

Willdan Group, Inc.  
Form DEF 14A  
April 22, 2009

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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

**WILLDAN GROUP, INC.**

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(Name of Registrant as Specified In Its Charter)

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(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)(1) and 0-11.
  - (1) Title of each class of securities to which transaction applies:
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(1) Amount Previously Paid:

(2) Form, Schedule or Registration Statement No.:

(3) Filing Party:

(4) Date Filed:

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April 22, 2009

Dear Stockholder:

You are cordially invited to attend our Annual Meeting of Stockholders to be held on Friday, June 5, 2009 at 10:00 a.m. Pacific Daylight Time at The Crowne Plaza Anaheim Resort, 12021 Harbor Blvd., Garden Grove, California 92840.

The enclosed Notice and Proxy Statement contain details concerning the matters to be considered during the Annual Meeting. At the Annual Meeting, you will be asked to (i) elect nine directors; (ii) ratify the appointment of KPMG LLP as the Company's independent registered public accounting firm and (iii) transact such other business as may properly come before the meeting. You will note that the Board of Directors of the Company recommends a vote "FOR" the election of each of the nine director nominees, and "FOR" the ratification of the appointment of KPMG LLP. Please complete, sign and return your Proxy in the enclosed envelope at your earliest convenience to assure that your shares will be represented and voted at the Annual Meeting, even if you cannot attend.

**YOUR VOTE IS VERY IMPORTANT. We appreciate you taking the time to vote promptly. After reading the Proxy Statement, please vote by Internet, telephone, or mail at your earliest convenience. If you decide to attend the Annual Meeting and would prefer to vote by ballot, your proxy will be revoked automatically and only your vote at the Annual Meeting will be counted. If you hold your shares through an account with a brokerage firm, bank or other nominee, please follow the instructions you receive from them to vote your shares. YOUR SHARES CANNOT BE VOTED UNLESS YOU VOTE BY INTERNET, TELEPHONE OR MAIL, OR ATTEND THE ANNUAL MEETING AND VOTE IN PERSON.**

Thank you for your continued support of Willdan. We look forward to seeing you at the Annual Meeting.

Win Westfall  
*Chairman of the Board*

Thomas D. Brisbin  
*President and Chief Executive Officer*

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**WILLDAN GROUP, INC.**  
**2401 EAST KATELLA AVENUE, SUITE 300**  
**ANAHEIM, CALIFORNIA 92806**

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**NOTICE OF ANNUAL MEETING OF STOCKHOLDERS**  
**TO BE HELD ON JUNE 5, 2009**

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NOTICE IS HEREBY GIVEN that the 2009 Annual Meeting of Stockholders (the "Annual Meeting") of Willdan Group, Inc., a Delaware corporation (the "Company"), will be held on Friday, June 5, 2009 at 10:00 a.m. Pacific Daylight Time at The Crowne Plaza Anaheim Resort, 12021 Harbor Blvd., Garden Grove, California 92840, for the following purposes described in this Notice:

- (1) To elect nine members of the Board of Directors, each to serve for a one-year term and until his or her successor is duly elected and qualified;
- (2) To consider and vote upon the ratification of the appointment of KPMG LLP as the independent registered public accounting firm for the Company for the year ending January 1, 2010; and
- (3) To consider and act upon any other matter that may properly be brought before the Annual Meeting and at any adjournment or postponement thereof.

Any action may be taken on the foregoing matters at the Annual Meeting on the date specified above, or on any date or dates to which the Annual Meeting may be adjourned or postponed.

The Board of Directors has fixed the close of business on Monday, April 13, 2009 as the record date for determining the stockholders entitled to notice of and to vote at the Annual Meeting and at any adjournment or postponement thereof. Only stockholders of record of the Company's common stock, \$0.01 par value per share, at the close of business on that date will be entitled to notice of and to vote at the Annual Meeting and at any adjournment or postponement thereof.

*Important Notice regarding the availability of proxy materials for the stockholder meeting to be held on June 5, 2009. Our proxy statement is attached. Our financial and other information is contained in our Annual Report to Stockholders for the fiscal year ended January 2, 2009. Pursuant to rules promulgated by the Securities and Exchange Commission, we have elected to provide access to our proxy materials both by sending you this full set of proxy materials, including a proxy card, and by notifying you of the availability of our proxy materials on the Internet. This proxy statement and our 2008 Annual Report to Stockholders, including our Form 10-K for the year ended January 2, 2009, are available at our website at <http://ir.willdangroup.com/sec.cfm>, which does not have "cookies" that identify visitors to the site.*

**YOUR VOTE IS VERY IMPORTANT.** Whether or not you plan to attend the Annual Meeting of Stockholders, we urge you to vote and submit your proxy by the Internet, telephone or mail in order to ensure the presence of a quorum. *Registered holders may vote:*

1. By Internet: go to [www.investorvote.com/WLDN](http://www.investorvote.com/WLDN);
2. By toll-free telephone: call 1-800-652-VOTE (8683); or
3. By mail: mark, sign, date and promptly mail the enclosed proxy card in the postage-paid envelope.

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Any Proxy may be revoked by delivery of a later dated Proxy or a written notice of revocation or by attending the Annual Meeting and voting in person.

By Order of the Board of Directors

Roy L. Gill  
*Secretary*

Anaheim, California  
April 22, 2009

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**WILLDAN GROUP, INC.**  
**2401 EAST KATELLA AVENUE, SUITE 300**  
**ANAHEIM, CALIFORNIA 92806**

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**PROXY STATEMENT**  
**FOR 2009 ANNUAL MEETING OF STOCKHOLDERS**  
**TO BE HELD ON JUNE 5, 2009**

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This Proxy Statement is furnished in connection with the solicitation of proxies by the Board of Directors of Willdan Group, Inc., a Delaware corporation (the "Company"), for use at its 2009 Annual Meeting of Stockholders to be held on Friday, June 5, 2009 at 10:00 a.m. Pacific Daylight Time at The Crowne Plaza Anaheim Resort, 12021 Harbor Blvd., Garden Grove, California 92840, and at any adjournment or postponement thereof (the "Annual Meeting"). This Proxy Statement and the accompanying Notice of Annual Meeting of Stockholders and Proxy are first being sent to stockholders on or about May 4, 2009. The Company's 2008 Annual Report, including financial statements for the fiscal year ended January 2, 2009, is being mailed to stockholders concurrently with this Proxy Statement. The Annual Report, however, is not part of the proxy solicitation material.

**ABOUT THE ANNUAL MEETING**

**What is the purpose of the Annual Meeting?**

At the Annual Meeting, our stockholders will consider and vote on the following matters:

- (1) the election of nine directors; and
- (2) the ratification of the appointment of the Company's independent registered public accounting firm.

In addition, our stockholders will transact any other business that properly comes before the meeting. Management of the Company will also respond to any questions from our stockholders.

**Who can attend the Annual Meeting?**

All stockholders of the Company as of the Record Date, or their duly appointed proxy holders, may attend the Annual Meeting.

**Who is entitled to vote?**

Only holders of record of the Company's common stock, \$0.01 par value per share (the "Common Stock"), at the close of business on the record date, April 13, 2009 (the "Record Date"), are entitled to notice of and to vote at the Annual Meeting. Holders of Common Stock are entitled to cast one vote for each share held by them on each matter to be voted upon. The Common Stock is the only class of securities of the Company authorized to vote. Under the Company's Certificate of Incorporation and applicable law, a stockholder is not entitled to cumulative voting rights in the election of directors.

**What constitutes a quorum?**

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The presence, in person or by proxy, of holders entitled to cast at least a majority of all the votes entitled to be cast is necessary to constitute a quorum for the transaction of business at the Annual Meeting. As of the Record Date, 7,188,251 shares of Common Stock were outstanding and entitled to vote. Abstentions and broker "non-votes" will count toward the presence of a quorum. A broker non-vote occurs when a broker, bank or other nominee holding shares for a beneficial owner returns an executed proxy, but strikes out a particular proposal because the nominee does not have discretionary voting power with respect to that matter and has not received voting instructions from the beneficial owner.

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**How do I vote?**

If you are a registered stockholder as of the close of business on the Record Date, you may vote in person at the Annual Meeting or by proxy without attending the meeting. Stockholders whose shares are registered in their own names may vote (1) by returning a proxy card, (2) via the Internet, or (3) by telephone. Specific instructions to be followed by any registered stockholder interested in voting via the Internet or by telephone are set forth on the enclosed proxy card. The Internet and telephone voting procedures are designed to authenticate the stockholder's identity and to allow the stockholder to vote his or her shares and confirm that his or her voting instructions have been properly recorded. If you do not wish to vote via the Internet or telephone, please complete, date, sign, and return the proxy card you received with this proxy statement in the enclosed envelope. If you sign and return the proxy card but do not give any instructions, your shares will be voted by the persons named in the proxy card in accordance with the recommendations of the Board of Directors given below.

If your stock is held in the name of a broker, bank or other nominee, please mark, date, sign, and return the voting instruction form you received from your broker or nominee with this proxy statement.

If you are a registered stockholder and wish to vote in person at the meeting, be sure to bring a form of personal picture identification with you. If your stock is held by a broker, bank or other nominee (in "street name") and you wish to vote in person at the meeting, in addition to picture identification you should bring an account statement or a letter from the record holder indicating that you owned the shares as of the record date, and obtain from the record holder and bring with you a proxy from the record holder issued in your name.

**Can I change my vote after I return my proxy card?**

Yes. Even after you have submitted your proxy, you may change your vote at any time before the proxy is exercised by delivering a duly executed proxy bearing a later date or a written revocation to the Secretary of the Company at the address of the Company set forth above, or by attending the Annual Meeting and voting in person. Any stockholder of record as of the Record Date attending the Annual Meeting may vote in person, whether or not a proxy has been previously given, but the presence (without further action) of a stockholder at the Annual Meeting will not constitute revocation of a previously given proxy.

**What are the Board of Directors' recommendations?**

Unless you give other instructions on your proxy, the persons named as proxy holders on the proxy will vote in accordance with the recommendations of the Company's Board of Directors. The Board's recommendations are set forth together with the description of each matter in this Proxy Statement. In summary, the Board unanimously recommends a vote: **FOR** election of each of the nine nominees for director and **FOR** ratification of the appointment of KPMG LLP as the Company's independent registered public accounting firm for the year ending January 1, 2010.

With respect to any other matter that properly comes before the meeting, the proxy holders will vote as recommended by the Board of Directors or, if no recommendation is given, in the discretion of the proxy holders.

**What vote is required to approve each matter?**

Assuming the presence of a quorum, the affirmative vote of a plurality of all of the votes cast on the matter at the Annual Meeting in person or by proxy will be required for the election of each director nominee and the affirmative vote of a majority of all of the votes cast on the matter at the Annual Meeting in person or by proxy will be required for the ratification of the appointment of KPMG LLP to serve as the Company's independent registered public accounting firm. Abstentions are

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not counted as votes cast and will have no effect on the vote for the election of the directors or the ratification of the appointment of KPMG LLP.

