UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D. C. 20549

FORM 10-Q

(Mark One)

☒ Quarterly Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934
For the Quarterly Period Ended October 31, 2020
or

☐ Transition Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934
For the transition period from _____ to _____

Commission File Number 001-12622

OIL-DRI CORPORATION OF AMERICA
(Exact name of the registrant as specified in its charter)

Delaware 36-2048898
(State or other jurisdiction of incorporation or organization) (I.R.S. Employer Identification No.)
410 North Michigan Avenue, Suite 400 60611-4213
Chicago, Illinois (Zip Code)
(Address of principal executive offices)

The registrant's telephone number, including area code: (312) 321-1515

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports) and (2) has been subject to such filing requirements for at least the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large Accelerated Filer ☐	Accelerated Filer ☒	Non-accelerated Filer ☐	Smaller Reporting Company ☒	Emerging Growth Company ☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☒

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock, par value $0.10 per share	ODC	New York Stock Exchange

Indicate the number of shares outstanding of each of the issuer's classes of common stock as of October 31, 2020.
Common Stock – 5,399,728 Shares and Class B Stock – 2,066,650 Shares

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FORWARD-LOOKING STATEMENTS

Certain statements in this report, including, but not limited to, those under the heading "Management's Discussion and Analysis of Financial Condition and Results of Operations" and those statements elsewhere in this report and other documents that we file with the Securities and Exchange Commission ("SEC"), contain forward-looking statements that are based on current expectations, estimates, forecasts and projections about our future performance, our business, our beliefs and our management's assumptions. In addition, we, or others on our behalf, may make forward-looking statements in press releases or written statements, or in our communications and discussions with investors and analysts in the normal course of business through meetings, webcasts, phone calls and conference calls. Words such as "expect," "outlook," "forecast," "would," "could," "should," "project," "intend," "plan," "continue," "believe," "seek," "estimate," "anticipate," "may," "assume," "potential," and variations of such words and similar expressions are intended to identify such forward-looking statements, which are made pursuant to the safe harbor provisions of the Private Securities Litigation Reform Act of 1995.

Such statements are subject to certain risks, uncertainties and assumptions that could cause actual results to differ materially, including, but not limited to, those described in Item 1A, Risk Factors, in our Annual Report on Form 10-K for the fiscal year ended July 31, 2020. Should one or more of these or other risks or uncertainties materialize, or should underlying assumptions prove incorrect, actual results may vary materially from those anticipated, intended, expected, believed, estimated, projected or planned. Investors are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date hereof. Except to the extent required by law, we do not have any intention or obligation to update publicly any forward-looking statements after the distribution of this report, whether as a result of new information, future events, changes in assumptions or otherwise.

TRADEMARK NOTICE

PART I - FINANCIAL INFORMATION

ITEM 1. Financial Statements

OIL-DRI CORPORATION OF AMERICA
Condensed Consolidated Balance Sheet
(in thousands, except share and per share amounts)

ASSETS	(unaudited) October 31, 2020	July 31, 2020
Current Assets		
Cash and cash equivalents	**$ 31,291**	$ 40,890
Accounts receivable, less allowance of $1,036 and $1,078 at October 31, 2020 and July 31, 2020, respectively	**39,212**	34,911
Inventories	**23,493**	23,893
Prepaid repairs expense	**6,106**	5,662
Prepaid expenses and other assets	**2,183**	3,064
Total Current Assets	**102,285**	$ 108,420
Property, Plant and Equipment		
Cost	**262,325**	261,988
Less accumulated depreciation and amortization	**(171,287)**	(169,040)
Total Property, Plant and Equipment, Net	**91,038**	92,948
Other Assets		
Goodwill	**9,262**	9,262
Other intangibles, net of accumulated amortization of $483 and $457 at October 31, 2020 and July 31, 2020, respectively	**1,625**	1,566
Customer list, net of accumulated amortization of $6,995 and $6,887 at October 31, 2020 and July 31, 2020, respectively	**790**	898
Deferred income taxes	**6,587**	7,302
Operating lease right-of-use assets	**9,227**	9,816
Other	**6,557**	5,670
Total Other Assets	**34,048**	34,514
Total Assets	**$ 227,371**	$ 235,882

The accompanying notes are an integral part of the Condensed Consolidated Financial Statements.

OIL-DRI CORPORATION OF AMERICA
Condensed Consolidated Balance Sheet (continued)
(in thousands, except share and per share amounts)

LIABILITIES & STOCKHOLDERS' EQUITY	(unaudited) October 31, 2020	July 31, 2020
Current Liabilities		
Current maturities of notes payable	**$ 1,000**	$ 1,000
Accounts payable	**9,745**	12,529
Dividends payable	**1,807**	1,808
Operating lease liabilities	**2,066**	2,170
Accrued expenses	**19,852**	28,700
Total Current Liabilities	**34,470**	46,207
Noncurrent Liabilities		
Notes payable, net of unamortized debt issuance costs of $143 and $150 at October 31, 2020 and July 31, 2020, respectively	**8,857**	8,848
Deferred compensation	**5,310**	5,140
Pension and postretirement benefits	**15,184**	15,140
Long-term operating lease liabilities	**8,636**	9,135
Other	**4,598**	3,448
Total Noncurrent Liabilities	**42,585**	41,711
Total Liabilities	**77,055**	87,918
Stockholders' Equity		
Common Stock, par value $.10 per share, issued 8,506,476 shares at October 31, 2020 and 8,449,003 shares at July 31, 2020	**851**	845
Class B Stock, par value $.10 per share, issued 2,413,141 shares at October 31, 2020 and 2,437,402 shares at July 31, 2020	**241**	244
Additional paid-in capital	**45,779**	44,993
Retained earnings	**178,761**	176,579
Noncontrolling interest	**(209)**	(174)
Accumulated Other Comprehensive Loss:		
Pension and postretirement benefits	**(11,866)**	(11,994)
Cumulative translation adjustment	**12**	(260)
Total Accumulated Other Comprehensive Loss	**(11,854)**	(12,254)
Less Treasury Stock, at cost (3,106,748 Common and 346,491 Class B shares at October 31, 2020 and 3,090,230 Common and 335,816 Class B shares at July 31, 2020)	**(63,253)**	(62,269)
Total Stockholders' Equity	**150,316**	147,964
Total Liabilities & Stockholders' Equity	**$ 227,371**	$ 235,882

The accompanying notes are an integral part of the Condensed Consolidated Financial Statements.

OIL-DRI CORPORATION OF AMERICA
Condensed Consolidated Statements of Income
(in thousands, except for per share amounts)

	(unaudited)	
	For the Three Months Ended October 31,	
	2020	**2019**
Net Sales	**$ 76,097**	$ 71,122
Cost of Sales	**(55,793)**	(51,187)
Gross Profit	**20,304**	19,935
Selling, General and Administrative Expenses	**(15,127)**	(15,814)
Income from Operations	**5,177**	4,121
Other (Expense) Income		
Interest expense	**(192)**	(103)
Interest income	**25**	98
Other, net	**(255)**	(39)
Total Other Expense, Net	**(422)**	(44)
Income Before Income Taxes	**4,755**	4,077
Income Tax Expense	**(806)**	(617)
Net Income	**3,949**	3,460
Net Loss Attributable to Noncontrolling Interest	**(35)**	(76)
Net Income Attributable to Oil-Dri	**3,984**	3,536
Net Income Per Share (1)		
Basic Common	**$ 0.57**	$ 0.51
Basic Class B Common	**$ 0.43**	$ 0.38
Diluted Common	**$ 0.56**	$ 0.50
Diluted Class B Common	**$ 0.42**	$ 0.37
Average Shares Outstanding		
Basic Common	**5,149**	5,149
Basic Class B Common	**1,926**	2,050
Diluted Common	**5,276**	5,229
Diluted Class B Common	**1,978**	2,077
Dividends Declared Per Share		
Basic Common	**$ 0.2600**	$ 0.2500
Basic Class B Common	**$ 0.1950**	$ 0.1875

(1) Our Form 10-Q for three months ended October 31, 2020 and 2019 reflects a change in presentation for net income per share. We have historically disclosed net income per share for our diluted Common and Class B Common shares in total. As we have two classes of common shares, we have elected to change our net income per share presentation to reflect net income per share for both of our classes of common shares - our diluted Common shares and our diluted Class B Common shares.

The accompanying notes are an integral part of the Condensed Consolidated Financial Statements.

OIL-DRI CORPORATION OF AMERICA
Condensed Consolidated Statements of Comprehensive Income
(in thousands of dollars)

	(unaudited)	
	For the Three Months Ended October 31,	
	2020	**2019**
Net Income Attributable to Oil-Dri	**$ 3,984**	$ 3,536
Other Comprehensive Income:		
Pension and postretirement benefits (net of tax)	**128**	271
Cumulative translation adjustment	**272**	(44)
Other Comprehensive Income	**400**	227
Total Comprehensive Income	**$ 4,384**	$ 3,763

The accompanying notes are an integral part of the Condensed Consolidated Financial Statements.

OIL-DRI CORPORATION OF AMERICA
Consolidated Statements of Stockholders' Equity
(in thousands, except share amounts)

	For the Three Months Ended October 31 (unaudited)								
	Number of Shares								
	Common & Class B Stock	Treasury Stock	Common & Class B Stock	Additional Paid-In Capital	Retained Earnings	Treasury Stock	Accumulated Other Comprehensive Loss	Non-Controlling Interest	Total Stockholders' Equity
Balance, July 31, 2019	**10,860,678**	**(3,251,288)**	**$ 1,086**	**$ 41,300**	**$ 164,756**	**$ (56,543)**	**$ (15,039)**	**$ (14)**	**$ 135,546**
Net Income (Loss)	—	—	—	—	3,536	—	—	(76)	3,460
Other Comprehensive Income	—	—	—	—	—	—	227	—	227
Dividends Declared	—	—	—	—	(1,766)	—	—	—	(1,766)
Purchases of Treasury Stock	—	(15,019)	—	—	—	(500)	—	—	(500)
Net issuance of stock under long-term incentive plans	18,977	(1,750)	2	58	—	(60)	—	—	—
Amortization of Restricted Stock	—	—	—	969	—	—	—	—	969
Balance, October 31, 2019	**10,879,655**	**(3,268,057)**	**$ 1,088**	**$ 42,327**	**$ 166,526**	**$ (57,103)**	**$ (14,812)**	**$ (90)**	**$ 137,936**
Balance, July 31, 2020	**10,886,405**	**(3,426,046)**	**$ 1,089**	**$ 44,993**	**$ 176,579**	**$ (62,269)**	**$ (12,254)**	**$ (174)**	**$ 147,964**
Net Income (Loss)	—	—	—	—	3,984	—	—	(35)	3,949
Other Comprehensive Income	—	—	—	—	—	—	400	—	400
Dividends Declared	—	—	—	—	(1,802)	—	—	—	(1,802)
Purchases of Treasury Stock	—	(26,993)	—	—	—	(978)	—	—	(978)
Net issuance of stock under long-term incentive plans	33,212	(200)	3	2	—	(6)	—	—	(1)
Amortization of Restricted Stock	—	—	—	784	—	—	—	—	784
Balance, October 31, 2020	**10,919,617**	**(3,453,239)**	**$ 1,092**	**$ 45,779**	**$ 178,761**	**$ (63,253)**	**$ (11,854)**	**$ (209)**	**$ 150,316**

The accompanying notes are an integral part of the Condensed Consolidated Financial Statements.

