

Willdan Group, Inc.
Form DEF 14A
April 20, 2018
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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 under §240.14a-12

WILLDAN GROUP, INC.

(Name of Registrant as Specified In Its Charter)

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

Payment of Filing Fee (Check the appropriate box):

No fee required.

Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.

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

Fee paid previously with preliminary materials.

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

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

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April 20, 2018

Dear Stockholder:

You are cordially invited to attend our Annual Meeting of Stockholders to be held on Thursday, June 14, 2018 at 10:00 a.m. Pacific Daylight Time at the Hyatt Regency Orange County, 11999 Harbor Blvd., Garden Grove, California 92840.

We utilize the Internet as our primary means of furnishing proxy materials to our stockholders. Stockholders will receive a Notice of Internet Availability of Proxy Materials with instructions for accessing the proxy materials and voting via the Internet. The Notice of Internet Availability of Proxy Materials also provides information on how stockholders can obtain paper or emailed copies of the proxy materials if they so choose. Internet transmission and voting are designed to be efficient, cost-effective and preserve resources.

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; (iii) vote on a non-binding advisory resolution approving the Company's executive compensation and (iv) transact such other business as may properly come before the meeting. The Board of Directors of the Company recommends a vote "FOR" the election of each of the nine director nominees, "FOR" the ratification of the appointment of KPMG LLP and "FOR" the approval of the non-binding advisory resolution on the Company's executive compensation. The matters to be considered during the Annual Meeting are described in the Notice of Internet Availability of Proxy Materials, the Notice of Annual Meeting of Stockholders and the Proxy Statement.

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 to assure that your shares will be represented and voted at the Annual Meeting, even if you cannot attend. Instructions regarding all methods of voting are provided in the Notice of Internet Availability of Proxy Materials and on the proxy card. 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.

/s/ Thomas D. Brisbin
Thomas D. Brisbin
Chairman of the Board and Chief Executive Officer

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WILLDAN GROUP, INC.

2401 EAST KATELLA AVENUE, SUITE 300

ANAHEIM, CALIFORNIA 92806

NOTICE OF ANNUAL MEETING OF STOCKHOLDERS

TO BE HELD ON JUNE 14, 2018

NOTICE IS HEREBY GIVEN that the 2018 Annual Meeting of Stockholders (the “Annual Meeting”) of Willdan Group, Inc., a Delaware corporation (the “Company”), will be held on Thursday, June 14, 2018 at 10:00 a.m. Pacific Daylight Time at the Hyatt Regency Orange County, 11999 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 December 28, 2018;
- (3) To vote on a non-binding advisory resolution approving the Company’s executive compensation; and
- (4) 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 Tuesday, April 17, 2018 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 Annual Meeting of Stockholders to be held on June 14, 2018: Our proxy statement is attached. Our financial and other information is contained in our 2017 Annual Report to Stockholders. Pursuant to rules promulgated by the Securities and Exchange Commission, we have elected to provide access to our proxy materials by notifying you of the availability of our proxy materials on the Internet. You will not receive a printed or emailed copy of the proxy materials unless you specifically request one. This proxy statement and our 2017 Annual Report to Stockholders, including our Form 10-K for the year ended December 29, 2017, are available on our website at <http://ir.willdangroup.com/financial-information/annual-reports>. If you would like to receive a printed or emailed copy of our proxy materials, you should follow the instructions for requesting such materials included in the Notice of Internet Availability of Proxy Materials. In addition, the Notice of Internet Availability of Proxy Materials provides instructions on how stockholders may request to receive proxy materials for future Annual Meeting materials in printed or email form.

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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;
2. By toll-free telephone: call 1-800-652-VOTE (8683); or
3. By mail: mark, sign, date and promptly mail the proxy card when received.

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
/s/ Kate Nguyen
Kate M. Nguyen
Secretary

Anaheim, California

April 20, 2018

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WILLDAN GROUP, INC.

2401 EAST KATELLA AVENUE, SUITE 300

ANAHEIM, CALIFORNIA 92806

PROXY STATEMENT

FOR 2018 ANNUAL MEETING OF STOCKHOLDERS

TO BE HELD ON JUNE 14, 2018

This Proxy Statement is furnished to you in connection with the solicitation of proxies by the Board of Directors (the “Board”) of Willdan Group, Inc., a Delaware corporation (the “Company”), for use at its 2018 Annual Meeting of Stockholders to be held on Thursday, June 14, 2018 at 10:00 a.m. Pacific Daylight Time at the Hyatt Regency Orange County, 11999 Harbor Blvd., Garden Grove, California 92840, and at any adjournment or postponement thereof (the “Annual Meeting”). We first made this Proxy Statement and the accompanying Notice of Annual Meeting of Stockholders and proxy card available to stockholders on or about April 20, 2018. The Company’s 2017 Annual Report, including financial statements for the fiscal year ended December 29, 2017, is being made available to stockholders concurrently with this Proxy Statement. The Annual Report, however, is not part of the proxy solicitation material.

The terms “we,” “our,” “us” or the “Company” refer to Willdan Group, Inc. and its subsidiaries.

ABOUT THE ANNUAL MEETING

Why did I receive only a Notice of Internet Availability?

As permitted by the United States Securities and Exchange Commission (the “SEC”), we are furnishing to our stockholders our Notice of Annual Meeting, Proxy Statement and Annual Report for the year ended December 29, 2017 primarily over the Internet. On or prior to April 25, 2018, we will mail to each of our stockholders (other than those who previously requested electronic delivery or to whom we are mailing a paper copy of the proxy materials) a

Notice of Internet Availability containing instructions on how to access and review the proxy materials via the Internet and how to submit a proxy electronically using the Internet. The Notice of Internet Availability also contains instructions on how to receive, free of charge, paper or emailed copies of the proxy materials. If you received the Notice of Internet Availability, you will not receive a paper or emailed copy of the proxy materials unless you request one.

We believe that the delivery options that we have chosen will allow us to provide our stockholders with the proxy materials they need, while lowering the cost of the delivery of the materials and reducing the environmental impact of printing and mailing printed copies.

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;
- (2) the ratification of the appointment of the Company's independent registered public accounting firm; and
- (3) the non-binding advisory resolution approving the Company's executive compensation.

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 (as defined below), or their duly appointed proxy holders, may attend the Annual Meeting. Registration and seating will begin at 9:30 a.m. Pacific Time. The use of

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cameras, recording devices, cell phones and other electronic devices is strictly prohibited at the Annual Meeting. If your shares are held in “street name” (that is, through a bank, broker or other nominee) and you want to vote in person at the Annual Meeting, you will also need to obtain a “legal proxy” from the bank, broker or other nominee that holds your shares indicating that you were the beneficial owner of the shares on the Record Date and giving you the right to vote the shares at the Annual Meeting.

Please note that if you hold your shares in street name you will need to bring a copy of a brokerage statement reflecting your stock ownership as of the Record Date and check in at the registration desk at 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 17, 2018 (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?

The presence, in person or by proxy, of holders of at least a majority of shares entitled to vote is necessary to constitute a quorum for the transaction of business at the Annual Meeting. As of the Record Date, 8,863,085 shares of Common Stock were outstanding and entitled to vote. Abstentions and “broker non-votes” will count toward the presence of a quorum.

What happens if a quorum is not present at the meeting?

If a quorum is not present at the scheduled time of the meeting, the meeting may be adjourned to another place, date or time until a quorum is present. The date, time and place of the adjourned meeting will be announced at the meeting when the adjournment is taken, and no other notice will be given unless the adjournment is for more than 30 days or unless after the adjournment a new record date is fixed for the adjourned meeting.

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 in the Notice of Internet Availability of Proxy Materials and/or on the 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. 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 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 receive from your broker or nominee with the proxy card.

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.

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What is the deadline for voting my shares?

If you are a stockholder of record, your proxy must be received by telephone or the Internet by 1:00 a.m. Pacific time on June 14, 2018 in order for your shares to be voted at the Annual Meeting. However, if you are a stockholder of record and you received a copy of the proxy materials by mail, you may instead mark, sign, date and return the proxy card you received in the accompanying prepaid and addressed envelope so that it is received by us before the Annual Meeting in order for your shares to be voted at the Annual Meeting. If you hold your shares in street name, please provide your voting instructions by the deadline specified by the bank, broker or other nominee who holds your shares.

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.

If I return my proxy card or voting instruction form without specifying voting instructions on it, will my shares be voted?

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. 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, FOR ratification of the appointment of KPMG LLP as the Company's independent registered public accounting firm for the year ending December 28, 2018 and FOR the approval of the non-binding advisory resolution approving the Company's executive compensation.

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

If you hold your shares in street name through a brokerage account and you do not submit voting instructions to your broker, your broker may generally vote your shares in its discretion on routine matters. However, a broker cannot vote shares held in street name on non-routine matters unless the broker receives voting instructions from the street

name holder. Proposal No. 2 (ratification of the appointment of KPMG LLP as our independent registered public accounting firm for the fiscal year ended December 28, 2018) is considered routine under applicable rules of the New York Stock Exchange, while each of the other items to be submitted for a vote of stockholders at the Annual Meeting is considered non-routine. Accordingly, if you hold your shares of common stock in street name through a brokerage account and you do not submit voting instructions to your broker, your broker may exercise its discretion to vote on Proposal No. 2 at the Annual Meeting, but will not be permitted to vote your shares on any of the other proposals at the Annual Meeting. If your broker exercises this discretion, your shares will be voted on Proposal No. 2 in the manner directed by your broker, but your shares will constitute “broker non-votes” on each of the other items to be submitted for a vote of stockholders at the Annual Meeting.

What vote is required to approve each proposal?

Election of Directors (Proposal No. 1). Once a quorum has been established, pursuant to our Bylaws, the affirmative vote of a plurality of the shares present in person or represented by proxy and entitled to vote on the matter at the Annual Meeting will be required for the election of each director nominee, meaning that the persons receiving the highest number of FOR votes, up to the total number of directors to be elected at the meeting, will be elected. Stockholders are not permitted to cumulate their shares for the purpose of electing directors. Shares voted WITHHOLD and broker non-votes will not be counted in determining the outcome of the director nominees’ election.

Other Items (Proposal Nos. 2 and 3). Once a quorum has been established, pursuant to our Bylaws, approval of each of the other items to be submitted for a vote of stockholders at the Annual Meeting requires the affirmative vote of a majority of the shares present in person or represented by proxy at the Annual Meeting and entitled to vote on such proposal. Notwithstanding this vote standard required by our Bylaws, Proposal No. 2 (ratification of the appointment of

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KPMG LLP as our independent registered public accounting firm for the fiscal year ended December 28, 2018) and Proposal No. 3 (an advisory approval of executive officer compensation) are advisory only and are not binding on us. Our Board will consider the outcome of the vote on each of these items in considering what action, if any, should be taken in response to the vote by stockholders.

With respect to the ratification of the appointment of KPMG LLP and the non-binding advisory resolution approving the Company's executive compensation, abstentions will have the effect of a vote AGAINST a proposal. If you do not instruct your nominee how to vote your shares on Proposal No. 2, your nominee nonetheless will have the authority, but is not required, to vote your shares on the proposal, because it is a routine item on which your nominee may vote even without instructions from you. A broker non-vote will not be counted in determining the outcome of Proposal No. 3.

Who tabulates the votes?

Stockholder votes will be tabulated by Computershare Trust Company, N.A., as inspector 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 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?