**Who tabulates the votes?**

Stockholder votes will be tabulated by the persons appointed to act as inspectors of election for the Annual Meeting.

**Could other matters be decided at the meeting?**

It is not anticipated that any matter, other than those set forth in this Proxy Statement, will be presented at the Annual Meeting. If other matters are presented, proxies will be voted by the proxy holders in accordance with the recommendation of the Board of Directors or, if no recommendation is given, in the discretion of the proxy holders.

**What happens if the Annual Meeting is postponed or adjourned?**

Your proxy may be voted at the postponed or adjourned Annual Meeting. You will still be able to change your proxy until it is voted.

**How can I receive a copy of the Annual Report?**

The Annual Report, which includes the Company's Annual Report on Form 10-K for the year ended January 2, 2009, accompanies this proxy statement and may also be accessed through our website at [www.willdan.com](http://www.willdan.com) under "Investors SEC Filings".

**Where can I find the voting results of the Annual Meeting?**

Our intention is to announce the preliminary voting results at the Annual Meeting and to publish the final results in our quarterly report on Form 10-Q for the second quarter of fiscal 2009, which we will file with the United States Securities and Exchange Commission (the "SEC") and make available on our website at [www.willdan.com](http://www.willdan.com) under "Investors SEC Filings".

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The Bylaws provide that the Board of Directors consists of five directors until changed by the Board of Directors. On April 2, 2007, the Board of Directors increased the size of the Board to seven directors. On April 14, 2009, the Board of Directors agreed to increase the size of the Board to nine directors effective June 5, 2009. The directors are regularly elected at each annual meeting of the stockholders, and each director shall hold office until his/her successor has been elected and qualified or until his/her earlier resignation or removal.

The nine nominees, if elected at the Annual Meeting, will hold office until the next annual meeting of stockholders, or until an earlier stockholder meeting at which directors are elected, and until their respective successors are duly elected and qualified. The Board of Directors, based on the recommendations of the Nominating and Corporate Governance Committee, has nominated Win Westfall, Thomas D. Brisbin, Linda L. Heil, Raymond W. Holdsworth, W. Tracy Lenocker, Douglas J. McEachern, Keith W. Renken, Wayne Shelton and John M. Toups to serve as directors of the Company (collectively, the "Nominees").

Mr. Holdsworth and Mr. McEachern are not currently serving as directors. Mr. Holdsworth and Mr. McEachern were each identified and recommended to our Nominating and Corporate Governance Committee as a candidate for our Board of Directors by a third party search firm. Mr. Holdsworth was also recommended by our chief executive officer, Dr. Brisbin, and Mr. McEachern was also recommended by a non-management director. Consideration of new Board nominee candidates involves a series of internal discussions, review of information concerning candidates and interviews with selected candidates.

Each Nominee has consented to be nominated and to serve if elected. However, if any Nominee is unavailable for election or unable to serve, the proxy holders may vote for another person nominated by the Board of Directors or the Board may amend the Bylaws to reduce the number of directors to be elected at the Annual Meeting.

**Information Regarding Nominees and Directors**

The following table sets forth certain information with respect to the Nominees. Messrs. Westfall, Brisbin, Lenocker, Renken, Shelton and Toups and Mrs. Heil are each currently serving as directors and, unless otherwise specified, each has served continuously since he or she was previously elected, based on information furnished to the Company by each such director. The following information is as of April 22, 2009, unless otherwise specified.

| <b>Name</b>           | <b>Age</b> | <b>Director Since</b> | <b>Positions Held with the Company (other than Director)</b> |
|-----------------------|------------|-----------------------|--|
| Win Westfall          | 75         | 2001                  | Chairman of the Board  |
| Thomas D. Brisbin     | 56         | 2007                  | President and Chief Executive Officer                        |
| Linda L. Heil         | 69         | 2006                  |  |
| Raymond W. Holdsworth | 66         |                       |  |
| W. Tracy Lenocker     | 63         | 1997                  |  |
| Douglas J. McEachern  | 57         |                       |  |
| Keith W. Renken       | 74         | 2006                  |  |
| Wayne Shelton         | 76         | 2008                  |  |
| John M. Toups         | 83         | 2007                  |  |

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The following provides certain biographical information with respect to the Nominees and Directors.

*Win Westfall* has served as our Chairman of the Board since May 2006, and has been a member of our board of directors since 2001. Mr. Westfall was our President and Chief Executive Officer from May 2006 to February 2007, our Senior Vice President of Corporate Relations from January 2004 to May 2006, and a regional manager in northern California from 1998 through January 2004. Mr. Westfall has over 35 years experience as a line manager for consulting engineering firms, and has served as city engineer for seven California cities. Mr. Westfall received his B.S. in Civil Engineering from the University of Southern California in 1962, and an M.B.A. from Pepperdine University in 1980. Mr. Westfall is a fellow of The Society of American Military Engineers and has been active in numerous other professional associations. During 1997, he served as the National President for The American Public Works Association, the first private consultant to hold this position. Mr. Westfall has served on and chaired national committees for the American Council of Engineering Companies, and in 2004 was made an Honorary CLOD (past president) of the County Engineers Association of California, the first private consultant to be accorded this honor, as well. He is a registered civil engineer in California, Hawaii, Idaho, Nevada and Washington.

*Thomas D. Brisbin* joined our Board of Directors in April 2007, when he was also appointed our President and Chief Executive Officer. Dr. Brisbin previously was vice president of and consultant for AECOM Technology Corporation, or AECOM, since spring 2004. At AECOM, a company focused on infrastructure, environment and facilities engineering contracts, Dr. Brisbin was responsible for developing the company's environmental business. Prior to joining AECOM, Dr. Brisbin was chief operating officer and executive vice president of Tetra Tech, Inc., a leading provider of consulting, engineering and technical services, for five years. Prior to that, he was employed by Planning Research Corporation, or PRC, a systems analysis and management consulting company and wholly-owned subsidiary of The Black & Decker Corporation, in 1978 and was co-founder and President of PRC Environmental Management, Inc. During his 17-year tenure at PRC, he was involved in all aspects of operations, marketing and finance. Before joining PRC, he was a research associate at Argonne National Laboratory. He has also served as an adjunct professor at the Illinois Institute of Technology. Dr. Brisbin holds a B.S. degree from Northern Illinois University and a Ph.D. in Environmental Engineering from Illinois Institute of Technology. He also completed Harvard Business School's Advanced Management Program in 1988.

*Linda L. Heil* has served as a member of our Board of Directors since May 2006 and currently is our largest individual stockholder. Mrs. Heil is the widow of Dan Heil who co-founded the company in 1964. Mr. Heil served as our Chief Executive Officer and Chairman from the company's inception until 1993, and then again from 1995 until his passing in May 2006. Mrs. Heil is retired from active employment but has been a licensed real estate agent since 1977 and has practiced periodically.

*Raymond W. Holdsworth* served as Vice Chairman of Corporate Development for AECOM from October 2005 through March 2009, and he continues to work as a consultant for AECOM. Mr. Holdsworth joined AECOM in 1992 and held a number of positions, including President, before being named Vice Chairman in 2005. During his tenure at AECOM, he led a variety of outreach, growth and diversification activities. Mr. Holdsworth began his career at Peat Marwick Mitchell and worked in California's Office of Transportation Planning and Research. He has also held senior management positions with DMJM, an engineering/architectural firm in the transportation and infrastructure industry which is now a major operating subsidiary of AECOM, International Technology Corp. and Parsons Brinckerhoff Quade & Douglas Inc., a company that provides strategic consulting, planning, engineering, and program and construction management services relating to infrastructure. Mr. Holdsworth serves as a director of Sundt Corporation, Inc., a private company that builds projects for public and private clients throughout the United States, and as a Trustee for California State University. Mr. Holdsworth received a B.A. in English in 1964 from Lake Forest College and an M.B.A.

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in 1969 from the University of Pennsylvania, Wharton School of Business. He is a former Chairman of the California Chamber of Commerce and a former Vice Chairman of the Civil Engineering Research Foundation/International Institute.

*W. Tracy Lenocker* served as a member of the Board of Directors periodically since the 1980s and continuously from 1997 through February 2007. After serving as our interim President and Chief Executive Officer from February 2007 through April 2007, he once again joined our Board of Directors in April 2007. Mr. Lenocker serves as the chairperson of our Nominating and Corporate Governance Committee and is a member of our Investment, Finance and Strategy Committee, and he previously served on our Audit and Compensation Committees. Mr. Lenocker is currently the President and majority owner of Lenocker Consulting Group which provides civil engineering and geographic information systems, or GIS, consulting services. He also founded Lenocker & Associates in 1995 which provides GIS services to public agencies. He has worked in both the public and private engineering sectors in California and Florida. Mr. Lenocker was a part-time instructor in civil engineering at California State University, Long Beach from 1980 to 1991. He is past chairman of the American Society of Civil Engineers, or ASCE, Committee on Computer Practices and received the national ASCE award in Computing in Civil Engineering. Mr. Lenocker received a B.S. in Civil Engineering in 1975 from the University of Florida and an M.S. in Civil Engineering from California State University, Long Beach in 1980. Mr. Lenocker is a registered civil engineer in California.

*Douglas J. McEachern* has been an Audit Partner at Deloitte & Touche, LLP, or Deloitte, since July 1985. Mr. McEachern was a staff member and manager at Deloitte's predecessor, Touche Ross & Co., from 1976 to 1983. From 1983 to 1985, he was the Professional Accounting Fellow with the Federal Home Loan Bank Board in Washington D.C. Mr. McEachern is the Audit Committee Chairman of Big Brothers/Big Sisters of Greater Los Angeles. He is also a member of the Methodist Hospital of Arcadia and Arcadia Public Library Foundation boards of directors. Additionally, Mr. McEachern is a member of the American Institute of Certified Public Accountants, or AICPA, the California Society of Certified Public Accountants, or CalCPA, and the National Association of Real Estate Investment Trusts, or NAREIT. Mr. McEachern received a B.S. in Business Administration in 1974 from the University of California, Berkeley, and an M.B.A. in 1976 from the University of Southern California.

*Keith W. Renken* joined our Board of Directors in September 2006. He is the chairperson of our Audit Committee and a member of our Compensation, Nominating and Corporate Governance and Investment, Finance and Strategy Committees. Mr. Renken retired in 1992 as Senior Partner and Chairman, Executive Committee of Southern California, for the public accounting firm Deloitte & Touche. He currently is an adjunct professor in the Marshall School of Business at the University of Southern California. He serves as a director on the boards of two publicly held companies, East West Bancorp, Inc. since 2000 and 21<sup>st</sup> Century Insurance Group since 2002. Mr. Renken is a Certified Public Accountant in the states of Arizona and California, as well as a member of the American Institute of Certified Public Accountants and the California Society of Certified Public Accountants. He received a B.S. in Business Administration in 1957 from the University of Arizona and an M.S. in Business Administration from the University of Arizona in 1959.