OIL-DRI CORPORATION OF AMERICA
Condensed Consolidated Statements of Cash Flows
(in thousands)

	(unaudited)	
	For the Three Months Ended October 31,	
CASH FLOWS FROM OPERATING ACTIVITIES	**2020**	**2019**
Net Income	**$ 3,949**	$ 3,460
Adjustments to reconcile net income to net cash (used in) provided by operating activities:		
Depreciation and amortization	**3,504**	3,469
Stock-based compensation	**784**	969
Deferred income taxes	**714**	(31)
Provision for bad debts and cash discounts	**(60)**	189
(Gain) Loss on the sale of fixed assets	**(1)**	40
(Increase) Decrease in assets:		
Accounts receivable	**(4,196)**	(980)
Inventories	**462**	371
Prepaid expenses	**458**	1,578
Other assets	**(985)**	316
Increase (Decrease) in liabilities:		
Accounts payable	**(1,435)**	835
Accrued expenses	**(8,106)**	(3,812)
Deferred compensation	**170**	141
Pension and postretirement benefits	**172**	621
Other liabilities	**1,135**	(474)
Total Adjustments	**(7,384)**	3,232
Net Cash (Used in) Provided by Operating Activities	**(3,435)**	6,692
CASH FLOWS FROM INVESTING ACTIVITIES		
Capital expenditures	**(3,568)**	(3,900)
Proceeds from sale of property, plant and equipment	**3**	—
Net Cash Used in Investing Activities	**(3,565)**	(3,900)
CASH FLOWS FROM FINANCING ACTIVITIES		
Principal payments on notes payable	**—**	(3,083)
Dividends paid	**(1,803)**	(1,761)
Purchase of treasury stock	**(978)**	(500)
Net Cash Used in Financing Activities	**(2,781)**	(5,344)
Effect of exchange rate changes on Cash and Cash Equivalents	**182**	(50)
Net Decrease in Cash and Cash Equivalents	**(9,599)**	(2,602)
Cash and Cash Equivalents, Beginning of Period	**40,890**	21,862
Cash and Cash Equivalents, End of Period	**$ 31,291**	$ 19,260

OIL-DRI CORPORATION OF AMERICA
Condensed Consolidated Statements of Cash Flows - Continued
(in thousands)

	(unaudited)	
	For the Three Months Ended October 31,	
	2020	**2019**
Supplemental disclosure of non-cash investing and financing activities:		
Capital expenditures accrued, but not paid	**$ 858**	$ 1,043
Cash dividends declared and accrued, but not paid	**$ 1,807**	$ 1,766

The accompanying notes are an integral part of the Condensed Consolidated Financial Statements.

OIL-DRI CORPORATION OF AMERICA
Notes To Condensed Consolidated Financial Statements
(Unaudited)

1. BASIS OF PRESENTATION AND SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

The accompanying unaudited Condensed Consolidated Financial Statements have been prepared in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP") for interim financial information and in compliance with instructions to Form 10-Q and Article 10 of Regulation S-X. Accordingly, they do not include all of the information and footnotes required by U.S. GAAP for complete financial statements. The financial statements and the related notes are condensed and should be read in conjunction with the Consolidated Financial Statements and related notes for the fiscal year ended July 31, 2020 included in our Annual Report on Form 10-K filed with the SEC.

The unaudited Condensed Consolidated Financial Statements include the accounts of Oil-Dri Corporation of America and its subsidiaries. All significant intercompany transactions are eliminated. Except as otherwise indicated herein or as the context otherwise requires, references to "Oil-Dri," the "Company," "we," "us" or "our" refer to Oil-Dri Corporation of America and its subsidiaries.

The unaudited Condensed Consolidated Financial Statements reflect all adjustments, consisting of normal recurring accruals and reclassifications which are, in the opinion of management, necessary for a fair presentation of the statements contained herein. In addition, certain prior year reclassifications were made to conform to the current year presentation. Operating results for the three months ended October 31, 2020 are not necessarily an indication of the results that may be expected for the fiscal year ending July 31, 2021.

In March 2020, the World Health Organization declared the recent novel coronavirus outbreak ("the coronavirus" or "COVID-19") a pandemic. Despite its continued spread and the adverse effects of COVID-19 on the overall economy and certain of the industries we serve, we have not experienced a significant decline in customer orders and sales in the first quarter of fiscal year 2021. However, the effects of COVID-19 are unprecedented, and therefore we are unable to ascertain the effects on our sales and net earnings for the balance of fiscal year 2021.

Reclassification

Certain amounts in the prior period financial statements have been reclassified to conform to the presentation of the current period financial statements. These immaterial reclassifications had no effect on the previously reported net income.

Management Use of Estimates

The preparation of the unaudited Condensed Consolidated Financial Statements in conformity with U.S. GAAP requires the use of estimates and assumptions that affect the reported amounts of assets, liabilities, revenues and expenses during the reporting period, as well as the related disclosures. All of our estimates and assumptions are revised periodically. Actual results could differ from these estimates.

Summary of Significant Accounting Policies

Our significant accounting policies, which are detailed in our Annual Report on Form 10-K for the fiscal year ended July 31, 2020 have not materially changed. The following is a description of certain of our significant accounting policies.

Trade Receivables. We record an allowance for doubtful accounts based on our historical experience and a periodic review of our accounts receivable, including a review of the overall aging of accounts, consideration of customer credit risk and analysis of facts and circumstances about specific customer accounts. A customer account is determined to be uncollectible when it is probable that a loss will be incurred after we have completed our internal collection procedures, including termination of shipments, direct customer contact and formal demand of payment.

Overburden Removal and Mining Costs. We mine sorbent materials on property that we either own or lease as part of our overall operations. A significant part of our overall mining cost is incurred during the process of removing the overburden (non-usable material) from the mine site, thus exposing the sorbent material used in a majority of our production processes. These

stripping costs are treated as a variable inventory production cost and are included in cost of sales in the period they are incurred. We defer and amortize the pre-production overburden removal costs associated with opening a new mine.

Additionally, it is our policy to capitalize the purchase cost of land and mineral rights, including associated legal fees, survey fees and real estate fees. The costs of obtaining mineral patents, including legal fees and drilling expenses, are also capitalized. Pre-production development costs on new mines and any prepaid royalties that may be offset against future royalties due upon extraction of the minerals are also capitalized. All exploration related costs are expensed as incurred.

We perform ongoing reclamation activities during the normal course of our overburden removal. As overburden is removed from a mine site, it is hauled to previously mined sites and is used to refill older sites. This process allows us to continuously reclaim older mine sites and dispose of overburden simultaneously, therefore minimizing the costs associated with the reclamation process.

Leases. ASC 842 provides that a contract is, or contains, a lease if it conveys the right to control the use of an identified asset and, accordingly, a lease liability and a related right-of-use ("ROU") asset is recognized at the commencement date on our consolidated balance sheet. As provided in ASC 842, we have elected not to apply these measurement and recognition requirements to short-term leases (i.e., leases with a term of 12 months or less). Short-term leases will not be recorded as ROU assets or lease liabilities on our consolidated balance sheet, and the related lease payments will be recognized in net earnings on a straight-line basis over the lease term. For leases other than short-term leases, the lease liability is equal to the present value of unpaid lease payments over the remaining lease term. The lease term may reflect options to extend or terminate the lease when it is reasonably certain that such options will be exercised. To determine the present value of the lease liability, we used an incremental borrowing rate, which is defined as the rate of interest we would have to pay to borrow (on a collateralized basis over a similar term) an amount equal to the lease payments in similar economic environments. The ROU asset is based on the corresponding lease liability adjusted for certain costs such as initial direct costs, prepaid lease payments and lease incentives received. Both operating and finance lease ROU assets are reviewed for impairment, consistent with other long-lived assets, whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. After a ROU asset is impaired, any remaining balance of the ROU asset is amortized on a straight-line basis over the shorter of the remaining lease term or the estimated useful life. After the lease commencement date, we evaluate lease modifications, if any, that could result in a change in the accounting for leases.

Certain of our leases provide for variable lease payments that vary due to changes in facts and circumstances occurring after the commencement date, other than the passage of time. Variable lease payments that are dependent on an index or rate (e.g., Consumer Price Index) are included in the initial measurement of the lease liability and the ROU asset. Variable lease payments that are not known at the commencement date and are determinable based on the performance or use of the underlying asset, are expensed as incurred. Our variable lease payments primarily include common area maintenance charges based on the percentage of the total square footage leased and the usage of assets, such as photocopiers.

Some of our contracts may contain lease components as well as non-lease components, such as an agreement to purchase services. As allowed under ASC 842, we have elected not to separate the lease components from non-lease components for all asset classes and we will not allocate the contract consideration to these components. This policy was applied to all existing leases upon adoption of ASC 842 and will be applied to new leases on an ongoing basis.

Revenue Recognition. We recognize revenue when performance obligations under the terms of the contracts with customers are satisfied. Our performance obligation generally consists of the promise to sell finished products to wholesalers, distributors and retailers or consumers and our obligations have an original duration of one year or less. Control of the finished products are transferred upon shipment to, or receipt at, customers' locations, as determined by the specific terms of the contract. We have completed our performance obligation when control is transferred and we recognize revenue accordingly.

We have an unconditional right to consideration under the payment terms specified in the contract upon completion of the performance obligation. We may require certain customers to provide payment in advance of product shipment. We recorded a liability for these advance payments of $317,000 and $247,000 as of October 31, 2020 and July 31, 2020, respectively. This liability is reported in Other Accrued Expenses on the unaudited Condensed Consolidated Balance Sheet. Revenue recognized during the three months ended October 31, 2020 that was included in the liability for advance payments at the beginning of the period was $185,000.

We routinely commit to one-time or ongoing trade promotion programs directly with consumers, such as coupon programs, and with customers, such as volume discounts, cooperative marketing and other arrangements. We estimate and accrue the expected costs of these programs. These costs are considered variable consideration under ASC 606, *Revenue from Contracts with Customers*, and are netted against sales when revenue is recorded. The accruals are based on our best estimate of the amounts

necessary to settle future and existing obligations on products sold as of the balance sheet date. To estimate these accruals, we rely on our historical experience of trade spending patterns and that of the industry, current trends and forecasted data.

Selling, General and Administrative Expenses. Selling, general and administrative expenses ("SG&A") include salaries, wages and benefits associated with staff outside the manufacturing and distribution functions, all marketing related costs, any miscellaneous trade spending expenses not required to be included in net sales, research and development costs, depreciation and amortization related to assets outside the manufacturing and distribution process and all other non-manufacturing and non-distribution expenses.

Other Noncurrent Liabilities
On March 27, 2020, in response to the COVID-19 pandemic, the Coronavirus Aid, Relief, and Economic Security Act (the "CARES Act") was signed into U.S. law. The CARES Act provides for, among other things, deferral of the employer portion of social security taxes incurred through the end of calendar 2020. As permitted by the CARES Act, we deferred approximately $1,800,000 in payroll taxes as of October 31, 2020 and expect to defer the payment of payroll taxes for the remainder of 2020 to be paid equally in the fourth quarters of calendar years 2021 and 2022 representing approximately $2,500,000 in payroll taxes. The accrual for these payroll taxes is included in Other within Noncurrent Liabilities on the unaudited Condensed Consolidated Balance Sheet.

