

OIL DRI CORP OF AMERICA  
Form DEF 14A  
October 30, 2009

SCHEDULE 14A

(Rule 14a-101)

INFORMATION REQUIRED IN PROXY STATEMENT

SCHEDULE 14A INFORMATION

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  Soliciting Material Under Rule 14a-12
- Confidential, For Use of the Commission Only (as permitted by Rule 14a-6(e)(2))
- Definitive Proxy Statement
- Definitive Additional Materials

OIL-DRI CORPORATION OF AMERICA

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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)

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- No fee required.
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1) Title of each class of securities to which transaction applies:

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schedule and the date of its filing.

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1) Amount previously paid:

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2) Form, Schedule or Registration Statement No.:

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3) Filing Party:

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4) Date Filed:

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October 30, 2009

Dear Stockholder:

The Board of Directors and all of us on the management team cordially invite you to attend the 2009 Annual Meeting of Stockholders on Tuesday, December 8, 2009, at 10:30 a.m., local time, at The Standard Club, 320 South Plymouth Court, Chicago, Illinois 60604-3802.

The matters expected to be acted on in the meeting are described in the attached Proxy Statement. We are recommending a slate of eight directors for re-election. Their biographies appear in the Proxy Statement. In addition, we ask that you ratify the appointment of PricewaterhouseCoopers LLP as our independent auditor for the fiscal year ending July 31, 2010. Included with the Proxy Statement is a copy of our Annual Report on Form 10-K for fiscal year 2009. We encourage you to read our Form 10-K. It includes information on our operations, markets, products and services, as well as our audited financial statements.

Immediately following adjournment of the annual meeting, we will review the results of the past year and look at some of the potential opportunities which lie ahead.

We look forward to seeing you at the annual meeting. Whether or not you plan to attend, you can be sure your shares are represented at the meeting by promptly submitting your completed proxy by Internet, by telephone or by mailing your proxy card in the enclosed envelope provided for this purpose.

Sincerely,

DANIEL S. JAFFEE  
*President and Chief Executive Officer*

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## **OIL-DRI CORPORATION OF AMERICA**

### **NOTICE OF ANNUAL MEETING OF STOCKHOLDERS**

**To be held on December 8, 2009**

To the Stockholders of  
Oil-Dri Corporation of America:

The 2009 Annual Meeting of Stockholders of Oil-Dri Corporation of America, a Delaware corporation, will be held at 10:30 a.m., local time, on Tuesday, December 8, 2009, at The Standard Club, located at 320 South Plymouth Court, Chicago, Illinois 60604-3802.

The meeting will be held for the following purposes:

1. To elect eight directors;
2. To ratify the appointment of PricewaterhouseCoopers LLP as the Company's independent auditor for the fiscal year ending July 31, 2010; and
3. To transact such other business as may properly come before the meeting and any adjournment thereof.

The Board of Directors has determined that only holders of record of outstanding shares of Common Stock and Class B Stock at the close of business on Wednesday, October 14, 2009, are entitled to notice of, and to vote at, the meeting and any adjournment thereof.

Your vote is very important. Whether or not you intend to be present at the meeting, you are encouraged to vote. Please follow the instructions on the enclosed proxy card for voting by Internet, telephone or mail.

For further information relating to the meeting, please see the following pages.

By Order of the Board of Directors,

CHARLES P. BRISSMAN  
*Secretary*

Chicago, Illinois  
October 30, 2009

**Important Notice Regarding the Availability of Proxy Materials for the Annual Meeting to be held on December 8, 2009:** The Company's 2009 Proxy Statement and its 2009 Annual Report on Form 10-K are available at: <http://www.oildri.com/investors/>

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## OIL-DRI CORPORATION OF AMERICA

410 North Michigan Avenue  
Suite 400  
Chicago, Illinois 60611-4213

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### PROXY STATEMENT

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### GENERAL INFORMATION

We are mailing you this Proxy Statement and the accompanying proxy for the first time on or about October 30, 2009. Our Board of Directors is soliciting your proxy for use at the 2009 Annual Meeting of Stockholders to be held at 10:30 a.m., local time, on Tuesday, December 8, 2009, at The Standard Club, located at 320 South Plymouth Court, Chicago, Illinois 60604-3802, notice of which accompanies this Proxy Statement, and at any adjournment of the meeting. Whenever we refer in this Proxy Statement to the "Annual Meeting," we are also referring to any meeting that results from an adjournment of the Annual Meeting.

#### Commonly Asked Questions and Answers

##### 1. Why am I receiving these materials?

This Proxy Statement is being delivered to all stockholders of record as of the close of business on October 14, 2009, in connection with the solicitation of proxies on behalf of our Board of Directors for use at the Annual Meeting on December 8, 2009. Although our Annual Report on Form 10-K and Proxy Statement are being delivered together, our Form 10-K should not be deemed to be part of this Proxy Statement.

##### 2. Who is entitled to vote at the 2009 Annual Meeting?

Our Board of Directors has established the close of business on Wednesday, October 14, 2009, as the record date for the 2009 Annual Meeting. Only stockholders of record at the close of business on the record date are entitled to receive notice of, and to vote at, the 2009 Annual Meeting.

Holders of Common Stock are entitled to one vote per share and holders of Class B Stock are entitled to 10 votes per share (on a non-cumulative basis for each director to be elected when voting for the election of directors) and

vote together without regard to class (except that any amendment to our Certificate of Incorporation changing the number of authorized shares or adversely affecting the rights of Common Stock or Class B Stock requires the separate approval of the affected class as well as the approval of both classes voting together). Holders of Class B Stock are entitled to convert any and all of their shares into Common Stock on a share-for-share basis at any time. Shares of Class B Stock are also subject to mandatory conversion under certain circumstances. As of the record date, 5,197,525 shares of Common Stock and 1,915,460 shares of Class B Stock were outstanding.

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### 3. What proposals are being voted on at the 2009 Annual Meeting?

Stockholders are being asked to vote upon the following items of business at the 2009 Annual Meeting:

1. the election of eight directors, each to hold office for a one-year term ending at our 2010 Annual Meeting;
2. the ratification of the appointment of PricewaterhouseCoopers LLP as our independent auditor for the fiscal year ending July 31, 2010;

and to transact such other business as may properly come before the 2009 Annual Meeting. Our Board of Directors knows of no other items of business that will be presented for consideration at the Annual Meeting other than those described in this Proxy Statement. In addition, no stockholder proposal or nomination was received prior to the deadline specified in our Amended and Restated By-Laws, so no such matters may be brought to a vote at the Annual Meeting.

### 4. What are the voting recommendations of the Company's Board of Directors?

Our Board of Directors recommends that you vote your shares as follows:

- **FOR** the election of each of the eight nominees to the Board;
- **FOR** the ratification of the appointment of PricewaterhouseCoopers LLP as the Company's independent auditor for the fiscal year ending July 31, 2010.

### 5. How do I cast my vote?

If you are a stockholder of record, you may vote in several different ways:

#### In person at the 2009 Annual Meeting

You may vote in person at the 2009 Annual Meeting. You may also be represented by another person at the meeting by executing a proxy properly designating that person.

#### By mail

You may vote by completing, signing, dating and returning the enclosed proxy card(s) in the postage-paid envelope we have provided.

#### By telephone

You may vote by calling the telephone number on your proxy card. Please have your proxy card in hand when you call and use any touch-tone phone to transmit your voting instructions. Telephone voting for stockholders of record will be available until 11:59 p.m., Eastern Time, on December 7, 2009.

#### By Internet

You may vote using the Internet by submitting your voting instructions at [www.proxyvote.com](http://www.proxyvote.com). You should have your proxy card available when you go online. If you vote on the Internet, you may also request electronic delivery of future proxy materials. Internet voting for stockholders of record will be available until 11:59 p.m.,

Eastern Time, on December 7, 2009.

If you are the beneficial owner of shares held in [street name] (through a brokerage account or in another nominee form), you must provide instructions to your bank, broker or other nominee as to how your shares should be voted. Your bank, broker or other nominee will usually provide you with the appropriate instruction forms at the time you receive this Proxy Statement. The availability of telephone and Internet voting for beneficial owners of shares held in [street name] will depend on your bank, broker or other nominee. We recommend that you follow the voting instructions on the materials you receive from that entity. If you own your shares in [street name], you must obtain a legal proxy from your broker or other nominee and present it to the Inspector of Election with your ballot to be able to vote in person at the Annual Meeting. Your shares may be voted even if you do not provide the holder with voting instructions. Brokerage firms and banks generally have the authority under New York Stock Exchange ([NYSE]) rules to

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vote on certain [routine matters] for which their customers do not provide voting instructions. Both of the proposals to be presented at the Annual Meeting are considered routine matters.

Unless you decide to change your vote, use only one method to send us your vote. If you vote by telephone or by Internet, you do not have to return your proxy card or voting instruction form; however, even if you plan to attend the Annual Meeting, we recommend that you vote your shares in advance so that your vote will be counted if you later decide not to attend the meeting.

If no contrary instruction is indicated in the proxy, each proxy will be voted [FOR] the election of the eight nominees to our Board of Directors named below and [FOR] the ratification of the appointment of PricewaterhouseCoopers LLP as our independent auditor for the fiscal year ending July 31, 2010. In their discretion, the named proxy holders are authorized to vote on any other matters that may properly come before the Annual Meeting.

#### **6. Can I change my vote?**

Yes, if you vote by proxy, you may revoke that proxy at any time before it is voted at the meeting. If you are the stockholder of record, you may do this by:

- voting again on the Internet or by telephone prior to 11:59 p.m., Eastern Time, on December 7, 2009;
- signing another proxy card with a later date and delivering it to Broadridge Financial Solutions, Inc., 51 Mercedes Way, Edgewood, New York 11717, prior to the meeting; or
- attending the meeting in person and delivering your proxy or casting a ballot.

If your shares are held in [street name] and you have instructed your bank, broker or other nominee to vote your shares, you may revoke those instructions by following the directions received from your bank, broker or other nominee to change those instructions.

#### **7. What constitutes a quorum at the 2009 Annual Meeting?**

A majority of all outstanding shares of Common Stock and Class B Stock entitled to vote at the Annual Meeting constitutes a quorum, which is the minimum number of shares that must be present or represented by proxy at the Annual Meeting to transact business. Abstentions and broker non-votes will be counted for purposes of determining whether a quorum is present. Generally, broker non-votes occur when brokerage firms return proxies for which no voting instructions have been received from beneficial owners and the broker does not have discretionary authority to vote on the proposal. Once a share is represented for any purpose at the Annual Meeting, it will be deemed present for quorum purposes for the remainder of the meeting (including any meeting resulting from an adjournment of the Annual Meeting, unless a new record date is set).

#### **8. How many votes are needed to approve the proposals?**

A director may only be elected by a plurality of votes cast. Accordingly, we count proxies and ballots marked for all nominees listed (including executed proxies not marked regarding the election of directors, which will be voted for all listed nominees), or those voting for some but not all nominees that specify votes withheld for one or more designated nominees, to determine the total number of votes cast for each nominee. The eight nominees who receive the largest number of votes will be elected. Abstentions and broker non-votes have no effect on the outcome of the election of directors. An affirmative majority of the votes present at the meeting or represented by proxy is necessary for ratification of the appointment of PricewaterhouseCoopers LLP as our independent auditor. Any abstention by those present or represented by proxy has the same legal effect as a vote against ratification. Broker non-votes regarding the ratification of the appointment of our independent auditor are deemed not to have been entitled to vote at the meeting and therefore will have no effect on the outcome.

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#### **9. Who will count the vote?**

We have retained Broadridge Financial Solutions, Inc. to tabulate the vote and act as Inspector of Election. Information about Broadridge is available at [www.broadridge.com](http://www.broadridge.com). Proxies and ballots that identify the votes of individual stockholders are kept confidential from the Company's management and directors. Only Broadridge, as the proxy tabulator and Inspector of Election, has access to the ballots, proxy cards and voting instruction forms. Broadridge will disclose information taken from the ballots, proxy cards and voting instruction forms only in the event of a proxy contest or as otherwise required by law.

#### **10. Where can I find the voting results of the 2009 Annual Meeting?**

We intend to announce preliminary voting results at the 2009 Annual Meeting. The final voting results will be included in our Quarterly Report on Form 10-Q for the fiscal quarter ending January 31, 2010.

#### **11. How does a stockholder propose actions for consideration at next year's annual meeting of stockholders?**

For your proposal to be considered for inclusion in our proxy statement for next year's annual meeting, we must receive your written proposal no later than July 2, 2010. Your proposal should be addressed to the Corporate Secretary, Oil-Dri Corporation of America, 410 North Michigan Avenue, Suite 400, Chicago, Illinois 60611-4213. In addition, be aware that your proposal must comply with Securities and Exchange Commission (SEC) regulations regarding inclusion of stockholder proposals in company-sponsored proxy materials and other applicable laws. Although our Board of Directors will consider all proposals, it has the right to omit any proposals it is not required to include. For you to raise a proposal (including director nominations) at next year's annual meeting that will not be included in our proxy statement, we must receive written notice of the proposal between July 2, 2010, and August 1, 2010 (assuming the meeting is held not more than 30 days from December 8, 2010). All such proposals should be addressed to the Corporate Secretary, Oil-Dri Corporation of America, 410 North Michigan Avenue, Suite 400, Chicago, Illinois 60611-4213. In addition, the notice must satisfy all of the other requirements set forth in our Amended and Restated By-Laws and all applicable laws.

#### **12. Can I receive future proxy solicitations on-line?**

Yes, you can consent to receiving all future proxy statements, proxy cards and annual reports via e-mail or the Internet. If you choose this option, you will not receive paper copies of these stockholder communications in the mail. To sign up for electronic delivery, follow the instructions on the enclosed proxy card under the heading "ELECTRONIC DELIVERY OF FUTURE PROXY MATERIALS" to indicate that you agree to receive or access stockholder communications electronically in future years. If you hold your shares through a bank, broker or other nominee, contact that entity for information as to whether and how you can elect electronic delivery.

#### **13. How is the Company complying with the SEC's e-proxy rules?**

Pursuant to "e-proxy" rules adopted by the SEC, we are providing access to this Proxy Statement and our Annual Report on Form 10-K (collectively, "proxy materials") by sending you this full set of proxy materials as well as a proxy card and by notifying you of the availability of our proxy materials on the Internet. SEC rules allow companies to avoid sending to their stockholders paper copies of their proxy materials if, instead, they furnish the proxy materials over the Internet and mail to their stockholders a Notice of Internet Availability of Proxy Materials. Companies, however, are not required to use a Notice of Internet Availability of Proxy Materials under

e-proxy rules and, in lieu of doing so, may continue to send stockholders a full set of their proxy materials. In connection with the 2009 Annual Meeting, we have elected to use the full-set delivery option; however, any stockholder who has previously consented to receive electronic delivery of their proxy materials will continue to receive the materials electronically. We plan to

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continue to monitor cost, stockholder participation and similar considerations as we assess the available options for distribution of our proxy materials in connection with future stockholder meetings.

