioritizing the use of our time, talent, treasure and technology.

#4 GROW WD-40® MULTI-USE PRODUCT

Grow the WD-40 Multi-Use Product line through continued geographic and digital expansion, increased market penetration, educating end-users about new uses, and the development of new and unique delivery systems that make the product easier to use.

#5 GROW THE WD-40 SPECIALIST® PRODUCT LINE

Leverage the WD-40® Brand by developing new products and categories which build and reinforce the core brand positioning and create growth through continued geographic and digital expansion.

#6 EXPAND & SUPPORT PORTFOLIO OPPORTUNITIES THAT HELP US GROW

Expand 3-IN-ONE, GT85 or future maintenance brands with portfolio opportunities that fit well within our unique multi-channel distribution network.

Support homecare and cleaning brands that provide healthy profit returns.

WD-40 COMPANY

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