2. NEW ACCOUNTING PRONOUNCEMENTS AND REGULATIONS

Recently Issued Pronouncements

In March 2020, the FASB issued guidance under ASC 848, *Reference Rate Reform.* This guidance provides optional expedients and exceptions to account for debt, leases, contracts, hedging relationships and other transactions that reference LIBOR or another reference rate if certain criteria are met. The guidance is effective immediately and may be applied prospectively to contract modifications made and hedging relationships entered into or evaluated on or before December 31, 2022. We are currently evaluating the potential effects of the adoption of this guidance on our Consolidated Financial Statements.

In December 2019, the FASB issued guidance under ASC 740, *Income Taxes*, which simplifies the accounting for income taxes. The guidance removes several specific exceptions to the general principles in ASC 740 and clarifies and makes amendments to improve consistent application of and simplify existing accounting for other areas in ASC 740. This guidance is effective for our first quarter of fiscal year 2022, with early adoption permitted. We are currently evaluating the impact of the adoption of this requirement on our Consolidated Financial Statements.

In June 2016, the FASB issued guidance under ASC 326, *Financial Instruments-Credit Losses*, which requires companies to utilize an impairment model for most financial assets measured at amortized cost and certain other financial instruments, which include trade and other receivables, loans and held-to-maturity debt securities, to record an allowance for credit risk based on expected losses rather than incurred losses. In addition, this new guidance changes the recognition method for credit losses on available-for-sale debt securities, which can occur as a result of market and credit risk, as well as additional disclosures. In general, this guidance will require modified retrospective adoption for all outstanding instruments that fall under this guidance. This guidance is effective for our first quarter of fiscal year 2023. We are currently evaluating the impact of the adoption of this requirement on our Consolidated Financial Statements.

There have been no other accounting pronouncements issued but not yet adopted by us which are expected to have a material impact on our Consolidated Financial Statements.

3. INVENTORIES

The composition of inventories is as follows (in thousands):

	October 31, 2020	July 31, 2020
Finished goods	**$ 14,384**	$ 14,500
Packaging	**4,936**	4,587
Other	**4,173**	4,806
Total Inventories	**$ 23,493**	$ 23,893

Inventories are valued at the lower of cost (first-in, first-out) or net realizable value. Inventory costs include the cost of raw materials, packaging supplies, labor and other overhead costs. We performed a detailed review of our inventory items to determine if an obsolescence reserve adjustment was necessary. The review surveyed all of our operating facilities and sales groups to ensure that both historical issues and new market trends were considered. The obsolescence reserve not only considered specific items, but also took into consideration the overall value of the inventory as of the balance sheet date. The inventory obsolescence reserve values at October 31, 2020 and July 31, 2020 were $970,000 and $926,000, respectively. Other Inventories includes a variety of items including clay, additives, fragrances and other supplies. Other inventory decreased due to increased production.

4. FAIR VALUE MEASUREMENTS

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The inputs used to measure fair value are prioritized into categories based on the lowest level of input that is significant to the fair value measurement. The categories in the fair value hierarchy are as follows:

Level 1: Quoted market prices in active markets for identical assets or liabilities.
Level 2: Observable market-based inputs for similar assets or liabilities or valuation models whose inputs are observable, directly or indirectly.
Level 3: Unobservable inputs.

Cash equivalents are primarily money market mutual funds classified as Level 1. We had $6,000 of cash equivalents as of October 31, 2020 and July 31, 2020, respectively, which are included in Cash and cash equivalents on the unaudited Condensed Consolidated Balance Sheet.

Balances of accounts receivable and accounts payable approximated their fair values at October 31, 2020 and July 31, 2020 due to the short maturity and nature of those balances.

Notes payable are reported at the face amount of future maturities. The estimated fair value of notes payable, including current maturities, was $11,690,000 and $11,631,000 as of October 31, 2020 and July 31, 2020, respectively, and are classified as Level 2. The fair value was estimated using the exit price notion of fair value.

We apply fair value techniques on at least an annual basis associated with: (1) valuing potential impairment loss related to goodwill, trademarks and other indefinite-lived intangible assets and (2) valuing potential impairment loss related to long-lived assets. See Note 5 of the Notes to unaudited Condensed Consolidated Financial Statements for further information about goodwill and other intangible assets.

5. GOODWILL AND OTHER INTANGIBLE ASSETS

Intangible assets, other than goodwill, include trademarks, patents, customer lists and product registrations. Intangible amortization expense was $155,000 and $167,000 in the first three months of fiscal years 2021 and 2020. Estimated intangible amortization for the remainder of fiscal year 2021 is $432,000. Estimated intangible amortization for the next five fiscal years is as follows (in thousands):

2022	$	428
2023	$	226
2024	$	90
2025	$	65
2026	$	63

We have one acquired trademark recorded at a cost of $376,000 that was determined to have an indefinite life and is not amortized.

We performed our annual goodwill impairment analysis in the fourth quarter of fiscal year 2020 and no impairment was identified. There have been no triggering events that would indicate a new impairment analysis is needed. Although we have not identified any triggering events relating to goodwill or our intangibles, the ultimate effects of COVID-19 could change this assessment in the future.

6. OTHER CONTINGENCIES

We are party to various legal actions from time to time that are ordinary in nature and incidental to the operation of our business, including ongoing litigation. While it is not possible at this time to determine with certainty the ultimate outcome of these or other lawsuits, we believe that none of the pending proceedings will have a material adverse effect on our business, financial condition, results of operations or cash flows. In June 2020, the Company received notice from a former service provider alleging a breach of contract regarding the payment of a contingency fee. Such party subsequently, in July 2020, filed a lawsuit seeking to require the Company to participate in binding mediation regarding this matter. Although we believe this claim to be without merit, as of July 31, 2020, we have determined a reasonable estimate of this liability within a range, with no amount within that range being a better estimate than any other amount, and have therefore recorded that estimate within Other accrued expenses. There have been no changes during the three months ended October 31, 2020 that would have changed this estimate. We believe that any loss related to this matter is unlikely to be material. However, the outcome of this legal matter is subject to significant uncertainties. The ability to predict the ultimate outcome of this legal matter involves judgments, estimates and inherent uncertainties. The actual outcome could differ materially from management's estimates.

7. LEASES

We have operating leases primarily for real estate properties, including corporate headquarters, customer service and sales offices, manufacturing and packaging facilities, warehouses, and research and development facilities, as well as for rail tracks, railcars and office equipment. Certain of our leases for a shared warehouse and office facility, rail track and railcars have options to extend which we are reasonably certain we will exercise and, accordingly, have been considered in the lease term used to recognize our ROU assets and lease liabilities. To determine the present value of the lease liability, we use an incremental borrowing rate, which is defined as the rate of interest that the Company would have to pay to borrow (on a collateralized basis over a similar term) an amount equal to the lease payments in similar economic environments. Further information about our accounting policy for leases is included in Note 1 of the Notes to unaudited Condensed Consolidated Financial Statements.

We have no material finance leases, and variable costs for operating leases are immaterial for the first quarter of fiscal year 2021. Operating lease costs are included in Cost of Sales or SG&A expenses based on the nature of the lease. The following table summarizes total lease costs for our operating leases (in thousands):

	For the Three Months Ended October 31,	
	2020	**2019**
Operating Lease Cost		
Operating lease cost	**$ 695**	$ 517
Short-term operating lease cost	**186**	205

Supplemental cash flow information related to leases was as follows (in thousands):

	For the Three Months Ended October 31,	
	2020	**2019**
Other Information		
Cash paid for amounts included in the measurement of lease liabilities:		
Operating cash flows from operating leases	**$ 602**	$ 432

Operating lease ROU assets and operating lease liabilities are separately presented on the unaudited Condensed Consolidated Balance Sheet, excluding leases with an initial term of twelve months or less. Other supplemental balance sheet information related to leases was as follows:

	October 31, 2020	July 31, 2020
Weighted-average remaining lease term - operating leases	**9.4 years**	9.4 years
Weighted-average discount rate - operating leases	**3.98%**	3.87%

The following table summarizes scheduled minimum future lease payments due within twelve months for operating leases with terms longer than one year for which cash flows are fixed and determinable as of October 31, (in thousands):

2020	**$ 2,432**
2021	**1,791**
2022	**1,051**
2023	**950**
2024	**852**
Thereafter	**5,935**
Total	**13,011**
Less: imputed interest	**(2,309)**
Net lease obligation	**$ 10,702**

8. ACCRUED EXPENSES

Accrued expenses is as follows (in thousands):

	October 31, 2020	July 31, 2020
Salaries, Wages, Commissions and Employee Benefits	$ 5,810	$ 14,798
Trade promotions and advertising	1,572	2,349
Freight	2,094	1,313
Real Estate Tax	1,488	1,658
Other	8,888	8,582
	$ 19,852	$ 28,700

The decrease in salaries, wages, commissions and employee benefits relates primarily to the payment of annual discretionary bonuses during the three months ended October 31, 2020. The accrual for trade promotions and advertising is lower for the three months ended October 31, 2020 than the prior fiscal year due to a shift in timing of advertising programs and expense. Freight rates increased during the three months ended October 31, 2020 resulting in a higher accrual.

9. PENSION AND OTHER POSTRETIREMENT BENEFITS

Pension and Postretirement Health Benefits

The Oil-Dri Corporation of America Pension Plan ("Pension Plan") is a defined benefit pension plan for eligible salaried and hourly employees. Pension benefits are based on a formula of years of credited service and levels of compensation or stated amounts for each year of credited service. On January 9, 2020, we amended the Pension Plan to freeze participation, all future benefit accruals and accrual of benefit service, including consideration of compensation increases, effective March 1, 2020. Consequently, the Pension Plan is closed to new participants and current participants will no longer earn additional benefits on or after March 1, 2020.

The components of net periodic pension and postretirement health benefit costs were as follows:

	Pension Benefits (in thousands)	
	For the Three Months Ended October 31,	
	2020	**2019**
Service cost	**$ —**	$ 488
Interest cost	**—**	509
Expected return on plan assets	**—**	(698)
Amortization of:		
Other actuarial loss	**170**	357
Net periodic benefit cost	**$ 170**	$ 656

	Postretirement Health Benefits (in thousands)	
	For the Three Months Ended October 31,	
	2020	**2019**
Service cost	**$ 35**	$ 30
Interest cost	**13**	21
Amortization of:		
Prior service costs	**(1)**	(1)
Net periodic benefit cost	**$ 47**	$ 50

The non-service cost components of net periodic benefit cost are included in Other Income (Expense) in the line item Other, net on the unaudited Condensed Consolidated Statements of Income.

The Pension Plan is funded based upon actuarially determined contributions that take into account the amount deductible for income tax purposes, the normal cost and the minimum contribution required and the maximum contribution allowed under applicable regulations. We were not required to make, and did not make, a voluntary contribution to the Pension Plan during the first quarter of fiscal year 2021. We have no minimum funding requirements for the remainder of fiscal year 2021.

The postretirement health plan is an unfunded plan. We pay insurance premiums and claims from our assets.

Assumptions used in the previous calculations were as follows:

	Pension Benefits		Postretirement Health Benefits	
	For the Three Months Ended October 31,			
	2020	**2019**	**2020**	**2019**
Discount rate for net periodic benefit cost	**2.14 %**	3.35 %	**1.63 %**	2.93 %
Rate of increase in compensation levels	**— %**	3.50 %	**—**	—
Long-term expected rate of return on assets	**6.50 %**	7.00 %	**—**	—

The medical cost trend assumption for postretirement health benefits was 7.20%. The graded trend rate is expected to decrease to an ultimate rate of 4.50% in fiscal year 2038.