#### **14. Who may solicit proxies?**

Our directors, officers and employees may solicit proxies on behalf of our Board of Directors via mail, telephone, facsimile, electronic communications and personal contact. Our directors, officers and employees will receive no additional compensation for soliciting proxies.

#### **15. Who pays for the cost of this proxy solicitation?**

We will bear the cost of this proxy solicitation, including reimbursing banks, brokers and other nominees for reasonable expenses of sending out proxy materials to beneficial stockholders.

#### **16. Why did I receive more than one package of proxy materials?**

This means that you have multiple accounts holding shares of Common Stock or Class B Stock. These may include accounts with our transfer agent, Computershare Investor Services, and accounts with a bank, broker or other nominee. Please complete, sign, date and return (or vote via the Internet or telephone with respect to) each proxy card and voting instruction form that you receive with each package of proxy materials to ensure that all of your shares are voted.

#### **17. What if I have additional questions not addressed here?**

You may call Investor Relations at (312) 321-1515 or e-mail Investor Relations at [info@oildri.com](mailto:info@oildri.com).

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## **PROPOSALS**

### **1. Election of Directors**

The Company proposes that the following eight individuals be elected to our Board of Directors. Each nominee currently serves as a director. In connection with the nominations of J. Steven Cole and Allan H. Selig, our Board of Directors, as permitted under our Corporate Governance Guidelines, waived our age 75 service limit, as described under "Corporate Governance Matters" "Director Nominations" below. If any nominee should be unable or unwilling to serve, which is not now contemplated, the proxy holders may, but will not be bound to, vote for a substitute nominee.

#### **THE BOARD OF DIRECTORS RECOMMENDS A VOTE "FOR" THE ELECTION OF THE FOLLOWING NOMINEES AS DIRECTORS.**

Richard M. Jaffee	Age 73	Director since 1958
<i>Chairman of the Board of the Company</i>		

Mr. Jaffee received a degree from the University of Wisconsin School of Business in 1957. He received an honorary Doctor of Humane Letters degree from the Illinois Institute of Technology in 2001. He earned his CPA certificate from the State of Illinois in 1957 and worked briefly for the public accounting firm of Touche Niven, et



al. After service as an officer in the United States Army, he joined the Company in 1958, becoming its president in 1960, a position he held until 1995. He served as Chief Executive Officer of the Company from 1962 until 1997. Mr. Jaffee retired as an employee of the Company in 2001. He has served as Chairman of the Board of the Company since 1962. Mr. Jaffee served as director of Harris Financial Corp., a subsidiary of Bank of Montreal, until his retirement from that board in May 2006. Harris Financial Corp. provides banking and related services to the Company on customary terms. He is Chairman of the Board of Trustees of Rush University Medical Center and Chairman of its Executive Committee. He serves on its Finance Committee and serves ex-officio on all other Rush board committees. He is a trustee of the Illinois Institute of Technology, the Chicago Museum of Science and Industry and the Chicago History Museum. Mr. Jaffee has served on an SEC advisory committee on smaller public companies and on an advisory committee to the Chicago Federal Reserve. Mr. Jaffee is the father of Daniel S. Jaffee, who is a director and our President and Chief Executive Officer and who is also a nominee for director. Mr. Jaffee is also the father-in-law of Thomas F. Cofsky, one of our executive officers.

Daniel S. Jaffee                      Age 45                      Director since 1992  
*President and Chief Executive Officer of the Company*

Mr. Jaffee graduated from Georgetown University in 1986. Mr. Jaffee joined the Company in 1987 after a year with Price Waterhouse. He was a product manager in the Industrial and Agricultural divisions of the Company until 1989. In 1990, he became Chief Financial Officer of the Company, a position he held until 1995. From 1990 to 1995, he also held group vice presidential positions in the areas of Canadian and domestic operations, finance, management, information systems and consumer products. Mr. Jaffee became President of the Company in 1995 and Chief Executive Officer in 1997. He was Chief Operating Officer from 1995 to 1997. Mr. Jaffee received an M.B.A. from the Kellogg Graduate School of Management of Northwestern University in 2004. Mr. Jaffee's civic activities include the Anti-Cruelty Society of Chicago, the Chicago Foundation for Education and the Chicago History Museum. Mr. Jaffee is the son of Richard M. Jaffee, who is the Chairman of our Board of Directors and who is also a nominee for director. Mr. Jaffee is also the brother-in-law of Thomas F. Cofsky, one of our executive officers.

J. Steven Cole                      Age 75                      Director since 1981  
*President, Cole and Associates*

Mr. Cole graduated from the University of Wisconsin in 1957. After serving as an officer in the United States Army, he received a master's degree from the American Graduate School for International Business following graduate studies at the University of Michigan. He began his career at Abbott Laboratories in 1962. Later, he joined G.D. Searle and Company, where he became Vice President of the Asian and Canadian Divisions, a position he held until 1986. In 1986, Mr. Cole joined A.H. Robins Company, where he was a senior vice president responsible for all international operations until 1990. In 1990, he joined SAV-A-LIFE Systems, Inc., a firm selling specialty products to the dental and medical professions, where he served as President until 1994 and then

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Chairman of the Board until 2000. In 1990, Mr. Cole also became president of Cole and Associates, an international consulting firm. Mr. Cole is also a director of Aculux, Inc. He serves on the board of Beat-The-Streets, an organization providing opportunity and direction to under-privileged youth.

Arnold W. Donald  
*Private Investor*

Age 54

Director since 1997

Mr. Donald received a B.A. degree in economics from Carleton College in 1976, earned a B.S. degree in mechanical engineering from Washington University in St. Louis in 1977, and an M.B.A. from the University of Chicago Graduate School of Business in 1980. Mr. Donald joined Monsanto Company in 1977 and became President of Monsanto's Agricultural Group in 1995. In 1998, he was named Corporate Senior Vice President, and in 1999, he also assumed the position of President, Nutrition and Consumer Sector. He served in these positions until 2000, when he became Chairman and Chief Executive Officer of Merisant Company. He served as CEO of Merisant until July 2003 and Chairman until May 2005. From January 2006 to February 2008, Mr. Donald served as President and Chief Executive Officer of the Juvenile Diabetes Research Foundation International. Mr. Donald serves on the not-for-profit boards of United Way of Greater St. Louis, Carleton College, Washington University, Missouri Botanical Gardens, Barnes-Jewish Hospital, Opera Theatre of St. Louis, St. Louis Art Museum and the St. Louis Science Center. Mr. Donald also serves as a director of Carnival Corporation, Harris Financial Corp., Crown Holdings Inc., The Laclede Group and several other private companies through his advisory affiliation with Atlas Holdings and Wind Point Partners. Mr. Donald served on the President's Export Council, an international trade advisory body, from 1998 to 2008.

Joseph C. Miller  
*Vice Chairman of the Board of the Company*  
*Independent Consultant*

Age 67

Director since 1989

Mr. Miller graduated from the West Virginia University School of Business in 1964. After serving as an officer in the United States Army, he joined Republic Steel Corporation in 1966. Mr. Miller served as president of Lowes, Inc., Inland Distributing and Whiteford Transportation Systems. He joined the Company in 1989 as Vice President of Corporate Planning and Marketing. He served as Group Vice President for Sales, Marketing and Distribution from 1990 to 1993. Mr. Miller was Senior Vice President for the Consumer, Industrial & Environmental and Transportation Groups of the Company from 1993 to 1995. He became Vice Chairman of the Board in 1995. Mr. Miller was an employee of the Company until 2000, when he became an independent consultant specializing in strategic planning. Mr. Miller is a director of Prandium, Inc. and a member of the board of advisors of Powell Kleinschmidt, Global Access Point, Deluxe Sheet Metal, Inc. and Union Station Properties.

Michael A. Nemeroff                      Age 46                      Director since 2006  
*President, Vedder Price P.C.*

Mr. Nemeroff received a bachelor's degree from the State University of New York at Binghamton in 1985 and earned a J.D. from the National Law Center of George Washington University in 1988. He joined the law firm of Vedder Price P.C. (Vedder Price) in 1988 and has been the Chairman of the firm's Finance & Transaction Group and an equity partner since 1995. Since 1998, he has served on the firm's Board of Directors. Since 2005, Mr. Nemeroff has served as President of Vedder Price and a member of the Executive Committee of the firm's Board of Directors. Vedder Price regularly provides services to the Company. Mr. Nemeroff serves as a legal advisor to the G100, an elite international organization of leading Chief Executive Officers from Fortune 500 publicly traded corporations. He also serves on the Board of Directors of Chicago Children's Choir, a not-for-profit organization making a difference in the lives of children through musical excellence.

Allan H. Selig                              Age 75                              Director since 1969  
*Commissioner of Major League Baseball*  
*President and Chairman of the Board, Selig Lease Company*

Mr. Selig received a bachelor's degree from the University of Wisconsin in 1956. After two years in the United States Army, Mr. Selig joined Selig Ford, Inc. He served as president of Selig Ford (which became Selig Chevrolet in 1982) from 1959 until 1990. Since 1970, he has served as Chairman of the Board and President of Selig Lease Company. Mr. Selig became President and Chief Executive Officer of the Milwaukee Brewers Baseball Club, Inc. in 1970 and served in that capacity until 1998 when he was elected to the position of Commissioner of Major League Baseball. He also served as Chairman of the Executive Council of Major League Baseball from 1992 to 1998. Mr. Selig is a director of Marcus Corporation and a director emeritus of the Green Bay Packers. In addition, he is a director of the Greater Milwaukee Committee and the Milwaukee Club and a trustee of the Boys and Girls Clubs of Greater Milwaukee. He is a founder and vice chairman of Athletes for Youth and co-founder of the Child Abuse Prevention Fund.

Paul E. Suckow                              Age 62                              Director since 2005  
*Business Fellow and Adjunct Professor, Finance and Economics, Villanova University*

Mr. Suckow received a B.S. degree in economics from Bradley University in 1969 and earned an M.B.A. with a concentration in finance from Western Illinois University in 1973. He began his career in finance in 1973 with

American National Insurance Company as a securities analyst. In 1975, he became a trust investment officer with First Hutchings-Sealy National Bank. From 1978 to 1981, he was Vice President, Investments, for Sun Insurance Services and from 1981 to 1985, Vice President and Portfolio Manager for Delaware Investment Advisers. From 1985 to 1992, Mr. Suckow was Executive Vice President and Director of Fixed Income Securities for Oppenheimer Management Corporation and from 1993 to 1999, he served as Executive Vice President and Chief Investment Officer-Fixed Income for Delaware Investment Advisers, Inc. In 1999, he retired from the investment management industry and began a teaching career as a business fellow and adjunct professor of finance and economics at Villanova University. Mr. Suckow is a director of Prandium, Inc. Since 1978, he has been a Chartered Financial Analyst and is a member of the CFA Institute.

## 2. Ratification of Appointment of Independent Auditor

The Audit Committee of the Board of Directors has appointed PricewaterhouseCoopers LLP as the Company's independent auditor for the fiscal year ending July 31, 2010, and has further directed that we submit the appointment of the independent auditor for ratification by the stockholders at the 2009 Annual Meeting. PricewaterhouseCoopers LLP audited the Company's financial statements for the fiscal year ended July 31, 2009. A representative of PricewaterhouseCoopers LLP is expected to be present at the 2009 Annual Meeting and will have an opportunity to make a statement if he or she so desires and will be available to respond to appropriate questions.

Stockholder ratification of the appointment of PricewaterhouseCoopers LLP as the Company's independent auditor is not required by the Company's Amended and Restated By-Laws or otherwise; however, our Board of Directors is submitting the appointment of PricewaterhouseCoopers LLP to stockholders for ratification as a matter of responsible corporate practice. If the stockholders fail to ratify the appointment, the Audit Committee will reconsider whether to retain that firm. Even if the appointment is ratified, the Audit Committee in its discretion may direct the appointment of a different independent auditor at any time during the year if the Audit Committee determines that such a change would be in the best interests of the Company and its stockholders.

### THE BOARD OF DIRECTORS RECOMMENDS A VOTE FOR RATIFICATION OF THE APPOINTMENT OF PRICEWATERHOUSECOOPERS LLP AS INDEPENDENT AUDITOR.

#### Auditor Fees

The aggregate fees (including reimbursed expenses) for professional services rendered by PricewaterhouseCoopers LLP to us in the fiscal years ended July 31, 2009 and 2008, were:

Type of Fees	2009	2008
Audit fees (1)	\$ 602,782	\$ 637,455
Audit-related fees (2)	8,250	--
Tax fees (3)		
Tax compliance	268,292	230,661
Tax planning	45,500	17,110
All other fees	--	--
Total	\$ 924,824	\$ 885,226

- (1) Audit fees represent fees for professional services provided in connection with the audit of our annual financial statements and review of our quarterly financial statements and audit services provided in connection with other statutory or regulatory filings.
- (2) Audit-related fees in fiscal year 2009 were fees for advice in connection with our responses to an SEC staff comment letter.
- (3)

Tax fees consist of fees for tax compliance and statutory filing preparation ( tax compliance ) and fees for tax planning and advice, both international and domestic ( tax planning ). The tax compliance services consisted primarily of the preparation of original and amended tax returns, claims for refunds and support during any income tax audit or inquiries.

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### **Pre-Approval of Independent Auditor Services**

No services specifically prohibited by the Sarbanes-Oxley Act of 2002 will be provided to the Company by the independent auditor. Permitted services must be pre-approved by the Audit Committee of our Board of Directors. PricewaterhouseCoopers LLP did not render any services relating to financial information systems design and implementation for the fiscal year ended July 31, 2009. None of the services described above were approved pursuant to the de minimus exception provided by Rule 2-01(c)(7)(i)(C) of SEC Regulation S-X.

### **3. Other Matters**

At this time, our Board of Directors is not aware of any matters not referred to herein that might be presented for action at the 2009 Annual Meeting; however, if any other business should properly come before the meeting, votes may be cast in respect to such matters in accordance with the best judgment of the person or persons acting under the proxies.

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## **CORPORATE GOVERNANCE MATTERS**

### **Controlled Company Status**

Our Board of Directors has determined that the Company is a "controlled company" within the meaning of the NYSE Corporate Governance Standards. This determination is based on the fact that Class B Stock having more than 50% of the aggregate voting power of our Common Stock and Class B Stock is owned by the Jaffee Investment Partnership, L.P., a Delaware limited partnership of which Richard M. Jaffee, his spouse Shirley H. Jaffee and Daniel S. Jaffee are general partners. The remaining three general partners are all children of Richard M. and Shirley H. Jaffee. Richard M. Jaffee has eight of the 20 total votes of the general partners and his spouse also has eight votes.