Edgar Filing: Willdan Group, Inc. - Form DEF 14A

We will mail you, without charge, a copy of our annual report on Form 10-K for the fiscal year ended December 29, 2017, including the consolidated financial statements, schedules and list of exhibits, upon written request. Requests should be sent to: Willdan Group, Inc., 2401 East Katella Avenue, Suite 300, Anaheim, California 92806, ATTN: Investor Relations. The annual report on Form 10-K is also available at www.willdan.com under “Investors—SEC Filings.”

Who pays for the proxy solicitation, and how will the Company solicit votes?

Willdan will pay all costs associated with the solicitation of proxies. We also will reimburse any costs incurred by brokers, banks and other nominees to forward proxy solicitation materials to beneficial owners. Proxies may be solicited by us on behalf of our board of directors in person or by mail, telephone, facsimile or email. We have not retained any firm to assist with the solicitation of proxies.

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 within four business days after the Annual Meeting on a Form 8-K to be filed with the SEC, which we will make available on our website at www.willdan.com under “Investors—SEC Filings.” The information on our website is not a part of this Proxy Statement.

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Proposal 1:

ELECTION OF DIRECTORS

The Bylaws provide that the Board of Directors (the “Board”) consist of nine directors until changed by the Board. On March 23, 2012, the Board passed a resolution decreasing the size of the board to six directors, effective immediately prior to the 2012 Annual Meeting of Stockholders, which was held on June 1, 2012. On April 14, 2015, the Board passed a resolution increasing the size of the board to eight directors, effective on the same date. On March 7, 2017, the Board passed a resolution increasing the size of the board to nine directors, effective March 16, 2017. The directors are regularly elected at each annual meeting of the stockholders, and each director holds office until his or her successor has been elected and qualified or until his or 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 has nominated Thomas D. Brisbin, Keith W. Renken, Steven A. Cohen, Debra Coy, Raymond W. Holdsworth, Douglas J. McEachern, Dennis V. McGinn, Curtis S. Probst and Mohammad Shahidehpour to serve as directors of the Company (each a “Nominee” and collectively, the “Nominees”). All of the Nominees are currently serving as directors.

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 or the Board may amend the Bylaws to reduce the number of directors to be elected at the Annual Meeting.

Information Regarding Nominees

The following table and biographical descriptions set forth certain information with respect to the Nominees. Unless otherwise specified, each Nominee has continuously served as a director of the Company since he or she was previously elected or appointed, based on information furnished to the Company by each Nominee. The following information is as of April 20, 2018, unless otherwise specified.

Name	Age	Director Since	Positions Held with the Company (other than Director)
Thomas D. Brisbin	65	2007	Chairman and Chief Executive Officer
Keith W. Renken	83	2006	Lead Independent Director
Steven A. Cohen	64	2015	

Debra Coy	60	2018
Raymond W. Holdsworth	75	2009
Douglas J. McEachern	66	2009
Dennis V. McGinn	72	2017
Curtis S. Probst	50	2017
Mohammad Shahidehpour	62	2015

The Company believes that the members of its Board should have a range of skills, experience, diversity and expertise that enables the Board to provide sound guidance with respect to the Company's operations and interests. When considering a candidate, the Board looks at the current composition of the Board and the evolving needs of the Company, in addition to such candidate's background and accomplishments. The Nominating and Governance Committee identifies new candidates for election to the Board, reviews their qualifications, skills, experience and other characteristics and recommends nominees for director to the Board for approval.

The Board seeks directors with strong reputations and experience in areas relevant to the strategy and operations of the Company's businesses, particularly in energy efficiency, engineering, consulting and finance. All of the Nominees hold or have held senior executive positions in large, complex organizations and have operating experience that meets these objectives, as described below. In these positions, they have gained experience in core management skills, strategic and financial planning, public company financial reporting, corporate governance, risk management and leadership development. Additionally, a number of our directors have experience serving on the boards of directors of other public companies, which increases their knowledge of effective corporate governance.

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The Board also believes that each of the Nominees and current directors has other key attributes that are important to an effective board, including integrity and demonstrated high ethical standards, sound judgment, analytical skills, the ability to engage management and each other in a constructive and collaborative fashion, diversity of background, experience and thought and the commitment to devote significant time and energy to serve on the Board and its Committees. The following biographies provide further qualifications, attributes and other information with respect to the Nominees.

Thomas D. Brisbin has served as our Chairman of the Board since November 2016, a member of the Board since 2007 and as our Chief Executive Officer since 2007. Dr. Brisbin also served as our President from April 2007 to November 2016. Dr. Brisbin previously was vice president of and consultant for AECOM Technology Corporation, or AECOM, a company focused on infrastructure, environment and facilities engineering contracts, from spring 2004 until he joined us. Prior to joining AECOM, Dr. Brisbin was chief operating officer and executive vice president of Tetra Tech, Inc., or Tetra Tech, 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, from 1978 to 1995 and was co-founder and President of PRC Environmental Management, Inc. During his 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. Dr. Brisbin, as our current Chairman of the Board and Chief Executive Officer and our prior President, brings his in-depth knowledge of the day-to-day operations of the Company and its industry to the Board, providing valuable insight to the Board as it reviews our operations, growth and financial prospects. In addition, we believe that his experience as an executive officer at Tetra Tech, a publicly traded engineering and consulting company, benefits our Board by increasing his knowledge of our industry and effective public company corporate governance.

Keith W. Renken joined our Board in 2006, serves as our Lead Independent Director and is a member of our Audit Committee. Mr. Renken retired in 1992 as Senior Partner and Chairman, Executive Committee of Southern California, for the public accounting firm Deloitte & Touche. From 1992 through 2006, he was an adjunct professor (executive in residence) in the Marshall School of Business at the University of Southern California. He is currently the Managing Partner of Renken Enterprises, a family business providing consulting services to growing companies and real estate operations. Mr. Renken is on the Board of Directors and Audit Committees of two other publicly held companies, East West Bancorp, Inc., since 2000, and Limoneira Company, an integrated agribusiness, since 2009, and one investment management company, Whittier Trust Company, since September 2008. He is also on East West Bancorp, Inc.'s compensation committee. Mr. Renken was also a member of the Board of Directors of 21st Century Insurance Group from 2002 until 2007, and he serves on the boards of directors and/or audit committees of several other private companies and non-profit organizations. Mr. Renken is a Certified Public Accountant in the states of Arizona (inactive) and California (inactive). 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. We believe that Mr. Renken's considerable knowledge of financial and operational issues facing large companies and his accounting and finance experience at Deloitte makes him a valuable member of our Board and its committees, including the Audit Committee. In addition, we believe that Mr. Renken's extensive experience on the boards and audit committees of diverse public and private companies, including financial services companies, provides him with increased knowledge of effective corporate governance that benefits the Board.

Steven A. Cohen joined our Board in 2015, serves as the chairperson of our Strategy, Mergers and Acquisitions Committee and is a member of our Nominating and Governance Committee. He is Executive Director of Columbia University's Earth Institute, where he is responsible for managing the education, research, outreach and operational programs that address sustainable development throughout the world. The Earth Institute is the largest institute at Columbia with over 700 full-time employees and an annual budget of over \$115 million. Dr. Cohen is also a Professor in the Practice of Public Affairs at Columbia's School of International and Public Affairs and Director of its Master of Public Administration Program in Environmental Science and Policy. From 1985 to 1998, he served as Director of Columbia's Graduate Program in Public Policy and Administration. Dr. Cohen began his career at Columbia in 1981 after working as a policy analyst for the U.S. Environmental Protection Agency for two years. Over the past three decades, he has served at different times as a consultant to the U.S. Environmental Protection Agency, the most recent being from 2005 to 2010. From 2001 to 2004, he also served on the United States Environmental Protection Agency's Advisory Council on Environmental Policy and Technology. Throughout his career, Dr. Cohen has written numerous

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articles on public management innovation, sustainability and environmental management. He received a B.A. in Political Science from Franklin College of Indiana in 1974, an M.A. in Political Science from State University of New York at Buffalo in 1977 and a Ph.D. in Political Science with a concentration in environmental policy and management from State University of New York at Buffalo in 1979. We believe Dr. Cohen's extensive background in government policy and environmental sciences, as well as his substantial knowledge of our company through his prior service as a senior advisor to Willdan Energy Solutions, provides our board strategic insight to shape our growth strategy.

Debra Coy joined our Board in March 2018. Ms. Coy is a partner with XPV Water Partners, a water-focused growth equity fund in North America, with primary responsibility for managing the firm's external strategic relationships. Prior to becoming a partner in 2015, Ms. Coy served as an advisor to XPV Water Partners since 2010. Ms. Coy served as Non-Executive Director for Headworks International Inc., a wastewater treatment technology firm, from 2013 until 2016. From 2010 to 2015, Ms. Coy was a principal with Svanda & Coy Consulting, providing strategic advisory services for water and infrastructure investors, corporations and municipal utilities. Prior to 2010, Ms. Coy worked on Wall Street as an equity research analyst for more than 20 years, developing expertise in covering the global water sector. During this time, Ms. Coy served as the Managing Director leading coverage of the water sector for Janney Montgomery Scott's Capital Markets group and held senior equity research roles with the Stanford Washington Research Group, Schwab Capital Markets, HSBC Securities and National Westminster Bank. Ms. Coy was nominated to serve on the board of directors of the public company, Global Water Resources, Inc., and will stand for election on May 16, 2018. Ms. Coy has previously served as co-chair of the Water Environment Federation's Global Water Strategies Council. Ms. Coy received a B.A. in English and Journalism from Southern Adventist University in Tennessee and an M.A. in Journalism from the University of Maryland. We believe that Ms. Coy's extensive background in investing, equity research and infrastructure policy will provide the board with valuable insight as we execute our growth and capital markets strategies.

Raymond W. Holdsworth joined our Board in 2009, serves as the chairperson of our Compensation Committee and is a member of our Strategy, Mergers and Acquisitions Committee. Mr. Holdsworth previously served as Vice Chairman of Corporate Development for AECOM from October 2005 through March 2009. 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, including president, with DMJM, an engineering/architectural firm in the transportation and infrastructure industry. He worked for 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 received a B.A. in English in 1964 from Lake Forest College and an M.B.A. in 1969 from the University of Pennsylvania, Wharton School of Business. He is a director of the California Chamber of Commerce and the Los Angeles Economic Development Corporation and a former Vice Chairman of the Civil Engineering Research Foundation/International Institute. As a past trustee of the California State University system, he chaired the Audit committee for three consecutive years. We believe that Mr. Holdsworth's background in engineering and experience as the Vice Chairman of Corporate Development for AECOM during the time when it became a public company provides useful insight to the Board with regard to our growth strategy and strategic initiatives.

Douglas J. McEachern joined our Board in 2009, serves as the chairperson of our Audit Committee and is a member of our Compensation Committee. He was an Audit Partner at Deloitte & Touche, LLP, or Deloitte, from August 1985 until May 2009. 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 was Chairman of the Board of Directors of Community Bank in Pasadena, California and a member of its Nominating and Governance and Audit Committees until his resignation in October 2015. In addition, Mr. McEachern joined the Board of Directors of Reading International in May 2012 and is chairman of its Audit and Conflicts Committee. He was a member of the Finance Committee and Board of Directors of the Methodist Hospital of Arcadia Foundation until his retirement in December 2017. Mr. McEachern was an auditing and accountancy instructor at Claremont McKenna College until his retirement in December 2015, and he has taught accounting at California State Polytechnic University at Pomona. Additionally, Mr. McEachern is a member of the American Institute of Certified Public Accountants, or AICPA. 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. We believe that Mr. McEachern's significant audit experience at Deloitte makes him an important contributor to our Board and its committees, including the Audit Committee.