Supplemental Executive Retirement Plan

The Oil-Dri Corporation of America Supplemental Executive Retirement Plan ("SERP") provides certain retired participants in the Pension Plan with the amount of benefits that would have been provided under the Pension Plan but for: (1) the limitations on benefits imposed by Section 415 of the Internal Revenue Code ("Code") and/or (2) the limitation on compensation for purposes of calculating benefits under the Pension Plan imposed by Section 401(a)(17) of the Code. The SERP liability is actuarially determined at the end of each fiscal year using assumptions similar to those used for the Pension Plan. The SERP is unfunded and benefits will be funded when payments are made.

On January 9, 2020, we amended the SERP to freeze participation and any excess benefit, supplemental benefit or additional benefit effective March 1, 2020. Consequently, the SERP is closed to new participants and current participants no longer earn additional benefits on or after March 1, 2020. The SERP was terminated effective June 30, 2020. Any payment of benefits that would otherwise have been payable pursuant to the SERP plan on or after June 30, 2021 will instead be paid to each participant in the form of one lump sum, with such lump sum payment payable no earlier than June 30, 2021 and no later than June 8, 2022.

10. OPERATING SEGMENTS

We have two operating segments: (1) Business to Business Products Group and (2) Retail and Wholesale Products Group. These operating segments are managed separately and each segment's major customers have different characteristics. The Retail and Wholesale Products Group customers include: mass merchandisers; wholesale clubs; drugstore chains; pet specialty retail outlets; dollar stores; retail grocery stores; e-commerce retailers; distributors of industrial cleanup and automotive products; environmental service companies; and sports field product users. The Business to Business Products Group customers include: processors and refiners of edible oils, petroleum-based oils and biodiesel fuel; manufacturers of animal feed and agricultural chemicals; distributors of animal health and nutrition products; and marketers of consumer products. Our operating segments are also our reportable segments. The accounting policies of the segments are the same as those described in Note 1 of the Notes to the Consolidated Financial Statements included in our Annual Report on Form 10-K for the fiscal year ended July 31, 2020.

Net sales for our principal products by segment are as follows (in thousands):

Product	Business to Business Products Group		Retail and Wholesale Products Group	
	For the Three Months Ended October 31,			
	2020	2019	2020	2019
Cat Litter	**$ 3,876**	$ 3,697	**$ 40,794**	$ 36,379
Industrial and Sports	**—**	—	**7,262**	7,600
Agricultural and Horticultural	**6,987**	5,719	**—**	—
Bleaching Clay and Fluids Purification	**12,641**	12,223	**519**	665
Animal Health and Nutrition	**4,018**	4,839	**—**	—
Net Sales	**$ 27,522**	$ 26,478	**$ 48,575**	$ 44,644

We do not rely on any segment asset allocations and we do not consider them meaningful because of the shared nature of our production facilities; however, we have estimated the segment asset allocations below for those assets for which we can reasonably determine. The unallocated asset category is the remainder of our total assets. The asset allocation is estimated and is not a measure used by our chief operating decision maker about allocating resources to the operating segments or in assessing their performance.

	Assets	
	October 31, 2020	July 31, 2020
	(in thousands)	
Business to Business Products Group	**$ 72,687**	$ 72,987
Retail and Wholesale Products Group	**101,170**	95,838
Unallocated Assets	**53,514**	67,057
Total Assets	**$ 227,371**	$ 235,882

Net sales and operating income for each segment are provided below. The corporate expenses line includes certain unallocated expenses, including primarily salaries, wages and benefits, purchased services, rent, utilities and depreciation and amortization associated with corporate functions such as research and development, information systems, finance, legal, human resources and customer service. Corporate expenses also include the estimated annual incentive plan bonus accrual.

	For the Three Months Ended October 31,			
	Net Sales		Income	
	2020	2019	2020	2019
	(in thousands)			
Business to Business Products Group	**$ 27,522**	$ 26,478	**$ 8,196**	$ 8,296
Retail and Wholesale Products Group	**48,575**	44,644	**4,478**	3,360
Net Sales	**$ 76,097**	$ 71,122		
Corporate Expenses			**(7,497)**	(7,535)
Income from Operations			**5,177**	4,121
Total Other Expense, Net			**(422)**	(44)
Income before Income Taxes			**4,755**	4,077
Income Tax Expense			**(806)**	(617)
Net Income			**3,949**	3,460
Net Loss Attributable to Noncontrolling Interest			**(35)**	(76)
Net Income Attributable to Oil-Dri			**$ 3,984**	$ 3,536

11. STOCK-BASED COMPENSATION

The Oil-Dri Corporation of America 2006 Long Term Incentive Plan, as amended (the "2006 Plan"), permits the grant of stock options, stock appreciation rights, restricted stock, restricted stock units, performance awards and other stock-based and cash-based awards. Our employees and outside directors are eligible to receive grants under the 2006 Plan. The total number of shares of stock subject to grants under the 2006 Plan may not exceed 1,219,500. As of October 31, 2020, there were 354,146 shares available for future grants under this plan.

Restricted Stock

All of our non-vested restricted stock as of October 31, 2020 was issued under the 2006 Plan with vesting periods generally between one and five years. We determined the fair value of restricted stock as of the grant date. We recognize the related compensation expense over the period from the date of grant to the date the shares vest.

There were 33,000 and 19,000 restricted shares of Common Stock granted during the first quarter of fiscal years 2021 and 2020, respectively. Stock-based compensation expense was $784,000 and $969,000 for the first quarter of fiscal years 2021 and 2020, respectively.

A summary of restricted stock transactions is shown below:

	Restricted Shares (in thousands)	Weighted Average Grant Date Fair Value
Non-vested restricted stock outstanding at July 31, 2020	390	$ 33.19
Granted	33	$ 36.08
Vested	(48)	$ 33.57
Non-vested restricted stock outstanding at October 31, 2020	375	$ 33.40

12. ACCUMULATED OTHER COMPREHENSIVE (LOSS) INCOME

The following table summarizes the changes in accumulated other comprehensive (loss) income by component as of October 31, 2020 (in thousands):

	Pension and Postretirement Health Benefits	Cumulative Translation Adjustment	Total Accumulated Other Comprehensive (Loss) Income
Balance as of July 31, 2020	$ (11,994)	$ (260)	$ (12,254)
Other comprehensive loss before reclassifications, net of tax	—	272	272
Amounts reclassified from accumulated other comprehensive income, net of tax	128 (a)	—	128
Net current-period other comprehensive income, net of tax	128	272	400
Balance as of October 31, 2020	$ (11,866)	$ 12	$ (11,854)

(a) Amount is net of tax expense of $40,530. Amount is included in the components of net periodic benefit cost for the pension and postretirement health plans. See Note 9 of the Notes to unaudited Condensed Consolidated Financial Statements for further information.

13. RELATED PARTY TRANSACTIONS

One member of our Board of Directors (the "Board") retired from the role of President and Chief Executive Officer of a customer of ours in September 2019 and is currently party to a post-employment agreement with the customer. Total net sales to that customer, including sales to subsidiaries of that customer, were $110,000 and $111,000 for the first quarter of fiscal years 2021 and 2020, respectively. Outstanding accounts receivable from that customer, and its subsidiaries, were $5,000 and $0 at October 31, 2020 and July 31, 2020, respectively.

One member of our Board is currently the President and Chief Executive Officer of a vendor of ours. Total payments to this vendor for fees and cost reimbursements were $92,000 and $38,000 for the first quarter of fiscal years 2021 and 2020, respectively. There were no outstanding accounts payable to that vendor as of October 31, 2020 or July 31, 2020.

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion and analysis of our financial condition and results of operations should be read together with the financial statements and the related notes included herein and our Consolidated Financial Statements, accompanying notes and Management's Discussion and Analysis of Financial Condition and Results of Operations contained in our Annual Report on Form 10-K for the fiscal year ended July 31, 2020. This discussion contains forward-looking statements that involve risks and uncertainties. Our actual results may differ materially from the results discussed in the forward-looking statements. Factors that might cause a difference include, but are not limited to, those discussed under "Forward-Looking Statements" and Item 1A, Risk Factors of our Annual Report on Form 10-K for the fiscal year ended July 31, 2020.

OVERVIEW

We develop, mine, manufacture and market sorbent products principally produced from clay minerals and, to a lesser extent, other clay-like sorbent materials. Our principal products include agricultural and horticultural chemical carriers, animal health and nutrition products, bleaching clay and fluid purification aids, cat litter, industrial and automotive floor absorbents and sports field products. Our products are sold to two primary customer groups, including customers who resell our products as originally produced to the end consumer and those who use our products as part of their production process or use them as an ingredient in their final finished product. We have two reportable operating segments based on the different characteristics of our two primary customer groups: Retail and Wholesale Products Group and Business to Business Products Group, as described in Note 10 of the Notes to unaudited Condensed Consolidated Financial Statements.

RESULTS OF OPERATIONS

OVERVIEW

In December 2019, COVID-19 was reported in China and has subsequently spread worldwide. In March 2020, the World Health Organization declared the COVID-19 outbreak a pandemic. While we saw changes to consumer purchasing patterns for certain products in response to the pandemic and certain increases in our costs arising out of the pandemic outbreak and continued spread of COVID-19, there has not, to date, been a significant impact to our business as a whole. All of our facilities, with the exception of our subsidiary in China (which, as noted below, has subsequently resumed operations), have continued to operate as essential businesses as permitted under exceptions in the applicable shelter-in-place mandates due to our inclusion in the Critical Manufacturing Sector as defined by the U.S. Department of Homeland Security and other functions defined as essential by government authorities. Our subsidiary in China, which experienced certain disruptions as a result of government restrictions at the onset of the pandemic, returned to operations in the third quarter of fiscal year 2020. Our top priority has been, and continues to be, the safety and health of our employees, contractors, and customers. We have adhered and continue to adhere to guidance from the U.S. Centers for Disease Control and Prevention (CDC) and local health and governmental authorities with respect to social distancing and physical separation. Additionally, we have increased cleaning and sanitation programs at each of our facilities. As a result, we have not experienced any shut downs due to workforce absences or illnesses.

As further discussed below, our consolidated net sales have increased in the first quarter of fiscal year 2021 compared to the first quarter of fiscal year 2020. Despite the increase in sales, we have not experienced any significant issues collecting amounts due from customers to date. However, parts of our business have been negatively impacted by the COVID-19 outbreak. Sales of our industrial and sports businesses declined as many businesses and sports fields remain shut down. In the long-term, we foresee that our sports product sales will improve back to pre-pandemic volumes with the expected re-opening of baseball and softball at all levels in 2021. As discussed below in "Foreign Operations," sales for our industrial granules in the United Kingdom are lower due to restrictions imposed by the United Kingdom government in response to COVID-19. In addition, while sales of our fluids purification products are higher in the first three months of fiscal year 2021 than fiscal year 2020, COVID-19 has, on a whole, negatively impacted the sales of these products. Reduced travel and, to a lesser extent, our inability due to COVID-19 to participate in our customer's plant tests of our fluids purification products has impeded our sales in recent months. Sales of our animal health products in Latin America, Africa and Asia have also been somewhat impacted as COVID-19 changed our customers' purchasing patterns.