As a controlled company, we are entitled to rely on exemptions from the NYSE Corporate Governance Standards that would otherwise require the Company (a) to maintain a board of directors having a majority of independent directors, (b) to maintain a nominating/corporate governance committee composed entirely of independent directors and (c) to maintain a compensation committee composed entirely of independent directors. We have elected to rely on all three of these exemptions.

### **Director Independence**

Our Board of Directors has determined that the directors listed below are independent from our management within the meaning of the SEC's rules and the NYSE Corporate Governance Standards:

J. Steven Cole	Allan H. Selig
Arnold W. Donald	Paul E. Suckow

While our Board of Directors has not adopted any categorical standards for independence, in making these determinations the Board of Directors noted that none of Messrs. Cole, Donald, Selig and Suckow:

- (a) receives direct compensation from the Company other than director annual retainers and meeting fees paid to current directors;
- (b) has any relationship with the Company or a third party that would preclude independence under the NYSE Corporate Governance

Standards; or

- (c) has any other material relationship with the Company and its management.

In the last three years, we have not made any contributions in excess of \$1 million or 2% of our consolidated gross revenues to any tax-exempt organization in which an independent director serves as an executive officer.

### Executive Sessions of Non-Management Directors

Non-management directors meet in executive sessions of our Board of Directors in which management directors (Messrs. Richard M. and Daniel S. Jaffee) and other members of management do not participate. These sessions are scheduled for non-management directors at all regular meetings of our Board of Directors. Under our Corporate Governance Guidelines, the chairman of our Audit Committee (currently Mr. Cole) presides at all executive sessions of non-management and independent directors unless otherwise determined by the directors attending any given executive session.

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### Board of Directors Committee Membership and Meetings

The following table sets forth the current membership of the committees of our Board of Directors.

Name	Audit	Compensation	Executive
J. Steven Cole	X*		X
Arnold W. Donald	X		
Daniel S. Jaffee			X
Richard M. Jaffee			X*
Joseph C. Miller		X	
Michael A. Nemeroff		X	
Allan H. Selig		X*	
Paul E. Suckow	X		
Number of Meetings in Fiscal 2009	4	3	0

\* Chairman

During the fiscal year ended July 31, 2009 (["fiscal 2009"]), our Board of Directors held five meetings. Each director attended at least 75% of the aggregate of the number of meetings of our Board of Directors and of committees on which he served.

#### **Audit Committee**

The Audit Committee Charter sets out the duties and responsibilities of our Audit Committee. Those duties include:

- selection and appointment of the independent auditor, review of its independence and of other services provided by it, and of the fees and other arrangements regarding its services;
- review with the independent auditor and management of the scope of the audit, and of significant financial reporting issues and judgments;
- review with the independent auditor and management of the annual audited financial statements and of the quarterly financial statements and press releases;
- review with the independent auditor and management of the quality and adequacy of internal controls; and
- preparation of the report required by the rules of the SEC to be included in this Proxy Statement.

A copy of our Audit Committee Charter is available on our website at [www.oidri.com](http://www.oidri.com) and will be provided without charge to any person upon request.

Our Board of Directors has determined that each member of our Audit Committee meets the independence and experience requirements of the NYSE. The Board also has determined that Mr. Cole is an "audit committee financial expert" within the meaning of the rules of the SEC and that he meets the accounting or related financial management expertise standard required by NYSE rules.

### ***Compensation Committee***

Our Compensation Committee is responsible for review and general oversight of our compensation programs, including all programs in which our executive officers participate. Specifically, our Compensation Committee is responsible for:

- determining the compensation, including benefits, of our Chief Executive Officer ("CEO") after reviewing the recommendation of the Chairman of the Board;
- determining the reasonableness of and approving the compensation of our other executive officers as recommended by our CEO (subject to our CEO's authority to make base salary changes in certain circumstances during the course of a fiscal year);
- reviewing and approving the reasonableness of performance measures and payout ranges under our annual incentive plan as these relate to our executive officers and setting payout ranges for our CEO;
- administration of our equity incentive plans with assistance from our human resources staff and granting awards under those plans to employees, including our executive officers, and to non-employee directors; and
- making recommendations to our Board of Directors or stockholders on compensation-related matters.

In carrying out these responsibilities, our Compensation Committee acts on recommendations from and consults with the Chairman of the Board, our CEO and at times our Chief Financial Officer. During fiscal 2009, our Compensation Committee did not retain an executive compensation consultant. Additional details of our processes and procedures for considering and determining executive compensation are in the Compensation Discussion and Analysis that is a part of the Executive Compensation section of this Proxy Statement.

Two members of our Compensation Committee, Messrs. Selig and Miller, are non-employee directors within the meaning of Rule 16b-3 under the Securities Exchange Act of 1934, as amended, and are authorized to act independently with respect to awards made under our equity incentive plans to individuals subject to Section 16 of that act, including our executive officers and directors.

As allowed by a controlled company exemption from the NYSE Corporate Governance Standards, our Compensation Committee is not composed entirely of independent directors; two members, Messrs. Miller and Nemeroff, have not been determined by our Board of Directors to be independent directors. As also allowed by this controlled company exemption, our Compensation Committee does not have a written charter.

### **Compensation Committee Interlocks and Insider Participation**

None of the members of our Compensation Committee is or ever has been an executive officer or employee of the Company, except that Mr. Miller served as an officer of the Company from 1989 to 2000. Mr. Nemeroff, a member of our Compensation Committee, is President of Vedder Price, a law firm that regularly provides services to the Company. There are no Compensation Committee interlocks as defined by SEC rules.

### ***Executive Committee***

Our Executive Committee has all of the powers and authority of our Board of Directors in the management of our business and other affairs, subject only to any limitations provided for in our Certificate of Incorporation and Amended and Restated By-Laws (each as amended from time to time) or imposed by applicable law or the NYSE Corporate Governance Standards. Our Executive Committee does not have a written charter. Our Executive Committee did not hold any meetings during fiscal 2009 and historically has only exercised its authority to act on behalf of the Board in limited circumstances.

## Director Nominations

As allowed by a controlled company exemption from the NYSE Corporate Governance Standards, we do not have a standing nominating committee or other committee of our Board of Directors performing a similar function. As a controlled company, and with six of our eight current directors having served on our Board of Directors for at least 10 years, the Board believes it is appropriate for the Company not to have a nominating committee. It has been our practice, as reflected in our Corporate Governance Guidelines, that our Chairman, Richard M. Jaffee, recommends to the entire Board candidates for nomination to the Board. Directors Richard M. Jaffee, Daniel S. Jaffee, Joseph C. Miller and Michael A. Nemeroff, who have not been determined by the Board to be independent, participate along with the independent directors in the nominating process. Our Board of Directors may also, on a periodic basis, solicit ideas for possible candidates from a number of sources, including our executives, individuals personally known to members of the Board and executive search firms.

Our Corporate Governance Guidelines provide that a director who would be 75 years of age or older at the time of election may not stand for re-election unless the Board postpones or otherwise waives the age 75 service limit as to that director. At its October 15, 2009, meeting, such a waiver was granted with respect to J. Steven Cole, chairman of our Audit Committee, and Allan H. Selig, chairman of our Compensation Committee. Our Board of Directors considered a waiver of the age 75 service limit in these cases appropriate and in the best interests of the Company in light of Mr. Cole's and Mr. Selig's valuable expertise and experience.

We will consider recommendations from stockholders of potential candidates for service on our Board of Directors. Stockholder recommendations of candidates for possible nomination to our Board of Directors must be in writing and must be given either by personal delivery or by United States mail, postage prepaid, to our Corporate Secretary no later than 90 days prior to the anniversary of the date we first mailed our proxy materials for the preceding year's annual meeting. The recommendation must set forth the candidate's name, age, business address and residence address; the candidate's principal occupation or employment; the number of shares of our Common Stock that are beneficially owned by the candidate; a description of all arrangements or understandings between the stockholder making such recommendation and the candidate and any other person or persons (naming such person or persons) pursuant to which the recommendation is being made by the stockholder; detailed biographical data and qualifications and information regarding any potential conflicts of interest that might prevent or otherwise limit the candidate from serving as an effective Board member; and any other information relating to such candidate that would be required to be disclosed in solicitations of proxies for elections of directors, or would otherwise be required, pursuant to the proxy rules of the SEC. The recommendation must also include the name and address, as they appear in our stock records, of the stockholder making the recommendation; the class and number of shares of our stock beneficially owned by the stockholder and the date such shares were acquired by the stockholder; any material interest of the stockholder in such nomination; any other information that would be required to be provided by a proponent of a stockholder proposal pursuant to the proxy rules of the

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SEC; and a statement from the recommending stockholder in support of the candidate, references for the candidate and an indication of the candidate's willingness to serve, if elected.

These director candidate recommendation materials must be sent to the Corporate Secretary at Oil-Dri Corporation of America, 410 North Michigan Avenue, Suite 400, Chicago, Illinois 60611-4213. Properly submitted stockholder recommendations will be given the same consideration and evaluated with the same criteria as internal recommendations.

In evaluating candidates for director, our Board of Directors seeks directors who will best represent the long-term interests of our stockholders. The Board's view is that all directors should possess the highest personal and professional ethics, integrity and values. In evaluating the suitability of the candidates, the Board takes into



consideration such factors as it deems appropriate. These factors may include, among other things, issues of character, judgment, independence, age, expertise, diversity of experience, absence of conflicts of interest, length of service and other commitments. Our Board of Directors evaluates these factors, among others, and considers each individual candidate in the context of the current perceived needs of our Board of Directors as a whole and of committees of the Board.

## **Communication with the Board of Directors**

Our annual meeting of stockholders provides an opportunity each year for stockholders to ask questions of or otherwise communicate directly with members of our Board of Directors. It has been our practice, as reflected in our Corporate Governance Guidelines, that all directors attend in person each annual meeting of stockholders. Seven of the eight incumbent members of the Board attended the 2008 annual meeting in person.

In addition, any stockholder or other interested party may communicate in writing with our Board of Directors, our Audit Committee, our non-management directors, or a particular director by sending a letter addressed to: Board of Directors, Audit Committee, Non-Management Directors, or a particular director at Oil-Dri Corporation of America, c/o Corporate Secretary, 410 North Michigan Avenue, Suite 400, Chicago, Illinois 60611-4213. Stockholders may also report concerns anonymously in this manner.

## **Director Compensation**

We seek to provide a competitive compensation program to attract and retain quality non-employee directors. The compensation received by our non-employee directors, other than Richard M. Jaffee (whose consulting agreement is described in the following paragraph), consists of an annual cash retainer of \$15,000 and a \$2,500 fee for each Board or committee meeting attended in person (\$1,500 for attendance by phone). In addition, Mr. Cole received a \$10,000 cash retainer as chairman of our Audit Committee and Mr. Selig received a \$5,000 cash retainer as chairman of our Compensation Committee. Employee directors do not receive additional compensation for their service on our Board of Directors.

We have a consulting agreement with Richard M. Jaffee, Chairman of our Board of Directors, that was originally entered into in October, 1989 and has since been amended three times. The agreement expires on January 31, 2011, but will automatically renew for additional one-year periods unless either party gives the other at least 90 days prior written notice of termination. Under the terms of the agreement, Mr. Jaffee performs all assignments given him from time to time by our Board of Directors or our President and CEO. He receives an annual consulting fee of \$185,000; he does not receive a retainer or any meeting fees as director. We also provide him with an office and administrative support. In addition, we provide lifetime coverage to Mr. Jaffee and his spouse under our medical plan at no cost to them. This coverage is secondary to the coverage provided to them by Medicare. Because we have a self-insured medical plan, our cost for this coverage is the amount of any actual medical claims we pay. We also pay Mr. Jaffee an annuity of \$45,725 annually that he earned during an earlier five years (2001 to 2006) of his consulting agreement. All directors are eligible to defer cash compensation that they receive from the Company into our executive deferred compensation plan. Mr. Jaffee chose to defer the full amount of his consulting fees and his annuity into our executive deferred compensation plan in fiscal 2009. Mr. Jaffee also receives a pension benefit under our pension plan earned during his years of service as an employee.

The following table sets forth information about compensation paid to our directors for their service in fiscal 2009.

## **Director Compensation Table**

**Change  
in  
Pension  
Value**

Name	and Nonqualified Deferred						Total (\$)
	Fees Earned or	Option Awards (\$) (1)	Non-Equity Incentive Compensation (\$) (2)	Earnings (\$) (2)	All Other Compensation (\$) (2)	Total (\$)	
	Paid in Cash (\$)						
Richard M. Jaffee	--	--	--	\$ 45,235	\$ 185,000	\$ 230,235	
Daniel S. Jaffee (3)	--	--	--	--	--	--	
J. Steven Cole	\$ 46,500	--	--	--	--	\$ 46,500	
Arnold W. Donald	\$ 32,500	--	--	--	--	\$ 32,500	
Joseph C. Miller	\$ 33,000	--	--	--	--	\$ 33,000	
Michael A. Nemeroff	\$ 33,000	--	--	--	--	\$ 33,000	
Allan H. Selig	\$ 36,000	--	--	--	--	\$ 36,000	
Paul E. Suckow	\$ 36,500	--	--	--	--	\$ 36,500	

- (1) There were no option awards to directors in fiscal 2009. Option awards outstanding as of July 31, 2009, are shown in the Directors' Option Awards Outstanding Table below.
- (2) The amount shown consists of earnings in excess of 120% of the applicable federal rate on the aggregate balances in our executive deferred compensation plan in which Richard M. Jaffee, Chairman of our Board of Directors, participates. A portion of the aggregate balances in this plan earns a rate of return of 2.5% in excess of Moody's Annual Average of Yields on Aaa bonds, while the remainder earns a return equal to our long-term cost of borrowing plus 1%. No director other than Mr. Jaffee has elected to participate in this plan. In fiscal 2009, Mr. Jaffee received distributions of \$77,571 from his account in this plan associated with deferrals he made while an employee and officer of the Company.
- (3) Directors who are also employees do not receive additional compensation for their service on our Board of Directors. See the Summary Compensation Table that is a part of the Executive Compensation section of this Proxy Statement for information regarding Mr. Jaffee's compensation as our President and Chief Executive Officer.

#### Directors' Option Awards Outstanding Table

As of July 31, 2009, our directors held the following options to purchase shares of our Common Stock.

Name	Number of Shares
J. Steven Cole	25,000
Arnold W. Donald	25,000
Joseph C. Miller	6,250
Michael A. Nemeroff	12,500
Paul E. Suckow	12,500

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## Corporate Governance Guidelines and Code of Ethics

We have adopted Corporate Governance Guidelines and a Code of Ethics and Business Conduct. The Code of Ethics and Business Conduct applies to all our employees, officers and directors. The Corporate Governance Guidelines and the Code of Ethics and Business Conduct are available on our website at [www.oildri.com](http://www.oildri.com). We will also provide without charge a copy of either or both documents to any person upon request submitted to Investor Relations, Oil-Dri Corporation of America, 410 North Michigan Avenue, Suite 400, Chicago, Illinois 60611-4213, telephone (312) 321-1515. As allowed by a controlled company exemption from the NYSE Corporate Governance Standards, we do not have a corporate governance committee.