*Wayne Shelton* joined our Board of Directors in April 2008. He is the chairperson of our Compensation Committee and a member of our Audit and Investment, Finance and Strategy Committees. Mr. Shelton served as President and Chief Executive Officer of Hughes Information Systems, an information systems and engineering firm and subsidiary of Hughes Aircraft Company, from 1990 until his retirement in 1997. From 1987 until 1990, Mr. Shelton served as President and Chief Executive Officer of PRC. Prior to becoming PRC's Chief Executive Officer, Mr. Shelton was PRC's President and Chief Operating Officer. Additionally, from 1985 to 1990, Mr. Shelton served as executive vice president of Emhart Corporation, a multinational manufacturing, electronics and chemical company and the parent company of PRC. Mr. Shelton currently serves as a trustee for Inova

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Health System, a not-for-profit health care system, and as a member of their audit and compliance subcommittees. Mr. Shelton received his B.S. in Mathematics from the University of Minnesota in 1954.

*John M. Toups* joined our Board of Directors in April 2007. Mr. Toups serves as chairperson of our Investment, Finance and Strategy Committee and he is a member of our Audit, Compensation and Nominating and Corporate Governance Committees. Mr. Toups served as President and Chief Executive Officer of PRC from 1978 until his retirement in 1987. Prior to that, Mr. Toups served in various executive positions with PRC. For a short period of time in 1990, he served as interim Chairman of the Board of Directors and Chief Executive Officer of the National Bank of Washington and Washington Bancorp. Mr. Toups serves as a director of three public companies: Halifax Corporation, an electronic services company, GTSI Corp., a reseller of software and hardware, and NVR, Inc., a homebuilding and mortgage banking company. In addition, he serves as a director of two privately held companies, Dinte Resources, Inc., an executive search firm, and Dewberry & Davis, an engineering services firm. Mr. Toups received his B.S. in Civil Engineering from the University of California, Berkeley in 1949. He is a registered civil engineer in California and Maryland and a fellow of the American Society of Civil Engineers.

**The Board of Directors**

*Corporate Governance*

The Company is managed under the direction of a Board of Directors currently composed of seven members, four of whom the Board has determined are independent under the rules of the Nasdaq Global Market. Effective June 5, 2009, the size of the Board will be increased to nine members. If all of the nominees named in this proxy statement are elected, six of the nine directors will be independent under the rules of the Nasdaq Global Market.

Board members are expected to attend each Board meeting and each meeting of any committee on which such Board member serves and they are encouraged to attend the Annual Meeting of Stockholders. The Board of Directors met eight times in 2008. Each incumbent director attended at least 75% of the total number of meetings of the Board of Directors and of each committee on which he or she served during 2008. Each incumbent director attended the 2008 Annual Meeting. Stockholders or other interested parties may communicate with members of the Board of Directors individually or with the Board of Directors as a whole by sending a letter to the appropriate director or the Board of Directors in care of the Secretary of the Company at the address shown below under "Communications with the Board of Directors."

*Executive Sessions*

Non-management directors meet regularly in executive sessions without management. "Non-management" directors are all those who are not Company officers or employees and include directors, if any, who are not independent by virtue of the existence of a material relationship with the Company, former status or family relationship or for any other reason. Executive sessions are led by a "Lead Director." An executive session is held in conjunction with each regularly scheduled quarterly Board meeting and other sessions may be called by the Lead Director in his own discretion or at the request of the Board. Keith W. Renken has been designated as the Lead Director.

*Director Independence*

The Company has established standards of independence for the Board of Directors that comply with the listing standards for the Nasdaq Global Market (the "Nasdaq Rules") and the Securities Exchange Act of 1934, as amended (the "Exchange Act"). Under these standards of independence, for a director to be considered independent, the director must, among other things, not be an officer or

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employee of the Company or its subsidiaries and the director must not have a relationship which, in the opinion of the Board of Directors, would interfere with the exercise of independent judgment in carrying out the responsibilities of a director.

The Board of Directors has determined that Messrs. Lenocker, Renken, Shelton and Toups are "independent" directors under the standards set forth in the Nasdaq Rules and that Messrs. Holdsworth and McEachern will be "independent" directors under such standards if elected. The Board of Directors has deemed Mr. Lenocker to be an independent director under the Nasdaq Rules notwithstanding the fact that he served briefly as the Company's interim President and Chief Executive Officer from February 2007 to April 2007. The Board of Directors determined that Mr. Lenocker's former status as interim President and Chief Executive Officer is not material to the determination of independence and also relied on Nasdaq Interpretive Material in determining that Mr. Lenocker could be deemed an independent director after serving in this interim capacity. However, Mr. Lenocker does not currently meet the standards set forth under the Exchange Act for membership on the Audit Committee.

*Committees*

We have four standing committees: the Audit Committee, the Compensation Committee, the Nominating and Corporate Governance Committee and the Investment, Finance and Strategy Committee. The charters for each of these committees are available on our website at [www.willdan.com](http://www.willdan.com) under "Investors Corporate Governance Governance Documents" or are available in print to any stockholder who requests a copy from the Company's Secretary at 2401 East Katella Avenue, Suite 300, Anaheim, California 92806. Each of these committees is composed only of independent directors and regularly reports to the Board of Directors as a whole.

*Audit Committee.* The Board's Audit Committee consists of Messrs. Renken, Toups and Shelton, each of whom the Board has determined is an independent director and meets the independence requirements for Audit Committee members under the Nasdaq Rules and the Exchange Act. Mr. Renken is the chairman of the Committee and has been designated by the Board as the Audit Committee financial expert. Each of the other members of the Audit Committee is financially literate. The Audit Committee met five times during fiscal 2008.

Under the terms of the Audit Committee Charter, the purpose of this Committee is to assist the Board in overseeing the integrity of the Company's financial statements and financial reporting, the Company's compliance with legal and regulatory requirements, the qualifications and independence of the Company's independent registered public accounting firm, the performance of the Company's internal reporting and audit functions, and the Company's disclosure controls and procedures and system of internal controls regarding finance, accounting, legal compliance and ethics. The Audit Committee confers formally with the Company's independent registered public accounting firm, as well as with members of management to inquire as to the manner in which the respective responsibilities of these groups and individuals are being discharged. The Audit Committee engages our independent registered public accounting firm and reviews and approves the scope of the audit conducted by the independent registered public accounting firm.

*Compensation Committee.* The Board's Compensation Committee consists of Messrs. Renken, Shelton and Toups, each of whom the Board has determined is an independent director under the Nasdaq Rules, with Mr. Shelton serving as the Committee's chairman. The Compensation Committee is responsible for establishing and governing the compensation and benefit practices of the Company. The Compensation Committee Charter requires that the Compensation Committee consist of two or more members of the Board, each of whom satisfies the independence requirements under Nasdaq Rules and the Exchange Act. At all times during fiscal 2008 the Compensation Committee consisted of at least

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two members of the Board, each of whom the Board has affirmatively determined satisfies these independence requirements. The Compensation Committee met five times during fiscal 2008.

The Compensation Committee assists the Board of Directors in determining the compensation of the Company's executive officers and senior management and recommends to the Board annual and long-term compensation for the Company's executive officers and senior management. In addition to its annual review of the compensation of the Company's officers, the Compensation Committee administers the Company's 2008 Performance Incentive Plan, 2006 Stock Incentive Plan and Employee Stock Purchase Plan. The Committee has the authority to designate officers, directors or key employees eligible to participate in the plans, to prescribe the terms of any award of stock options, to interpret the plans, and to make all other determinations for administering the plans. Our Chief Executive Officer recommends to the Compensation Committee salary, annual bonus and long-term compensation levels for less senior officers, including the other Named Officers (as defined below). Our other executive officers, including the other Named Officers, do not currently have any role in determining or recommending the form or amount of compensation paid to our Named Officers and our other senior executive officers.

The Compensation Committee is authorized to retain and terminate any compensation consultant engaged to assist in the evaluation of the compensation of our senior executive officers (including all of the Named Officers). The Compensation Committee has not retained the services of a compensation consulting firm.

*Nominating and Corporate Governance Committee.* The Board's Nominating and Corporate Governance Committee consists of Messrs. Lenocker, Renken and Toups, each of whom the Board has determined is an independent director under the Nasdaq Rules, with Mr. Lenocker serving as the Committee's chairman. The Nominating and Corporate Governance Committee met eight times in fiscal 2008.

The Nominating and Corporate Governance Committee works with the Board of Directors to determine the appropriate characteristics, skills, and experience for the Board as a whole and its individual members. In evaluating the suitability of individual Board members, the Nominating and Corporate Governance Committee and the Board take into account many factors, including general understanding of marketing, finance, and other disciplines relevant to the success of a publicly traded company; understanding of our business; education and professional background, including current employment and other board memberships; and reputation for integrity. These factors, and others considered useful by the Nominating and Corporate Governance Committee, will be reviewed in the context of an assessment of the perceived needs of the Board at a particular point in time. After assessing the perceived needs of the Board, the Nominating and Corporate Governance Committee identifies specific individuals and looks to well respected companies as a potential source of director candidates with relevant experience. The priorities and emphasis of the Nominating and Corporate Governance Committee and of the Board may change from time to time to take into account changes in business and other trends and the portfolio of skills and experience of current and prospective Board members. The Nominating and Corporate Governance Committee establishes procedures for the nomination process and recommends candidates for election to the Board.

*Investment, Finance and Strategy Committee.* The Board's Investment, Finance and Strategy, or IFS, Committee consists of Messrs. Lenocker, Renken, Shelton and Toups, with Mr. Toups serving as the Committee's chairperson. The IFS Committee assists the Board by reviewing and making recommendations to the Board or taking actions on behalf of the Board relating to the Company's financial and strategic plans. The IFS Committee Charter requires that the IFS Committee consist of three or more members of the Board, each of whom the Board has determined satisfies the independence requirements under the Nasdaq Rules and the Exchange Act. The IFS Committee was formed in February 2008 and met three times during fiscal 2008.



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The responsibilities of the IFS Committee include reviewing with management, on a timely basis, significant financial matters of the Company and its subsidiaries, including matters relating to the Company's capitalization, dividend policy and practices, banking relationships, credit ratings, cash flows, borrowing activities, investment strategies, and potential acquisitions. The Committee also reviews and may recommend to the Board actions relating to: offerings of the Company's debt or equity securities; purchases or disposals of treasury shares, except the purchase of shares pursuant to approved employee benefit plans; stock splits or reclassification of shares; the declaration and payment of any dividends on the Company's common stock; guarantees of unconsolidated third party indebtedness; and certain other financial transactions and strategies.