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Vice Admiral Dennis V. McGinn, Ret., joined our Board in 2017 and serves as a member of our Strategy, Mergers and Acquisitions Committee and Nominating and Governance Committee. He served as Assistant Secretary of the Navy for Energy, Installations and Environment from September 2013 until January 2017. In this role, Vice Admiral McGinn, Ret., led the transformation of naval installations toward greater resiliency through energy efficiency, microgrids and other technologies. Previously, Vice Admiral McGinn, Ret., served in the United States Navy for 35 years attaining the rank of Vice Admiral. Vice Admiral McGinn, Ret., served as Deputy Chief of Naval Operations for Warfare Requirements and Programs, overseeing the development of future Navy capabilities, and previously commanded the United States Third Fleet. While in the Navy, he served as a naval aviator, test pilot, aircraft carrier commanding officer and national security strategist. Vice Admiral McGinn, Ret., is a former President of the American Council on Renewable Energy (ACORE) where he led efforts to communicate the economic, security and environmental benefits of renewable energy. Vice Admiral McGinn, Ret., is also a past member of the Steering Committee of the Energy Future Coalition, the United States Energy Security Council and the Bipartisan Center Energy Board and the past Co-Chairman of the CNA Military Advisory Board. He has also been an International Senior Fellow at the Rocky Mountain Institute. Vice Admiral McGinn, Ret., holds a BS in Naval Engineering from the U.S. Naval Academy. Vice Admiral McGinn, Ret., was also a participant in the National Security Program at Harvard University's Kennedy School of Government. We believe that Vice Admiral McGinn, Ret.'s background in the energy and engineering fields, as well as his extensive government and military experience, make him an important contributor to our Board.

Curtis S. Probst joined our Board in 2017 and serves as a member of our Audit Committee and Strategy, Mergers and Acquisitions Committee. Mr. Probst served as a Managing Director and Head of Sustainable Finance for the Rocky Mountain Institute from June 2014 to January 2018. As one of the Institute's senior leaders, Mr. Probst developed strategies to increase the availability and lower the cost of capital for key clean energy initiatives. Mr. Probst also serves on the Board of Directors of NYCEEC and as an Adjunct Lecturer at Columbia University. Previously, Mr. Probst was a Managing Director, and before that, a Vice President, at Goldman Sachs where he managed teams that executed capital-raising assignments for corporate and governmental clients. Prior to that, Mr. Probst worked with Salomon Brothers as a Vice President in the Structured and Project Finance Group, which executed a variety of financing assignments. Mr. Probst holds an MPA from Columbia University's School of International and Public Affairs as well as a Bachelor of Commerce from the University of Calgary. He is also a Chartered Financial Analyst. We believe that Mr. Probst's significant financial knowledge and experience make him an important contributor to our Board and its committees, including the Audit Committee.

Mohammad Shahidehpour joined our Board in 2015, serves as the chairperson of our Nominating and Governance Committee and is a member of our Compensation Committee and Strategy, Mergers and Acquisitions Committee. He is the Bodine Chair Professor in the Electrical and Computer Engineering Department at the Illinois Institute of Technology (IIT) in Chicago, where he also serves as Director of the Robert W. Galvin Center for Electricity Innovation. He has been a faculty member at IIT since 1983 and is a recipient of IIT's Excellence in Teaching Award. Dr. Shahidehpour is the author of six books and 400 technical papers on electric power systems and has been awarded over \$50 million in federal research and development grants on electricity grid modernization issues. Dr. Shahidehpour is the founding chair of the Institute of Electrical and Electronics Engineers (IEEE) Great Lakes Symposium on Smart Grid and the New Energy Economy. He has served as Editor-in-Chief of the IEEE Transactions on Smart Grid journal since 2009. Dr. Shahidehpour is an IEEE Distinguished Lecturer and has delivered over 100 invited lectures in several countries on electricity restructuring and smart grid issues. He has been a keynote speaker in 20 International Conferences since 2007 and counseled governments on electricity grid modernization bills throughout the world. Dr. Shahidehpour received a B.S. in Electrical Engineering 1977 from

Iran's Sharif University of Technology, an M.S. in Electrical Engineering in 1978 and a Ph.D. in 1981 from University of Missouri. We believe that Dr. Shahidehpour's more than 35 years of work with government agencies and electric power companies provides the board valuable insight to guide our growth strategy and strategic vision.

Vote Required for Election of Each Nominee

Election of each Nominee requires the affirmative vote of a plurality of all of the votes cast for the election of directors at the Annual Meeting.

THE BOARD 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.

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Proposal 2:

**RATIFICATION OF THE APPOINTMENT OF KPMG LLP
AS THE COMPANY'S INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM**

KPMG LLP served as the Company's independent registered public accountants during the fiscal year ended December 29, 2017 and, in that capacity, audited the Company's consolidated financial statements for the fiscal year ended December 29, 2017. Although ratification by stockholders is not required by law, the Board has determined that it is desirable to request approval of the appointment of KPMG LLP as the Company's independent registered public accountants for the fiscal year ending December 28, 2018 by the stockholders. If the stockholders do not ratify this 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 from stockholders.

Audit and Other Fees

The following is a summary of the fees billed to us by KPMG LLP for professional services for the fiscal years ended December 29, 2017 and December 30, 2016.

Fee Category	Fiscal 2017 Fees	Fiscal 2016 Fees
Audit Fees	\$ 1,106,000	\$ 810,000
Audit-Related Fees	6,780	11,780
Tax Fees	—	—
All Other Fees	—	—
Total Fees	\$ 1,112,780	\$ 821,780

Audit Fees. Fees for audit services provided by KPMG LLP for fiscal 2017 and 2016 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. Fees for audit-related services provided by KPMG LLP for fiscal 2017 and 2016 consisted of professional services reasonably related to the performance of the audit of our consolidated financial statements or review of our interim condensed consolidated financial statements including quarterly reports and are not reported as audit fees.

Tax Fees. No fees for tax services, including tax return preparation, tax compliance, tax advice and tax planning, were billed by KPMG LLP in fiscal 2017 or 2016.

All Other Fees. There were no fees paid for any other services not described above in fiscal 2017 or 2016.

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

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-

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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.

The Audit Committee has considered whether provision of the services described under “Audit and Other Fees—Audit-Related Fees” above is compatible with maintaining the independent public accounting firm’s independence and has determined that such services have not adversely affected KPMG LLP’s independence. All of the services described under “Audit and Other Fees—Audit Fees” and “Audit and Other Fees—Audit-Related Fees” above were pre-approved by the Audit Committee.

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 for the year ending December 28, 2018, requires the affirmative vote of a majority of all the votes cast on the matter at the Annual Meeting.

THE BOARD 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 DECEMBER 28, 2018. PROXIES RECEIVED WILL BE VOTED “FOR” RATIFICATION UNLESS STOCKHOLDERS SPECIFY OTHERWISE IN THE PROXY.

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PROPOSAL 3:

VOTE ON NON-BINDING ADVISORY RESOLUTION APPROVING EXECUTIVE COMPENSATION

In accordance with Section 14A of the Securities Exchange Act of 1934, as amended (the “Exchange Act”), which was amended pursuant to the Dodd-Frank Wall Street Reform and Consumer Protection Act (“Dodd-Frank”), we are asking stockholders to approve a non-binding advisory resolution approving our executive compensation as reported in this Proxy Statement.

Our executive compensation decisions are made in the context of our executive compensation plan statement.

Under our executive compensation plan statement, our executive compensation philosophy is to:

- Ø Align the interests of our executives with those of the stockholders;
- Ø Attract, motivate, reward and retain the top contributors upon whom, in large part, our success depends;
- Ø Be competitive with compensation programs for companies of similar size and complexity with whom we compete for talent, including direct competitors;
- Ø Provide compensation based upon the short-term and long-term performance of both the individual executive and the Company; and
- Ø Strengthen the relationship between pay and performance by emphasizing variable, at-risk compensation that is dependent upon the successful achievement of specified corporate and individual goals.

We urge stockholders to read the “Executive Compensation” section beginning on page 23 of this Proxy Statement, including the “Compensation Discussion and Analysis” section, which describes in more detail our executive compensation plan statement and the key elements of our executive compensation program. The Compensation Committee and the Board believe that our executive compensation program is appropriately designed to achieve the objectives of our executive compensation philosophy.

We are asking stockholders to approve the following advisory resolution at the Annual Meeting:

RESOLVED, that the stockholders of the Company approve, on an advisory basis, the compensation of the Company's Named Executive Officers set forth under "Executive Compensation," including the Compensation Discussion and Analysis, Summary Compensation Table and the related compensation tables and narratives in the Proxy Statement for the 2018 Annual Meeting of Stockholders.

This vote is an advisory vote only and will not be binding on us, our Board or the Compensation Committee and will not be construed as overruling a decision by, or creating or implying any additional fiduciary duty for, the Board or the Compensation Committee. However, the Compensation Committee, which is responsible for designing and administering our executive compensation program, values the opinions expressed by stockholders in their vote on this proposal and will consider the outcome of the vote when making future compensation decisions for Named Executive Officers.

The Company's current policy is to provide stockholders with an opportunity to approve the compensation of the Named Executive Officers each year at the annual meeting of stockholders. It is expected that the next such vote will occur at the 2019 Annual Meeting of Stockholders.

Vote Required for Approval of the Non-Binding Advisory Resolution Approving Executive Compensation

Approval of the non-binding advisory resolution approving our executive compensation requires the affirmative vote of a majority of all the votes cast on the matter at the Annual Meeting.

THE BOARD UNANIMOUSLY RECOMMENDS A VOTE "FOR" THE APPROVAL OF THE NON-BINDING ADVISORY RESOLUTION APPROVING THE COMPANY'S EXECUTIVE COMPENSATION. PROXIES RECEIVED WILL BE VOTED "FOR" APPROVAL UNLESS STOCKHOLDERS SPECIFY OTHERWISE IN THE PROXY.

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CORPORATE GOVERNANCE

The Board of Directors

Corporate Governance

The Company is managed under the direction of the Board currently composed of nine directors, eight of whom the Board has determined are independent under the rules of the listing standards for the Nasdaq Global Market (the “Nasdaq Rules”) and the Securities Exchange Act of 1934, as amended (the “Exchange Act”). If all of the nominees named in this proxy statement are elected, eight of the Company’s nine directors will be independent under Nasdaq Rules. For additional information on director independence, see “—Director Independence” below.

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 met five times in 2017. Except as noted in the following sentence, each incumbent director attended at least 75% of the total number of meetings of the Board that were held during the time that he or she served on the Board and of each committee on which he or she served during fiscal 2017. Ms. Coy was appointed to the Board in March 2018 and was not yet a member of the Board in fiscal 2017; therefore, she did not attend any meetings of the Board during fiscal 2017. Each incumbent director who was a director at the time of the 2017 annual meeting attended the 2017 annual meeting, except for Mr. Holdsworth. Stockholders or other interested parties may communicate with members of the Board individually or with the Board as a whole by sending a letter to the appropriate director or the Board in care of the Secretary of the Company at the address shown below under “—Communications with the Board of Directors.”

Board Leadership Structure

The Board does not have a policy regarding the separation of the roles of Chief Executive Officer and Chairman of the Board as the Board believes it is in the best interests of the Company to make that determination based on the position and direction of the Company and the membership of the Board. In November 2016, the Board elected Thomas D. Brisbin, Willdan’s Chief Executive Officer, as Chairman of the Board. In March 2017, the Board appointed Keith W. Renken as Lead Independent Director of the Board. Although, we have in the past separated the roles of Chief Executive Officer and Chairman of the Board, the Board believes that having Dr. Brisbin serve in both these roles, coupled with strong independent director leadership, further enhanced by the appointment of Mr. Renken as Lead Independent Director, is the most appropriate and effective board leadership structure for us at this time.