## **Certain Relationships and Related Party Transactions**

Our policy concerning related party transactions is a part of our Code of Ethics and Business Conduct. It provides that every employee, officer and director has an obligation to conduct business in a manner that avoids actual or potential conflicts of interest with the Company. Our Code of Ethics and Business Conduct explains what may constitute a conflict of interest, including transactions in which an employee, officer, director or a member of his family receives personal benefits as a result of his position with the Company; transactions between the Company and an employee, officer, director or family member or a firm in which an employee, director or family member has a significant ownership interest; loans to, or guarantees of obligations of, employees, directors or family members; or the acceptance of gifts or special consideration related to our business. All employees or directors who have any influence on transactions involving purchases, sales, contracts or leases are required by our Code of Ethics and Business Conduct to disclose to a senior officer of the Company or to our general counsel the existence of any actual or potential conflict of interest. Each transaction is then evaluated at an appropriate management level to determine if it is in the best interest (or not contrary to the best interest) of the Company, taking into account factors such as whether the transaction is on terms no less favorable than terms generally available to an unaffiliated third party under the same or similar circumstances and the extent of the related person's interest in the transaction. In addition, under our contract approval policy, all contracts obligating the Company to make an individual payment or aggregate payments greater than \$100,000 must be reviewed and approved by our CEO.

As a company controlled by the family of its founder, we from time to time employ family members of current and former employees or directors, but only if they are at least as qualified as other applicants. All offers of employment made to family members of current employees must be approved by our CEO.

We employ Karen Jaffee Cofsky on a part-time basis as Vice President of Compensation and Benefits. She is the daughter of Richard M. Jaffee, the Chairman of our Board of Directors. She is also the spouse of Thomas F. Cofsky and the sister of Daniel S. Jaffee, both of whom are named executive officers of the Company. Mrs. Cofsky's compensation is based on her education, experience and the responsibilities of her position. For fiscal 2009, Mrs. Cofsky received a salary of \$75,417 and a cash award of \$18,100 under our annual incentive plan. Mrs. Cofsky also received an executive deferred bonus award of \$5,430 under our annual incentive plan.

Michael A. Nemeroff, a member of our Board of Directors and of its Compensation Committee, is the President and a director of Vedder Price, a law firm that regularly provides services to the Company. During fiscal 2009, we paid Vedder Price \$316,930 for services provided to the Company.

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## **Report of the Audit Committee of the Board of Directors**

The Audit Committee is a standing committee of the Board of Directors composed solely of independent directors in compliance with the NYSE Corporate Governance Standards. In accordance with its written charter available on our website at [www.oildri.com](http://www.oildri.com), the Audit Committee assists the Board in fulfilling its responsibility for monitoring the integrity of our accounting, auditing, financial reporting and internal controls practices, and our compliance with legal and regulatory requirements.

Our management is primarily responsible for our financial statements and reporting process, including our accounting and financial reporting principles, internal control over financial reporting and disclosure controls and procedures. PricewaterhouseCoopers LLP, our independent registered public accounting firm, is responsible for auditing our consolidated financial statements in accordance with the auditing standards of the Public Company Accounting Oversight Board (United States) and for issuing a report on those statements. PricewaterhouseCoopers LLP is also responsible for expressing an opinion on the effectiveness of our internal control over financial reporting. The Audit Committee oversees the financial reporting process on behalf of the Board. The Audit Committee relies on the expertise and knowledge of our management, internal auditors and independent auditor in carrying out its oversight responsibilities.

The Audit Committee reviewed and discussed our audited consolidated financial statements and related footnotes for the fiscal year ended July 31, 2009, and our independent auditor's report on those financial statements, with our management and internal audit manager.

The Audit Committee discussed with PricewaterhouseCoopers LLP the matters required to be discussed by Statement on Auditing Standards No. 61, as amended (AICPA, Professional Standards, Vol. 1. AU Section 380), as adopted by the Public Company Accounting Oversight Board in Rule 3200T.

The Audit Committee has received the written disclosures and the letter from PricewaterhouseCoopers LLP required by the applicable requirements of the Public Company Accounting Oversight Board regarding the independent accountant's communications with the Audit Committee concerning independence and has discussed with PricewaterhouseCoopers LLP its independence.

Based on the foregoing, the Audit Committee recommended to the Board of Directors that our audited consolidated financial statements for fiscal year 2009 be included in our Annual Report on Form 10-K for the fiscal year ended July 31, 2009 for filing with the SEC.

#### AUDIT COMMITTEE

J. Steven Cole, Chairman  
Arnold W. Donald  
Paul E. Suckow

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## EXECUTIVE OFFICERS

The following table gives certain information with respect to our executive officers.

<b>Name</b>	<b>Principal Occupation for Last Five Years</b>	<b>Age</b>
Daniel S. Jaffee (1)	President and Chief Executive Officer of the Company since 1997.	45
Brian K. Bancroft	Vice President and Chief Procurement Officer of the Company since February 2005; Director of Supply Management, Sara Lee Corporation from November 2000 to February 2005.	42
Charles P. Brissman	Vice President, General Counsel and Secretary of the Company since 2002.	49
Thomas F. Cofsky (2)	Vice President of Manufacturing and Logistics of the Company since 1999.	48
Jeffrey M. Libert	Vice President of Finance of the Company since October 2004 and Treasurer since May 2005; Vice President and Chief Financial Officer of the Company from April 2000 to October 2004.	43
Andrew N. Peterson	Vice President and Chief Financial Officer of the Company since October 2004; Vice President and Chief Financial Officer of Barjan Products, LLC from February 2003 to March 2004.	57

All of our executive officers are appointed annually and serve at the pleasure of our Board of Directors.

- (1) Of the persons in this table, only Daniel S. Jaffee is a director. Daniel S. Jaffee is the son of our Chairman of the Board, Richard M. Jaffee, and the brother-in-law of Thomas F. Cofsky.
- (2) Thomas F. Cofsky is Daniel S. Jaffee's brother-in-law and the son-in-law of our Chairman of the Board, Richard M. Jaffee.

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## EXECUTIVE COMPENSATION

## **Report of the Compensation Committee of the Board of Directors**

The Compensation Committee reviewed and discussed with our management the following Compensation Discussion and Analysis. Based on that review and discussion, the Compensation Committee recommended to the Board of Directors that the Compensation Discussion and Analysis be included in this Proxy Statement.

### COMPENSATION COMMITTEE

Allan H. Selig, Chairman

Joseph C. Miller

Michael A. Nemeroff

## **Compensation Discussion and Analysis**

This compensation discussion and analysis presents an overview of our compensation program, focusing on the elements of compensation awarded or paid to our executive officers, including our CEO, Chief Financial Officer and the other executive officers named in the Summary Compensation Table (collectively, "named executive officers").

### **Compensation Program Oversight**

Our Compensation Committee oversees our philosophies and practices in the area of compensation and benefits (generally with regard to all employees and specifically with regard to our executive officers). Our Compensation Committee ensures that the total compensation paid to our executive officers is fair, reasonable and competitive.

### **Compensation Philosophy and Objectives**

Our compensation philosophy is to provide total compensation opportunities, which include base salary, bonus and a full benefits package, that allow us to attract, retain and incentivize the people we need to carry out our strategic plan, mission, goals and values.

### **Compensation Policy**

Our compensation policy is to provide our executive officers and other salaried employees with compensation opportunities that:

- Are competitive with companies of comparable size;
- Align compensation with the Company's overall performance by including annual incentive opportunities based on Company performance or other pre-determined performance goals and employees' levels of responsibility; and
- Provide longer-term incentives to executive officers and other senior managers to remain with the Company and contribute to our growth.

When comparing our executive compensation with pertinent market data, we refer to publicly available salary surveys prepared and published by several large consulting firms. The surveys we review provide broad-based, anonymous compensation data for a vast range of positions. We review these surveys to

however, target our executive officers' compensation at a certain level or percentage based on other companies' compensation arrangements. Based on our review of these sources, we believe that our compensation policy approximates the median of the marketplace in base salary and the 70<sup>th</sup> percentile in total cash compensation, if full target bonus is paid under our annual incentive plan.

### Overview of Executive Compensation Program and Components

Our compensation program generally provides equivalent benefits for all U.S.-based salaried employees and similar benefits for hourly-paid manufacturing employees. For our senior managers, including our executive officers, we provide additional compensation designed to reward performance and provide retirement benefits commensurate with the executives' earnings during their working lives. For fiscal 2009, the principal components of compensation for our executive officers were:

- Base salary;
- Annual performance-based cash incentive compensation;
- Deferred performance-based cash incentive compensation;
- Retirement benefits; and
- Health and welfare benefits and perquisites.

**Base Salary:** Prior to the beginning of each fiscal year, our human resources staff presents to our Compensation Committee, for its review and approval, proposed merit increase guidelines and proposed shifts in the mid-points of all salary ranges and any proposed change in salary ranges for the upcoming fiscal year.

Our Compensation Committee determines the base salary and other compensation to be paid to our CEO for the upcoming year and reviews and approves our CEO's goals and objectives for that year. In connection with its review and determination, our Compensation Committee considers the input of the Chairman of our Board of Directors, who conducts a detailed review of the performance of our CEO at the end of each fiscal year and presents that review to our Compensation Committee at its first regular meeting of each fiscal year. At that time, our Chairman also presents his recommendation for any change in base salary or other compensation components for our CEO and his recommendation for our CEO's goals and objectives for the upcoming year.

Our Compensation Committee determines the reasonableness of and approves the compensation of our other executive officers as recommended by our CEO. In connection with such determinations, our CEO reviews the performance of, and proposes salary increases for, all managers who report to him, including executive officers other than himself. Any increases are generally based upon the individual's performance during the previous year and/or any significant change in responsibilities for the upcoming year. Our Compensation Committee reviews the reasonableness of any proposed changes in base salary and the total compensation package provided to our executive officers. In conducting its review and making its determinations, our Compensation Committee reviews a three-year history of base salary, cash incentive bonus targets and payouts, and gains on equity awards, prepared by our human resources staff. During the fiscal year, our CEO may change the base salary of the managers who report to him, including our executive officers, without prior approval of our Compensation Committee, due to significant changes in the individual's responsibilities, to be competitive in the market or for other business reasons. Our CEO did not exercise this authority during fiscal 2009.

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During fiscal 2009, and before the salary freeze described below went into effect, increases in base salary for the named executive officers were as follows:

Name	Type of Increase	\$ of	% of
		Increase	Increase
		(1)	(2)
Daniel S. Jaffee	Merit	\$ 17,875	4.68%

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Andrew N. Peterson	Merit	\$ 10,000	4.44%
Thomas F. Cofsky	Merit	\$ 10,000	4.81%
Brian K. Bancroft	Merit	\$ 7,350	3.74%
Charles P. Brissman	Merit	\$ 7,000	3.59%

- (1) The \$ of Increase is the difference in dollars between the base salary in effect at July 31, 2008 (the end of fiscal 2008) and the base salary in effect at the end of fiscal 2009. Not all of the salary adjustments were effective at the beginning of fiscal 2009; some were effective later in the fiscal year.
- (2) The % of Increase is the dollar increase as a percent of the base salary in effect at the end of fiscal 2008.

On June 30, 2009, we announced a one-year salary freeze for all of our employees, including our executive officers. We implemented the freeze to offset in part the effects of continuing weakness in the global economy as well as our largest customer's announced plans to reduce its distribution of our branded cat litter products. Our Compensation Committee has affirmed its support for the salary freeze, and approved the salary freeze with respect to our executive officers. At its October 15, 2009, meeting, our Compensation Committee conducted its annual review of our CEO's performance and reviewed a report by the Chairman on our CEO's performance in fiscal 2009. While those accomplishments historically would have resulted in the Chairman's recommending a merit increase in our CEO's base salary, in light of the salary freeze, the Chairman recommended, and our Compensation Committee agreed, that our CEO's base salary would continue for another year at \$400,000.

**Annual and Deferred Incentive Compensation:** Our annual incentive plan provides an opportunity for essentially all salaried employees (including our executive officers) to earn a performance-based cash incentive award. The annual incentive plan involves communication to employees of expectations for the Company's performance and links Company performance and annual compensation. It provides for broad-based participation, so that each salaried employee recognizes that he or she can contribute to our success.

Our annual incentive plan provides for a target bonus equal to a percentage of each eligible employee's annual base salary. This percentage is determined by salary grade, which reflects the level of responsibility and expected contribution of the employee's position to our financial results. For employees in the higher salary grades (including our executive officers), a larger proportion of their compensation takes the form of at-risk incentive compensation than is the case for employees in the lower salary grades. As part of its annual review of executive compensation, our Compensation Committee sets the bonus opportunity as a percent of base salary for our CEO and determines the reasonableness of the bonus opportunity proposed by our CEO for the other executive officers.

**Annual Incentive Compensation:** Our annual incentive plan provides for the possibility of awards based on corporate financial performance, special performance (including individual, departmental or divisional performance), or a combination of the two. A corporate financial performance measure has been the performance measure used under our annual incentive plan since fiscal 2001. This measure serves to unite all salaried employees to work together to improve the Company's performance. Generally, if we meet our corporate financial performance target, full target bonus is paid to each salaried employee. If we fail to

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meet our corporate financial performance target but meet certain financial performance thresholds, a bonus of less than 100% of target bonus may be paid. If we exceed our corporate financial performance target, bonuses above 100% of target may be paid; however, no employee can receive a bonus greater than 200% of target under this plan.

**Deferred Incentive Compensation:** Our annual incentive plan also provides the opportunity for our senior managers, including our executive officers, to earn an executive deferred bonus award. This award opportunity was added to the plan in fiscal 2007 as part of our effort to reward and retain talented executives. The annual incentive plan also provides for payout of executive deferred bonus awards upon death, retirement, disability or a change in control of the Company. We have established bookkeeping accounts for all executive deferred bonus awards, which earn interest at a rate equal to our long-term cost of borrowing plus 1%. At our CEO's request, he was not eligible for an executive deferred bonus award for fiscal 2007, 2008 or 2009. All of our other executive officers were eligible. Executive deferred bonuses awarded for fiscal 2009 performance will be deferred and paid in full at the end of three years (July 31, 2012) if the executive is still employed by us at that time. Although our CEO was not a participant in that portion of our annual incentive plan, our Compensation Committee considered the dollar value of an executive deferred bonus award our CEO would have received had he been a participant in that portion of our annual incentive plan as a reference in awarding him restricted stock under our 2006 Long Term Incentive Plan in October 2009 (as described under "Long-Term Equity Incentives" below).

**Operation of the Annual Incentive Plan:** At the beginning of each fiscal year, our CEO presents to our Compensation Committee his proposal for the performance measures that will determine calculation of the incentive bonus for that year, along with specific performance targets and payout ranges. Our Chief Financial Officer may participate in this presentation as well. Our Compensation Committee reviews these performance measures, targets and payout ranges and determines their reasonableness as they relate to the total compensation of our executive officers.