***Director Nominations by Stockholders***

The Board of Directors will consider director candidates recommended by stockholders for inclusion on the slate of directors nominated by the Board of Directors. Any stockholder may submit one candidate for consideration in conformity with the Bylaws and as set forth hereafter under the caption "Other Information Stockholder Proposals." Stockholders wishing to recommend a candidate must submit the recommendation to the Nominating and Corporate Governance Committee, c/o the Secretary, Willdan Group, Inc., 2401 East Katella Avenue, Suite 300, Anaheim, California 92806. If a nominating stockholder is not a record holder, the stockholder must provide the same evidence of eligibility as set forth in Exchange Act Rule 14a-8(b)(2).

At the time the nominating stockholder submits the recommendation, the candidate must submit all information about the candidate that the Company would be required to disclose in a proxy statement in accordance with Exchange Act rules. In addition, at that time the candidate must:

Certify that he or she meets the requirements to be: (a) independent under the independence requirements of the Nasdaq Rules, (b) a non-management director under Rule 16b-3 of the Exchange Act, and (c) an outside director under Section 162(m) of the U.S. Internal Revenue Code (the "Code");

Consent to serve on the board of directors, if nominated and elected; and

Agree to complete, upon request, a customary directors' and officers' questionnaire.

The Nominating and Corporate Governance Committee will evaluate any stockholder-recommended candidate to determine whether he or she is highly qualified. Particular consideration will be given to those individuals who have substantial achievement in their personal and professional pursuits and whose talents, experience and integrity would be expected to contribute to the best interests of the Company and to long-term stockholder value. Without limitation, the Committee recommends individuals who have a general management focus, have specialization in the Company's principal business activities or finance, have significant experience in issues encountered by public companies and who could contribute to the diversity of the board. The Nominating and Corporate Governance Committee evaluates stockholder-recommended candidates in the same way it evaluates candidates proposed from other sources.

***Code of Ethics***

The Company expects that all of its directors, officers and employees will maintain a high level of integrity in their dealings with and on behalf of the Company and will act in the best interests of the Company. The Company has adopted a Code of Ethical Conduct which provides principles of conduct and ethics for the Company's directors, officers and employees. This Code complies with the requirements of the Sarbanes-Oxley Act of 2002 and the Nasdaq Rules. This Code of Ethical Conduct is available on the Company's website at [www.willdan.com](http://www.willdan.com) under "Investors Corporate Governance Governance Documents" and is also available in print to any stockholder who requests a copy by writing to our Secretary at 2401 East Katella Avenue, Suite 300, Anaheim, California 92806.

Table of Contents**Material Litigation**

There are currently no ongoing material proceedings in which any director or executive officer is a party adverse to the Company or any of its subsidiaries, or in which any director or executive officer has a material interest adverse to the Company or any of its subsidiaries.

**Communications with the Board of Directors**

Individuals may contact the Company's entire Board of Directors or an individual director by sending a written communication to the Board or such director in care of:

Secretary  
Willdan Group, Inc.  
2401 E. Katella Avenue, Suite 300  
Anaheim, CA 92806

Each communication must set forth the name and address of the stockholder on whose behalf the communication is sent. Each communication will be reviewed by the Company's Secretary to determine whether it is appropriate for presentation to the Board or such director. Advertisements, solicitations or hostile communications will not be presented. Communications determined by the Secretary to be appropriate for presentation to the Board or such director will be submitted to the Board or such director on a periodic basis.

A stockholder wishing to communicate directly with the non-management members of the board may address the communication to "Non-Management Directors, c/o Board of Directors" at the same address set forth above. These communications will be handled by the Lead Director, who presides at the meetings of non-management directors. Finally, communications can be sent directly to individual directors by addressing letters to the director's individual name, c/o the Board of Directors, at the address above.

**Director Compensation for Fiscal 2008**

The following table presents information regarding the compensation earned during fiscal 2008 by individuals who were members of our Board of Directors at any time during fiscal 2008, except Named Officers (as defined below) (referred to herein as "Non-Employee Directors"). Thomas D. Brisbin is a Named Officer and his compensation is presented below under "Executive Compensation" in the Summary Compensation Table and related explanatory tables. Dr. Brisbin is not entitled to additional compensation for his services as a director.

| Name              | Fees<br>Earned<br>or<br>Paid in<br>Cash (\$) | Stock<br>Awards<br>(\$)(1) | Option<br>Awards<br>(\$)(2) | Non-Equity<br>Incentive Plan<br>Compensation<br>(\$) | Change in<br>Pension<br>Value &<br>Non-Qualified<br>Deferred<br>Compensation<br>Earnings | All Other<br>Compensation<br>(\$)(3) | Totals<br>(\$) |
|-------------------|--|----------------------------|-----------------------------|--|--|--------------------------------------|----------------|
|                   |  |                            |                             |  |  |                                      |                |
| Linda L. Heil     | 47,000                                       |                            | 4,940                       |  |  | 14,776                               | 66,716         |
| W. Tracy Lenocker | 58,250                                       |                            | 4,940                       |  |  |                                      | 63,190         |
| Keith W. Renken   | 64,000                                       |                            | 4,940                       |  |  |                                      | 68,940         |
| Wayne Shelton     | 36,019                                       |                            | 1,210                       |  |  |                                      | 37,229         |
| Chell Smith(4)    | 19,423                                       |                            | (9,992)                     |  |  |                                      | 9,431          |
| John M. Toups     | 52,975                                       |                            | 4,940                       |  |  |                                      | 57,915         |
| Win Westfall      | 53,511                                       |                            | 1,210                       |  |  | 39,617                               | 94,338         |

(1) As of January 2, 2009, none of our Non-Employee Directors held any outstanding stock awards.

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(2) The amounts reported under "Option Awards" above reflect the aggregate dollar amounts recognized for option awards for financial statement reporting purposes with respect to fiscal 2008 (disregarding any estimate of forfeitures related to service-based vesting conditions). For a discussion of the assumptions and methodologies used to calculate the amounts reported in this column, please see the discussion of option awards contained in Note 8 (Stock Options) to our consolidated financial statements, included as part of our annual report filed on Form 10-K.

As of January 2, 2009, Mr. Lenocker held 11,000 outstanding and unexercised stock option awards, Mrs. Heil and Mr. Renken each held 6,000 outstanding and unexercised stock option awards, Mr. Toups held 4,000 outstanding and unexercised stock option awards and Mr. Shelton and Mr. Westfall each held 2,000 outstanding and unexercised stock option awards. Ms. Smith did not hold any outstanding and unexercised stock option awards as of January 2, 2009 because her options all terminated or were forfeited after she resigned from our Board of Directors on April 20, 2008. In connection with Ms. Smith's resignation and the termination and forfeiture of her options, we reversed compensation expense of \$9,992 for stock option awards that had been granted to Ms. Smith in fiscal 2006 and 2007.

(3) The amount reported under "All Other Compensation" with respect to Mrs. Heil is the estimated value of medical benefit coverage for fiscal 2008 granted to Mrs. Heil and her two dependents in May 2006. The amount reported under "All Other Compensation" with respect to Mr. Westfall includes (1) \$14,171 for the payment of medical insurance premiums for fiscal 2008 granted to Mr. Westfall and his spouse in May 2006 and (2) \$24,122 earned by Mr. Westfall as an employee through February 29, 2008, plus a matching 401(k) contribution and the estimated value derived by Mr. Westfall for the use of a company vehicle while he was an employee.

(4) Ms. Smith resigned from our Board of Directors on April 20, 2008.

Compensation for Non-Employee Directors during fiscal 2008 generally consisted of an annual retainer, fees for attending meetings, fees for work related to board committees and a stock option award.

***Annual Retainer and Meeting Fees***

The following table sets forth the schedule of meeting fees and annual retainers for each Non-Employee Director in effect during fiscal 2008:

| Type of Fee  | Dollar Amount |
|--|---------------|
| Annual Board Retainer  | \$ 30,000     |
| Additional Annual Retainer to Chairman of the Board  | \$ 10,000     |
| Additional Annual Retainer to Chair of Audit Committee                                     | \$ 5,000      |
| Additional Annual Retainer to Chair of Compensation Committee                              | \$ 2,500      |
| Additional Annual Retainer to Chair of Investment, Finance and Strategy Committee          | \$ 5,000      |
| Additional Daily Fee for Personal Attendance at Board, Stockholder or Committee Meetings   | \$ 2,500      |
| Additional Daily Fee for Telephonic Attendance at Board, Stockholder or Committee Meetings | \$ 1,500      |

All Non-Employee Directors are also reimbursed for out-of-pocket expenses they incur serving as directors.

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*Stock Option Awards*

In June 2008, each Non-Employee Director (except Ms. Smith) was granted an award of 2,000 stock options under the Company's 2008 Performance Incentive Plan. The stock option awards were granted with a per-share exercise price equal to the fair market value of a share of the Company's Common Stock on the grant date. For these purposes, and in accordance with the terms of the 2008 Performance Incentive Plan and the Company's equity award grant practices, the fair market value is equal to the closing price of a share of the Company's Common Stock on the Nasdaq Global Market on the grant date.

Each stock option granted to our Non-Employee Directors in fiscal 2008 will be fully vested as of June 10, 2010. Stock options granted to our Non-Employee Directors in fiscal 2008 are subject to a two (2) year vesting schedule, with 50% of the option vesting on each of the first and second anniversaries of the grant date. Once vested, each stock option will generally remain exercisable until its normal expiration date. The stock options granted to our Non-Employee Directors in fiscal 2008 have a term of ten (10) years. Outstanding stock options, however, may terminate earlier in connection with a change in control transaction or a termination of the Non-Employee Director's services as a director. Subject to any accelerated vesting that may apply in particular circumstances, the unvested portion of the stock option will immediately terminate upon a termination of the Non-Employee Director's services as a director. The Non-Employee Director will generally have three (3) months to exercise the vested portion of the stock option following a termination of service. This period is extended to twelve (12) months if the termination is on account of the Non-Employee Director's death or permanent disability. The options granted to Non-Employee Directors in fiscal 2008 do not include any dividend or dividend equivalent rights.

The Compensation Committee of the Board of Directors administers Non-Employee Director stock option awards granted under the 2008 Performance Incentive Plan and has the ability to interpret and make all required determinations under the plan, subject to plan limits. This authority includes making required proportionate adjustments to outstanding awards to reflect any impact resulting from various corporate events such as reorganizations, mergers and stock splits. Pursuant to the terms of the 2008 Performance Incentive Plan, stock options granted to our Non-Employee Directors will generally vest on an accelerated basis in connection with a change in control of the Company to the extent such awards are not substituted or assumed by a successor in connection with the transaction.

**Vote Required for Election of Each Director**

Election of each director requires the affirmative vote of a plurality of all of the votes cast on the matter at the Annual Meeting.