Consolidated gross profit has not been significantly impacted by COVID-19. We did experience some delays of incoming materials from three suppliers due to COVID-19. However, it did not impact our ability to fulfill customer orders and we continue to monitor our suppliers. In general, our suppliers have either remained open or we have found new suppliers. While we have experienced some increase in transportation costs as discussed further below, we have been able to successfully navigate delays in overseas vessel deliveries of our products by increasing our safety stock as well as finding other providers. We have incurred additional cleaning and sanitation costs to comply with the CDC guidelines, but these costs did not have a

significant impact on our consolidated gross profit. In addition, we have experienced a decrease in travel costs as our employees have not been traveling during the outbreak.

We are closely monitoring the continued spread and effects of the outbreak of COVID-19 on all aspects of our business, including how it has and may impact our suppliers and customers as well as the effects of the pandemic on economic conditions and the financial markets. We have not experienced any significant impacts or interruptions and we will continue to closely monitor our inventory levels to mitigate the risk of any potential supply interruptions or changes in customer demand. The impacts of COVID-19 and related economic conditions on our future results are uncertain at this time. The scope, duration and magnitude of the direct and indirect effects of COVID-19 continue to evolve (and in many cases, rapidly) and in ways that are difficult or impossible to anticipate. In addition, because COVID-19 did not materially impact our financial results to date and it remains uncertain whether and how consumers will modify their purchasing habits in response to COVID-19 and continued or reduced government restrictions, these results may not be indicative of the impact that COVID-19 may have on our results for the remainder of fiscal year 2021.

The impacts of COVID-19 to our specific operating segments are discussed below.

THREE MONTHS ENDED OCTOBER 31, 2020 COMPARED TO
THREE MONTHS ENDED OCTOBER 31, 2019

CONSOLIDATED RESULTS

Consolidated net sales for the three months ended October 31, 2020 were $76,097,000, a 7% increase compared to net sales of $71,122,000 for the three months ended October 31, 2019. Net sales increased for both our Retail and Wholesale Products Group and Business to Business Products Group. Segment results are discussed further below.

Consolidated gross profit for the first three months of fiscal year 2021 was $20,304,000, or 27% of net sales, compared to $19,935,000, or 28% of net sales, for the first three months of fiscal year 2020. While we incurred additional employee compensation costs to meet increased customer demand as well as cleaning and sanitation costs due to COVID-19, these costs did not have a significant impact on our consolidated gross profit. In addition, the majority of our suppliers have remained open and have been able to meet our increased demand. Higher freight, packaging, and to some extent, materials costs and non-fuel costs per manufactured ton, drove the decrease in gross profit. Freight costs per manufactured ton increased approximately 6% for the first three months of fiscal year 2021 compared to the same period in fiscal year 2020 as the result of higher transportation rates due to a national driver shortage and tight trucking capacity in part caused by the return of non-essential businesses and the pre-holiday build driven by both e-commerce and brick and mortar retailers. Our overall freight costs also vary between periods depending on the mix of products sold and the geographic distribution of our customers. Packaging costs per manufactured ton for the first three months of fiscal year 2021 were approximately 6% higher compared to the first three months of fiscal year 2020 due to product mix. Many of our contracts for packaging purchases are subject to periodic price adjustments, which trail changes in underlying commodity prices. Our materials costs per manufactured ton were also slightly higher compared to the first three months of the prior fiscal year. In contrast, the cost of natural gas used to operate kilns that dry our clay was approximately 9% lower per manufactured ton in the first three months of fiscal year 2021 compared to the first three months of fiscal year 2020.

Total SG&A expenses were $15,127,000 for the first three months of fiscal year 2021, a 4% decrease compared to $15,814,000 for the first three months of fiscal year 2020. The discussion of the segments' operating incomes below describes the changes in SG&A expenses that were allocated to the operating segments. The remaining unallocated corporate expenses were flat in fiscal year 2021 compared to fiscal year 2020.

Other expense of $422,000 for the first quarter of fiscal year 2021 included unfavorable exchange rate losses and higher interest expense due to the new debt agreement entered into in the third quarter of fiscal year 2020.

Consolidated net income before taxes for the first three months of fiscal year 2021 was $4,755,000, a 17% increase from net income before taxes of $4,077,000 for the first three months of fiscal year 2020. Results for the first three months of fiscal year 2021 were driven by the factors discussed above, including higher sales, lower natural gas costs and lower SG&A expenses, which more than offset the increase in freight and packaging costs.

The tax expense for the first three months of fiscal year 2021 was $806,000 (an effective tax rate of approximately 17%) compared to $617,000 for the first three months of fiscal year 2020 (an effective tax rate of approximately 15%). An estimated

annual effective tax rate was used in both periods to determine the provision for income taxes, which is based on expected annual taxable income and the assessment of various tax deductions, including depletion.

BUSINESS TO BUSINESS PRODUCTS GROUP

Net sales of the Business to Business Products Group for the first three months of fiscal year 2021 increased compared to the first three months of fiscal year 2020. Net sales were $27,522,000, an increase of $1,044,000, or 4%, from net sales of $26,478,000 for the first three months of fiscal year 2020. Net sales of our agricultural and horticultural chemical carrier products increased approximately 22% for the first three months of fiscal year 2021 compared to the same period in fiscal year 2020. The increase in net sales was attributable to an expected shift in timing of sales to one of our largest customers from the last three months of fiscal year 2020 to the first three months of fiscal year 2021 due to that customer resuming its production schedule after it experienced various supplier delays due to COVID-19. Additionally, agricultural sales increased due to a new business application of our Agsorb product to an existing customer and increased sales to existing customers in the first three months of fiscal year 2021. Net sales of our fluids purification products increased approximately 3% compared to the first three months of the prior fiscal year. Net sales increased despite the negative impacts of COVID-19. Reduced travel due to COVID-19 decreased the sales of our jet fuel fluids purification products. However, we experienced sales improvement in Europe due to one of our significant customers increasing its purchases from us during the first three months of fiscal year 2021. Further, sales were stronger in Africa and Latin America due to increased sales by existing customers despite the currency rates in Brazil continuing to negatively impact our business in Latin America. The increases in net sales to Latin America and Europe were partially offset by lower sales to North America due to the high quality of oil and therefore less need for our clay products and lower sales to Asia due to price competition. Sales of our co-packaged coarse cat litter increased approximately 5% during the first months of fiscal year 2021 compared to the prior fiscal year as consumers continued to buy more cat litter. These higher sales were partially offset by lower sales of our animal health products. Net sales of our animal health and nutrition products decreased approximately 17% during the first three months of fiscal year 2021 compared to the first three months of the prior year. Net sales of our animal feed additives declined primarily in Latin America and Africa, while sales in China increased. See “Foreign Operations” below for a discussion of sales in China. Net sales were lower in Latin America compared to the same period in the prior fiscal year due to changes in a distributor while decreases in net sales in Africa changed due to timing of a key customer's purchasing due to COVID-19. We anticipate that sales to this key customer will resume over the next nine months of fiscal year 2021.

SG&A expenses for the Business to Business Products Group decreased approximately 5% for the first three months of fiscal year 2021 compared to the same period of the prior year. The decrease in SG&A is attributable to various expenses, but was particularly impacted by fewer travel costs due to COVID-19.

The Business to Business Products Group’s operating income for the first three months of fiscal year 2021 was $8,196,000, a decrease of $100,000, or 1%, from operating income of $8,296,000 for the first three months of fiscal year 2020. The decrease in operating income was driven primarily by the higher freight and packaging costs discussed in “Consolidated Results” above.

RETAIL AND WHOLESALE PRODUCTS GROUP

Net sales of the Retail and Wholesale Products Group for the first three months of fiscal year 2021 were $48,575,000, an increase of $3,931,000, or 9%, from net sales of $44,644,000 for the first three months of fiscal year 2020. Sales of cat litter drove the net sales increase. Total cat litter net sales were approximately 12% higher compared to the first three months of the prior fiscal year, with increased sales of both private label and branded scoopable litter. We gained business from both new customers and from new items sold to existing customers for both private label and branded scoopable litter. In addition, in-store promotions resulted in increased sales. Further, an increase in e-commerce sales, where the customer base differs from brick and mortar customers, continues to increase cat litter sales. The impact of COVID-19 on increased pet adoption continues to boost sales as well as the overall macro trend of increased spending on pets. Cat litter sales by our subsidiary in Canada further contributed to the sales increase, as discussed in “Foreign Operations” below. Also included in the Retail and Wholesale Products Group's results were lower sales of our industrial and sports products compared to the first three months of fiscal year 2020. Sales of our industrial and sports products decreased approximately 4% compared to the three months of fiscal year 2020, primarily driven by the continued impact of businesses and sports fields shutting down and/or reducing operations due to COVID-19.

SG&A expenses for the Retail and Wholesale Products Group were lower during the first three months of fiscal year 2021 compared to the first three months of fiscal year 2020 by approximately 9%. This decrease relates primarily to lower advertising expense during the first three months of fiscal year 2021 based on the timing our our strategic advertising programs. We expect that advertising expense for the remainder of fiscal year 2021 will be consistent with the prior fiscal year on an aggregate basis.

The Retail and Wholesale Products Group's operating income for the first three months of fiscal year 2021 was $4,478,000, an increase of $1,118,000, or 33%, from operating income of $3,360,000 for the first three months of fiscal year 2020. The improved operating income was driven by the higher sales described above and by lower advertising and natural gas costs discussed in “Consolidated Results” which more than offset the higher freight and packaging costs which are also discussed in "Consolidated Results" above.

FOREIGN OPERATIONS

Foreign operations include our subsidiaries in Canada and the United Kingdom, which are reported in the Retail and Wholesale Products Group, and our subsidiaries in China, Mexico and Indonesia, which are reported in the Business to Business Products Group. Net sales by our foreign subsidiaries during the first three months of fiscal year 2021 were $4,136,000, an increase of $487,000, or 13%, compared to net sales of $3,649,000 during the first three months of fiscal year 2020. All of our foreign operations, with the exception of the United Kingdom, experienced an increase in net sales during the first three months of fiscal year 2021 compared to fiscal year 2020. Cat litter sales for our Canada subsidiary increased in the first three months of fiscal year 2021 due to new product sales; higher sales to existing customers; in-store promotions; and some pantry loading in eastern Canada due to a second COVID-19 wave. Despite the continued impacts of the African Swine Fever to pork consumption, sales of our animal health products in China were higher during the first three months of fiscal year 2021 compared to fiscal year 2020 due to a new contract with an existing customer. Higher sales for these subsidiaries were partially offset by lower net sales for our subsidiary in the United Kingdom. The effect of COVID-19 lockdowns and restrictions on the industry in Europe has, to some extent, reduced demand for our industrial floor granules. Net sales by our foreign subsidiaries represented 5% of our consolidated net sales during the first three months of both fiscal years 2021 and 2020.

Our foreign subsidiaries reported a net loss of $212,000 for the first three months of fiscal year 2021, compared to a net loss of $68,000 for the first three months of fiscal year 2020. The net loss was primarily driven by lower net sales for our subsidiary in the United Kingdom. In addition, the majority of our foreign subsidiaries experienced losses due to unfavorable exchange rates.

Identifiable assets of our foreign subsidiaries as of October 31, 2020 were $11,991,000, compared to $9,712,000 as of October 31, 2019. The increase was attributed primarily to working capital contributed to our subsidiary in Mexico during the third quarter of fiscal year 2020 that has not yet been used as well as an increase in inventory for our subsidiaries in Canada, China and Indonesia in anticipation of meeting customer needs and thwarting any potential supply chain disruptions due to COVID-19.