For fiscal 2009, the performance measure under the annual incentive plan was our adjusted pre-tax, pre-bonus income as compared with pre-tax, pre-bonus income specified in our fiscal 2009 annual incentive plan. Our adjusted pre-tax, pre-bonus income for fiscal 2009 was determined by adjusting pre-tax income as shown in our fiscal 2009 audited consolidated financial statements as follows: (i) adding the entire amount of annual incentive plan bonus, both cash and executive deferred, awarded for fiscal 2009; and (ii) subtracting the amortization for prior years' executive deferred bonus awards. As a result of these adjustments, the financial performance measure under the annual incentive plan takes into consideration the full amount of any executive deferred bonus in the fiscal year for which it is awarded, rather than amortizing that bonus over its vesting period.

Under that performance measure, employees exempt from the overtime provisions of the Fair Labor Standards Act (the "FLSA"), including our executive officers, would earn bonuses as shown below:

	<b>Adjusted Pre-Tax Pre-Bonus Income</b>	<b>% of Target Bonus Earned</b>
Threshold	\$12,177,000	25%
Target	\$16,619,000	100%
Maximum	\$22,256,000	200%
Actual	\$16,396,000	96%

Additional targets were also specified. If performance fell between two of the specified targets, the target bonus payment percentage would be prorated. No executive deferred bonus was to be awarded unless 75% of target bonus was earned. Employees not exempt from the overtime provisions of the FLSA ("non-exempt employees") would earn 100% of target bonus if payout were made at any of the levels listed above.

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The bonus opportunity for fiscal 2009 as a percent of base salary for the named executive officers is shown below:

	<b>Bonus Opportunity as a % of Base Salary</b>									
	<b>Threshold</b>			<b>Target</b>			<b>Maximum</b>			
	<b>Cash Only (1) Cash Bonus</b>	<b>Cash Bonus</b>	<b>Deferred (2) Defer Bonus</b>	<b>Total Bonus</b>	<b>Cash Bonus</b>	<b>Defer Bonus</b>	<b>Total Bonus</b>	<b>Cash Bonus</b>	<b>Defer Bonus</b>	<b>Total Bonus</b>
Daniel S. Jaffee	12.50%	37.50%	0.00%	37.50%	50.00%	0.00%	50.00%	100.00%	0.00%	100.00%
Andrew N. Peterson	10.00%	30.00%	12.00%	42.00%	40.00%	16.00%	56.00%	80.00%	32.00%	112.00%
Thomas F. Cofsky	10.00%	30.00%	12.00%	42.00%	40.00%	16.00%	56.00%	80.00%	32.00%	112.00%
Brian K. Bancroft	7.50%	22.50%	9.00%	31.50%	30.00%	12.00%	42.00%	60.00%	24.00%	84.00%
Charles P. Brissman	8.25%	24.75%	9.90%	34.65%	33.00%	13.20%	46.20%	66.00%	26.40%	92.40%

- The threshold for payment of a cash bonus was adjusted pre-tax, pre-bonus income corresponding to achievement of 84% of our fiscal 2009 annual incentive plan. That achievement level would result in payment of 25% of target cash bonus. No executive deferred bonus would be awarded at that level of performance.
- The threshold for payment of an executive deferred bonus award was adjusted pre-tax, pre-bonus income corresponding to the achievement of 95% of our fiscal 2009 annual incentive plan. That achievement level would result in an award of 75% of target bonus for both cash and executive deferred bonuses.



Our CEO may exercise discretion in determining the incentive bonus to be paid under the annual incentive plan to any employee, including our executive officers (except himself) by:

- Increasing or decreasing any participant's percent of corporate financial performance bonus earned by up to 25 percentage points, subject to limitations specified in the annual incentive plan. For example, if according to the corporate financial performance measure, 75% of the corporate financial performance bonus has been earned, our CEO may adjust an individual participant's percent of corporate financial performance bonus earned to as little as 50% or as much as 100%.
- Adjusting individual executive deferred bonus awards downward or upward, based on the participant's individual performance and/or the performance of the participant's department or division.
- Awarding a bonus under the annual incentive plan of up to 25% of target bonus (and up to 100% of target bonus for non-exempt employees) if the Company fails to achieve the minimum performance otherwise required for payment of an award, such discretion having been granted by our Compensation Committee for fiscal 2009.

For fiscal 2009, our adjusted, pre-tax, pre-bonus income of \$16,396,000 resulted in incentive bonuses being paid at 96% of target bonus. Annual cash and executive deferred bonus awards are shown in the Summary Compensation Table in the column captioned "Non-Equity Incentive Plan Compensation."

At its regular meeting on October 15, 2009, our Compensation Committee reviewed the annual incentive plan performance measure and targets suggested by our CEO for the fiscal year beginning August 1, 2009 ("fiscal 2010"). The performance measure continues to be corporate financial performance as measured by achievement of target pre-tax, pre-bonus income as specified in the fiscal 2010 annual incentive plan. Annual incentive plan target pre-tax, pre-bonus income for fiscal 2010 will be determined by adjusting pre-tax income as shown in our fiscal 2010 audited consolidated financial statements in the same manner as described above for fiscal 2009. The fiscal 2010 target pre-tax, pre-bonus income levels reflect the very

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challenging economic times and their effect on our business. They are intended to provide eligible employees with the opportunity to earn a cash incentive award even while our one-year salary freeze is in effect.

**Retirement Benefits:** We seek to retain highly qualified executives, including our executive officers, and reward them for their service, by providing the following retirement benefit plans:

- Defined benefit pension plan;
- Supplemental executive retirement plan ("SERP");
- Defined contribution retirement plan; and
- Executive deferred compensation plan.

Retirement benefits under these plans are funded by a combination of employer and employee contributions as described below, thus encouraging employees to take an active part in saving for their own retirement years.

- **Defined benefit pension plan:** All U.S.-based employees participate in our Company-funded defined benefit pension plan. For salaried employees, the pension plan provides for pension benefits based on credited years of service and certain cash compensation (principally, base salary and commissions) earned during the highest paid consecutive five years during the last 10 years of employment. Our hourly-paid manufacturing employees also participate, but with a different pension benefit formula.

- **SERP:** Our SERP provides benefits that would have been provided under our pension plan absent the Internal Revenue Code of 1986, as amended (the "Code"), limitations on benefits and compensation for purposes of calculating benefits, offset by the actual pension benefits. Benefits under the SERP will be paid from our general assets. All employees whose pension plan benefits are limited by the Code will participate in the SERP. Currently, our CEO and our Chief Financial Officer are the only two participants.
- **Defined contribution retirement plan:** All U.S.-based employees are eligible to participate in our 401(k) retirement savings plan. Employees may contribute from 2% to 25% of eligible compensation on a tax deferred basis, subject to Code limits. We make a matching contribution of \$0.50 for each \$1.00 of the first 4% of compensation that employees contribute.
- **Executive deferred compensation plan:** We provide an executive deferred compensation plan to assist executives and non-employee directors in saving for retirement or other financial needs. All executive officers are eligible to participate in this plan. Participating executives may defer up to 50% of base salary and 100% of annual incentive bonus into the plan. We make no contributions. Executives' deferrals earn a return equal to our long-term cost of borrowing plus 1%.

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***Retirement Benefits for the Named Executive Officers shown in the Tables:***

- **Summary Compensation Table:** The actuarial change in pension benefits and SERP benefits and earnings in excess of 120% of the applicable federal rate on deferred compensation plan balances are included in the "Change in Pension Value and Nonqualified Deferred Compensation Earnings" column of the Summary Compensation Table. Our contribution to the 401(k) retirement savings plan is included in the "All Other Compensation" column of that table.
- **Pension Benefits Table:** The present value of the accumulated benefits under the pension plan and the SERP is shown in the "Present Value of Accumulated Benefits" column of the Pension Benefits Table.
- **Nonqualified Deferred Compensation Table:** Contributions by the named executive officers to our executive deferred compensation plan are shown in the "Executive Contributions in Last Fiscal Year" column of the Nonqualified Deferred Compensation Table. Earnings on balances in that plan are included in the "Aggregate Earnings in Last Fiscal Year" column of that table.

**Other Benefits:** We provide health and welfare benefits, including medical and dental coverage and life and long-term disability insurance, which are available to our executive officers on the same terms as they are available to other employees. These benefits help us attract and retain talented employees and provide assistance to current employees and their families.

We provide limited perquisites to our executive officers to assist them in carrying out their duties. These perquisites may include a car allowance and paid parking. The value of these benefits is included in the "All Other Compensation" column of the Summary Compensation Table.

**Employment and Severance Arrangements:** We do not generally enter into written employment or severance agreements with our executive officers nor do we have a severance plan that covers any of our executive officers. We did, however, agree with Charles P. Brissman at the time of his employment that he would receive a minimum of six months severance pay consisting of base salary and medical benefits if he were terminated without cause after two years or more of employment. Our only other provisions for benefits upon termination of employment or change in control are in existing compensation plans and apply to all participants in those plans. For example, our equity incentive plans contain provisions for immediate vesting of benefits upon change in control, retirement, disability or death. The Benefits Upon Termination or Change in Control Table contains additional information concerning benefits upon the termination of employment of the named executive officers.

**Long-Term Equity Incentives:** Beginning in fiscal 2006, we de-emphasized the use of equity incentive compensation in favor of performance-based cash incentives under our annual incentive plan. We continue to recognize, however, that long-term equity incentive compensation can be important in attracting and retaining key employees and outside directors. Generally, we limit long-term equity incentive compensation awards to newly hired or promoted executives and to our CEO to bring his long-term equity incentive compensation closer to the market median. We did not grant any equity awards during fiscal 2009. At its October 15, 2009, meeting, however, our Compensation Committee granted to our CEO an award of 5,182 restricted shares of Class B Stock under the terms of our 2006 Long Term Incentive Plan. The dollar value of the restricted shares award was calculated to equal the dollar amount of an executive deferred bonus award our CEO would have received under our annual incentive plan as a result of our corporate financial performance in fiscal 2009, had he been a participant in that portion of our annual incentive plan. That dollar value was then divided by \$14.82 (the average closing sale price of the Company's Common Stock for the 30 trading days preceding the date of the grant) to determine the number of restricted shares to be granted. The shares will "cliff" vest in full on July 31, 2012. At its October 15, 2009, meeting, our Compensation Committee also stated its current intention to grant to our CEO, at a meeting following the end of fiscal 2010,

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an award of restricted shares of Class B Stock under the terms of our 2006 Long Term Incentive Plan, if our CEO would have received an executive deferred bonus award as a result of our corporate financial performance in fiscal 2010 had he been a participant in that portion of our annual incentive plan. (As was the case in fiscal years 2007 through 2009, our CEO has requested that he not be eligible for an executive deferred bonus award in fiscal 2010.) If granted, we anticipate that the number of restricted shares awarded would be determined by dividing the amount, if any, of an executive deferred bonus award our CEO would have received under our annual incentive plan for fiscal 2010, had he been a participant in that portion of our annual incentive plan, divided by the average closing sale price of our Common Stock for the 30 trading days preceding the date of the grant (or other similar measure determined to be appropriate by our Compensation Committee).

**Equity Grant Practices:** We have a formal equity grant policy, adopted by our Board of Directors in 2007, which provides that equity awards generally should be made by our Compensation Committee at a regularly scheduled meeting or by our CEO under limited authority granted to him. Our CEO may make grants of either stock options or restricted stock, but the total number of either stock options or shares of restricted stock that our CEO may grant is limited and the maximum employee award is designated by the employee's salary grade. Our CEO may generally make awards only four times each year, during the two-week period beginning the third business day following our quarterly earnings release. If the grant date is not a NYSE trading day, then the grant date will be the immediately preceding NYSE trading day. Only our Compensation Committee, however, may make grants to our executive officers or directors or eligible members of their immediate families.

Prior to the adoption of our formal policy, in the case of grants made by our Compensation Committee, the grant date has either been the date our Compensation Committee met and approved grants or signed a unanimous written consent, or a future date specified in our Compensation Committee's resolution, such as the date of hire of a new employee. In the case of grants made by our CEO, the grant date has been the date a formal grant authorization was signed by our CEO. The exercise price has always been the closing sale price of our Common Stock on the date of grant.

**Stock Ownership Guidelines:** We do not have guidelines or requirements for stock ownership by our executive officers or our directors.

## Tax and Accounting Implications

**Limitation on Tax Deductibility:** Section 162(m) of the Code limits to \$1 million the tax deduction we may take for compensation paid to our CEO and the other named executive officers unless the compensation is "performance-based" and paid under a formal compensation plan that meets the Code's requirements. Currently, awards made by our Compensation Committee do not qualify for the "performance-based" exception to the limitation on deductibility. Historically, Section 162(m) has not had a material effect on our compensation philosophy, tax planning or financial reporting. To maintain flexibility, however, we have no policy requiring that all compensation paid to the named executive officers be fully deductible.

**Nonqualified Deferred Compensation:** Section 409A of the Code changed the tax rules that affect most forms of deferred compensation that were not earned and vested prior to January 1, 2005. We amended and restated all of our benefit plans that include deferred compensation elements in compliance with Section 409A. We believe we have been operating in good faith with Section 409A since its January 1, 2005 effective date.

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**Accounting for Stock-Based Compensation:** On August 1, 2005, we began accounting for stock-based payments under our equity incentive plans in accordance with the requirements of Statement of Financial Accounting Standards No. 123 (revised 2004) (SFAS 123R).

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### Summary Compensation Table

The following table summarizes the total compensation the Company paid or accrued for services provided by the named executive officers. The named executive officers are our CEO, Chief Financial Officer and the three other most highly compensated executive officers during the fiscal year ended July 31, 2009.