**THE BOARD OF DIRECTORS UNANIMOUSLY RECOMMENDS A VOTE "FOR" THE ELECTION OF EACH OF THE NOMINEES. PROXIES RECEIVED WILL BE VOTED "FOR" EACH OF THE NOMINEES UNLESS STOCKHOLDERS SPECIFY OTHERWISE IN THE PROXY.**

Table of Contents**PROPOSAL 2:****RATIFICATION OF THE APPOINTMENT OF KPMG LLP  
AS THE COMPANY'S INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM**

The Audit Committee has appointed KPMG LLP as the Company's independent registered public accounting firm to audit its financial statements for the year ending January 1, 2010.

Although ratification by stockholders is not required by law, the Board has determined that it is desirable to request approval of this appointment by the stockholders. If the stockholders do not ratify the appointment, the Audit Committee will reconsider whether or not to retain KPMG LLP, and may decide to retain them notwithstanding the vote. Even if the appointment is ratified, the Audit Committee in its discretion may change the appointment at any time during the year if it determines that such a change would be in the best interests of the Company and its stockholders. In addition, if KPMG LLP should decline to act or otherwise become incapable of acting, or if the employment should be discontinued, the Audit Committee will appoint a substitute independent public registered public accounting firm. A representative of KPMG LLP will be present at the Annual Meeting, will be given the opportunity to make a statement if he or she so desires and will be available to respond to appropriate questions.

**Principal Accountant's Fees and Services**

The following is a summary of the fees billed to us by KPMG LLP for professional services for the fiscal years ended January 2, 2009 and December 28, 2007, respectively:

| <b>Fee Category</b> | <b>Fiscal 2008<br/>Fees</b> | <b>Fiscal 2007<br/>Fees</b> |
|---------------------|-----------------------------|-----------------------------|
| Audit Fees          | \$ 470,500                  | \$ 361,000                  |
| Audit-Related Fees  |                             |                             |
| Tax Fees            |                             |                             |
| All Other Fees      |                             |                             |
| <b>Total Fees</b>   | <b>\$ 470,500</b>           | <b>\$ 361,000</b>           |

***Audit Fees***

Fees for audit services provided by KPMG for fiscal 2008 and fiscal 2007 consisted of professional services for the annual audit of our consolidated financial statements and for review of our interim condensed consolidated financial statements including quarterly reports.

***Audit-Related Fees***

No fees for audit-related services were billed by KPMG LLP in 2008 or 2007.

***Tax Fees***

No fees for tax services, including tax return preparation, tax compliance, tax advice and tax planning, were billed by KPMG LLP in 2008 or 2007.

***All Other Fees***

There were no fees paid for any other services not described above in 2008 or 2007.

The Company has been advised by KPMG LLP that neither the firm, nor any member of the firm, has any financial interest, direct or indirect, in any capacity in the Company or its subsidiaries.



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**Audit Committee Pre-Approval Policy**

Consistent with SEC policies regarding independence, the Audit Committee has responsibility for appointing, setting compensation and overseeing the work of the independent registered public accounting firm. In recognition of this responsibility, the Audit Committee has established a policy to pre-approve all audit and permissible non-audit services provided by the independent registered public accounting firm, including audit services, audit-related services, tax services, and other services. In some cases, the full Audit Committee provides pre-approval for up to a year, related to a particular defined task or scope of work and subject to a specific budget. During the year, circumstances may arise when it becomes necessary to engage the independent registered public accounting firm for additional services not contemplated in the original pre-approval categories. In those instances, the Audit Committee requires specific pre-approval before engaging the independent registered public accounting firm. The Audit Committee may delegate pre-approval authority to one or more of its members. The member to whom such authority is delegated must report, for informational purposes only, any pre-approval decisions to the Audit Committee at its next regularly scheduled meeting.

**Vote Required for Ratification of the Appointment of KPMG LLP as the Company's Independent Registered Public Accounting Firm**

Ratification of the appointment of KPMG LLP as the Company's independent registered public accounting firm requires the affirmative vote of a majority of all the votes cast on the matter at the Annual Meeting.

**THE BOARD OF DIRECTORS UNANIMOUSLY RECOMMENDS A VOTE "FOR" THE PROPOSAL TO RATIFY THE APPOINTMENT OF KPMG LLP AS THE COMPANY'S INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM FOR THE YEAR ENDING JANUARY 1, 2010. PROXIES RECEIVED WILL BE VOTED "FOR" RATIFICATION UNLESS STOCKHOLDERS SPECIFY OTHERWISE IN THE PROXY.**

Table of Contents**PRINCIPAL STOCKHOLDERS**

Except as otherwise noted, the following table sets forth information as of April 13, 2009 with respect to: (i) each of our directors and nominees, (ii) each of our Named Officers (as defined below under "Executive Compensation"), (iii) our directors and executive officers as a group and (iv) each person known by us to own beneficially more than 5% of the outstanding shares of our common stock, based upon Schedule 13G and Schedule 13D reports filed with the Securities and Exchange Commission ("SEC").

Unless otherwise noted below, the address of the persons listed on the table is c/o Willdan Group, Inc., 2401 East Katella Avenue, Suite 300, Anaheim, California 92806. The amounts and percentages of common stock beneficially owned are reported on the basis of regulations of the SEC governing the determination of beneficial ownership of securities. Under the rules of the SEC, a person is deemed to be a "beneficial owner" of a security if that person has or shares "voting power," which includes the power to vote or to direct the voting of such security, or "investment power," which includes the power to dispose of or to direct the disposition of such security. A person is also deemed to be a beneficial owner of any securities of which that person has a right to acquire beneficial ownership within 60 days. Under these rules, more than one person may be deemed a beneficial owner of the same securities and a person may be deemed a beneficial owner of securities as to which he has no economic interest. Except as otherwise noted, we believe, based on the information furnished to us, that the persons named in the table below have sole voting and investment power with respect to all shares of common stock reflected as beneficially owned, subject to applicable community property laws. We had 7,188,251 shares of common stock outstanding on April 13, 2009.

| Name and Address of Stockholder   | Amount of<br>Beneficial<br>Ownership | Percent<br>of<br>Common<br>Stock |
|---|--------------------------------------|----------------------------------|
| <i>Executive Officers, Directors and Director Nominees</i>                              |                                      |                                  |
| Win Westfall(1)   | 3,000                                | *                                |
| Thomas D. Brisbin(2)  | 107,131                              | 1.5%                             |
| Linda L. Heil(3)  | 925,120                              | 12.9%                            |
| W. Tracy Lenocker(4)  | 226,000                              | 3.1%                             |
| Keith W. Renken(5)  | 25,000                               | *                                |
| Wayne Shelton(6)  | 11,000                               | *                                |
| John M. Toups(7)  | 27,000                               | *                                |
| Kimberly D. Gant(8)   | 10,978                               | *                                |
| Daniel Chow   |                                      |                                  |
| Raymond W. Holdsworth   |                                      |                                  |
| Douglas J. McEachern  |                                      |                                  |
| All directors and executive officers as a group (9 persons)                             | 1,335,229                            | 18.3%                            |
| <i>5% Stockholders</i>  |                                      |                                  |
| Royce & Associates, LLC<br>1414 Avenue of the Americas<br>New York, NY 10019            | 725,900                              | 10.1%                            |
| Phronesis Partners, L.P.<br>130 East Chestnut Street<br>Suite 403<br>Columbus, OH 43221 | 596,889                              | 8.3%                             |
| Wedbush Morgan Securities, Inc.<br>1000 Wilshire Blvd<br>Los Angeles, CA 90017          | 480,908                              | 6.7%                             |

\*

The percentage of shares beneficially owned by this executive officer or director does not exceed one percent of the Company's outstanding common stock.



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- (1) Consists of 2,000 shares of common stock held directly by Mr. Westfall and 1,000 shares of common stock subject to options exercisable on or before June 12, 2009.
- (2) Consists of 25,465 shares of common stock held directly by Dr. Brisbin and 81,666 shares of common stock subject to options exercisable on or before June 12, 2009.
- (3) Consists of 920,120 shares of common stock held in The 1994 Dan W. Heil and Linda Lee Heil Revocable Trust (the "Trust") and 5,000 shares of common stock subject to options exercisable on or before June 12, 2009. Mrs. Heil is the sole trustee and beneficiary of the Trust and has voting and investment control over our shares of common stock held therein.
- (4) Consists of 216,000 shares of common stock held in The 1996 Tracy and Joanne Lenocker Family Trust and 10,000 shares of common stock subject to options exercisable on or before June 12, 2009.
- (5) Consists of 20,000 shares of common stock held directly by Mr. Renken and 5,000 shares of common stock subject to options exercisable on or before June 12, 2009.
- (6) Consists of 10,000 shares of common stock held directly by Mr. Shelton and 1,000 shares of common stock subject to options exercisable on or before June 12, 2009.
- (7) Consists of 24,000 shares of common stock held directly by Mr. Toups and 3,000 shares of common stock subject to options exercisable on or before June 12, 2009.
- (8) Consists of 2,645 shares of common stock held directly by Ms. Gant and 8,333 shares of common stock subject to options exercisable on or before June 12, 2009.

Table of Contents**MANAGEMENT**

The following table sets forth the names, ages and positions of our current executive officers and significant employees. Executive officers and significant employees of the Company serve at the pleasure of the Board of Directors. During fiscal 2008, Dr. Brisbin, Ms. Gant and Mr. Chow were employed pursuant to employment agreements, as described below under the caption "Executive Compensation Description of Employment Agreements, Salary and Bonus Amounts".

| <b>Name</b>                  | <b>Age</b> | <b>Position</b>  |
|------------------------------|------------|--|
| <i>Executive Officers</i>    |            |  |
| Thomas D. Brisbin            | 56         | President and Chief Executive Officer, Director                                |
| Kimberly D. Gant             | 43         | Chief Financial Officer, Senior Vice President                                 |
| Daniel Chow                  | 58         | President and Chief Executive Officer of Willdan Engineering subsidiary        |
| <i>Significant Employees</i> |            |  |
| Marc Tipermas                | 61         | President of National Programs   |
| Frank G. Tripepi             | 61         | President and Chief Executive Officer of Willdan Financial Services subsidiary |
| Ross Khiabani                | 59         | President and Chief Executive Officer of Willdan Geotechnical subsidiary       |
| Victor Thies                 | 56         | President and Chief Executive Officer of Willdan Homeland Solutions subsidiary |

Biographical information concerning Dr. Brisbin is set forth under the caption "Proposal 1. Election of Directors Information Regarding Nominees and Directors."

*Kimberly D. Gant* was appointed Chief Financial Officer in July 2007. From January 2005 until July 2007, Ms. Gant served as vice president of corporate development for AECOM Technology Corporation. At AECOM, Ms. Gant was responsible for due diligence and integration activities for mergers and acquisitions, treasury and capital markets activities and SEC financial reporting compliance. From October 1996 to January 2005, Ms. Gant was employed by Tetra Tech, Inc. At Tetra Tech, she held finance positions of increasing responsibility, including vice president of corporate development and treasury and vice president of corporate planning and reporting, and was responsible for pre-acquisition financial analysis, acquisition due diligence and execution, treasury management, strategic sourcing and international business and financial risk assessment. Prior to joining Tetra Tech, Ms. Gant was employed by Hydro-Search, Inc., an engineering and consulting firm, in various accounting positions. Ms. Gant is a certified public accountant and holds a B.A. in Accountancy from the University of Oklahoma.