LIQUIDITY AND CAPITAL RESOURCES

Our principal capital requirements include: funding working capital needs; purchasing and upgrading equipment, facilities, information systems, and real estate; supporting new product development; investing in infrastructure; repurchasing stock; paying dividends; making pension contributions; and, from time to time, business acquisitions. During the first three months of fiscal year 2021, we principally funded these requirements using cash from current operations as well as cash generated in the fourth quarter of fiscal year 2020 from borrowings and a one-time receipt of cash related to licensing of certain of our patents.

To date, COVID-19 has not had a significant impact on our operations as a whole, and we anticipate cash flows from operations and our available sources of liquidity will be sufficient to meet our cash requirements. In addition, we are actively monitoring the timing and collection of our accounts receivable. Given the dynamic nature of COVID-19, we will continue to assess our liquidity needs and to actively manage our spending.

The following table sets forth certain elements of our unaudited Condensed Consolidated Statements of Cash Flows (in thousands):

	For the Three Months Ended October 31,	
	2020	**2019**
Net cash (used in) provided by operating activities	**$ (3,435)**	$ 6,692
Net cash used in investing activities	**(3,565)**	(3,900)
Net cash used in financing activities	**(2,781)**	(5,344)
Effect of exchange rate changes on cash and cash equivalents	**182**	(50)
Net decrease in cash and cash equivalents	**$ (9,599)**	$ (2,602)

Net cash (used in) provided by operating activities

In addition to net income, as adjusted for depreciation and amortization and other non-cash operating activities, the primary sources and uses of operating cash flows for the first three months of fiscal years 2021 and 2020 were as follows:

Accounts receivable, less allowance for doubtful accounts, increased $4,256,000 in the first three months of fiscal year 2021 compared to an increase of $791,000 in the first three months of fiscal year 2020. Higher sales in the first quarter of fiscal year 2021 compared to the first quarter of fiscal year 2020 drove the increase in accounts receivable as of October 31, 2020. The variation in accounts receivable balances also reflects differences in the level and timing of collections as well as the payment terms provided to various customers.

Inventory decreased $462,000 in the first three months of fiscal year 2021 compared to a decrease of $371,000 in the first three months of fiscal year 2020 due to decreases in other inventory and finished goods. Other inventory includes a variety of items including clay, additives, fragrances and other supplies. Other inventory decreased due to increased demand during the first three months of fiscal year 2021. Finished goods decreased during the first three months of fiscal year 2021 due to higher sales. Packaging and other purchased materials inventory decreased as of October 31, 2019 due to higher production and efforts to better manage our safety stock levels.

Prepaid expenses decreased $458,000 in the first three months of fiscal year 2021. Lower prepaid advertising costs partially offset by higher prepaid repairs drove the overall decrease in prepaid expenses. Lower prepaid advertising costs also drove the decrease of $1,578,000 in the first quarter of fiscal year 2020.

Other assets increased $985,000 in the first three months of fiscal year 2021 compared to a decrease of $316,000 in the first three months of fiscal year 2020. The increase in other assets relates to an increase in capitalized pre-production mining costs. The decrease during the first three months of fiscal year 2020 related to amortization of our operating lease right-of-use lease assets.

Accounts payable, including income taxes payable, decreased $1,435,000 in the first three months of fiscal year 2021 compared to an increase of $835,000 in the first three months of fiscal year 2020. Lower trade and freight payables drove the decrease in accounts payable in the first three months of fiscal year 2021. Trade and freight payables vary in both periods due to the timing of payments, fluctuations in the cost of goods and services we purchased, production volume levels and vendor payment terms. Higher accrued income taxes drove the increase in the first three months of fiscal year 2020.

Accrued expenses decreased $8,106,000 in the first three months of fiscal year 2021 compared to a decrease of $3,812,000 in the first three months of fiscal year 2020. The payout of the prior fiscal year's discretionary incentive bonus reduced accrued salaries in both fiscal years, but to a greater extent in fiscal year 2021 as the accrual was higher in the prior fiscal year. Accrued advertising also decreased in the first three months of fiscal year 2021. Theses decreases were partially offset by an increase in accrued freight. In contrast, the decrease in accrued expenses in the first three months of fiscal year 2020 related to a decrease in accrued freight. Accrued freight can vary with freight rates, timing of shipments, and production requirements. In addition, accrued plant expenses can also fluctuate due to timing of payments, changes in the cost of goods and services we purchase, production volume levels and vendor payment terms.

Other liabilities increased $1,135,000 in the first three months of fiscal year 2021 compared to a decrease of $474,000 in the first three months of fiscal year 2020. The increase in other liabilities for the first three months of fiscal year 2021 relates to the deferral of employer taxes under the CARES Act as further described in Note 1 of the Notes to unaudited Condensed Financial Statements. The decrease in fiscal year 2020 is due to a reclassification of the deferred lease liability to operating lease liabilities.

Net cash used in investing activities

Cash used in investing activities was $3,565,000 in the first three months of fiscal year 2021 compared to cash used in investing activities of $3,900,000 in the first three months of fiscal year 2020. Cash used for capital expenditures was slightly lower for the first three months of fiscal year 2021 than fiscal year 2020.

Net cash used in financing activities

Cash used in financing activities of $2,781,000 in the first three months of fiscal year 2021 was lower than cash used in financing activities of $5,344,000 in the first three months of fiscal year 2020. The first three months of fiscal year 2020 included the semi-annual payment on the then existing notes payable. The remaining notes payable were paid in the fourth quarter of fiscal year 2020 and replaced by a new notes payable agreement as further described below. No payments on the new notes payable agreement are yet due.

Other

Total cash and investment balances held by our foreign subsidiaries of $3,221,000 as of October 31, 2020 were slightly higher than the October 31, 2019 balances of $3,042,000. See further discussion in "Foreign Operations" above.

On January 31, 2019, we signed a fifth amendment to our credit agreement with BMO Harris Bank N.A. ("BMO Harris"), which expires on January 31, 2024. The agreement provides for a $45,000,000 unsecured revolving credit agreement and a maximum of $10,000,000 for letters of credit. The agreement terms also state that we may select a variable interest rate based on either the BMO Harris prime rate or a LIBOR-based rate, plus a margin that varies depending on our debt to earnings ratio, or a fixed rate as agreed between us and BMO Harris. As of October 31, 2020, the variable rates would have been 3.50% for the BMO Harris prime-based rate or 1.47% for the three-month LIBOR-based rate. The credit agreement contains restrictive covenants that, among other things and under various conditions, limit our ability to incur additional indebtedness or to dispose of assets. The agreement also requires us to maintain a minimum fixed coverage ratio and a minimum consolidated net worth. As of October 31, 2020 and 2019, we were in compliance with the covenants. There were no borrowings during the first three months of either fiscal year 2020 or 2021.

On May 15, 2020, we entered into a new debt instrument pursuant to which, among other things, we issued $10,000,000 in aggregate principal amount of our 3.95% Series B Senior Notes due May 15, 2030 and entered into an amended note agreement that provides the Company with the ability to request, from time to time until May 15, 2023 (or such earlier date as provided for in the agreement), additional senior unsecured notes of the Company in an aggregate principal amount of up to $75,000,000 minus the aggregate principal amount of the notes then outstanding and the additional notes that have been accepted for purchase. The issuance of such additional notes is at the discretion of the noteholders and purchasers and on an uncommitted basis. As of October 31, 2020 outstanding notes payable were $9,857,000, net of $143,000 of unamortized debt issuance costs.

As of October 31, 2020, we had remaining authority to repurchase 871,616 shares of Common Stock and 278,250 shares of Class B Stock under a repurchase plan approved by our Board of Directors (the "Board"). Repurchases may be made on the open market (pursuant to Rule 10b5-1 plans or otherwise) or in negotiated transactions. The timing, number and manner of share repurchases will be determined by our management pursuant to the repurchase plan approved by our Board.

We believe that cash flow from operations, availability under our revolving credit facility, current cash and investment balances and our ability to obtain other financing, if necessary, will provide adequate cash funds for foreseeable working capital needs, capital expenditures at existing facilities, deferred compensation payouts, dividend payments and debt service obligations for at least the next 12 months. We expect capital expenditures in fiscal year 2021 to be greater than in fiscal year 2020. We do not believe that these increased expenditures will dramatically impact our cash position; however our cash requirements are subject to change as business conditions warrant and opportunities arise. Our anticipated advertising expense for fiscal year 2021 is expected to be flat as compared to fiscal year 2020.

We continually evaluate our liquidity position and anticipated cash needs, as well as the financing options available to obtain additional cash reserves. Our ability to fund operations, to make planned capital expenditures, to make scheduled debt payments, to contribute to our pension plan and to remain in compliance with all financial covenants under debt agreements, including, but not limited to, the current credit agreement, depends on our future operating performance, which, in turn, is subject to prevailing economic conditions and to financial, business and other factors. The timing and size of any new business ventures or acquisitions that we complete may also impact our cash requirements.

CRITICAL ACCOUNTING POLICIES AND ESTIMATES

This discussion and analysis of financial condition and results of operations is based on our unaudited Condensed Consolidated Financial Statements, which have been prepared in accordance with U.S. GAAP for interim financial information and in compliance with instructions to Form 10-Q and Article 10 of Regulation S-X. The preparation of these financial statements requires the use of estimates and assumptions related to the reporting of assets, liabilities, revenues, expenses and related

disclosures. In preparing these financial statements, we have made our best estimates and judgments of certain amounts included in the financial statements. Estimates and assumptions are revised periodically. Actual results could differ from these estimates. See the information concerning our critical accounting policies included under "Management's Discussion of Financial Condition and Results of Operations" in our Annual Report on Form 10-K for the fiscal year ended July 31, 2020.

ITEM 4. CONTROLS AND PROCEDURES

Evaluation of Disclosure Controls and Procedures

Management conducted an evaluation of the effectiveness of the design and operation of our disclosure controls and procedures (as defined in Rule 13a-15(e) under the Securities Exchange Act of 1934 (the "Exchange Act")) as of the end of the period covered by this Quarterly Report on Form 10-Q. The controls evaluation was conducted under the supervision and with the participation of management, including our Chief Executive Officer ("CEO") and Chief Financial Officer ("CFO"). Based upon the controls evaluation, our CEO and CFO have concluded that, as of the end of the period covered by this report, our disclosure controls and procedures were effective to provide reasonable assurance that information required to be disclosed in our Exchange Act reports is recorded, processed, summarized and reported within the time periods specified by the SEC, and that such information is accumulated and communicated to management, including the CEO and CFO, as appropriate to allow timely decisions regarding required disclosure.

Changes in Internal Control over Financial Reporting

We have not experienced any material impact to our internal controls over financial reporting despite the fact that many of our employees are working remotely due to COVID-19. We are continually monitoring and assessing the effects of COVID-19 on our internal controls to minimize the impact to their design and operating effectiveness.

There were no changes in our internal control over financial reporting (as defined in Rule 13a-15(f) under the Exchange Act) that occurred during the fiscal quarter ended October 31, 2020 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

Inherent Limitations on Effectiveness of Controls

Our management, including the CEO and CFO, do not expect that our disclosure controls and procedures or our internal control over financial reporting will prevent or detect all errors and all fraud. A control system, no matter how well designed and operated, can provide only reasonable, not absolute, assurance that the control system's objectives will be met. The design of a control system must reflect the fact that there are resource constraints, and the benefits of controls must be considered relative to their costs. Further, because of the inherent limitations in all control systems, no evaluation of controls can provide absolute assurance that misstatements due to error or fraud will not occur or that all control issues and instances of fraud, if any, within the Company have been detected. These inherent limitations include the realities that judgments in decision-making can be faulty and that breakdowns can occur because of simple error or mistake. Controls can also be circumvented by the individual acts of some persons, by collusion of two or more people, or by management override of the controls. The design of any system of controls is based in part on certain assumptions about the likelihood of future events, and there can be no assurance that any design will succeed in achieving its stated goals under all potential future conditions. Projections of any evaluation of controls effectiveness to future periods are subject to risks. Over time, controls may become inadequate because of changes in conditions or deterioration in the degree of compliance with policies or procedures.