Executive Sessions

Non-management directors meet regularly in executive sessions without management. Non-management directors are those directors 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 other than being an employee of the Company. Executive sessions are led by a “Lead Director” and Mr. Renken has been designated as the 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.

Succession Planning

The Corporate Governance and Nominating Committee works on a periodic basis with the Chief Executive Officer to review, maintain and revise, as necessary, the Company’s succession plan upon the Chief Executive Officer’s retirement and in the event of an unexpected occurrence. The Chief Executive Officer reports annually to the Board on succession planning for the Chief Executive Officer and senior management positions, including a discussion of assessments, leadership development plans and other relevant factors. The Chief Executive Officer also makes available to the Corporate Governance and Nominating Committee, on a continuing basis, the Chief Executive Officer’s recommendations regarding his successor should he become unexpectedly disabled.

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Director Independence

The Company has established standards of independence for the Board that comply with the Nasdaq Rules and 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 employee of the Company or its subsidiaries and the director must not have a relationship which, in the opinion of the Board, would interfere with the exercise of independent judgment in carrying out the responsibilities of a director.

The Company's policy is to have at least a majority of directors qualify as independent under the listing standards set forth in the Nasdaq Rules and Exchange Act. The Board has determined that each of Mr. Cohen, Ms. Coy, Mr. Holdsworth, Mr. McEachern, Mr. McGinn, Mr. Probst, Mr. Renken and Mr. Shahidehpour is independent under the standards set forth in the Nasdaq Rules and the Exchange Act. We have one director who is not independent, Dr. Brisbin, our Chief Executive Officer.

Committees of the Board of Directors

We have four standing committees of the Board: the Audit Committee, the Compensation Committee, the Nominating and Governance Committee and the Strategy, Mergers and Acquisitions Committee. The charters for each of these committees are available on our website at 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 regularly reports to the Board as a whole. The following summaries identify the members of each committee as of the date of this proxy statement. The composition of each committee may change following the Annual Meeting.

Audit Committee. The Board's Audit Committee consists of Messrs. McEachern, Probst and Renken, 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. Win Westfall served on the Audit Committee for all of fiscal 2017 and until his retirement on March 14, 2018. Mr. McEachern is the chairman of the Audit 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, in accordance with the Nasdaq Rules. The Audit Committee met five times during fiscal 2017.

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. Holdsworth, McEachern and Shahidehpour, each of whom the Board has determined is an independent director under the Nasdaq Rules and the Exchange Act, with Mr. Holdsworth 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 three or more members of the Board, each of whom qualifies as an "independent director" under Nasdaq Rules, a "non-employee director" within the meaning of Rule 16b-3 under the Exchange Act and an "outside director" within the meaning of Section 162(m) of the Internal Revenue Code of 1986, as amended. At all times during fiscal 2017, the Compensation Committee consisted of at least three members of the Board, each of whom the Board has affirmatively determined satisfies these independence requirements. The Compensation Committee met five times during fiscal 2017.

The Compensation Committee assists the Board in determining the compensation of the Company's executive officers and senior management and approves the annual and long-term compensation for the Company's Chief Executive Officer and other executive officers. 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 (the "2008 Plan"),

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2006 Stock Incentive Plan (the “2006 Plan”) and the Amended and Restated Willdan Group, Inc. 2006 Employee Stock Purchase Plan (the “ESPP”). The Committee has the authority to designate officers, directors or key employees eligible to participate in the plans, to prescribe the terms of any stock options or other equity-based awards, 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 Executive Officers (as defined below).

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 Executive Officers).

In 2017, the Compensation Committee hired Willis Towers Watson and Performensation to evaluate and compare the compensation practices for executive management and the Board. As a result of the work performed, we implemented a new performance-based equity program in 2018 that is described in more detail in the “Compensation Discussion and Analysis” below. The Compensation Committee is directly responsible for the appointment, compensation and oversight of both Willis Towers Watson and Performensation, and does not believe either consultant’s work has raised any conflict of interest. Willis Towers Watson and Performensation both report only to the Compensation Committee, and do not perform any other services for us.

Nominating and Governance Committee. The Board’s Nominating and Governance Committee consists of Messrs. Shahidehpour, Cohen and McGinn, each of whom the Board has determined is an independent director under the Nasdaq Rules, with Dr. Shahidehpour serving as the Committee’s chairman. Mr. Westfall served on the Board’s Nominating and Governance Committee for all of fiscal 2017 and until his retirement on March 14, 2018. The Nominating and Governance Committee met five times in fiscal 2017.

The Nominating and Governance Committee works with the Board 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 Governance Committee and the Board take into account many factors, as discussed above under “Proposal 1: Election of Directors—Information Regarding Nominees.” Although the Company does not have a formal policy with regard to the consideration of diversity in identifying candidates for election to the Board, the Nominating and Governance Committee recognizes the benefits associated with a diverse group of directors and takes diversity considerations into account when identifying director candidates. The Nominating and Governance Committee and the Board seek a broad range of perspectives and consider both the personal characteristics and experience of prospective nominees to ensure that the Board as a whole will possess the appropriate skills and expertise to oversee the Company. These factors, and others considered useful by the Nominating and 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 Governance Committee may identify specific individuals to serve as directors and the committee looks to well respected companies as a potential source of director candidates with relevant experience. The priorities and emphasis of the Nominating and 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 Governance Committee

establishes procedures for the nomination process and may recommend candidates for election to the Board.

Strategy, Mergers and Acquisitions Committee. The Board's Strategy, Mergers and Acquisitions, or SMA, Committee consists of Messrs. Cohen, Holdsworth, McGinn, Probst and Shahidehpour, each of whom the Board has determined is an independent director under the Nasdaq Rules, with Dr. Cohen serving as the Committee's chairman. The SMA 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 SMA Committee charter requires that the SMA Committee consist of three members of the Board, each of whom the Board has determined satisfies the independence requirements under the Nasdaq Rules and the Exchange Act. The SMA Committee met four times during fiscal 2017.

The responsibilities of the SMA 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, credit ratings, cash flows, borrowing activities, investment strategies, potential acquisitions and risk oversight. The SMA 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

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payment of any dividends on the Company's common stock; guarantees of unconsolidated third party indebtedness; and certain other financial transactions and strategies.

Oversight of Risk

Companies face a variety of risks, including credit risk, liquidity risk and operational risk. The Board believes an effective risk management system will (1) timely identify the material risks that the Company faces, (2) communicate necessary information with respect to material risks to senior executives and, as appropriate, to the Board or relevant Board Committee, (3) implement appropriate and responsive risk management strategies consistent with the Company's risk profile and (4) integrate risk management into the Company decision making.

Board's Role in Risk Oversight. One of the principal functions of our Board is to provide oversight concerning the assessment and management of risk related to our business. The Board is involved in risk oversight through direct decision-making authority with respect to fundamental financial and business strategies and major corporate activities, including material acquisitions and financings, as well as through its oversight of management and the committees of the Board. Management is responsible for identifying the material risks facing the Company, implementing appropriate risk management strategies and ensuring that information with respect to material risks is shared with the Board or the appropriate Board committee. In connection with this responsibility, members of management provide regular reports to the Board regarding business operations and strategic planning, financial planning and budgeting and regulatory matters, including any material risk to the Company relating to such matters. In addition, the Board as a whole regularly reviews risks related to cybersecurity and the Company's information system controls.

The Board has delegated oversight for specific areas of risk exposure to committees of the Board as follows:

1. The Audit Committee is responsible for discussing policies with respect to risk assessment and risk management periodically with management and the independent auditor, as well as the Company's plans or processes to monitor, control and minimize any financial risk exposure. The Audit Committee is also responsible for primary risk oversight related to our financial reporting, accounting and internal controls. In addition, the Audit Committee reviews all related party transactions, including the risks relating to those transactions impacting the Company.
2. The Compensation Committee reviews the Company's incentive compensation arrangements to help ensure that they do not encourage unnecessary risk-taking.
3. The Nominating and Governance Committee reviews corporate governance-related risks impacting the Company.
4. The SMA Committee reviews periodically the Company's risk management strategies with the Audit Committee.

At each regular meeting of our Board, the chairperson of each committee reports to the full Board regarding the matters reported and discussed at any committee meetings, including any matters relating to risk assessment or risk management. Upon the request of the committees, our Chief Executive Officer and Chief Financial Officer attend meetings of these committees when they are not in executive session, and often report on matters that may not be otherwise addressed at these meetings. In addition, our directors are encouraged to communicate directly with members of management regarding matters of interest, including matters related to risk, at times when meetings are not being held. Our Board believes that the processes it has established for overseeing risk would be effective under a variety of leadership frameworks and therefore do not materially affect its choice of leadership structure as described under “Board Leadership Structure” above.

Compensation Risk Assessment. We believe that risks arising from our compensation policies and practices for our employees are not reasonably likely to encourage unnecessary or excessive risk taking that could have a material adverse effect on the Company. In addition, the Compensation Committee believes that the mix and design of the elements of our executive compensation program do not encourage management to assume unnecessary or excessive risks that could have a material adverse effect on the Company.

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Compensation Committee Interlocks and Insider Participation

The Board's Compensation Committee consists of Messrs. Holdsworth, McEachern and Shahidehpour. None of the members of our Compensation Committee has at any time been one of our officers or employees, nor has any member of our Compensation Committee had any relationship requiring disclosure under Item 404 of Regulation S-K. None of our executive officers serves, or in the past year has served, as a member of the board of directors or the compensation committee of any entity that has one or more executive officers who serve on our Board or Compensation Committee.

Policy on Hedging and Pledging

The Company recognizes that hedging against losses in Company stock is not appropriate or acceptable trading activity for individuals employed by or serving the Company. The Company has incorporated prohibitions on various hedging activities within its insider trading policy, which policy applies to directors, officers and employees of the Company and their family members. The policy prohibits trading in any interest or position relating to the future price of Company securities, such as put, call or short sale.

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 under "Investors—Corporate Governance—Governance Documents" and is also available in print, without charge, to any stockholder who requests a copy by writing to our Secretary at 2401 East Katella Avenue, Suite 300, Anaheim, California 92806.

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.

Director Nominations by Stockholders

The Nominating and Governance Committee will consider director candidates recommended by stockholders. Properly communicated stockholder recommendations will be considered in the same manner and using the same criteria as used for any other director candidate. To be properly communicated, stockholders desiring to recommend candidates for consideration by the Nominating and Governance Committee and the Board should submit their recommendations in writing to the attention of the Secretary, Willdan Group, Inc., 2401 East Katella Avenue, Suite 300, Anaheim, CA 92806, no later than the January 1st prior to the next annual meeting of stockholders, together with all information about the stockholder and the candidate that would be required pursuant to Section 3.04(a)(ii) of our Bylaws if the stockholder was nominating the candidate for election to the Board. The Nominating and Governance Committee may request additional information concerning such director candidate as it deems reasonably required to determine the eligibility and qualification of the director candidate to serve as a member of the Board. For a discussion of the factors and other criteria the Nominating and Governance Committee and Board will consider when evaluating a director candidate, see “Proposal 1: Election of Directors.”

Please note that stockholders who wish to nominate a person for election as a director in connection with an annual meeting of stockholders (as opposed to making a recommendation to the Nominating and Governance Committee as described above) must deliver written notice to our Secretary in the manner described in Section 3.04(a)(ii) of our Bylaws, and as described further under “Other Information – Stockholder Proposals.”

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Communications with the Board of Directors

Individuals may contact the Company's entire Board 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.