*Daniel Chow* was appointed President and Chief Executive Officer of Willdan Engineering in December 2008. Prior to joining Willdan, Mr. Chow was the Vice President of AMEC Earth & Environmental, Inc., a subsidiary of AMEC plc, a global provider of high-value consultancy, engineering and project management services to the energy, power and process industries. Prior to AMEC, Mr. Chow worked at Tetra Tech EM Inc. (formerly PRC Environmental Management, Inc.) for over 20 years and held various senior management positions, including Vice President of US operations. During Mr. Chow's tenure with these firms he was responsible for establishing new offices and developing and implementing management systems firmwide to enhance operations. He also led the pursuit and management of multi-million dollar contracts for government clients that included the U.S. Navy and the U.S. Army Corps of Engineers. Mr. Chow received his B.Sc. in Mechanical Engineering from Tennessee Technological University and his Master's Degree in Environmental Engineering from Illinois Institute of Technology. He is a registered professional engineer in the state of Illinois and Guam.

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*Marc Tipermas* was appointed President of National Programs in June 2007. Mr. Tipermas has spent most of his 30-year career in the professional services industry in a variety of senior executive level business development and operations positions. From 1981 to 1998, Mr. Tipermas worked at ICF Kaiser International, a global consulting, engineering, and program management firm with over 6,000 employees, and he was named President and Chief Operating Officer in 1997. More recently he was Senior Vice President for Business Development of Dynamac Corporation, an environmental consulting firm, and has also been an independent business development consultant to several nationwide engineering and consulting firms. Earlier in his career Mr. Tipermas worked at the U.S. Environmental Protection Agency (EPA) and from 1980 to 1981 served as the first Director of EPA's Superfund Policy and Program Management Office. Mr. Tipermas received an S.B. from the Massachusetts Institute of Technology and also holds Ph.D. and Master's degrees from Harvard University in political science.

*Frank G. Tripepi* has been the President and Chief Executive Officer of our subsidiary, Willdan Financial Services, formerly known as MuniFinancial, since June 2002. Prior to joining Willdan Financial Services, Mr. Tripepi served as the city manager of Rosemead, California for approximately 28 years. In April 2004, Mr. Tripepi received an appointment to the Board of Governors of the Rose Institute of State and Local Government. The Rose Institute conducts and publishes research on California government and politics. Mr. Tripepi received his B.A. in Political Science in 1969 from California State University, Fullerton.

*Ross Khiabani* has been the President and Chief Executive Officer of our subsidiary, Willdan Geotechnical, formerly known as Arroyo Geotechnical, since September 2003. Prior to joining Willdan Geotechnical, he was the President of Leighton Consulting, a geotechnical engineering firm and a division of Leighton Group, Inc., where he spent 23 years. Mr. Khiabani has over 30 years experience in geotechnical engineering, including assignments in commercial, residential, industrial and institutional development, ports and harbors, public works, transportation (including major bridges, local roads, freeways and toll roads) and water and wastewater facilities. Mr. Khiabani received a B.S. in Geology from Pahlavi University in Iran and an M.S. in Geotechnical Engineering from California State University, Long Beach. He is a registered civil engineer in California, Arizona and Nevada, and a registered geotechnical engineer in California.

*Victor Thies* has been the President and Chief Executive Officer of our subsidiary, Willdan Homeland Solutions, formerly known as American Homeland Solutions, since October 2007. Mr. Thies originally joined Willdan Homeland Solutions in May 2006 as Operations Manager. Mr. Thies has over 30 years of experience in law enforcement and emergency preparedness, including over 20 years as a police manager for the City of Irvine, California, where he retired as police commander in 2002. From 2002 through May 2006, Mr. Thies served as President of VT & Associates, a firm that developed and provided training courses to public agencies. He served on California State committees for training development in disaster response and has participated in six Police Officers Standards Training (POST) teleconferences as a subject matter expert in both ICS and Harassment/Discrimination Prevention. He was the Lead Incident Commander for the nation's first weapons of mass destruction case (Operation Foxboro Recovery 3/2000). Mr. Thies received his B.A. in Police Science in 1976 from California State University, Los Angeles, and a Masters degree in Public Communication from Pepperdine University in 1979. He has also received his POST Command College Certificate and completed a Dale Carnegie Course in Human Relations.

Table of Contents**EXECUTIVE COMPENSATION**

The following table presents information regarding compensation during fiscal 2007 and fiscal 2008 of all of our executive officers, during fiscal 2008 (the "Named Officers").

**Summary Compensation Table Fiscal 2007 and Fiscal 2008**

| <b>Name and Principal Position</b>  | <b>Year</b> | <b>Salary<br/>(\$)</b> | <b>Bonus<br/>\$(1)</b> | <b>Option<br/>Awards<br/>\$(2)</b> | <b>All Other<br/>Compensation<br/>\$(3)</b> | <b>Total<br/>(\$)</b> |
|---|-------------|------------------------|------------------------|------------------------------------|---|-----------------------|
| Thomas D. Brisbin(4)  | 2008        | 254,824                |                        | 152,294                            | 12,008                                      | 419,126               |
| President and Chief Executive<br>Officer;<br>Director                         | 2007        | 187,512                |                        | 92,518                             | 9,100                                       | 289,130               |
| Kimberly D. Gant(5)   | 2008        | 203,859                |                        | 33,422                             | 12,497                                      | 269,778               |
| Senior Vice President and Chief<br>Financial Officer                          | 2007        | 88,467                 | 20,000                 | 13,926                             | 6,071                                       | 108,599               |
| Daniel Chow   | 2008        | 3,827                  |                        | 408                                | 346   | 4,581                 |
| President and Chief Executive<br>Officer,<br>Willdan Engineering subsidiary   | 2007        |                        |                        |                                    |   |                       |
| Mallory McCamant(6)   | 2008        | 93,551                 |                        | (37,289)                           | 5,122                                       | 61,384                |
| Senior Vice President, Chief<br>Operations<br>Officer and Assistant Secretary | 2007        | 228,659                |                        | 20,914                             | 12,344                                      | 261,917               |

(1) Ms. Gant was paid a bonus in September 2008 that accrued in fiscal 2007 under the discretionary bonus accrual available to employees.

(2) The amounts reported under "Option Awards" reflect the aggregate dollar amounts recognized for option awards for financial statement reporting purposes with respect to fiscal 2007 and 2008 (disregarding any estimate of forfeitures related to service-based vesting conditions). Detailed information about the specific awards is reported in the table under "Outstanding Equity Awards at Fiscal 2008 Year-End" below. For a discussion of the assumptions and methodologies used to calculate the amounts reported in this column, please see the discussion of stock option awards granted during fiscal 2007 and 2008 contained in Note 8 (Stock Options) to our consolidated financial statements, included as part of our 2008 Annual Report filed on Form 10-K.

(3) The amounts reported under "All Other Compensation" include 401(k) matching contributions paid by us and automobile allowances for each of Dr. Brisbin, Ms. Gant, Mr. Chow and Ms. McCamant.

(4) Dr. Brisbin was appointed our President and Chief Executive Officer on April 2, 2007.

(5) Ms. Gant was appointed our Senior Vice President and Chief Financial Officer on July 23, 2007.

(6) Ms. McCamant resigned as Chief Operating Officer, Senior Vice President and Assistant Secretary on May 10, 2008.

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Dr. Brisbin served on the Board of Directors during fiscal 2007 and 2008. As an employee-director, Dr. Brisbin did not receive additional compensation for his services as a director.

### *Compensation of Named Officers*

The Summary Compensation Table above quantifies the value of the different forms of compensation earned by or awarded to our Named Officers in fiscal 2007 and 2008. The primary elements of each Named Officer's total compensation reported in the table are base salary and, for

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certain Named Officers, an annual bonus and a long-term equity incentive award consisting of stock options. Named Officers also earned or were paid the other benefits listed in the "All Other Compensation" column of the Summary Compensation Table, as further described in footnote (3) to the table.

The Summary Compensation Table should be read in conjunction with the tables and narrative descriptions that follow. A description of the material terms of each Named Officer's base salary and annual bonus is provided immediately following this paragraph. The "Grants of Plan-Based Awards in Fiscal 2008" table, and the description of the material terms of the stock options granted in fiscal 2008 that follows it, provides information regarding the long-term equity incentives awarded to certain Named Officers in fiscal 2008. The "Outstanding Equity Awards at Fiscal 2008 Year-End" table and "Option Exercises and Stock Vested in Fiscal 2008" narrative provide further information on the Named Officers' potential realizable value and actual value realized with respect to their equity awards. The discussion of the potential payments due upon a termination of employment or change in control that follows is intended to further explain the potential future payments that are, or may become, payable to our Named Officers under certain circumstances.

***Description of Employment Agreements, Salary and Bonus Amounts***

We have entered into employment agreements with Dr. Brisbin, our President and Chief Executive Officer, Ms. Gant, our Senior Vice President and Chief Financial Officer and Mr. Chow, the President and Chief Executive Officer of our subsidiary, Willdan Engineering. We also had an employment agreement with Ms. McCamant, our former Senior Vice President and Chief Operations Officer. These employment agreements, including the salary and bonus terms of such agreements, are described below.

On April 2, 2007, we entered into an employment agreement with Dr. Brisbin. This agreement provides for an employment term of three years, with the agreement automatically renewing for successive one-year terms unless either party gives written notice not less than 60 days prior to expiration. Under the agreement, Dr. Brisbin received an annual base salary of \$250,000 for his first year of employment and the board of directors shall review Dr. Brisbin's base salary at least annually thereafter and may increase, but not decrease, the salary then in effect based on such review. Dr. Brisbin is also eligible to receive an annual discretionary bonus in an amount determined by the Board based on the achievement of performance targets established by the Board. The agreement also provides that Dr. Brisbin is eligible for all standard company pension and welfare benefit programs in accordance with those generally afforded our employees and an automobile allowance of \$900 per month. If Dr. Brisbin's employment is terminated by us without cause or by Dr. Brisbin for good reason (as those terms are defined in the agreement), Dr. Brisbin will receive severance compensation in an amount equal to his then-current annual base salary through the end of the term of his employment agreement plus health benefits for such period. However, if Dr. Brisbin breaches his non-competition or non-solicitation obligations under his employment agreement at any time, he will no longer be entitled to receive any unpaid severance benefits.