Name and Principal Position	Fiscal Year	Salary (\$)	Bonus (\$)	Stock Awards (\$) (1)	Option Awards (\$) (1)	Non-Equity Incentive Plan Compensation (\$) (2)	Change in Pension Value and Nonqualified Deferred Compensation Earnings (\$) (3)	All Other Compensation (\$) (4)
Daniel S. Jaffee President and Chief Executive Officer	2009	\$ 400,000	--	\$ 283,878	\$ 4,572	\$ 192,000	\$ 104,234	\$ 37,301
	2008	\$ 382,125	--	\$ 284,646	\$ 27,140	\$ 244,560	\$ 20,845	\$ 40,447
	2007	\$ 367,425	--	\$ 283,878	\$ 27,063	\$ 324,253	\$ 16,250	\$ 38,480
Andrew N. Peterson Vice President and Chief Financial Officer	2009	\$ 235,000	--	--	\$ 36,661	\$ 126,336	\$ 23,069	\$ 18,246
	2008	\$ 225,000	--	--	\$ 36,702	\$ 161,280	\$ 9,424	\$ 14,476
	2007	\$ 197,500	--	--	\$ 36,596	\$ 170,808	\$ 7,893	\$ 10,852
Thomas F. Cofsky Vice President of Manufacturing and Logistics	2009	\$ 217,167	--	--	\$ 2,408	\$ 116,749	\$ 52,221	\$ 22,771
	2008	\$ 207,333	--	--	\$ 13,756	\$ 148,617	\$ 12,864	\$ 18,440
	2007	\$ 197,833	--	--	\$ 13,719	\$ 195,538	\$ 10,740	\$ 13,716
Brian K. Bancroft Vice President and Chief Procurement Officer	2009	\$ 204,000	--	--	\$ 15,763	\$ 82,253	\$ 9,893	\$ 15,940
	2008	\$ 196,650	--	\$ 19,298	\$ 15,788	\$ 105,719	\$ 2,557	\$ 11,868
	2007	\$ 183,750	--	\$ 30,900	\$ 15,787	\$ 136,214	\$ 2,366	\$ 12,438
Charles P. Brissman Vice President, General Counsel and Secretary	2009	\$ 200,250	--	--	\$ 1,918	\$ 88,815	\$ 19,281	\$ 16,826
	2008	\$ 192,500	--	--	\$ 20,172	\$ 113,837	\$ 5,783	\$ 13,826
	2007	\$ 181,250	--	--	\$ 44,849	\$ 144,374	\$ 4,539	\$ 10,568

- (1) The amounts reported reflect the compensation cost, without any reduction for the risk of forfeiture, recognized by us for financial statement reporting purposes for the fiscal year in accordance with SFAS 123R. The amounts do not reflect compensation actually received by the named executive officers. The assumptions used in calculation of these amounts are disclosed in Note 8 of the notes to our audited consolidated financial statements in our Annual Report on Form 10-K for the fiscal year ended July 31,

2009. There were no new awards to the named executive officers in fiscal 2009. The expense recognized is related to awards made in prior years that have not yet fully vested.

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- (2) The 2009 amounts reflect award of 96% of target cash and executive deferred bonuses under our annual incentive plan for fiscal 2009. Cash bonuses earned are paid following completion of the specified fiscal year. Executive deferred bonuses are awarded based on performance during the specified fiscal year and generally vest (become payable) according to a vesting schedule established by our Compensation Committee for each fiscal year's award as described above under "Compensation Discussion and Analysis" Annual and Deferred Incentive Compensation. Executive deferred bonuses awarded for fiscal 2009 vest on July 31, 2012.

The cash and executive deferred bonuses awarded to the named executive officers for fiscal 2009 are shown below. At his request, Mr. Jaffee was not a participant in the executive deferred bonus portion of our annual incentive plan in fiscal 2009.

### Non-Equity Incentive Plan Compensation Table

Name	Cash	Executive Deferred Bonus	Total
Daniel S. Jaffee	\$ 192,000	--	\$ 192,000
Andrew N. Peterson	\$ 90,240	\$ 36,096	\$ 126,336
Thomas F. Cofsky	\$ 83,392	\$ 33,357	\$ 116,749
Brian K. Bancroft	\$ 58,752	\$ 23,501	\$ 82,253
Charles P. Brissman	\$ 63,439	\$ 25,376	\$ 88,815

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- (3) The amounts shown in this column for fiscal 2009 are described in the following table:

### Change in Pension Value and Nonqualified Deferred Compensation Earnings Table

Name	Change in Pension Value	Nonqualified Deferred Compensation Earnings	Total
	(\$) (1)	(\$) (2)	
Daniel S. Jaffee	\$ 93,763	\$ 10,471	\$ 104,234
Andrew N. Peterson	\$ 20,789	\$ 2,280	\$ 23,069
Thomas F. Cofsky	\$ 41,037	\$ 11,184	\$ 52,221
Brian K. Bancroft	\$ 8,226	\$ 1,667	\$ 9,893
Charles P. Brissman	\$ 17,503	\$ 1,778	\$ 19,281

- (1) The amounts in this column include the increase in the actuarial present value of benefits under our pension plan during the fiscal year. For Daniel S. Jaffee and Andrew N. Peterson, the amount shown also includes the increase in the actuarial present value of benefits under our SERP. As of July 31, 2009, Messrs. Peterson and Bancroft had less than the five years of service necessary for them to vest under our pension plan.
- (2) The amount shown in this column for Mr. Jaffee represents earnings from our executive deferred compensation plan that exceed 120% of the applicable federal rate. The amount shown in this column for Mr. Cofsky represents earnings from our executive deferred compensation plan and earnings from the executive deferred bonus portion of our annual incentive plan that exceed 120% of the applicable federal rate. The amounts shown in this column for Messrs. Peterson, Bancroft and Brissman each represent

earnings from the executive deferred bonus portion of our annual incentive plan that exceed 120% of the applicable federal rate.

(4) The amounts shown in this column for fiscal 2009 are described in the following table:

### All Other Compensation Table

Name	Perquisites (\$) (1)	Dividends on Unvested Restricted Stock (\$) (2)	Interest Earned on Executive Deferred Bonus (\$) (3)	401(k) Plan Company Matching Contributions (\$)	Total (\$)
Daniel S. Jaffee	\$ 11,330	\$ 21,263	--	\$ 4,708	\$ 37,301
Andrew N. Peterson	\$ 6,659	--	\$ 6,970	\$ 4,617	\$ 18,246
Thomas F. Cofsky	\$ 10,904	--	\$ 7,250	\$ 4,617	\$ 22,771
Brian K. Bancroft	\$ 6,709	\$ 406	\$ 5,095	\$ 3,730	\$ 15,940
Charles P. Brissman	\$ 6,809	--	\$ 5,435	\$ 4,582	\$ 16,826

- (1) Perquisites for the named executive officers generally consist of auto allowances, paid parking and airline executive club memberships. The amounts shown reflect the actual cost to us for providing these perquisites. The perquisites received by Daniel S. Jaffee consisted of the following which were paid by the Company: \$6,300 auto allowance, \$4,030 parking, \$675 remote Internet access and \$325 airline executive club membership. The perquisites received by Thomas F. Cofsky consisted of the following which were paid by the Company: \$6,300 auto allowance, \$4,030 parking, \$215 remote Internet access and a nominal recognition award valued at \$359.
- (2) Amounts shown represent dividend payments on unvested shares of restricted stock held by the named executive officers that are reportable as ordinary income.
- (3) Executive deferred bonuses awarded under our annual incentive plan earn interest at a rate equal to our long-term cost of borrowing plus 1% as described above under "Compensation Discussion and Analysis" Annual and Deferred Incentive Compensation. The amounts shown are the interest earned on all unvested executive deferred bonus awards, regardless of the fiscal year in which the awards were earned.

### Grants of Plan-Based Awards during Fiscal Year 2009

The following table discloses the potential range of cash bonus awards and executive deferred bonus awards targeted for fiscal year 2009 performance under our annual incentive plan as described in "Compensation Discussion and Analysis" Annual and Deferred Incentive Compensation above. There were no equity grants awarded in the fiscal year ended July 31, 2009, to any of the named executive officers.

Name	Estimated Future Payouts Under Non-Equity Incentive Plan Awards (1)					
	Threshold		Target		Maximum	
	Cash Bonus (\$)	Deferred Bonus (\$)	Cash Bonus (\$)	Deferred Bonus (\$)	Cash Bonus (\$)	Deferred Bonus (\$)
Daniel S. Jaffee	\$ 50,000	--	\$ 200,000	--	\$ 400,000	--
Andrew N. Peterson	\$ 23,500	\$ 28,200	\$ 94,000	\$ 37,600	\$ 188,000	\$ 75,200
Thomas F. Cofsky	\$ 21,717	\$ 26,060	\$ 86,867	\$ 34,747	\$ 173,733	\$ 69,493
Brian K. Bancroft	\$ 15,300	\$ 18,360	\$ 61,200	\$ 24,480	\$ 122,400	\$ 48,960
Charles P. Brissman	\$ 16,521	\$ 19,825	\$ 66,083	\$ 26,433	\$ 132,165	\$ 52,866

- (1) For a discussion of the performance metrics applicable to these awards, see [Compensation Discussion and Analysis] [Operation of the Annual Incentive Plan] above. The table refers to these amounts in future terms, but the amounts have already been paid or accrued to the named executive officers' accounts. The full amounts of cash and executive deferred bonuses awarded for fiscal 2009 are disclosed in the Summary Compensation Table in the column captioned [Non-Equity Incentive Plan Compensation].

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### Outstanding Equity Awards at Fiscal 2009 Year End

The following table provides information on the unexercised stock options and unvested restricted stock held by the named executive officers as of July 31, 2009. The options held by Daniel S. Jaffee and Thomas F. Cofsky are for shares of Class B Stock. The options held by the other named executive officers are for shares of Common Stock.

Name	Option Awards				Stock Awards	
	Number of Securities Underlying Unexercised Options (#) Exercisable	Number of Securities Underlying Unexercised Options (#) Unexercisable	Option Exercise Price (\$)	Option Expiration Date	Number of Shares or Units of Stock That Have Not Vested (#)	Market Value of Shares or Units of Stock That Have Not Vested (\$)
Daniel S. Jaffee	28,421	--	\$ 4.920	10/12/2011	(1)	
	15,625	--	\$ 9.432	9/23/2013		\$ 551,250
Andrew N. Peterson	23,437	7,813	\$ 12.000	10/8/2014		
Thomas F. Cofsky	12,500	--	\$ 6.900	2/28/2010		
	25,000	--	\$ 4.920	10/12/2011	(1)	
	6,250	--	\$ 9.432	9/23/2013		
Brian K. Bancroft	3,125	3,125	\$ 14.760	2/1/2015		
Charles P. Brissman	18,200	--	\$ 5.888	10/21/2012		
	12,500	--	\$ 9.432	9/23/2013		

All option awards listed have a 10-year term. Except as otherwise noted below, all the option awards vest ratably over four years commencing on the second anniversary of the grant date.

- (1) Vested 50% on the second anniversary of the grant date and 50% on the seventh anniversary of the grant date.
- (2) Restricted shares of Class B Stock awarded March 14, 2006; 17,500 shares will vest on December 6, 2009, and 17,500 shares will vest on December 6, 2010.
- (3) Market value calculated using the closing sale price of our Common Stock on July 31, 2009, which was \$15.75.

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## Option Exercises and Stock Vested for Fiscal 2009

The following table provides information for the named executive officers on:

- the number of shares of the Company's stock acquired and the value received from stock option exercises during fiscal 2009; and
- the number of restricted shares of the Company's stock that vested and the value received upon vesting during fiscal 2009.

The shares acquired by Daniel S. Jaffee and Thomas F. Cofsky were shares of Class B Stock. The shares acquired by Charles P. Brissman were shares of Common Stock.

Name	Option Awards		Stock Awards	
	Number of Shares Acquired on Exercise (#)	Value Realized on Exercise (\$)(1)	Number of Shares Acquired on Vesting (#)	Value Realized on Vesting (\$)(1)
Daniel S. Jaffee	9,079	\$ 119,037	17,500	\$ 296,625
Andrew N. Peterson	--	--	--	--
Thomas F. Cofsky	3,125	\$ 19,844	--	--
Brian K. Bancroft	--	--	--	--
Charles P. Brissman	19,300	\$ 202,122	--	--

- (1) The Value Realized represents the difference between the fair market value of our Common Stock on the date of exercise (or vesting, in the case of restricted stock) and the grant price, multiplied by the number of shares acquired or vested.

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## Pension Benefits for Fiscal 2009

**Defined benefit pension plan:** All U.S.-based employees participate in our non-contributory, tax-qualified, defined benefit pension plan once they reach age 21 and complete one year of service. For salaried employees, including the named executive officers, the pension plan provides for pensions based on credited years of service (capped at 30 years) and Final Average Compensation.

The normal form of benefit is a life annuity with five years certain, payable at normal retirement age. The standard form of payment for a participant who is married is a 50% joint and survivor annuity. Other forms of benefit are available. Each form of benefit has approximately the same relative value. The formula for computation of the normal form of benefit is:

$$\begin{aligned}
 & 0.55\% \text{ of Final Average Compensation} \\
 & + 0.55\% \text{ of Final Average Compensation which exceeds} \\
 & \quad \text{Social Security Covered Compensation}
 \end{aligned}$$

Multiplied by years of credited service

Final Average Compensation is the monthly average of the participant's compensation paid during the highest paid consecutive five years during the last 10 years of employment. Compensation for pension plan purposes consists of certain cash compensation, principally base salary and commissions. Social Security Covered Compensation is the average of the taxable wage bases in effect for each calendar year in the 35-year period ending with the year the participant attains Social Security retirement age.



A participant's right to an accrued benefit becomes non-forfeitable after five years of vesting service. Normal retirement age under the plan is age 65, or the date a participant completes five years of vesting service, if later. Salaried participants who have 10 years of service can receive actuarially reduced early retirement benefits as early as age 55. The present value of the accumulated benefit is the same regardless of whether a participant begins to receive benefits at age 65 or at an earlier age. We do not subsidize early retirement benefits.

If a married participant with a non-forfeitable benefit dies prior to commencement of benefit payments, the participant's spouse will be entitled to a survivor annuity equal to the amount the spouse would have been entitled to receive under a 50% joint and survivor annuity.

**SERP:** Our SERP provides benefits that would have been provided under our pension plan absent Code limitations on benefits and on compensation for purposes of calculating benefits, offset by the actual pension benefits. All employees whose pension plan benefits are limited by those Code limitations may participate in the SERP. Currently, Daniel S. Jaffee and Andrew N. Peterson are the only two participants. Benefits provided under the SERP are paid in five equal annual installments beginning six months after the participant's separation from service; however, if upon termination of employment the present value of the participant's accumulated benefits does not exceed \$50,000, payment will be made in a lump sum, six months after separation from service.

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The following table shows the present value of the accumulated benefits under the pension plan and under the SERP for each of the named executive officers. No payments were made to any named executive officer under the pension plan or the SERP during fiscal 2009.

Name	Plan Name	Number of	Present Value
		Credited	of
		Service	Accumulated
		(#)	Benefits
		(1)	(\$)
			(2)
Daniel S. Jaffee	Pension Plan	21.75	\$ 137,908
	SERP	21.75	\$ 118,318
Andrew N. Peterson	Pension Plan	4.81	\$ 50,894
	SERP	4.81	\$ 325
Thomas F. Cofsky	Pension Plan	22.33	\$ 133,441
Brian K. Bancroft	Pension Plan	4.49	\$ 16,968
Charles P. Brissman	Pension Plan	6.78	\$ 42,568

- (1) Credited service is actual years of employment with the Company.
- (2) The amounts shown for Messrs. Bancroft and Peterson had not yet vested as of July 31, 2009. The assumed retirement age used to calculate the actuarial present value for each named executive officer's accumulated benefits is age 65, the age at which each named executive officer would be eligible to receive unreduced benefits. The other assumptions used are the same as those used to prepare the pension disclosures in Note 9 of the notes to our audited consolidated financial statements in our Annual Report on Form 10-K for the fiscal year ended July 31, 2009.