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PRINCIPAL STOCKHOLDERS

Except as otherwise noted, the following table sets forth information as of April 17, 2018 with respect to: (i) 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 SEC, (ii) each of our directors and director nominees, (iii) each of our Named Executive Officers (as defined below under “Executive Compensation”) and (iv) our directors and executive officers as a group.

Unless otherwise noted below, the address of the persons listed in 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 8,863,085 shares of common stock outstanding on April 17, 2018.

Name and Address of Stockholder	Amount of Beneficial Ownership	Percent of Common Stock	
5% Stockholders			
BlackRock, Inc.(1)	478,747	5.4	%
Edward W. Wedbush(2)	468,459	5.3	%
Executive Officers, Directors and Director Nominees			
Thomas D. Brisbin(3)	443,798	4.9	%
Michael A. Bieber(4)	171,220	1.9	%
Daniel Chow(5)	76,575	*	%
Steven A. Cohen(6)	9,657	*	%
Debra Coy	—	*	%
Raymond W. Holdsworth(7)	89,157	1.0	%
Douglas J. McEachern(8)	90,700	1.0	%
Dennis V. McGinn(9)	1,474	*	%
Stacy B. McLaughlin(10)	30,222	*	%
Curtis S. Probst(11)	1,474	*	%
Keith W. Renken(12)	126,057	1.4	%
Mohammad Shahidehpour(13)	9,657	*	%
Frank G. Tripepi	139,500	*	%
All current directors and executive officers as a group (14 persons)	1,076,965	11.5	%

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

- (1) Beneficial ownership information is given as of December 31, 2017 and was obtained from a Schedule 13G filed with the SEC on February 1, 2018 by BlackRock, Inc. The principal office or business address of BlackRock, Inc. is 55 East 52nd Street, New York, NY 10055.

- (2) Beneficial ownership information is given as of December 31, 2015 and was obtained from a Schedule 13G/A filed with the SEC on March 1, 2016 by Wedbush, Inc. Edward W. Wedbush owns approximately 50% of the issued and outstanding shares of Wedbush, Inc., which is the sole shareholder of Wedbush Securities Inc. Mr. Wedbush is also the Chairman of the Board of Wedbush, Inc. and the President of Wedbush Securities Inc. Edward Wedbush has sole voting and dispositive power over 389,372 shares, shared voting power over 406,872 shares and shared dispositive power over 468,459 shares, of which Wedbush Securities, Inc. has dispositive power over 61,587 shares and Mr. Wedbush disclaims beneficial ownership over such shares. In addition, Wedbush Securities Inc. has shared voting power over 17,500 shares and shared dispositive power over 468,459 shares, and Wedbush Inc. has sole voting and dispositive power over 17,500 shares and shared voting and dispositive power over 17,500 shares. The

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address for Wedbush Inc. is 1000 Wilshire Blvd., Los Angeles, CA 90017-2457, and the address for Wedbush Securities Inc. and Mr. Wedbush is P.O. Box 30014, Los Angeles, CA 90030-0014.

- (3) Consists of 185,465 shares of common stock held directly by Dr. Brisbin and 258,333 shares of common stock subject to options exercisable on or before June 16, 2018. The 185,465 shares of common stock held directly by Dr. Brisbin include 26,667 shares of restricted stock, which vest in substantially equal parts on each of May 5, 2018 and May 5, 2019.
- (4) Consists of 7,333 shares of common stock held directly by Mr. Bieber and 163,887 shares of common stock subject to options exercisable on or before June 16, 2018. The 7,333 shares of common stock held directly by Mr. Bieber include 2,222 shares of restricted stock, which vest in substantially equal parts on each of March 8, 2019 and March 8, 2020.
- (5) Consists of 35,131 shares of common stock held directly by Mr. Chow and 41,444 shares of common stock subject to options exercisable on or before June 16, 2018. The 35,131 shares of common stock held directly by Mr. Chow include 11,112 shares of restricted stock, of which (i) 6,667 shares vest in substantially equal parts on each of May 5, 2018 and May 5, 2019, (ii) 1,778 shares vest in substantially equal parts on each of March 8, 2019 and March 8, 2020 and (iii) 2,667 shares vest in substantially equal parts on each of October 31, 2018, October 31, 2019 and October 31, 2020.
- (6) The 9,657 shares of common stock held by Dr. Cohen include 5,730 shares of restricted stock, of which (i) 1,200 shares of restricted stock vest on June 5, 2018, (ii) 1,474 shares of restricted stock vest in substantially equal parts on each of June 8, 2018, June 8, 2019 and June 8, 2020 and (iii) 3,056 shares of restricted stock vest in substantially equal parts on each of June 9, 2018 and June 9, 2019.
- (7) Consists of 8,469 shares of common stock held directly by Mr. Holdsworth, 60,688 shares of common stock held by The Holdsworth Family Trust and 20,000 shares of common stock subject to options exercisable on or before June 16, 2018. Mr. Holdsworth is sole trustee and a beneficiary of The Holdsworth Family Trust and has sole voting and investment control over our shares of common stock held therein. The 8,469 shares of common stock held directly by Mr. Holdsworth include 5,730 shares of restricted stock, of which (i) 1,200 shares of restricted stock vest on June 5, 2018, (ii) 1,474 shares of restricted stock vest in substantially equal parts on each of June 8, 2018, June 8, 2019 and June 8, 2020 and (iii) 3,056 shares of restricted stock vest in substantially equal parts on each of June 9, 2018 and June 9, 2019.
- (8) Consists of 12,157 shares of common stock held directly by Mr. McEachern and 78,543 shares of common stock held by The McEachern Family Trust. Mr. McEachern and his wife are co-trustees and beneficiaries of The McEachern Family Trust and have shared voting and investment control over our shares of common stock held therein. The 12,157 shares of common stock held directly by Mr. McEachern include 5,730 shares of restricted stock, of which (i) 1,200 shares of restricted stock vest on June 5, 2018, (ii) 1,474 shares of restricted stock vest in substantially equal parts on each of June 8, 2018, June 8, 2019 and June 8, 2020 and (iii) 3,056 shares of restricted stock vest in substantially equal parts on each of June 9, 2018 and June 9, 2019.

- (9) The 1,474 shares of common stock held by Mr. McGinn are shares of restricted stock that vest in substantially equal parts on each of June 8, 2018, June 8, 2019 and June 8, 2020.
- (10) Consists of 1,333 shares of common stock held directly by Mrs. McLaughlin and 28,889 shares of common stock subject to options exercisable on or before June 16, 2018. The 1,333 shares of common stock held directly by Ms. McLaughlin include 889 shares of restricted stock, which vest in substantially equal parts on each of March 8, 2019 and March 8, 2020.
- (11) The 1,474 shares of common stock held by Mr. Probst are shares of restricted stock that vest in substantially equal parts on each of June 8, 2018, June 8, 2019 and June 8, 2020.
- (12) Consists of 40,657 shares of common stock held directly by Mr. Renken, 80,400 shares of common stock held by the LVRJC Partnership and 5,000 shares of common stock subject to options exercisable on or before June 16, 2018. Mr. Renken is the managing partner of the LVRJC Partnership and has sole voting and investment control over our shares of common stock held therein. The 40,657 shares of common stock held directly by Mr. Renken include 5,730 shares of restricted stock, of which (i) 1,200 shares of restricted stock vest on June 5, 2018, (ii) 1,474 shares of restricted stock vest in substantially equal parts on each of June 8, 2018, June 8, 2019 and June 8, 2020 and (iii) 3,056 shares of restricted stock vest in substantially equal parts on each of June 9, 2018 and June 9, 2019.

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- (13) The 9,657 shares of common stock held by Dr. Shahidehpour include 5,730 shares of restricted stock, of which (i) 1,200 shares of restricted stock vest on June 5, 2018, (ii) 1,474 shares of restricted stock vest in substantially equal parts on each of June 8, 2018, June 8, 2019 and June 8, 2020 and (iii) 3,056 shares of restricted stock vest in substantially equal parts on each of June 9, 2018 and June 9, 2019.

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MANAGEMENT

The following table sets forth the names, ages and positions of our current executive officers, as of April 20, 2018:

Name	Age	Position
Thomas D. Brisbin	65	Chairman of the Board and Chief Executive Officer
Michael A. Bieber	49	President
Stacy B. McLaughlin	36	Vice President and Chief Financial Officer
Daniel Chow	67	Chief Operating Officer
Paul M. Whitelaw	46	Senior Vice President, Business Development
Micah Chen	46	General Counsel

Biographical information concerning Dr. Brisbin is set forth under the caption “Proposal 1: Election of Directors—Information Regarding Nominees.”

Michael A. Bieber was appointed President of the Company in November 2016. Previously, Mr. Bieber was Senior Vice President, Corporate Development of the Company from December 2014 to November 2016. Previously, he served as Senior Vice President at Tetra Tech, where he served in a number of leadership roles for over 18 years. From March 2007 to December 2014, Mr. Bieber managed Tetra Tech’s mergers and acquisitions and investor relations functions, overseeing over fifty acquisitions. From 2005 to 2007, Mr. Bieber managed Tetra Tech’s corporate business development group, where he was responsible for overseeing internal business development, marketing and communications. From January 2000 to December 2014, Mr. Bieber also worked in Tetra Tech’s investor relations group. From 1996 to 2000, he was a proposal manager in Tetra Tech’s corporate marketing group. From 1994 to 1996, he served at CRC, Inc., and its successor, as a strategic business development consultant to large defense, infrastructure and environmental firms. Prior to 1994, Mr. Bieber worked for IT Corporation (now CB&I) where he served as project manager and engineer on government nuclear and commercial environmental projects. Mr. Bieber holds a B.S. degree in Civil Engineering from the Tennessee Technological University.

Stacy B. McLaughlin was appointed Vice President and Chief Financial Officer of the Company, effective November 15, 2013. Mrs. McLaughlin served as the Company’s Compliance Manager from 2010 to 2013. As Compliance Manager, Mrs. McLaughlin was responsible for overseeing all aspects of the financial reporting process, including analyzing the balance sheets and income statements of each business segment. Prior to joining the Company, Mrs. McLaughlin was, from 2009 to 2010, Senior Associate at Windes & McLaughry Accountancy Corporation and, from 2004 to 2009, Senior Audit Associate at the public accounting firm KPMG LLP. In her position at KPMG LLP, she planned, coordinated and completed financial statement audits for companies in the engineering services sector, among others. Mrs. McLaughlin has a Masters in Accounting from the University of Southern California and BS from the University of Arizona. Mrs. McLaughlin is a Certified Public Accountant (CPA).

Daniel Chow was appointed Chief Operating Officer of the Company in November 2016. Mr. Chow also continues to serve as President and Chief Executive Officer of Willdan Energy Solutions since August 2016 and as President and Chief Executive Officer of Willdan Engineering since December 2008. Prior to joining the Company, 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, from April 2004 to December 2008. 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.

Paul M. Whitelaw was appointed Senior Vice President, Business Development in March 2018. In this capacity, Mr. Whitelaw leads the Company's business development efforts. Mr. Whitelaw has been with the Company since 1996 beginning with Willdan Financial Services, taking on increasing responsibility and managerial oversight with each promotion over the last 22 years. Prior to his role in national strategic development for the Company, Mr. Whitelaw was the Senior Vice President of Business Development for Willdan Energy Solutions' western region

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from 2015 to 2017. Before focusing exclusively on business development, Mr. Whitelaw was the Regional Vice President for Willdan Energy Solutions' western region from 2012 to 2015. Mr. Whitelaw is a member of the Board of Directors of the California Efficiency and Demand Management Council. Mr. Whitelaw holds a Bachelor of Arts in Chemistry from Point Loma Nazarene University and a Masters in Business Administration from the University of California, Irvine.