On July 23, 2007, we entered into an employment agreement with Ms. Gant. This agreement provides for an employment term through December 31, 2008, with the agreement automatically extending on a monthly basis until terminated by us or Ms. Gant. Under the agreement, Ms. Gant received an annual base salary of \$200,000 through December 31, 2008 and our board of directors now must review Ms. Gant's base salary at least annually and may increase, but not decrease, the salary then in effect based on such review. Ms. Gant is also eligible to receive an annual discretionary bonus of up to 50% of her base salary as determined by the Board for each twelve-month period based on performance targets established by the Board. The agreement also provides that Ms. Gant is eligible for all standard company pension and welfare benefit programs in accordance with those generally afforded our employees and an automobile allowance of \$940 per month. If Ms. Gant's employment is terminated by us without cause or by Ms. Gant for good reason (as those terms are defined in the

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agreement), Ms. Gant will receive severance compensation in an amount equal to her then-current annual base salary, plus health benefits, for six months from the date that her employment agreement is terminated. However, if Ms. Gant breaches her non-competition or non-solicitation obligations under her employment agreement at any time, she will no longer be entitled to receive any unpaid severance benefits.

Mr. Chow began working for our subsidiary, Willdan Engineering, on December 15, 2008 pursuant to the terms of an offer letter accepted by Mr. Chow on November 9, 2008. The offer letter provides that Mr. Chow will receive an annual base salary of \$205,000 and a monthly car allowance of \$500. Mr. Chow is also entitled to participate in our 2008 Performance Incentive Plan. The offer letter has a term of two years following Mr. Chow's first date of employment. Thereafter, Mr. Chow's employment shall continue on an at-will basis, subject to the terms of his initial offer. If Mr. Chow's employment is terminated without cause, he will receive severance compensation in an amount equal to his then-current annual base salary for the remainder of his initial employment period or for a period of three months, whichever is greater.

On July 23, 2007, we entered into a new employment agreement with Ms. McCamant. This agreement superseded in its entirety the prior employment agreement between us and Ms. McCamant and provided for an initial employment term through December 31, 2008, with the agreement automatically extending on an at-will basis until terminated by us or Ms. McCamant. The agreement provided that Ms. McCamant would receive an annual base salary of \$205,000 through December 31, 2008 and was eligible to receive a discretionary performance bonus. This agreement was terminated when Ms. McCamant resigned on July 23, 2007.

**Grants of Plan-Based Awards in Fiscal 2008**

The following table presents information regarding the equity incentive awards granted to Named Officers during fiscal 2008 under the Company's 2008 Performance Incentive Plan (the "2008 Plan") and 2006 Stock Incentive Plan (the "2006 Plan"). The material terms of each grant are described below under "Description of Plan-Based Awards."

| Name              | Grant Date | All Option Awards: Number of Securities Underlying Options (#) | Exercise or Base Price of Option Awards (\$/Sh) | Grant Date Fair Value of Option Awards (\$) |
|-------------------|------------|--|---|---|
| Thomas D. Brisbin | 3/10/08    | 15,000(1)  | 5.60  | 28,938                                      |
| Daniel Chow       | 12/15/08   | 25,000(2)  | 1.50  | 14,733                                      |

(1) The options vested immediately on the grant date.

(2) The options vest in substantially equal annual installments over the three year period following the grant date.

***Description of Plan-Based Awards***

During fiscal 2008, Dr. Brisbin was awarded stock options under the 2006 Plan and Mr. Chow was awarded stock options under the 2008 Plan. The options granted to Dr. Brisbin on March 10, 2008 vested immediately and the options granted to Mr. Chow on December 15, 2008 will vest equally over three (3) years from the grant date. The options granted to Dr. Brisbin and Mr. Chow were granted with a per-share exercise price equal to the closing market price of the Company's common stock on the Nasdaq Global Market on the grant date and have a term of ten (10) years. Outstanding options, however, may terminate earlier than their stated expiration date in connection with a change in control transaction or a termination of the recipient's employment. The recipient will generally have three (3) months to exercise the stock option following a termination of employment. This period is extended

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to twelve (12) months if the recipient dies or terminates his or her employment because of a disability incurred while employed by the Company. However, if a recipient's employment is terminated by the Company for cause, outstanding stock options (whether vested or unvested) will immediately terminate. The stock options granted to Dr. Brisbin and Mr. Chow during fiscal 2008 do not include any dividend or dividend equivalent rights.

As indicated above, the stock options granted were granted under, and are subject to the terms of, the Company's 2006 Plan or 2008 Plan. Both plans are administered by the Compensation Committee. The Compensation Committee has authority to interpret the plan provisions and make all required determinations under the plans. This authority includes making required proportionate adjustments to outstanding awards upon the occurrence of certain corporate events such as reorganizations, mergers and stock splits, and making provisions to ensure that any tax withholding obligations incurred in respect of awards are satisfied. Awards granted under the plans are generally only transferable to a beneficiary of an award recipient upon his or her death. However, the Compensation Committee may establish procedures for the transfer of awards to other persons or entities, provided that such transfers comply with applicable securities laws and, with limited exceptions set forth in the plan documents, are not made for value.

Under the terms of the 2006 Plan and 2008 Plan, if there is a change in control of the Company, each recipient's outstanding equity-based awards granted under the plan will generally become fully vested and exercisable to the extent such outstanding awards are not substituted or assumed in connection with the transaction. Any options that become vested in connection with a change in control generally must be exercised prior to the change in control, or they will be canceled in exchange for the right to receive a cash payment in connection with the change in control transaction.

**Outstanding Equity Awards at Fiscal 2008 Year-End**

The following table presents information regarding the outstanding option awards held by each Named Officer as of January 2, 2009. No Named Officer held any outstanding stock awards as of January 2, 2009.

| Name                | Equity Incentive Plan Awards:  |  | Option Exercise Price (\$) | Option Expiration Date |
|---------------------|--|--|----------------------------|------------------------|
|                     | Number of Securities Underlying Unexercised Options Exercisable (#)(1) | Number of Securities Underlying Unexercised Options Unexercisable (#)(2) |                            |                        |
| Thomas D. Brisbin   | 66,666   | 33,334   | 9.30                       | 4/2/17                 |
|                     | 15,000   |  | 5.60                       | 3/10/18                |
| Kimberly D. Gant    | 8,333  | 16,667   | 9.90                       | 7/23/17                |
| Daniel Chow         |  | 25,000   | 1.50                       | 12/15/18               |
| Mallory McCamant(3) |  |  |                            |                        |

(1) 100,000 options were granted to Dr. Brisbin on April 2, 2007 and 25,000 options were granted to Ms. Gant on July 23, 2007. These options each vest equally over three years from their respective grant date. Therefore, Dr. Brisbin had 33,333 options vest on each of April 2, 2008 and April 2, 2009, and Ms. Gant had 8,333 options vest on July 23, 2008. The 15,000 options granted to Dr. Brisbin on March 10, 2008 vested immediately on its grant date.

(2) Dr. Brisbin's remaining 33,334 options from his April 2, 2007 grant will vest on April 2, 2010. Ms. Gant will have 8,333 options vest on July 23, 2009 and 8,334 options vest on July 23, 2010.



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The 25,000 options granted to Mr. Chow on December 15, 2008 will vest equally over three years from the grant date.

(3)

Ms. McCamant resigned on May 10, 2008 and had no outstanding option awards as of January 2, 2009.

**Option Exercises and Stock Vested in Fiscal 2008**

Our Named Officers did not exercise any stock options during fiscal 2008. No stock awards have ever been granted to our Named Officers.

**Retirement Benefits**

At the Board of Directors' discretion, the Company provides retirement benefits to the Named Officers under the terms of its tax-qualified 401(k) plan. In fiscal 2008, the Company made a matching contribution on behalf of each qualified participant equal to 25% of the first \$4,000 of compensation contributed to the plan by the participant. These Company contributions function as a retention incentive as they vest ratably over the first four (4) years of service (as determined under the plan) with the Company. The Named Officers participate in the plan on substantially the same terms as our other participating employees. The Company does not maintain any deferred compensation, defined benefit or supplemental retirement plans for its Named Officers.

**Potential Payments Upon Termination or Change in Control**

We do not provide special change in control benefits to our Named Officers and none of our employment agreements contain such a provision. Our only change in control arrangement applies to all of our employees who hold outstanding options issued under our 2006 Plan or are eligible to participate in our 2008 Plan. Upon a change in control, all outstanding options will vest immediately and become fully exercisable to the extent such outstanding awards are not substituted or assumed in connection with the transaction. The employment agreements for Dr. Brisbin, Ms. Gant and Mr. Chow also provide for severance benefits upon termination by us without cause or by the Named Officer for good reason, each as described below.

*Brisbin.* If Dr. Brisbin's employment is terminated by us without cause or by Dr. Brisbin for good reason (as those terms are defined in the agreement), Dr. Brisbin will receive severance compensation in an amount equal to his then-current annual base salary through the end of the term of his employment agreement plus health benefits for such period. However, if Dr. Brisbin breaches his non-competition or non-solicitation obligations under his employment agreement at any time, he will no longer be entitled to receive any unpaid severance benefits.

*Gant.* If Ms. Gant's employment is terminated by us without cause or by Ms. Gant for good reason (as those terms are defined in the agreement) during Ms. Gant's employment period, Ms. Gant will receive severance compensation in an amount equal to her then-current annual base salary through the date that is six months from the date that her employment agreement is terminated, plus health benefits for such period. However, if Ms. Gant breaches her non-competition or non-solicitation obligations under her employment agreement at any time, she will no longer be entitled to receive any unpaid severance benefits.

*Chow.* If Mr. Chow's employment is terminated by us without cause, Mr. Chow will receive severance compensation in an amount equal to his then-current annual base salary through December 15, 2010 or for a period of three months, whichever is greater.

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**Related Person Transactions**

The following provides a description of certain relationships and related transactions since the beginning of fiscal year 2007 between some of our directors and executive officers and us or our subsidiaries and affiliates.

*Tax Agreements.* In connection with our initial public offering in November 2006, we entered into a Tax Agreement Relating to S Corporation Distributions with each of our stockholders, including our Chairman of the Board, Mr. Westfall, and our directors, Mrs. Heil and Mr. Lenocker. Pursuant to these agreements, we agreed to indemnify, defend and hold harmless each stockholder on an after-tax basis against additional income taxes, plus interest and penalties resulting from adjustments made, as a result of a final determination made by a competent tax authority, to the taxable income we reported as an S Corporation. Such indemnification also includes any losses, costs or expenses, including reasonable attorneys' fees, arising out of a claim for such tax liability.

*Lifetime Medical Benefits.* On May 19, 2006, our board of directors approved the extension of lifetime medical benefits to our director, Mrs. Heil, and our Chairman of the Board, Mr. Westfall, and his spouse, Patricia Westfall. Mrs. Heil's eligible dependents are included through the maximum age allowable under our benefits plan. In fiscal 2008, we paid premiums for these medical benefits in the amounts of \$14,776 for Ms. Heil and her eligible dependents and \$14,177 for Mr. Westfall and his spouse.