PART II – OTHER INFORMATION

Items 1, 3 and 5 of this Part II are either inapplicable or are answered in the negative and are omitted pursuant to the instructions to Part II.

ITEM 1A. RISK FACTORS

The Company's operations and financial results are subject to various risks and uncertainties, including those described in Part I, Item 1A, "Risk Factors" in the Company's Annual Report on Form 10-K for the year ended July 31, 2020. There have been no material changes to our risk factors since the Company's Annual Report on Form 10-K for the year ended July 31, 2020.

ITEM 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS

During the three months ended October 31, 2020, we did not sell any securities which were not registered under the Securities Act of 1933. The following charts summarize our Common Stock and Class B stock purchases during this period.

ISSUER PURCHASES OF EQUITY SECURITIES[1]

	(a)	(b)	(c)	(d)
For the Three Months Ended October 31, 2020	**Total Number of Shares Purchased[2]**	**Average Price Paid per Share**	**Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs**	**Maximum Number of Shares that may yet be Purchased Under Plans or Programs[3]**
Common Stock				
August 1, 2020 to August 31, 2020	—	$—	—	887,934
September 1, 2020 to September 30, 2020	—	$—	—	887,934
October 1, 2020 to October 31, 2020	16,318	$36.32	10,671	871,616
Class B Stock				
August 1, 2020 to August 31, 2020	—	$—	—	288,925
September 1, 2020 to September 30, 2020	—	$—	—	288,925
October 1, 2020 to October 31, 2020	10,675	$36.11	—	278,250

[1] The table summarizes repurchases of (and remaining authority to repurchase) shares of our Common and Class B Stock. No shares of our Class A Common Stock are currently outstanding. Descriptions of our Common Stock, Class B Stock and Class A Common Stock are contained in Exhibit 4.1 to our Annual Report on Form 10-K for the fiscal year ended July 31, 2020 filed with the SEC.

[2] Includes 5,647 of Common stock shares and 10,675 Class B shares surrendered by employees to pay taxes related to restricted stock awards.

[3] Our Board of Directors authorized the repurchase of 250,000 shares of Common Stock on June 14, 2012 and an additional 750,000 shares of Common Stock on March 11, 2019. These authorizations do not have a stated expiration date. Our Board of Directors authorized the repurchase of 300,000 shares of Class B stock on March 21, 2018. The share numbers in this column indicate the number of shares of Common and Class B Stock that may yet be repurchased under these authorizations. Repurchases may be made on the open market (pursuant to Rule 10b5-1 plans or otherwise) or in negotiated transactions. The timing, number and manner of share repurchases will be determined by our management.

ITEM 4. MINE SAFETY DISCLOSURES

Our mining operations are subject to regulation by the Mine Safety and Health Administration under authority of the Federal Mine Safety and Health Act of 1977, as amended. Information concerning mine safety violations or other regulatory matters required by section 1503(a) of the Dodd-Frank Wall Street Reform and Consumer Protection Act and Item 104 of Regulation S-K is included in Exhibit 95 to this Quarterly Report on Form 10-Q.

ITEM 5. OTHER INFORMATION

On December 4, 2020, the Company entered into the fourth amendment (the "Amendment") to the Memorandum of Agreement #1450 "Fresh Step"® dated as of March 12, 2001 between A&M Products Manufacturing Company, a subsidiary of The Clorox Company, and Oil-Dri Corporation of America (as amended by the First Amendment, dated December 13, 2002, the Second Amendment, dated October 15, 2007, and the Third Amendment, dated May 27, 2016, the "Memorandum Agreement"). The Amendment extends the initial term of the Memorandum Agreement. The foregoing is a brief description of the material terms of the Amendment and does not purport to be a complete description of the rights and obligations of the parties thereunder. The foregoing description is qualified in its entirety by reference to the Amendment, which is filed as an exhibit to this Quarterly Report on Form 10Q.

ITEM 6. EXHIBITS

Exhibit No.	Description	SEC Document Reference
10.1†	Memorandum of Agreement #1450 "Fresh Step"® dated as of March 12, 2001 between A&M Products Manufacturing Company and Oil-Dri.	Filed herewith.
10.2†	Second Amendment, dated as of October 15, 2007, to Memorandum of Agreement #1450 "Fresh Step"® dated as of March 12, 2001.	Filed herewith.
10.3†	Third Amendment, dated as of May 27, 2016, to Memorandum of Agreement #1450 "Fresh Step"® dated as of March 12, 2001.	Filed herewith.
10.4†	Fourth Amendment, dated as of December 4, 2020, to Memorandum of Agreement #1450 "Fresh Step"® dated as of March 12, 2001.	Filed herewith.
10.5†	Exclusive Supply Agreement dated May 19, 1999 between Church & Dwight Co., Inc. and Oil-Dri.	Filed herewith.
11	Statement re: Computation of Earnings Per Share.	Filed herewith.
31	Certifications pursuant to Rule 13a–14(a).	Filed herewith.
32	Certifications pursuant to Section 1350 of the Sarbanes-Oxley Act of 2002.	Furnished herewith.
95	Mine Safety Disclosures.	Filed herewith.
101.SCH	XBRL Taxonomy Extension Schema Document	Filed herewith.
101.CAL	XBRL Taxonomy Extension Calculation Linkbase Document	Filed herewith.
101.DEF	XBRL Taxonomy Extension Definition Linkbase Document	Filed herewith.
101.LAB	XBRL Taxonomy Extension Labels Linkbase Document	Filed herewith.
101.PRE	XBRL Taxonomy Extension Presentation Linkbase	Filed herewith.
104	Cover Page Interactive Data File (formatted as inline XBRL and contained in Exhibit 101	Filed herewith.

† Certain portions of this exhibit have been redacted pursuant to Item 601(b)(10) of Regulation S-K. A copy of the omitted portions will be furnished supplementally to the Securities and Exchange Commission upon request.

Note: Stockholders may receive copies of the above listed exhibits, without fee, by written request to Investor Relations, Oil-Dri Corporation of America, 410 North Michigan Avenue, Suite 400, Chicago, Illinois 60611-4213, by telephone at (312) 321-1515 or by e-mail to info@oildri.com.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

OIL-DRI CORPORATION OF AMERICA
(Registrant)

BY /s/ Daniel S. Jaffee
Daniel S. Jaffee
Chairman, President and Chief Executive Officer

BY /s/ Susan M. Kreh
Susan M. Kreh
Chief Financial Officer

Dated: December 7, 2020

Exhibit 10.1

CERTAIN IDENTIFIED INFORMATION HAS BEEN EXCLUDED FROM THIS EXHIBIT BECAUSE IT IS NOT MATERIAL AND WOULD LIKELY CAUSE COMPETITIVE HARM TO THE REGISTRANT IF PUBLICLY DISCLOSED. [***] INDICATES THAT INFORMATION HAS BEEN REDACTED.

A&M PRODUCTS MANUFACTURING COMPANY
AND
OIL-DRI CORPORATION OF AMERICA
MEMORANDUM OF AGREEMENT
#1450
"FRESH STEP"

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MEMORANDUM OF AGREEMENT # 1450

("AGREEMENT")

As of March 12, 2001

1. BUYER. A & M Products Manufacturing Company, 1221 Broadway, Oakland, California 94612, hereinafter "BUYER".

2. SELLER. Oil-Dri Corporation of America, 410 N. Michigan Avenue, Chicago, Illinois, 60611 hereinafter "SELLER".
3. PRODUCT. Fresh Step(R) Traditional Coarse Clay Cat Litter, or any variant thereof that contains more than twenty-five percent (25%) coarse clay, bearing the Fresh Step trademark or any finished traditional coarse clay cat litter that BUYER or BUYER's Affiliates (as defined herein) may substitute for Fresh Step(R)Traditional Coarse Clay Cat Litter that meets the Product Specifications (as defined herein), from time to time, in the United States and Canada (hereinafter collectively, "FINISHED PRODUCT"), which Finished Product is described in more detail in SCHEDULE I.

a. BUYER has the right to solicit bids for and buy from third parties any traditional coarse clay cat litter bearing the Fresh Step trademark that is less than twenty-five percent (25%) coarse clay. [***]
b. To the extent BUYER markets any Fresh Step (R) Traditional Coarse Cat Litter that contains a substrate in addition to coarse clay and the total amount of coarse clay is over twenty-five percent (25%)("COMBINATION PRODUCT"), BUYER shall either (i) purchase such finished Combination Product from SELLER and the parties shall follow the procedures for Specification Changes set forth in SECTION 10(c), or (ii) purchase BUYER's coarse clay (i.e., Seller's White Clay) needs for such Combination Product from SELLER. If BUYER elects option (ii) above, BUYER shall not be required to purchase finished Combination Product from SELLER. Should BUYER choose to purchase its coarse clay needs from SELLER, the price of such coarse clay delivered to BUYER shall be the Base Price, as defined herein, less SELLER's actual costs for packaging and manufacturing the non-combination Finished Product. Notwithstanding the foregoing, if the coarse clay used in the Combination Product is not of the same type and quality used in the non-combination Finished Product, the parties shall negotiate in good faith for thirty (30) days to determine the price of the coarse clay, and if, at the conclusion of such thirty (30) days the parties cannot agree on such a price, such dispute shall be resolved according to the provisions of SECTION 23. The terms and conditions of this Agreement shall apply to purchases made by BUYER under this paragraph.

4. QUANTITY. SELLER shall produce and deliver Finished Product as ordered by BUYER as set forth in SCHEDULE I.

5. QUALITY.

a. Finished Product shall be made and packaged in accordance with BUYER's applicable specifications as more fully described on Schedule II (collectively, "PRODUCT SPECIFICATIONS"). Subject to the provisions of SECTION 10(c), BUYER may subsequently add or alter the Product Specifications.
b. Unless otherwise specifically stated herein, the standards and requirements in the Contract Manufacturing Manual ("MANUAL") dated September 1999 attached hereto and incorporated herein as SCHEDULE III, including without limitation any subsequent restatements, replacements, additions or alterations thereto, [***].

c. BUYER may inspect the Finished Product at its destination. [***] BUYER provides SELLER with written notice that the Finished Product does not meet the Product Specifications. In such event, SELLER shall be responsible for the reasonable and actual costs of rework or replacement for Finished Product that does not meet the Product Specifications. SELLER also shall reimburse BUYER for BUYER's actual costs of segregating the non-conforming Finished Product and other reasonable costs and charges, including without limitation, costs in inspection, receipt, transportation and care and custody of non-conforming Finished Product, incurred by BUYER as the result of SELLER supplying non-conforming Finished Product. If BUYER, in its sole discretion, deems it necessary to use Finished Product that does not conform to the Product Specifications in order to meet BUYER's customer's demand for the Finished Product or to prevent a shortage of Finished Product available in the marketplace, BUYER and SELLER shall meet and mutually agree on the terms and conditions of such usage of Finished Product that does not conform to the Product Specifications and such failure to perform shall not be deemed a breach of this Agreement to the extent such failure to meet Product Specifications is discovered by BUYER.

d. Any Finished Product supplied by SELLER that does not comply with the Product Specifications and that BUYER rejects, shall be held for SELLER's account for thirty (30) days after BUYER's notification to SELLER of such defects. If written instructions for disposition are not furnished by SELLER to BUYER within that thirty (30) day period, BUYER may dispose of the rejected Finished Product and may deduct from any amount owed to SELLER's account the delivered cost of such Finished Product and any handling and/or disposal costs incurred by BUYER. Any such deduction may be applied to current or future invoices submitted by SELLER.

e. SELLER warrants that industry standard Statistical Quality Control ("SQC") methods and procedures will be employed throughout the SELLER's facility(ies) for the Finished Product and that all data sent to BUYER will be in SQC format. BUYER hereby acknowledges that SELLER currently employs

industry standard SQC methods throughout its facility(ies) for the Finished Product as of March 12, 2001. SELLER hereby acknowledges that SQC methods and procedures change from time to time and that SELLER will change its application of such SQC methods and procedures as is reasonably required to conform to industry standard SQC.

