

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

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

**SCHEDULE 14A**

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

Filed by the Registrant

Filed by a Party other than the Registrant

Check the appropriate box:

- Preliminary Proxy Statement
- Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))**
- Definitive Proxy Statement
- Definitive Additional Materials
- Soliciting Material Pursuant to §240.14a-12

**WILLDAN GROUP, INC.**

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(Name of Registrant as Specified In Its Charter)

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

Payment of Filing Fee (Check the appropriate box):

- No fee required.
- Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.
  - (1) Title of each class of securities to which transaction applies:
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(1) Amount Previously Paid:

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(3) Filing Party:

(4) Date Filed:

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April 22, 2009

Dear Stockholder:

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

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

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

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

Win Westfall  
*Chairman of the Board*

Thomas D. Brisbin  
*President and Chief Executive Officer*

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

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

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

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

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

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

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

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

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

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

By Order of the Board of Directors

Roy L. Gill  
*Secretary*

Anaheim, California  
April 22, 2009

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

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

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

**ABOUT THE ANNUAL MEETING**

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

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

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

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

**Who can attend the Annual Meeting?**

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

**Who is entitled to vote?**

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

**What constitutes a quorum?**

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

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**How do I vote?**

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

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

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

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

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

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

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

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

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

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

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

**Who tabulates the votes?**

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

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

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

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

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

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

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

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

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

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

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

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

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

**Information Regarding Nominees and Directors**

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

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

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

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

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

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

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

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

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

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

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

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

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

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

**The Board of Directors**

*Corporate Governance*

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

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

*Executive Sessions*

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

*Director Independence*

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

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

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

*Committees*

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

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

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

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

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

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

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

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

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

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

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

***Director Nominations by Stockholders***

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

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

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

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

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

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

***Code of Ethics***

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

Table of Contents**Material Litigation**

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

**Communications with the Board of Directors**

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

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

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

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

**Director Compensation for Fiscal 2008**

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

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

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

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

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

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

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

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

***Annual Retainer and Meeting Fees***

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

Type of Fee	Dollar Amount
Annual Board Retainer	\$ 30,000
Additional Annual Retainer to Chairman of the Board	