*Indemnification Agreement.* In connection with our initial public offering in November 2006, we entered into an Indemnification Agreement with our director, Mrs. Heil, as trustee of The 1994 Dan W. Heil and Linda Lee Heil Revocable Trust, the selling stockholder in the initial public offering. Pursuant to this agreement, we agreed to indemnify the selling stockholder against certain liabilities, including liabilities under the Securities Act of 1933, and to contribute to payments that the selling stockholder may be required to make for certain liabilities.

**Related Person Transaction Policy**

In March 2007, the Board adopted a policy addressing the Company's procedures with respect to the review, approval and ratification of "related person transactions" that are required to be disclosed pursuant to Item 404(a) of Regulation S-K. The policy provides that any transaction, arrangement or relationship, or any series of similar transactions, in which the Company was, is or will be a participant, the amount involved exceeds \$120,000, and a "related person" (as defined in the policy) has or will have a direct or indirect material interest (each such transaction, a "Related Person Transaction") shall be subject to review and approval or ratification by the Audit Committee. In its review of Related Person Transactions, the Audit Committee shall review the material facts and circumstances of the transaction and shall take into account certain factors, where appropriate, based on the particular facts and circumstances, including (i) the nature of the "related person's" interest in the transaction, (ii) the approximate dollar value of the amount involved in the Related Person Transaction, (iii) whether the transaction was taken in the Company's ordinary course of business, (iv) whether the transaction with the "related person" is proposed to be, or was, entered into on terms no less favorable to the Company than terms that could have been reached with an unrelated third party and (v) the purpose of, and the potential benefits to the Company of, the Related Person Transaction.

No member of the Audit Committee may participate in the review, approval or ratification of a transaction with respect to which he or she is a "related person" provided that such member can be counted for purposes of a quorum and shall provide such information with respect to the transaction as may be reasonably requested by other members of the Committee or the Board.

Table of Contents**EQUITY COMPENSATION PLAN INFORMATION**

The Company currently maintains three equity compensation plans: (1) the 2006 Plan, (2) the 2008 Plan, and (3) the Amended and Restated Willdan Group, Inc. 2006 Employee Stock Purchase Plan (the "ESPP"). New awards are no longer being granted under the 2006 Plan.

The following table sets forth, for our equity compensation plans, the number of shares of common stock subject to outstanding options, the weighted-average exercise price of outstanding options, and the number of shares remaining available for future award grants under all of our plans as of January 2, 2009.

| <b>Plan category</b>                                   | <b>Number of shares of Common Stock to be issued upon exercise of outstanding options</b> | <b>Weighted-average exercise price of outstanding options</b> | <b>Number of shares of Common Stock remaining available for future issuance under equity compensation plans (excluding shares reflected in the first column)</b> |
|--|---|---|--|
| Equity compensation plans approved by stockholders     | 303,000   | \$ 7.23   | 700,643(1)   |
| Equity compensation plans not approved by stockholders |   |   |  |
| <b>Total</b>   | <b>303,000</b>  | <b>\$ 7.23</b>  | <b>700,643(1)</b>  |

(1)

Of the aggregate number of shares that remained available for future issuance at January 2, 2009, 416,667 were available under the 2008 Plan and 283,976 were available under the ESPP. Following stockholder approval of the 2008 Plan on June 9, 2008, no new awards could be granted under the 2006 Plan. The 36,167 shares that were available for issuance under the 2006 Plan on June 9, 2008 became available for grant under the 2008 Plan.

**REPORT OF THE AUDIT COMMITTEE**

The Audit Committee of the Board of Directors assists the Board in performing its oversight responsibilities for the Company's financial reporting process, audit process and internal controls as more fully described in the Audit Committee Charter. Management has the primary responsibility for the financial statements and the reporting process, including the systems of internal controls. The independent registered public accounting firm is responsible for auditing the Company's financial statements and expressing an opinion as to their conformity to U.S. generally accepted accounting principles.

In the performance of its oversight function, the Audit Committee reviewed and discussed the Company's audited financial statements for the year ended January 2, 2009 with the Company's management and with the Company's independent registered public accounting firm. In addition, the Committee discussed with the Company's independent registered public accounting firm the matters required to be discussed by the statement on Auditing Standards No. 61, as amended (AICPA, *Professional Standards*, Vol. 1. AU section 380), as adopted by the Public Company Accounting Oversight Board in Rule 3200T, which includes, among other items, matters related to the conduct of the audit of the Company's financial statements. The Audit Committee has also received the written disclosures and the letter from the Company's independent registered public accounting firm required by applicable requirements of the Public Company Accounting Oversight Board regarding the independent accountant's communications with the Audit Committees concerning independence, and has discussed with the independent registered public accounting firm their independence from the Company.

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Based on the review and discussions with management and the independent registered public accounting firm described above, the Audit Committee recommended to the Board of Directors that the audited financial statements be included in the Company's Annual Report on Form 10-K for the year ended January 2, 2009 for filing with the SEC.

#### *Members of the Audit Committee*

Keith Renken (Chair)  
Wayne Shelton  
John M. Toups

*The preceding Report of the Audit Committee shall not be deemed filed under the Securities Act of 1933, as amended, or the Securities Exchange Act of 1934, as amended, except to the extent the Company specifically incorporates this Report by reference into a filing under either of such Acts. The Report shall not be deemed soliciting material, or subject to Regulation 14A or 14C or the liabilities of Section 18 of the Securities Exchange Act.*

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**OTHER INFORMATION**

**Solicitation of Proxies**

The cost of solicitation of Proxies in the form enclosed herewith will be paid by the Company. Solicitation will be made primarily by mail, but regular employees of the Company, without additional remuneration, may solicit Proxies by telephone, e-mail, facsimile and personal interviews. In addition, Computershare Investor Services will assist in solicitation of proxies. The Company anticipates out-of-pocket costs associated with proxy solicitation. The Company will also request persons, firms and corporations holding shares in their names or in the names of their nominees, which are beneficially owned by others, to send proxy materials to and obtain Proxies from such beneficial owners. The Company will reimburse such holders for their reasonable expenses.

**Householding of Stockholder Materials**

Some banks, brokers and other nominee record holders may be participating in the practice of "householding" proxy statements and annual reports. This means that only one copy of the Company's Proxy Statement or Annual Report may have been sent to multiple stockholders in the same household unless the Company has received contrary instructions from one or more of the stockholders. The Company will promptly deliver a separate copy of either document to any stockholder upon request by writing to the Company at the following address: Willdan Group, Inc., 2401 East Katella Avenue, Suite 300, Anaheim, California 92806, Attn: Secretary or upon oral request directed to the Company's Secretary at (800) 424-9144. Any stockholder who wants to receive separate copies of the annual report and proxy statement in the future, or who is currently receiving multiple copies and would like to receive only one copy for his or her household, should contact the stockholder's bank, broker, or other nominee record holder, or contact the Company by writing to the above address or by oral request at the above telephone number.

**Stockholder Proposals**

A stockholder proposal submitted pursuant to Rule 14a-8 under the Exchange Act for inclusion in the Company's proxy statement and form of Proxy for the 2010 annual meeting of stockholders must be received by the Company by December 23, 2009. Such a proposal must also comply with the requirements as to form and substance established by the SEC for such proposals. A stockholder otherwise desiring to bring a proposal before the 2010 annual meeting of stockholders (including generally any proposal relating to the nomination of a director to be elected to the Board of Directors) must comply with the then current advance notice and information requirements in the Company's Charter and Bylaws and deliver the proposal to the principal executive offices of the Company after March 7, 2010 and on or before April 6, 2010 (60 to 90 days prior to the first anniversary of this year's annual meeting) in order for such proposal to be considered timely. Any proposal nominating a director candidate must also comply with the requirements above under "Proposal 1. Election of Directors The Board of Directors Director Nominations by Stockholders." Any such proposal should be mailed to: Willdan Group, Inc., 2401 East Katella Avenue, Suite 300, Anaheim, California 92806, Attn: Secretary. Copies of the Charter and Bylaws may be obtained without charge by providing a written request to the Secretary of the Company at that address.

**Section 16(a) Beneficial Ownership Reporting Compliance**

Section 16(a) of the Exchange Act requires our executive officers and directors, and persons who own more than 10% of a registered class of our equity securities, to file reports of ownership and changes in ownership with the SEC and the Nasdaq Global Market. Officers, directors and greater than 10% stockholders are required by the SEC's regulations to furnish us with copies of all Section 16(a) forms they file. Based solely on our review of the copies of such reports furnished to us, the following

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officers, directors and greater than 10% stockholders failed to file certain reports required by Section 16(a) of the Exchange Act on a timely basis.

Mr. Renken had one late filing on Form 4 that did not timely report one transaction. Mr. Renken reported a December 1, 2008 purchase of our common stock on December 4, 2008.

Mr. Shelton had one late filing on Form 3 and one late filing on Form 4 that did not timely report one transaction. Mr. Shelton became a director on April 22, 2008 and he filed his Form 3 on June 20, 2008. Mr. Shelton also reported a June 10, 2008 grant of options to purchase our common stock on June 20, 2008.

Ms. Smith had one late filing on Form 4 that did not timely report one transaction. Ms. Smith reported a June 12, 2007 grant of options to purchase our common stock on April 29, 2008.

To our knowledge, based solely on our review of the copies of such reports furnished to us, all other Section 16(a) filing requirements applicable to our executive officers, directors and greater than 10% beneficial owners were satisfied.

**Other Matters**

The Board of Directors does not know of any matter other than those described in this Proxy Statement which will be presented for action at the Annual Meeting. If other matters are presented, Proxies will be voted in accordance with the discretion of the Proxy holders.

**REGARDLESS OF THE NUMBER OF SHARES YOU OWN, YOUR VOTE IS IMPORTANT TO THE COMPANY. PLEASE COMPLETE, SIGN, DATE AND PROMPTLY RETURN THE ENCLOSED PROXY TODAY.**

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**EXHIBIT I**

**CONSENT OF NOMINEE**

I, Raymond W. Holdsworth, hereby consent to being named as a nominee for election to the Board of Directors of Willdan Group, Inc., a Delaware corporation (the "*Company*") at the 2009 Annual Meeting of Stockholders of the Company (including any adjournment or postponement thereof or any special meeting held in lieu thereof), and to being named as such a nominee in any proxy statement used in connection therewith, and to the public disclosure of any information about myself required to be disclosed in any such proxy statement. I further consent to serve as a director of the Company, if elected.

Dated: 15 April, 2009

Raymond W. Holdsworth

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**CONSENT OF NOMINEE**

I, Douglas J. McEachern, hereby consent to being named as a nominee for electin to the Board of Directors of Willdan Group, Inc., a Delaware corporation (the "*Company*") at the 2009 Annual Meeting of Stockholders of the Company (including any adjournment or postponement thereof or any special meeting held in lieu thereof), and to being named as such a nominee in any proxy statement used in connection therewith, and to the public disclosure of any information about myself required to be disclosed in any such proxy statement. I further consent to serve as a director of the Company, if elected.

Dated: April 15, 2009

Douglas J. McEachern

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