### Nonqualified Deferred Compensation for Fiscal 2009

We provide an executive deferred compensation plan in which all executive officers and other senior managers are eligible to participate. Participating executives may defer up to 50% of base salary and 100% of annual cash incentive bonus into the plan. The Company makes no contributions. Executives' deferrals earn a return equal to our long-term cost of borrowing plus 1%. Participants are entitled to receive a distribution from their account balances at the earlier of the end of their elected deferral period or upon death or termination of employment prior to age 55. Accounts are distributed in a single lump sum, or in certain circumstances, annual installments over a period of up to 15 years as elected by the participant. In the event of an unforeseen emergency, a participant may apply to the administrative committee of the plan for payment of an amount from the participant's account balance sufficient to satisfy the emergency need. The plan will terminate upon a change

in control of the Company. Immediately prior to such a change in control, or as soon as possible following a change in control, each participant will be paid his account balance. Our executive deferred compensation plan is unfunded and subject to the claims of our creditors.

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The following table shows contributions, earnings and balances in our executive deferred compensation plan for the named executive officers during fiscal 2009.

Name	Registrant Aggregate			Aggregate Withdrawals/ Distributions/ Year End (\$)	Aggregate Balance at Last Fiscal Year End (\$)
	Executive Contributions in Last Fiscal Year (\$) (1)	Contributions in Last Fiscal Year (\$) (2)	Earnings in Last Fiscal Year (\$) (3)		
Daniel S. Jaffee	\$ 19,200	--	\$ 31,862	--	\$ 509,417
Andrew N. Peterson	--	--	--	--	--
Thomas F. Cofsky	\$ 40,000	--	\$ 26,828	--	\$ 438,029
Brian K. Bancroft	--	--	--	--	--
Charles P. Brissman	--	--	--	--	--

(1) The amounts in this column are voluntary deductions from salary and cash incentive awards by the named executive officers.

(2) We make no contribution to the executive deferred compensation plan.

(3) We credit the accounts under the terms of the plan with a return equal to our long-term cost of borrowing plus 1%. The amounts shown include the following amounts exceeding 120% of the applicable federal rate and reported as compensation to the following named executive officers in the Summary Compensation Table: Daniel S. Jaffee \$10,471 and Thomas F. Cofsky \$8,812.

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## Equity Compensation Plans

The following table provides information as of July 31, 2009, about our equity compensation plans and stock that may be issued upon the exercise of options and rights that have been or may be granted to employees or members of our Board of Directors under those plans.

Plan Category	Number of Shares of Stock to be Issued Upon Exercise of Outstanding Options		Weighted Average Exercise Price of Outstanding Options	Number of Shares of Stock Remaining Available for Future Issuance Under Equity Compensation Plans (excluding those listed in the first column)
Equity Compensation Plans Approved by our Stockholders (1)	105,921	Class B Stock	\$ 6.75	
	338,763	Common Stock	\$ 9.98	
	444,684	(2)	\$ 9.21	790,000 (4)
Equity Compensation Plans Not Approved by our Stockholders (3)	60,250	Common Stock	\$ 8.61	--

Total	504,934	Common and Class B Stock	\$ 9.14	790,000
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- (1) These plans are our 1995 Long-Term Incentive Plan and 2006 Long Term Incentive Plan.
- (2) Under these plans, awards made to members of the Jaffee family are for shares of Class B Stock. Awards made to other employees or non-employee directors are for shares of Common Stock.
- (3) This plan is our Outside Director Stock Plan that was adopted by our Board of Directors in 1998. The Outside Director Stock Plan provides for grants of stock options to non-employee directors at an option price per share of 100% of the fair market value of Common Stock on the date of grant. Stock options have been granted to our directors for a 10-year term with a one-year vesting period. All stock issued under the plan is issued from shares held in our treasury.
- (4) Prior to issuance of awards under these plans, it is not possible to determine whether awards will be for shares of Common Stock or shares of Class B Stock. Awards made to members of the Jaffee family will be for shares of Class B Stock. Awards made to other employees or non-employee directors will be for shares of Common Stock.

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### **Benefits upon Termination or Change in Control**

The following summaries and table set forth potential payments to the named executive officers upon termination of their employment or a change in control of the Company. None of the named executive officers meet the qualifications for normal or early retirement benefits, so those termination scenarios are not shown.

We do not have a severance plan which covers any of the named executive officers and generally have no employment or severance agreements with the named executive officers, except that we agreed with Charles P. Brissman at the time of his employment that he would receive a minimum of six months severance pay consisting of base salary and medical benefits if he were terminated without cause after two years or more of employment.

Our only other provisions for benefits upon termination of employment or change in control are in existing compensation plans and apply to all participants in those plans.

- Our annual incentive plan provides for immediate vesting and payment, as allowed by law, of a participant's executive deferred bonus award account upon the participant's death, disability or retirement with age plus years of service equal to 80, or change in control of the Company.
- Our equity incentive plans (the 1995 Long-Term Incentive Plan and the 2006 Long Term Incentive Plan) and the agreements issued under those plans provide for immediate vesting of restricted stock and immediate vesting and exercisability of stock options upon a participant's death, disability or a change in control of the Company. Upon retirement with age plus years of service equal to 80, all stock options become immediately vested and exercisable. Upon any of these termination events, the participant, or his beneficiary in the case of the participant's death may exercise any outstanding stock options for a period of three years or until their expiration dates, whichever occurs first.

The table below does not include amounts payable to the named executive officers under plans that are generally available on the same basis to all of our salaried employees, such as payments under the pension plan, the 401(k) plan, the life insurance plan, the disability insurance plan and payment of prorated annual incentive compensation. For information regarding pension plan benefits see "[Pension Benefits for Fiscal 2009]" above.

The table also does not include balances under our executive deferred compensation plan. Those balances and the circumstances under which the named executive officers may receive distributions from that plan are disclosed in the Nonqualified Deferred Compensation Table and the introduction to that table.

The amounts shown assume that each named executive officer's employment terminated on July 31, 2009, the last day of our most recently completed fiscal year, and when applicable, the closing sale price of our Common Stock on that date of \$15.75.

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Name	Vesting of Awards under Incentive Plans				Total (\$)
	Separation Benefit (\$) (1)	Annual Incentive Plan Deferred Account (\$) (2)	1995 Long-Term Incentive Plan (\$) (3)	2006 Long-Term Incentive Plan (\$) (3)	
<b>DANIEL S. JAFFEE</b>					
Voluntary Separation	--	--	--	--	--
Involuntary Not for Cause Termination	--	--	--	--	--
Involuntary for Cause Termination	--	--	--	--	--
Change in Control	--	--	--	\$ 551,250	\$ 551,250
Death	--	--	--	\$ 551,250	\$ 551,250
Disability	--	--	--	\$ 551,250	\$ 551,250
<b>ANDREW N. PETERSON</b>					
Voluntary Separation	--	--	--	--	--
Involuntary Not for Cause Termination	--	--	--	--	--
Involuntary for Cause Termination	--	--	--	--	--
Change in Control	--	\$ 141,332	\$ 29,299	--	\$ 170,631
Death	--	\$ 141,332	\$ 29,299	--	\$ 170,631
Disability	--	\$ 141,332	\$ 29,299	--	\$ 170,631
<b>THOMAS F. COFSKY</b>					
Voluntary Separation	--	--	--	--	--
Involuntary Not for Cause Termination	--	--	--	--	--
Involuntary for Cause Termination	--	--	--	--	--
Change in Control	--	\$ 142,810	--	--	\$ 142,810
Death	--	\$ 142,810	--	--	\$ 142,810
Disability	--	\$ 142,810	--	--	\$ 142,810
<b>BRIAN K. BANCROFT</b>					
Voluntary Separation	--	--	--	--	--
Involuntary Not for Cause Termination	--	--	--	--	--
Involuntary for Cause Termination	--	--	--	--	--
Change in Control	--	\$ 100,417	\$ 3,094	--	\$ 103,511
Death	--	\$ 100,417	\$ 3,094	--	\$ 103,511
Disability	--	\$ 100,417	\$ 3,094	--	\$ 103,511
<b>CHARLES P. BRISSMAN</b>					
Voluntary Separation	--	--	--	--	--
Involuntary Not for Cause Termination	\$ 105,721	--	--	--	\$ 105,721
Involuntary for Cause Termination	--	--	--	--	--
Change in Control	--	\$ 107,431	--	--	\$ 107,431
Death	--	\$ 107,431	--	--	\$ 107,431
Disability	--	\$ 107,431	--	--	\$ 107,431

(1) The amount shown represents six months of base salary and six months of the Company portion of the cost of the named executive officer's medical benefits.

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- (2) The amount shown is the named executive officer's balance in his executive deferred bonus account of our annual incentive plan. As explained above, unvested executive deferred bonus awards become immediately vested upon the events listed.
- (3) The amount shown represents, as of July 31, 2009: (a) the fair market value of any unvested shares of restricted stock and/or (b) the excess of the fair market value of the shares of stock underlying unvested stock options over the option exercise price. As explained above, previously unvested shares of restricted stock and stock options become immediately vested upon the events listed.

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## STOCK OWNERSHIP

### Principal Stockholders

The following table sets forth information as of October 14, 2009, except as noted below, regarding beneficial ownership of our Common Stock and Class B Stock by each person or group known to us to hold more than five percent of either class. See "Security Ownership of Management" below for information on beneficial ownership of our Common Stock and Class B Stock by our directors and executive officers.

Name and Address of Beneficial Owner	Title of Class	Amount and Nature of Beneficial Ownership (1)		Percentage of Outstanding Stock of Class	Percentage of Aggregate Voting Power of Common Stock and Class B Stock
		Number of Shares of Common Stock and Class B Stock			
Richard M. Jaffee(6)(9)(15) 410 N. Michigan Avenue Chicago, IL 60611	Common Stock:	--	--	--	--
	Class B Stock:	409,558	(2)(3)(5)	21.38%	16.82%
Daniel S. Jaffee(6) 410 N. Michigan Avenue Chicago, IL 60611	Common Stock:	--	--	--	--
	Class B Stock:	180,255	(4)(5)	9.20%	7.27%
Karen Jaffee Cofsky(9) 410 N. Michigan Avenue Chicago, IL 60611	Common Stock:	586	(7)	0.01%	--
	Class B Stock:	103,021	(5)(8)	5.21%	4.13%
Jaffee Investment Partnership, L.P.(15) 410 N. Michigan Avenue Chicago, IL 60611	Common Stock:	--	--	--	--
	Class B Stock:	1,250,000	(3)	65.26%	51.33%
Dimensional Fund Advisors LP Palisades West, Building One 6300 Bee Cave Road Austin, TX 78746	Common Stock:	405,762	(10)	7.81%	1.67%
	Class B Stock:	--	--	--	--
GAMCO Asset Management Inc. et al. One Corporate Center Rye, NY 10580	Common Stock:	726,400	(11)	13.98%	2.98%
	Class B Stock:	--	--	--	--
Heartland Advisors, Inc.	Common Stock:	719,125	(12)	13.84%	2.95%

789 North Water Street Milwaukee, WI 53202	Class B Stock:	--	--	--
Renaissance Technologies LLC 800 Third Avenue New York, NY 10022	Common Stock:	297,675	(13)	5.73%
	Class B Stock:	--	--	--
T. Rowe Price Associates, Inc. 100 East Pratt Street Baltimore, MD 21202	Common Stock:	638,550	(14)	12.29%
	Class B Stock:	--	--	--

- (1) Beneficial ownership is determined according to the rules of the SEC and generally includes any shares over which a person possesses sole or shared power to vote or to direct the disposition of a security as

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well as any shares that such person has the right to acquire within 60 days of the applicable date, including through the exercise of options or other rights or the conversion of another security. Unless otherwise indicated, all beneficial ownership in this table indicates sole voting and investment power. The applicable percentage ownership for each person listed below is based upon 5,197,525 shares of Common Stock and 1,915,460 shares of Class B Stock outstanding as of the close of business on October 14, 2009. Shares of Common Stock and Class B Stock subject to options, warrants or other rights that are exercisable or convertible within 60 days after the applicable date are deemed outstanding for the purpose of calculating the percentage ownership of the person holding those options, warrants or other rights but are not treated as outstanding for the purpose of calculating the percentage ownership of any other person.

- (2) Consists of 290,895 shares held in a revocable trust of which Richard M. Jaffee is the grantor and, during his lifetime, the trustee and sole beneficiary and 118,538 shares held in a revocable trust of which his spouse is the grantor and, during her lifetime, the trustee and sole beneficiary and 125 shares held in joint tenancy with his spouse.
- (3) The Jaffee Investment Partnership, L.P. is managed by its general partners, generally acting by a majority vote. Two of the general partners, Richard M. Jaffee and Shirley H. Jaffee, each have eight votes. Each of the remaining four general partners, Daniel S. Jaffee, Karen Jaffee Cofsky, Susan Jaffee and Nancy E. Jaffee, all children of Richard M. and Shirley H. Jaffee, have one vote. Richard M. Jaffee, as the managing general partner, might be deemed to have, but disclaims, beneficial ownership of the partnership's shares, which are not reflected in his share ownership shown in this table.
- (4) Consists of 130,457 shares of Class B Stock directly owned by Daniel S. Jaffee (35,000 of which are restricted shares), two shares of Class B Stock owned by his spouse, 5,625 shares of Class B Stock he owns as trustee for his children, 125 shares of Class B Stock held in joint tenancy with his spouse and 44,046 shares of Class B Stock that he has the right to acquire within 60 days of October 14, 2009, pursuant to stock options. Of the 35,000 restricted shares of Class B Stock, 17,500 shares become non-forfeitable on December 6, 2009, and the remaining 17,500 shares become non-forfeitable on December 6, 2010.
- (5) Does not include shares beneficially owned by the Jaffee Investment Partnership, L.P.
- (6) Daniel S. Jaffee is Richard M. Jaffee's son.
- (7) Consists of 74 shares of Common Stock owned by Karen Jaffee Cofsky and 512 shares of Common Stock owned by her spouse. Mr. Cofsky has historically voted his shares consistent with Mrs. Cofsky's voting.
- (8) Consists of 32,957 shares of Class B Stock directly owned by Karen Jaffee Cofsky, 9,375 shares of Class B Stock she owns as trustee for her children, 376 shares of Class B Stock held in joint tenancy with her spouse, and 16,563 and 43,750 shares of Class B Stock that Mrs. Cofsky and her spouse, respectively, have the right to acquire within 60 days of October 14, 2009, pursuant to stock options. Mr. Cofsky has

historically voted his shares consistent with Mrs. Cofsky's voting.