Micah Chen was appointed General Counsel in March 2018. Previously, Mr. Chen was Legal Counsel of the Company from July 2017 to March 2018. Prior to joining the Company, Mr. Chen held various management positions at Aon Corporation's Construction Services Group for nearly 10 years. From January 2016 to July 2017, Mr. Chen served as Managing Director and Senior Vice President of Aon Corporation. In this role, Mr. Chen was responsible for the group's Account Executive practice for the West Region. From November 2008 to January 2016, Mr. Chen served as Senior Vice President of Aon Corporation. In this role, he provided risk management consultation and assisted in the evaluation and development of comprehensive risk management programs to many Top 100 Engineering-News Record clients, general contractors and multibillion-dollar commercial construction projects. Mr. Chen received his B.A. in International Economics from the University of California, Los Angeles and his J.D. from Western State University, School of Law.

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EXECUTIVE COMPENSATION

Compensation Discussion and Analysis

This section describes each of the material elements of compensation awarded to, earned by or paid to our executive officers identified in the “Summary Compensation Table,” whom we refer to in this section as our “Named Executive Officers.” This section also describes the role and involvement of various parties in our executive compensation analysis and decisions, and provides a discussion of the process and rationale for the decisions of our Compensation Committee to compensate our Named Executive Officers with specific types and amounts of compensation.

2017 Named Executive Officers

Our Named Executive Officers for 2017 were:

Thomas D. Brisbin	Chairman of the Board and Chief Executive Officer
Michael A. Bieber	President
Stacy B. McLaughlin	Vice President and Chief Financial Officer
Daniel Chow	Chief Operating Officer
Frank G. Triepi	Senior Vice President, Business Development

Financial Highlights

We believe that 2017 was a successful year for the Company. We were able to successfully execute on our business plan, and believe that we were able to deliver strong energy savings on all of our major long-term programs for utilities, while effectively ramping up the new programs we won in 2017. During 2017, we achieved significant year-over-year growth in several important metrics, as highlighted below:

Ø Total contract revenue of \$273.4 million, an increase of 31% over prior year;

Ø Net income of \$12.1 million, an increase of 46% over prior year;

Ø Diluted earnings per share of \$1.32, up 36% over prior year; and

Ø Cash flow from operations of \$11.1 million.

Executive Compensation Program Objectives and Philosophy

In 2015, we adopted a comprehensive executive compensation plan statement. Decisions regarding total compensation program design, as well as individual pay decisions and adjustments, are made in the context of our executive compensation plan statement.

Under our executive compensation plan statement, our executive compensation philosophy is to:

- Ø Align the interests of our executives with those of the stockholders;
- Ø Attract, motivate, reward and retain the top contributors upon whom, in large part, our success depends;
- Ø Be competitive with compensation programs for companies of similar size and complexity with whom we compete for talent, including direct competitors;
- Ø Provide compensation based upon the short-term and long-term performance of both the individual executive and the Company; and

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Ø Strengthen the relationship between pay and performance by emphasizing variable, at-risk compensation that is dependent upon the successful achievement of specified corporate and individual goals.

Our current executive compensation program consists of three key elements, each of which is designed to be consistent with our executive compensation philosophy: (1) base salary; (2) cash bonuses that are earned based on performance; and (3) long-term incentive compensation in the form of equity awards. We also provide 401(k) retirement benefits and, in some cases, severance benefits to our executive officers, including the Named Executive Officers.

In structuring our executive compensation arrangements, our Compensation Committee considers how each compensation element fits within our overall philosophy. Base salaries are primarily intended to attract and retain top contributors. We believe that in order to attract and retain top executives, we need to provide our executive officers with compensation levels that reward their continued service and are competitive. Cash bonuses and long-term equity incentives are the elements of our executive compensation program that are “at risk” and designed to reward performance and thus the creation of long-term shareholder value. Performance cash bonuses are primarily intended to motivate the Named Executive Officers to achieve our short-term financial objectives. Our long-term equity incentives are primarily intended to align our Named Executive Officers’ long-term interests with shareholders’ long-term interests.

As described in more detail below, our Compensation Committee determined to introduce performance-based equity awards into our executive compensation program in 2018. Under our new performance-based restricted stock unit (“PBRSU”) design, 50% of each award will vest based upon our EBITDA performance over a four-year performance period (“EBITDA Units”), and the remaining 50% of each award will vest based upon our earnings per share performance over a four-year performance period (“EPS Units”). We must achieve a 10% growth rate for the threshold number of EBITDA Units and EPS Units to vest for any performance year, and the target number of EBITDA Units and EPS Units will only vest in any performance year if we are able to achieve a 20% growth rate. The Compensation Committee determined to move away from its historical practice of granting only time-based equity awards and introduced the PBRsUs in order to further align the interests of our executives with those of shareholders by strengthening the relationship between executive pay and our performance against two critical performance metrics that we believe will drive value creation for our shareholders.

Introduced PBRsUs into executive compensation program in 2018, with target number of EBITDA Units and EPS Units only eligible to vest if we achieve a 20% growth rate for each performance year

Role of the Compensation Committee

Pursuant to its charter, the Compensation Committee of our Board has the authority to determine the amount of compensation given to each of the Named Executive Officers. The Compensation Committee implements our executive compensation philosophy, and is responsible for administering our equity compensation plans, including approving grants of awards under the plans. In performing its duties, the Compensation Committee is authorized to consider the recommendations of our Chief Executive Officer when determining the compensation of the other Named Executive Officers. All of the members of the Compensation Committee are independent directors.

The elements of our executive compensation program were each approved by the Compensation Committee. None of the Named Executive Officers is a member of the Compensation Committee or, except for recommendations made by our Chief Executive Officer with respect to the compensation of the other Named Executive Officers, had any role in determining the compensation of the Named 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 Executive Officers).

In 2017, the Compensation Committee hired Willis Towers Watson and Performensation to evaluate and compare the compensation practices for executive management and the Board. As a result of the work performed, we introduced PBRsUs into our executive compensation program in 2018, and structured the new EBITDA Units and EPS Units so that we must achieve a 20% growth rate for each performance year for the target number of EBITDA Units and EPS Units to vest for any performance year. The Compensation Committee is directly responsible for the appointment,

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compensation and oversight of both Willis Towers Watson and Performensation, and does not believe either consultant's work has raised any conflict of interest. Willis Towers Watson and Performensation both report only to the Compensation Committee, and do not perform any other services for us.

Consistent with past practice, our Compensation Committee does not "benchmark" executive compensation at any particular level in comparison with other companies. Rather, our Compensation Committee familiarizes itself with compensation trends and competitive conditions through the review of non-customized third-party market surveys and other publicly available data about relevant market compensation practices. In setting compensation levels for 2017, our Compensation Committee considered publicly available compensation data to determine the relative strengths and weaknesses of our compensation packages on an aggregate basis solely as a validation after determining the types and amount of compensation based on its own evaluation. In addition to a review of the general market compensation levels and practices, in setting compensation levels for 2017, our Compensation Committee also considered each executive's level of responsibility and performance for the overall operations of the Company, historical Company practices, long-term market trends, internal pay equity, expectations regarding the individual's future contributions, our own performance and budget considerations.

Role of Shareholder Say-on-Pay Votes

The Company annually offers shareholders the opportunity to cast an advisory vote on our executive compensation program. This annual vote is known as the "say-on-pay" proposal. At our annual general meeting in 2017, approximately 95 percent of votes cast were in favor of our executive compensation program for 2016. The Compensation Committee believes these results demonstrate that shareholders support our executive compensation program. When making future compensation decisions for Named Executive Officers, the Compensation Committee will continue to consider the opinions that shareholders express through say-on-pay votes.

Executive Compensation Program Elements

Base Salaries

We pay each Named Executive Officer a base salary to provide each executive with a minimum, fixed level of cash compensation. Decisions regarding increases to base salaries are made at the discretion of our Compensation Committee. In reviewing base salary levels for our Named Executive Officers, our Compensation Committee primarily considers and assesses the following factors: each Named Executive Officer's current base salary, their job responsibilities, leadership and experience, value to our Company and the recommendations of our President and Chief Executive Officer (other than with respect to his own compensation).

During 2017, the Compensation Committee approved base salary increases for Dr. Brisbin, Mr. Bieber, Mr. Chow and Mrs. McLaughlin to recognize their leadership, experience and achievement of significant year-over-year growth in several important metrics.

Named Executive Officer	Base Salary at end of 2016	Base Salary at end of 2017
Thomas D. Brisbin	\$300,019	\$333,661
Michael A. Bieber	\$270,046	\$290,220
Stacy B. McLaughlin	\$171,592	\$178,547
Daniel Chow	\$229,842	\$238,023
Frank G. Tripepi	\$183,768	\$183,768

Annual Bonuses

We determined to award performance bonuses to all of our Named Executive Officers in 2017. The Compensation Committee determined the amount of each executive's bonus in its discretion, and did not use any formulaic bonus metric. In determining the amount of each executive's 2017 bonus, the Compensation Committee primarily considered our overall financial performance and achievement of significant year-over-year growth in several important metrics, budget considerations, each executive's level of responsibility and performance, internal pay equity, and the recommendations of our Chief Executive Officer (other than with respect to his own compensation).

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Long-Term Equity Awards

Our 2008 Performance Incentive Plan permits us to award all types of incentive awards, including incentive or nonqualified options, stock appreciation rights, stock bonuses, restricted stock, stock units, performance stock, phantom stock, dividend equivalents and other forms of awards.

For 2017, the Compensation Committee determined to grant long-term equity incentive awards to the Named Executive Officers (other than Dr. Brisbin and Mr. Tripepi) and other executives in the form of options and restricted stock awards. In connection with Dr. Brisbin's appointment as Chairman of the Board in November 2016, Dr. Brisbin was granted a restricted stock award that vests in substantially equal annual installments over three years, subject to his continued employment on each vesting date. As a result of this equity award grant that was made late in 2016, our Chief Executive Officer was not granted any new equity awards during 2017 despite our performance results achieved during 2017.

The Compensation Committee believes option awards with a multi-year vesting schedule create an incentive for the executives to create and preserve long-term shareholder value, as the options will only have value if our share price increases following the grant date. The Compensation Committee believes restricted stock awards with a multi-year vesting schedule can be an effective supplement to option awards in the mix of long-term equity compensation because, compared to options, they have value even if our share price does not appreciate. This helps to mitigate risk by ensuring that our Named Executive Officers have downside risk that is aligned with our shareholders' interests and also helps enhance the retentive value of the awards.

In 2017, each of our Named Executive Officers (except Dr. Brisbin and Mr. Tripepi) received an option award and a restricted stock award under our 2008 Plan which vests in substantially equal annual installments over three years subject to the executive's continued employment on each applicable vesting date. Each option award was granted with an exercise price equal to the fair market value of a share of our Common Stock on the grant date, and will only have value if the executives are able to successfully drive appreciation in the value of our Common Stock.

Mr. Chow was also granted an additional option and restricted stock award in October 2017 that vests in substantially equal annual installments over three years, subject to his continued employment on each vesting date. This award was granted to reward Mr. Chow for his contributions to our successful performance in 2017 and to help further align his interests with those of our shareholders.

In determining the level of awards granted to each of the Named Executive Officers who received a long-term equity incentive grant in 2017, our Compensation Committee primarily took into account the executive's level of responsibility and performance for the overall operations of the Company, internal pay equity, historical Company practices, each executive's performance, budget considerations, and for Mr. Chow, the specific factors described

above.