- (9) Karen Jaffee Cofsky is Richard M. Jaffee's daughter and the spouse of Thomas F. Cofsky, an executive officer of the Company.
- (10) Information is as provided by the reporting persons in a Schedule 13G/A filed with the SEC on February 9, 2009. Based on such Schedule 13G/A, Dimensional Fund Advisors LP (["Dimensional"]), a registered investment advisor, furnishes investment advice to four investment companies registered under the Investment Company Act of 1940, and serves as investment manager to certain other commingled group trusts and separate accounts. These investment companies, trusts and accounts are the ["Funds."] In its role as investment advisor or manager, Dimensional possesses investment and/or voting power over the shares of Common Stock owned by the Funds, and may be deemed to be the beneficial owner of those shares under

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applicable SEC rules; however, all of these shares are owned by the Funds, and Dimensional disclaims beneficial ownership of such shares.

- (11) Information is as provided by the reporting persons in a Schedule 13D/A filed with the SEC on June 18, 2009. Such Schedule 13D/A filed by Gabelli Funds, LLC (["Gabelli Funds"]), GAMCO Asset Management Inc. (["GAMCO"]), Teton Advisors, Inc. (["Teton Advisors"]), GGCP, Inc., GAMCO Investors, Inc. (["GBL"]) and Mario J. Gabelli reports: (a) 561,400 shares of Common Stock beneficially owned by GAMCO, (b) 128,900 shares of Common Stock beneficially owned by Gabelli Funds, and (c) 36,100 shares of Common Stock beneficially owned by Teton Advisors. The Schedule 13D/A reports that each such entity has sole voting and sole dispositive power over the shares reported as beneficially owned by it, except that (i) GAMCO does not have the authority to vote 44,000 of the reported shares, (ii) Gabelli Funds has sole dispositive and voting power with respect to the shares held by such funds so long as the aggregate voting interest of all joint filers does not exceed 25% of their total voting interest in the Company, (iii) in certain circumstances, proxy voting committees of each fund may have voting power over the reported shares and (iv) the power of Mario J. Gabelli, GBL and GGCP, Inc. is indirect with respect to securities beneficially owned directly by other reporting persons.
- (12) Information is as provided by the reporting persons in a Schedule 13G/A filed with the SEC on February 11, 2009. Such Schedule 13G/A filed by Heartland Advisors, Inc., a registered investment advisor (["Heartland"]), and William J. Nasgovitz, president and principal shareholder of Heartland, reports that Heartland and Mr. Nasgovitz have shared voting power over 696,750 shares of Common Stock and shared dispositive power over 719,125 shares of Common Stock. Heartland and Mr. Nasgovitz disclaim beneficial ownership of such shares.
- (13) Information is as provided by the reporting persons in a Schedule 13G/A filed with the SEC on February 13, 2009. Such Schedule 13G/A filed by Renaissance Technologies LLC., an investment advisor (["RTC"]), and James H. Simons, controlling person of RTC, reports that RTC and Mr. Simons have sole voting and dispositive power over 297,675 shares of Common Stock.
- (14) Information is as provided by the reporting persons in a Schedule 13G/A filed with the SEC on February 12, 2009. Such Schedule 13G/A filed by T. Rowe Price Associates, Inc., a registered investment adviser (["Price Associates"]), and T. Rowe Price Small-Cap Value Fund, reports that Price Associates held sole voting power over 1,600 shares of Common Stock and sole dispositive power over 638,550 shares of Common Stock and T. Rowe Price Small-Cap Value Fund held sole voting power over 630,000 shares of Common Stock. Price Associates expressly disclaims that it is, in fact, the beneficial owner of such securities.
- (15) By virtue of their direct and indirect ownership of shares of our stock, Richard M. Jaffee and the Jaffee Investment Partnership, L.P. may be deemed to be control persons of the Company under the federal securities laws.

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## Security Ownership of Management

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The following table shows the number of shares of Common Stock and Class B Stock beneficially owned as of October 14, 2009, by our directors, by the named executive officers and by our directors and executive officers as a group.

Name of Beneficial Owner (1)	Number of Shares of		Percentage of Outstanding Common Stock	Number of Shares of Class B Stock (2)	
	Common Stock				
Richard M. Jaffee (14)	(3)			(3)	
Daniel S. Jaffee	(3)			(3)	
Thomas F. Cofsky (14)	(4)			(4)	
J. Steven Cole	39,049	(5)(6)	*	--	
Arnold W. Donald	25,000	(6)	*	--	
Joseph C. Miller	22,775	(7)	*	--	
Michael A. Nemeroff	17,201	(8)	*	--	
Allan H. Selig	5,000		*	--	
Paul E. Suckow	18,500	(8)	*	--	
Charles P. Brissman	45,760	(9)	*	--	
Brian K. Bancroft	4,249	(10)	*	--	
Andrew N. Peterson	31,250	(11)	*	--	
All Directors and Executive Officers as a Group (13 in group)	249,880	(12)	4.64%	692,834 (13)	

\* Does not exceed 1%.

- (1) Beneficial ownership is determined according to the rules of the SEC and generally includes any shares over which a person possesses sole or shared power to vote or to direct the disposition of a security as well as any shares that such person has the right to acquire within 60 days of the applicable date, including through the exercise of options or other rights or the conversion of another security. Unless otherwise indicated, the individuals listed in this table have sole voting and investment power with respect to the shares owned by them, and such shares are not subject to any pledge. The applicable percentage ownership for each person listed is based upon 5,197,525 shares of Common Stock and 1,915,460 shares of Class B Stock outstanding as of the close of business on October 14, 2009. Shares of Common Stock and Class B Stock subject to options, warrants or other rights that are exercisable or convertible within 60 days after the applicable date are deemed outstanding for the purpose of calculating the percentage ownership of the person holding those options, warrants or other rights but are not treated as outstanding for the purpose of calculating the percentage ownership of any other person.
- (2) Except for Richard M. Jaffee, Daniel S. Jaffee and Thomas F. Cofsky, none of our directors or executive officers, including the named executive officers, own any shares of Class B Stock.
- (3) For information regarding the shares beneficially owned by Richard M. Jaffee and Daniel S. Jaffee, see the table under "Principal Stockholders" above and the notes thereto.

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- (4) For information regarding the shares beneficially owned by Thomas F. Cofsky, see the ownership of Mr. Cofsky's spouse, Karen Jaffee Cofsky, in the table under "Principal Stockholders" above and the notes thereto.
- (5) Includes 1,208 shares of Common Stock owned by Mr. Cole's spouse.
- (6) Includes 25,000 shares of Common Stock that this director has the right to acquire within 60 days of October 14, 2009, pursuant to stock options.
- (7) Consists of 16,525 shares of Common Stock held by Mr. Miller as trustee for the benefit of his spouse and 6,250 shares of Common Stock that Mr. Miller has the right to acquire within 60 days of October 14, 2009, pursuant to stock options.



- (8) Includes 12,500 shares of Common Stock that this director has the right to acquire within 60 days of October 14, 2009, pursuant to stock options.
- (9) Includes 30,700 shares of Common Stock that Mr. Brissman has the right to acquire within 60 days of October 14, 2009, pursuant to stock options.
- (10) Includes 124 shares of Common Stock owned by Mr. Bancroft's children. Also includes 3,125 shares of Common Stock that Mr. Bancroft has the right to acquire within 60 days of October 14, 2009.
- (11) Consists of Common Stock that Mr. Peterson has the right to acquire within 60 days of October 14, 2009, pursuant to stock options.
- (12) Includes 186,825 shares of Common Stock constituting all such shares that our directors and executive officers have the right to acquire within 60 days of October 14, 2009, pursuant to stock options (including the shares of Common Stock that may be acquired as described in the notes above and in the notes to the table under "Principal Stockholders" above). The number of shares of Common Stock owned beneficially by our directors and executive officers as a group represents approximately 0.98% of the aggregate voting power of the Common Stock and Class B Stock.
- (13) Includes 87,796 shares of Class B Stock constituting all such shares that our directors and executive officers have the right to acquire within 60 days of October 14, 2009, pursuant to stock options (including the shares of Class B Stock that may be acquired as described in the notes to the table under "Principal Stockholders" above). Also includes 35,000 restricted shares of Class B Stock, 17,500 of which become non-forfeitable on December 6, 2009, and the remaining 17,500 of which become non-forfeitable on December 6, 2010. Does not include shares beneficially owned by the Jaffee Investment Partnership, L.P. For information regarding the shares held by the partnership, see the table under "Principal Stockholders" above and the notes thereto. The number of shares of Class B Stock owned beneficially by our directors and executive officers as a group represents approximately 34.30% of the number of outstanding shares of Class B Stock and approximately 27.08% of the aggregate voting power of the Common Stock and Class B Stock.
- (14) Thomas F. Cofsky is Richard M. Jaffee's son-in-law.

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## Section 16(a) Beneficial Ownership Reporting Compliance

Under SEC rules, our directors, executive officers and beneficial owners of more than 10% of the Company's Common Stock or Class B Stock are required to file reports of their ownership and changes in that ownership with the SEC. Based solely on our review of copies of these reports and representations of the reporting persons, we believe that during the fiscal year ended July 31, 2009, all reportable transactions were reported and all required reports were filed with the SEC.

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**ATTN: INVESTOR RELATIONS  
OIL-DRI CORPORATION OF AMERICA  
410 N. MICHIGAN AVE #400  
CHICAGO, IL 60611-4213**

**VOTE BY INTERNET - [www.proxyvote.com](http://www.proxyvote.com)**

Use the Internet to transmit your voting instructions and for electronic delivery of information up until 11:59 P.M. Eastern Time the day before the meeting date. Have your proxy card in hand when you access the web site and follow the instructions to obtain your records and to create an electronic voting instruction form.

**ELECTRONIC DELIVERY OF FUTURE PROXY MATERIALS**

If you would like to reduce the costs incurred by Oil-Dri Corporation of America in mailing proxy materials, you can consent to receiving all future proxy statements, proxy cards and annual reports electronically via e-mail or the Internet. To sign up for electronic delivery, please follow the instructions above to vote using the Internet and, when prompted, indicate that you agree to receive or access proxy materials electronically in future years.

**VOTE BY PHONE - 1-800-690-6903**

Use any touch-tone telephone to transmit your voting instructions up until 11:59 P.M. Eastern Time the day before the meeting date. Have your proxy card in hand when you call and then follow the instructions.

**VOTE BY MAIL**

Mark, sign and date your proxy card and return it in the postage-paid envelope we have provided or return it to Vote Processing, c/o Broadridge, 51 Mercedes Way, Edgewood, NY 11717.

**HOUSEHOLDING REVOCATION**

If you wish to revoke your consent to the receipt of stockholder information in a single package per household, you may do so by calling 1-800-542-1061.

**If you vote your proxy through the Internet or by telephone, you do NOT need to mail back your card.**

TO VOTE, MARK BLOCKS BELOW IN BLUE  
OR BLACK INK AS FOLLOWS:

M17685-P85286  
KEEP THIS PORTION FOR  
YOUR RECORDS

DETACH AND RETURN THIS  
PORTION ONLY

**THIS PROXY CARD IS VALID ONLY WHEN SIGNED AND DATED.**

**OIL-DRI CORPORATION OF AMERICA**

<b>For All</b>	<b>Withhold All</b>	<b>For All Except</b>	To withhold authority to vote for any individual nominee(s), mark <b>For All Except</b> and write the number(s) of the nominee(s) on the line below.
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**Annual Meeting Proxy Card**

**The Board of Directors recommends that you vote FOR each of the listed nominees:**

          

**A Election of Directors**

1. Nominees:  
 01) J. Steven Cole      05) Joseph C. Miller  
 02) Arnold W. Donald      06) Michael A. Nemeroff  
 03) Daniel S. Jaffee      07) Allan H. Selig  
 04) Richard M. Jaffee      08) Paul E. Suckow

**The Board of Directors recommends you vote FOR the following proposal:**

**B Issues**

**For      Against      Abstain**

- |    |  |                       |                       |                       |
|----|--|-----------------------|-----------------------|-----------------------|
| 2. | Ratification of the appointment of PricewaterhouseCoopers LLP as the Company's independent auditor for the fiscal year ending July 31, 2010. | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| 3. | In their discretion, the Proxies are authorized to vote upon such other business as may properly come before the meeting.                    |                       |                       |                       |

**C Authorized Signatures - Sign Below - This section must be completed for your instructions to be executed.**

Please sign exactly as your name appears on this proxy. When shares are held by joint tenants, both should sign. When signing as attorney, administrator, trustee or guardian, please give full title as such. If a corporation, please sign in full corporate name by President or other authorized officer. If a partnership, please sign in partnership name by an authorized person.

For address changes and/or comments, please check this  box and write them on the back where indicated.

Please indicate if you plan to attend this meeting.	<input type="radio"/>	<input type="radio"/>
	Yes	No

Signature [PLEASE SIGN WITHIN BOX]      Date

Signature (Joint Owners)      Date

**Important Notice Regarding the Availability of Proxy Materials for the Annual Meeting to be held on December 8, 2009:** The Company's 2009 Proxy Statement and its 2009 Annual Report on Form 10-K are available at: <http://www.oildri.com/investors/>

**Proxy - OIL-DRI CORPORATION OF AMERICA**

**410 North Michigan Avenue, Suite 400, Chicago, Illinois 60611-4213**

**This Proxy is solicited on Behalf of the Board of Directors**

The undersigned hereby appoints Richard M. Jaffee, Daniel S. Jaffee and Charles P. Brissman as Proxies, each with the full power to appoint his substitute (the action of one, if only one be present and acting, to be in any event controlling), and hereby authorizes them to represent and to vote, as designated on the reverse side, all of the shares of Common Stock and Class B Stock of Oil-Dri Corporation of America held of record by the undersigned at the close of business on October 14, 2009, at the Annual Meeting of Stockholders to be held at The Standard Club, 320 South Plymouth Court, Chicago, Illinois, on December 8, 2009, at 10:30 a.m., local time, and any adjournments thereof, upon the proposals described in the Notice of Annual Meeting of Stockholders and Proxy Statement, both dated October 30, 2009, the receipt of which is hereby acknowledged. The Proxies, in their discretion, are further authorized to vote for the election of a person to the Board of Directors if any of the nominees named herein becomes unavailable to serve, and to vote on any other matters which may properly come before the Annual Meeting and any adjournments thereof.

**This Proxy, when properly executed, will be voted in the manner directed herein by the undersigned stockholder. If no direction is made, this Proxy will be voted FOR all nominees listed in Proposal 1 and FOR Proposal 2 to ratify the appointment of PricewaterhouseCoopers LLP as independent auditor. This Proxy will be voted with discretionary authority to the Proxies appointed hereby on all other matters that may properly come before the Annual Meeting and any adjournments thereof.**

**Please mark, sign, date and mail the proxy card promptly using the enclosed envelope.**

Address Changes/Comments:

(If you noted any Address Changes/Comments above, please mark corresponding box on the reverse side.)

**(Continued and to be signed on reverse side.)**

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