As noted above, our Compensation Committee determined to introduce PBRsUs into our executive compensation program in 2018. Under our new PBRsU design, 50% of the target number of shares subject to each award will be EBITDA Units, and the remaining 50% of the target number of shares subject to each award will be EPS Units. The Compensation Committee determined to move away from its historical practice of granting only time-based equity awards and introduced the PBRsUs in order to further align the interests of our executives with those of shareholders by strengthening the relationship between executive pay and our performance against two critical performance metrics that we believe will drive value creation for our shareholders.

In general, an equal number of EPS Units are eligible to vest based on the Company's EPS growth as of the end of each of the 2018, 2019, 2020 and 2021 calendar years (each, a "Performance Year"), generally subject to the executive's continued employment through the end of the applicable Performance Year. For purposes of the EPS Units, EPS means the Company's trailing three year numerical average diluted earnings per share for the applicable Performance Year as determined in accordance with GAAP, before stock compensation expense net of tax, plus or minus the effect of any extraordinary item or extraordinary transaction.

The chart below shows the EPS growth rate that we must achieve in order to satisfy the threshold, target and maximum performance levels for each Performance Year, and the corresponding percentage of the target number of EPS Units related to that Performance Year eligible to vest. Results between the points in the chart will be interpolated on a

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linear basis. If the threshold performance level is not achieved for any Performance Year, all of the EPS Units related to that Performance Year will be forfeited.

Performance	EPS Growth Rate Achieved	% of Target EPS Units Vesting
Threshold	<10%	0%
Target	20%	100%
Maximum	30%	250%

In general, an equal number of EBITDA Units are eligible to vest based on the Company's adjusted EBITDA growth as of the end of each Performance Year, generally subject to the executive's continued employment through the end of the applicable Performance Year. For purposes of the EBITDA Units, adjusted EBITDA means the Company's net income (loss) for the applicable Performance Year as determined in accordance with GAAP, plus (1) interest expense (loss), (2) income tax expense (benefit), (3) stock-based compensation, (4) interest accretion, (5) depreciation and amortization, and (6) plus or minus the effect of any extraordinary item or extraordinary transaction. For purposes of setting the adjusted EBITDA goals, the baseline was the adjusted EBITDA forecast for 2017 of \$20,100,000.

The chart below shows the adjusted EBITDA growth rate that we must achieve in order to satisfy the threshold, target and maximum performance levels for each Performance Year, and the corresponding percentage of the target number of EBITDA Units related to that Performance Year eligible to vest. Results between the points in the chart will be interpolated on a linear basis. If the threshold performance level is not achieved for any Performance Year, all of the EBITDA Units related to that Performance Year will be forfeited.

Performance	Adjusted EBITDA Growth Rate Achieved	% of Target EBITDA Units Vesting
Threshold	<10%	0%
Target	20%	100%
Maximum	30%	250%

Severance

Dr. Brisbin and Mr. Chow are employed pursuant to employment agreements or offer letters that provide specified levels of severance benefits if the executive's employment is terminated by us without "cause" or, in the case of Dr. Brisbin, by the executive for a "good reason." The level of each executive's severance benefits was negotiated and established in connection with the executive's entry into his employment agreement or offer letter, and has been determined to be appropriate by the Compensation Committee based on the executive's level of responsibility and performance for the overall operations of the Company, long-term market trends, and budget considerations. Severance benefits for Dr. Brisbin are based on a multiple of "2x" his base salary and severance benefits

for Mr. Chow are based on a multiple of “0.25x” base salary (or three months of base salary in total). Severance benefits for Dr. Brisbin also includes payment of the executive’s target bonus for the year of termination of employment and a continued medical benefits component (which for Dr. Brisbin, is payable for any type of termination other than a termination by us for “cause”).

Mrs. McLaughlin, Mr. Bieber and Mr. Tripepi are not party to employment agreements or offer letters with us that provide for the payment of severance benefits for any type of termination of employment.

We do not believe that our Named Executive Officers should be entitled to any cash severance payments or benefits merely because of a change in control of the Company. Accordingly, none of the Named Executive Officers is entitled to any such payments or benefits upon the occurrence of a change in control of the Company unless there is an actual or constructive termination of employment for “good reason” following the change in control (a “double-trigger” arrangement).

Similarly, none of our Named Executive Officers is entitled to receive any automatic “single trigger” equity acceleration, as our equity awards will only vest in connection with a change in control of the Company if they are not substituted or assumed in connection with the transaction.

No Named Executive Officer is entitled to receive a “gross-up” or similar payment for any excise taxes that may become payable in connection with a change in control pursuant to Sections 280G and 4999 of the Code. Instead, our 2008 Performance Incentive Plan generally provides that awards or payments under the 2008 Plan are automatically “cut back” in such circumstances in order to avoid triggering these excise taxes.

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Other Benefits

While employed, we provide our Named Executive Officers with retirement benefits under our 401(k) Plan, participation in our medical, dental and insurance programs and vacation and other holiday pay, all in accordance with the terms of such plans and programs in effect from time to time and substantially on the same terms as those generally offered to our other employees.

Policy with Respect to Section 162(m)

Section 162(m) of the Code generally prohibits a publicly-held company from deducting compensation paid to a current or former Named Executive Officer that exceeds \$1.0 million during the tax year. Certain awards granted before November 2, 2017 that were based upon attaining pre-established performance measures that were set by the Compensation Committee under a plan approved by our shareholders, as well as amounts payable to former executives pursuant to a written binding contract that was in effect on November 2, 2017, may qualify for an exception to the \$1.0 million deductibility limit.

As one of the factors in its consideration of compensation matters, our Compensation Committee notes this deductibility limitation. However, our Compensation Committee has the flexibility to take any compensation-related actions that it determines are in the best interests of the Company and our shareholders, including awarding compensation that may not be deductible for tax purposes. There can be no assurance that any compensation will in fact be deductible as a result of the limitations under Section 162(m).

Compensation Committee Report

The Compensation Committee of the Board has reviewed and discussed with management the disclosures contained in the Compensation Discussion and Analysis section of this Proxy Statement. Based upon this review and discussion, the Compensation Committee recommended to the Board that the Compensation Discussion and Analysis section be included in this Proxy Statement.

Compensation Committee of the Board

Raymond W. Holdsworth (Chair)
Douglas J. McEachern
Mohammad Shahidehpour

The foregoing report of the Compensation Committee does not constitute soliciting material and shall not be deemed filed, incorporated by reference into or a part of any other filing by the Company (including any future filings) under the Securities Act of 1933, as amended, or the Exchange Act, except to the extent the Company specifically incorporates such report by reference therein.

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COMPENSATION OF EXECUTIVE OFFICERS

The following table presents information regarding compensation during fiscal 2017, fiscal 2016, and fiscal 2015 of our named executive officers (the “Named Executive Officers”). The Named Executive Officers include our principal executive officer, principal financial officer, and our three other most highly compensated executive officers.

Summary Compensation Table—Fiscal 2017, Fiscal 2016, and Fiscal 2015

Name and Principal Position	Year	Salary (\$)	Bonus \$(1)	Stock Awards \$(2)	Option Awards \$(3)	All Other Compensation \$(4)	Total (\$)
Thomas D. Brisbin(5) Chairman of the Board and Chief Executive Officer	2017	333,661	175,000	—	—	14,175	522,836
	2016	300,019	—	432,400	655,590	14,550	1,402,560
	2015	300,019	100,000	—	272,530	13,800	686,349
Michael A. Bieber President	2017	290,220	110,000	93,957	197,399	3,750	695,326
	2016	270,046	25,000	—	418,190	3,750	716,986
	2015	270,046	—	—	136,165	3,000	409,211
Stacy B. McLaughlin Vice President and Chief Financial Officer	2017	178,547	33,797	37,577	78,962	16,268	345,151
	2016	171,592	35,000	—	152,576	16,268	375,435
	2015	148,408	40,000	—	83,198	3,000	274,606
Daniel Chow Chief Operating Officer	2017	238,023	50,000	155,353	316,225	9,270	768,871
	2016	229,842	25,000	108,100	196,677	9,240	568,859
	2015	217,298	50,000	—	—	9,240	276,538
Frank G. Tripepi Senior Vice President, Business Development	2017	183,768	5,000	—	—	11,400	200,168
	2016	183,768	5,500	—	—	18,468	207,736

(1) The amounts reported under “Bonus” include performance bonuses paid in 2017 for services performed in 2016 and 2017, as described in the “Compensation Discussion and Analysis” section above.

(2) The amounts reported under “Stock Awards” represent the aggregate grant date fair value of restricted stock awards granted to our Named Executive Officers during fiscal 2017 (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 restricted stock awards granted during fiscal 2017 and 2016 contained in Note 9 (Equity Plans) to our consolidated financial statements, included as part of our 2017 Annual Report filed on Form 10-K.

(3)

The amounts reported under “Option Awards” represent the aggregate grant date fair value of option awards granted to our Named Executive Officers during fiscal 2017 (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 stock option awards granted during fiscal 2017, 2016, and 2015 contained in Note 9 (Equity Plans) to our consolidated financial statements, included as part of our 2017 Annual Report filed on Form 10-K.

- (4) The amounts reported under “All Other Compensation” for 2017 include \$3,000 in matching contributions made by us for each of our Named Executive Officers under our 401(k) plan. The balance of the amounts under “All Other Compensation” for each Named Executive Officer, other than Mr. Bieber and Mrs. McLaughlin, for 2017 represents automobile allowances paid to them or use of a company vehicle. The balance of the amounts under “All Other Compensation” for Mrs. McLaughlin for 2017 represents cashing out of accumulated paid-time-off.
- (5) Dr. Brisbin served on the Board during fiscal 2017, 2016 and 2015. As an employee-director, Dr. Brisbin did not receive additional compensation for his services as a director.

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Compensation of Named Executive Officers

The Summary Compensation Table above quantifies the value of the different forms of compensation earned by or awarded to our Named Executive Officers in each applicable fiscal year. As described in the “Compensation Discussion and Analysis” section above, the primary elements of each Named Executive Officer’s total compensation reported in the table are base salary, performance bonus and a long-term equity incentive award consisting of stock options and restricted stock awards (other than in the case of Dr. Brisbin and Mr. Tripepi). Named Executive Officers also received the other benefits listed in the “All Other Compensation” column of the Summary Compensation Table, as further described in footnote (4) to the table.

The Summary Compensation Table should be read in conjunction with the “Compensation Discussion and Analysis” section above and the tables and narrative descriptions that follow. A description of the material terms of each Named Executive Officer’s employment agreement, if any, is provided immediately following this paragraph. The “Grants of Plan-Based Awards in Fiscal 2017” table, and the description of the material terms of the stock options and restricted stock awards granted in fiscal 2017 that follows it, provides information regarding the long term equity incentives awarded to certain Named Executive Officers in fiscal 2017. The “Outstanding Equity Awards at Fiscal 2017 Year-End” and “Option Exercises and Stock Vested in Fiscal 2017” sections provide further information on the Named Executive 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 may become payable to our Named Executive Officers under certain circumstances.

Description of Employment Agreements, Salary and Bonus Amounts

On May 3, 2011, we entered into an amended and restated employment agreement with Dr. Brisbin. This employment agreement provides for “at-will” employment and does not include a specified term. This agreement provides for Dr. Brisbin to receive a base salary and an annual incentive bonus as determined by the Compensation Committee. The annual target bonus for Dr. Brisbin under this agreement is 100% of his annual base salary. Dr. Brisbin is also entitled to participate in benefit plans made available to our employees generally.

On October 29, 2008, we entered into an offer letter with Mr. Chow. The letter provides that Mr. Chow’s employment is on an “at-will” basis and for his initial base salary to be \$205,000 per year (which has been subsequently increased to approximately \$238,000 per year).

On December 17, 2014, we entered into an offer letter with Mr. Bieber. The letter provides that Mr. Bieber’s employment is on an “at-will” basis and for his initial base salary to be \$270,000 per year (which has been subsequently increased to approximately \$290,000 per year).

The Company has not entered into an employment agreement or offer letter with Mrs. McLaughlin or Mr. Tripepi.

The provisions of these agreements relating to severance benefits following a termination of the Named Executive Officer's employment are described below under "Potential Payments Upon Termination or Change in Control."

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Grants of Plan-Based Awards in Fiscal 2017

The following table presents information regarding the equity incentive awards granted to Named Executive Officers during fiscal 2017 under the 2008 Plan. The material terms of each grant are described below under “ Description of Plan-Based Awards.”

Name	Grant Date	All Other Stock Awards: Number of Shares of Stock or Units (#)	All Other Option Awards: Number of Securities Underlying Options (#)	Exercise or Base Price of Option Awards (\$/Sh)	Grant Date Fair Value of Options Awards and Stock Awards (\$)
Thomas D. Brisbin	—	—	—	—	—
Michael A. Bieber Stacy B.	3/8/2017	3,333	(1) 16,667	(1) 28.19	291,356
McLaughlin	3/8/2017	1,333	(1) 6,667	(1) 28.19	116,539
Daniel Chow	3/8/2017	2,667	(1) 13,333	(1) 28.19	233,095
	10/31/2017	2,667	(1) 13,333	(1) 30.06	238,483
Frank G. Tripepi	—	—	—	—	—

(1) These options and stock awards vest in substantially equal annual installments over three years from their grant date.

Description of Plan-Based Awards

During fiscal 2017, certain Named Executive Officers were each awarded stock option grants under the 2008 Plan. The options were granted on March 8, 2017 and October 31, 2017 and will vest in substantially equal annual installments over three years from the grant date. The options 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 years. Outstanding options under the 2008 Plan, 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 months to exercise the stock option following a termination of employment. This period is extended to 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 under our 2008 Plan do not include any dividend or dividend equivalent rights.

On March 8, 2017 and October 31, 2017, Mr. Bieber, Mr. Chow and Mrs. McLaughlin were each awarded restricted stock grants under the 2008 Plan. These stock awards will vest in substantially equal annual installments over three years from the grant date. If the recipient's employment is terminated, unvested restricted stock will be forfeited. The restricted stock awards include the same dividend rights as applicable to other shares of the Company's stock.

As indicated above, the stock options and restricted stock awards granted in fiscal 2017 were granted under, and are subject to the terms of, the 2008 Plan, which is administered by the Compensation Committee. The Compensation Committee has authority to interpret the plan provisions and make all required determinations under the plan. 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 plan 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 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.

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Outstanding Equity Awards at Fiscal 2017 Year-End

The following table presents information regarding the outstanding option and restricted awards held by each Named Executive Officer as of December 29, 2017.

Name	Options Awards				Stock Awards		
	Numbers of Securities Underlying Unexercised Options Exercisable (#)	Number of Securities Underlying Unexercised Options Unexercisable (#)	Option Exercise Price (#)	Option Expiration Date	Number of Shares or Units of Stock that Have Not Vested (#)	Market Value of Shares or Units of Stock That Have Not Vested (\$)	
Thomas D. Brisbin	50,000	—	1.87	6/8/2019	26,667	(6)	602,400
	50,000	—	2.71	8/12/2020	—	—	—
	25,000	—	4.01	6/6/2021	—	—	—
	50,000	—	7.13	6/6/2024	—	—	—
	33,333	16,667	(1) 13.91	6/5/2025	—	—	—
Michael Bieber	33,333	66,667	(2) 16.27	11/3/2026	—	—	—
	66,666	33,334	(3) 13.49	12/31/2024	3,333	(9)	94,000
	16,666	8,334	(1) 13.91	6/5/2025	—	—	—
	8,333	16,667	(4) 9.13	3/10/2026	—	—	—
	16,666	33,334	(2) 16.27	11/3/2026	—	—	—
Stacy McLaughlin	—	16,667	(7) 28.19	3/8/2027	—	—	—
	1,667	—	14.01	11/5/2024	1,333	(9)	37,600
	5,000	5,000	(5) 13.86	3/26/2025	—	—	—
	5,000	10,000	(4) 9.13	3/10/2026	—	—	—
	5,000	10,000	(2) 16.27	11/3/2026	—	—	—
Daniel Chow	—	6,667	(7) 28.19	3/8/2027	—	—	—
	10,000	—	2.71	8/12/2020	6,667	(6)	150,600
	7,000	—	3.84	3/26/2022	2,667	(9)	75,200
	5,000	—	7.13	6/6/2024	2,667	(10)	80,200
	5,000	—	14.01	11/5/2024	—	—	—
	10,000	20,000	(2) 16.27	11/3/2026	—	—	—
	—	13,333	(7) 28.19	3/8/2027	—	—	—
—	13,333	(8) 30.06	10/31/2027	—	—	—	

Frank G. Tripepi — — — — —

- (1) These options were granted on June 5, 2015 and vest in substantially equal annual installments over three years from their grant date.
- (2) These options were granted on November 3, 2016 and vest in substantially equal annual installments over three years from their grant date.
- (3) These options were granted on December 31, 2014 and vest in substantially equal annual installments over three years from their grant date.
- (4) These options were granted on March 10, 2016 and vest in substantially equal annual installments over three years from their grant date.
- (5) These options were granted on March 26, 2015 and vest in substantially equal annual installments over three years from their grant date.
- (6) These restricted stock awards were granted on May 5, 2016 and vest in substantially equal annual installments over three years from their grant date.

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- (7) These options were granted on March 8, 2017 and vest in substantially equal annual installments over three years from their grant date.
- (8) These options were granted on October 31, 2017 and vest in substantially equal annual installments over three years from their grant date.
- (9) These restricted stock awards were granted on March 8, 2017 and vest in substantially equal annual installments over three years from their grant date.
- (10) These restricted stock awards were granted on October 31, 2017 and vest in substantially equal annual installments over three years from their grant date.

Option Exercises and Stock Vested in Fiscal 2017

The following table presents information regarding the options exercised by each Named Executive Officer and stock awards vested during fiscal 2017, if any.

Name	Option Awards		Stock Awards	
	Numbers of Shares Acquired on Exercise (#)	Value Realized on Exercise (\$)(1)	Numbers of Shares Acquired on Vesting (#)	Value Realized on Vesting (\$)(2)
Thomas D. Brisbin	100,000	2,236,000	13,200	427,020
Michael A. Bieber	—	—	—	—
Stacy B. McLaughlin	18,333	465,677	—	—
Daniel Chow	—	—	3,300	106,755
Frank G. Tripepi	—	—	—	—

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- (1) The amounts reported as the “Value Realized on Exercise” (if any) are determined by multiplying (i) the number of shares of common stock to which the exercise of the option related by (ii) the difference between the per-share price of the common stock on the exercise date and exercise price of the options.
- (2) The amounts reported as the “Value Realized on Vesting” (if any) are determined by multiplying (i) the number of shares of common stock that vested by (ii) the per-share price of the common stock on the vesting date.

Potential Payments Upon Termination or Change in Control

As noted above, outstanding options and restricted stock awards issued under our 2008 Plan will vest immediately and become fully exercisable upon a change in control of us to the extent such outstanding awards are not substituted or assumed in connection with the transaction. The employment agreement entered into with Dr. Brisbin provides for severance benefits upon certain terminations of his employment with us. If such Named Executive Officer's employment is terminated by us without cause or by the Named Executive Officer for good reason (as such terms are defined in his employment agreement), the Named Executive Officer will be entitled to a severance benefit equal to two times his base salary at the annualized rate then in effect, paid in 24 equal installments. In addition, the Named Executive Officer would be entitled to payment of his target bonus for the year in which such a termination of employment occurs. Upon the termination of his employment for any reason other than by us for cause, Dr. Brisbin would be entitled to continued medical insurance coverage by us for Dr. Brisbin and his spouse and dependent children, such coverage generally to continue until the date he attains age 65 or becomes eligible for coverage under the health plan of a future employer. The Named Executive Officer's right to receive the severance benefits described above is contingent on the executive providing a general release of claims in favor of the Company and complying with certain non-solicitation and other restrictive covenants set forth in their employment agreements.

Mr. Chow's offer letter provides that if his employment is terminated by the Company without cause, he will be entitled to a lump sum severance payment equal to three months of his base salary. Mr. Bieber's offer letter does not provide for any additional severance benefits. As noted above, Mrs. McLaughlin and Mr. Tripepi are not party to an employment agreement or offer letter with the Company.

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The following table sets forth the estimated payments and benefits that would be provided to each Named Executive Officer in the event the Named Executive Officer's employment is terminated as described above. In accordance with applicable SEC disclosure rules, these estimates assume a termination date of December 29, 2017.

Name	Severance (\$)	Continued Health	Total (\$)
		Coverage (\$)	
Thomas D. Brisbin	842,322	—	842,322
Michael A. Bieber	—	—	—
Stacy B. McLaughlin	—	—	—
Daniel Chow	59,506	—	59,506
Frank G. Tripepi	—	—	—

Pay Ratio Disclosure

The 2017 annual total compensation of the Company's Chief Executive Officer was \$522,836. The 2017 annual total compensation of our median employee (excluding our Chief Executive Officer) was \$56,635. The ratio between the two amounts is 9.2. The Company believes that the ratio of pay included above is a reasonable estimate calculated in a manner consistent with applicable SEC rules.

To determine the pay ratio, we took the following steps:

- Ø We identified the median employee using our employee population consisting of 882 employees on December 31, 2017 (excluding our Chief Executive Officer). We identified the median employee based on gross wages paid in 2017 as reported on Form W-2. We did not make any assumptions, adjustments or estimates with respect to gross wages paid in 2017.
- Ø As required under the SEC rules, after identifying our median employee, we calculated annual total compensation for both our median employee and our Chief Executive Officer using the same methodology that we used to determine our Named Executive Officers' annual compensation for the Summary Compensation Table above.

This information is being provided for compliance purposes. Neither the Compensation Committee nor management of the Company used the pay ratio measure in making compensation decisions. Given the different methodologies that companies use to determine an estimate of their pay ratio, the estimated ratio reported above should not be used as a basis for comparison between companies.

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DIRECTOR COMPENSATION

Director Compensation for Fiscal 2017

The following table presents information regarding the compensation earned during fiscal 2017 by individuals who were members of our Board at any time during fiscal 2017 and were not employed by us or any of our subsidiaries (referred to herein as “Non-Employee Directors”). Dr. Brisbin is a Named Executive Officer and his compensation is presented above 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. Ms. Coy was not a member of our Board at any time during fiscal 2017.

Name	Fees				Totals
	Earned or Paid in Cash (\$)	Stock Awards (\$)(1)(2)	Option Awards (\$)(2)	All Other Compensation (\$)(3)	
Steven A. Cohen	51,375	50,000	—	—	101,375
Raymond W. Holdsworth	56,750	50,000	—	—	106,750
Douglas J. McEachern	61,125	50,000	—	—	111,125
Keith W. Renken	71,750	50,000	—	—	121,750
Mohammad Shahidehpour	55,875	50,000	—	—	105,875
Curtis S. Probst	40,250	50,000	—	—	90,250
Dennis V. McGinn	37,875	50,000	—	—	