6. TERM. See SCHEDULE I.

7. PRICE. See SCHEDULE I.
8. PAYMENT AND FREIGHT. See SCHEDULE I.

9. SHIPMENTS. SELLER shall ship Finished Product to BUYER'S designated warehouses as required by BUYER.

10. SPECIAL CONDITIONS.

a. DISCONTINUANCE. BUYER shall have the right to discontinue purchase of Finished Product made hereunder upon one hundred and twenty (120) days written notice to SELLER, in the event BUYER or any BUYER Affiliate ceases marketing or selling either the Finished Product or any other traditional coarse clay cat litter product containing more than twenty-five percent (25%) coarse clay that meets the Product Specifications for any reason ("DISCONTINUANCE"), provided, however, BUYER and any BUYER Affiliate shall not re-enter the traditional coarse clay cat litter market with either the Finished Product or any other traditional coarse clay litter product containing more than twenty-five percent (25%) that meets the Product Specifications during the Term without first giving SELLER the opportunity to supply Finished Product and/or Seller's White Clay (either "RENO WHITE CLAY" or "GEORGIA WHITE CLAY", collectively "SELLERS WHITE CLAY") in accordance with all of the terms of this Agreement including, but not limited to, price.

b.[***]

c. SPECIFICATION CHANGES. The Product Specifications are subject to change from time to time during the Term by written agreement signed by both SELLER and BUYER and any such changes to the Product Specifications shall be noted on a revised SCHEDULE II, signed and dated by BUYER and SELLER. If, at any time during the Term, BUYER and SELLER are unable to agree upon a change or an addition to the Product Specifications or any pricing thereof, BUYER shall notify SELLER in writing ("BUYER NOTIFICATION DATE") and SELLER shall have sixty (60) days from the Buyer Notification Date ("SELLER NOTIFICATION DATE") to notify BUYER in writing (i) that SELLER can and will meet the revised Product Specifications immediately, or (ii) providing BUYER with a plan detailing how and when SELLER will be able to meet the revised Product Specifications

("SELLER'S PLAN") within thirty (30) days of the Seller Notification Date or

(iii) offering to meet with the BUYER for thirty (30) days to develop a mutually agreeable plan detailing how and when SELLER will meet the revised Product Specifications ("MUTUALLY AGREEABLE PLAN").

(1) FAILURE TO MEET REVISED SPECIFICATIONS. If the SELLER fails to respond with a plan to meet the new Product Specifications on the Seller's Notification Date or SELLER responds on the Seller's Notification Date but states SELLER will not meet the revised Product Specifications, then BUYER shall have the right to purchase the Finished Product as revised by the new Product Specifications from third parties who can meet such revised Product Specifications and the obligations of BUYER and SELLER for the purchase of the Finished Product without the revised Product Specifications shall be reduced accordingly and BUYER shall have the right to terminate this Agreement, either in whole or in part. If BUYER terminates this Agreement in its entirety pursuant to this Section, BUYER must comply with the Premature Termination section detailed below in SECTION 10(f)

(2) DISAGREEMENTS ABOUT SELLER'S PLAN, THE MUTUALLY AGREEABLE PLAN AND/OR CHANGES IN PRICE DUE TO REVISED PRODUCT SPECIFICATION. In the event (i) BUYER disagrees with Seller's Plan, or (ii) the parties cannot reach a Mutually Agreeable Plan, or (iiii) the SELLER and/or BUYER disagrees to any proposed change to the price to the Finished Product as a result of the revised Product Specifications, such disputes shall be resolved according to the provisions of
SECTION 23.

d. [***] During the Term of this Agreement, SELLER agrees not to [***], in the United States and Canada, directly or indirectly, for itself or to any third party any [***] that contains [***].

e. [***]

f. PREMATURE TERMINATION ACTIONS. BUYER may terminate this Agreement in its entirety pursuant to SECTIONS 10(b) and 10(c)(1) above only after BUYER (i) purchases SELLER's existing inventory of Finished Product (not SELLER's stores or inventory of Seller's White Clay) conforming to the Product Specifications as of the date BUYER notifies SELLER of its intention to terminate, (ii) makes full payment of all invoices owed by BUYER to SELLER, unless the amounts of such invoices are in dispute, (iii) purchases and takes delivery of SELLER's existing inventory of chemical additives and packaging materials unique to the Finished Product, at cost, and [***].

11. MANUFACTURING, INVENTORY AND WAREHOUSE REQUIREMENTS.

a. FORECASTS, ORDERS AND RELEASES: BUYER will provide a three (3) month rolling forecast. Only the first month will be firm. BUYER's complete forecast will be available to SELLER by using the inventory tracking system chosen by BUYER ("MRP SYSTEM"). BUYER will submit firm orders (the forecast for the first month of each rolling forecast, the "FIRM ORDERS") for each calendar month to SELLER at least ten (10) days prior to the first day of such calendar month. BUYER and SELLER may mutually agree in writing on other levels of Finished Product as well as chemical additives and packaging materials. BUYER hereby agrees to use commercially reasonable efforts to place orders in quantities that are consistent with the quantities provided for in its forecasts. Subject to the terms of this Agreement, BUYER agrees to purchase from SELLER all Finished Product that meets the Product Specifications manufactured by SELLER to fill Firm Orders. Notwithstanding the quantity of Finished Product forecasted or ordered by BUYER and subject to BUYER's rights under SECTION 12, SELLER will guarantee the availability of up [***] of Finished Product per [***] period [***] during the Term of this Agreement.

b. DAILY TRANSACTIONS: SELLER agrees to enter all daily transactions into BUYER's MRP System and make commercially reasonable efforts to use the most recent standards listed in the Manual, including product structures and reconciliation activities for maintaining data.

c. MANUFACTURING AUTHORITY: Subject to the provisions set forth in SECTION 5(b) hereof, manufacturing authority will be issued in accordance with the established order procedures in the Manual. [***]

d. PALLETS: [***]
e. WAREHOUSE REQUIREMENTS: [***]
f. BUYER SUPPLIED MATERIALS. Unless otherwise mutually agreed upon in writing by the SELLER and BUYER, SELLER shall use and BUYER shall furnish all chemical additives and packaging components specified by BUYER for use in and to package the Finished Product. SELLER will release such chemical additives and packaging components from suppliers designated by BUYER in accordance with procedures mutually agreed upon by BUYER and SELLER. SELLER will report monthly the receipt, usage, loss, and inventory information required by BUYER. A maximum shrinkage or loss factor as reflected in SCHEDULE I will be allowed on materials furnished to SELLER by BUYER. In the event the shrinkage or loss factor exceeds the allowance per the procedure outlined in SCHEDULE I, SELLER will reimburse BUYER for losses in excess of the allowance, provided BUYER and SELLER agree that such losses are properly for SELLER's account. Reimbursement is due within thirty (30) days of the end of each Contract Year (as defined in SCHEDULE I hereto).

g. BUYER OWNED EQUIPMENT: Title to any equipment or machinery currently owned by BUYER that is currently on SELLER's premises that is used by SELLER to manufacture or package the Finished Product (the "EQUIPMENT") is hereby transferred by BUYER to SELLER, in its AS IS, WHERE IS condition without any representation or warranty, express or implied, as to condition thereof. BUYER shall have no obligation to maintain or replace such equipment or machinery. BUYER represents and warrants it has good title to the Equipment and the Equipment is free from liens and encumbrances. BUYER shall transfer title to the Equipment to SELLER pursuant to a Bill of Sale dated as of the date hereof and executed by BUYER in favor of SELLER. Furthermore, BUYER agrees to execute all such other documents, certificates or instruments and take all such other action that is commercially reasonably necessary to effectuate transfer of good title in the Equipment to SELLER.

h. COST REDUCTION: SELLER and BUYER shall work together in all areas of the operation to achieve and maintain a consistent, high quality Finished Product, and to strive to continuously improve the operation. Both SELLER and BUYER commit to using commercially reasonable efforts to take costs out of the supply chain to ensure that BUYER remains competitive in the marketplace. Cost reduction projects will be assessed for business benefits as well as the cost/efforts to implement the project. Any cost savings derived from such mutual efforts shall accrue [***], unless mutually agreed otherwise. [***]

12. PRODUCTION GUARANTEES.
a. Subject to the provisions of this Agreement, SELLER guarantees timely production of BUYER's requirements of the Finished Product. SELLER's timely production hereunder may be tolled for any delay proximately caused by the negligence or willful misconduct of BUYER's designated supplier.

b. Notwithstanding SECTION 12(a), if BUYER's requirements for Finished Product significantly [***] beyond BUYER's forecasted amount set forth in SECTION 11(a), and such increased requirements will cause SELLER to incur overtime, BUYER will [***].

c. In addition to any other remedies provided by law or equity, if, in BUYER's reasonable estimation, SELLER's future capacity to manufacture Finished Product appears insufficient to meet BUYER's forecasted production requirements, BUYER may, [***]. Prior to [***], BUYER shall notify SELLER in writing of such intention, and SELLER shall have an opportunity to provide reasonable assurances to BUYER, within five (5) days of receipt of such notice, that [***]. BUYER shall have[***]. If BUYER chooses to purchase Finished Product [***], BUYER will only [***]. Unless extenuating mechanical or quality circumstances are the cause of BUYER's concern, BUYER will use SELLER's average run rates for calculating SELLER's capability to meet BUYER's forecasted needs. Notwithstanding the foregoing, if BUYER has made a

determination of SELLER's potential shortfall for any given month under this SECTION 12(c), [***]. If at any time during such month SELLER produces enough Finished Product to eliminate the potential shortfall, BUYER shall [***].

d. Except as the result of BUYER's negligence or willful misconduct and for Force Majeure Events (as defined below), if for any reason SELLER is unable to provide [***] of Finished Product per [***] period [***] as set forth in SECTIONS 11(a) and 12(a), and BUYER must, therefore, purchase Finished Product or substantially similar product from third parties and/or ship Finished Product to its plant(s) from other locations, SELLER shall reimburse BUYER for the reasonable difference, if any, in costs of the product purchased plus any differential freight costs for the transportation of such product.

13. TITLE AND RISK OF LOSS.

Title to the Finished Product and risk of loss of the Finished Product shall pass from SELLER to BUYER when the Finished Product leaves SELLER's designated production facilities or point of storage.

14. DISCOUNTS.

On all invoices subject to discount, the discount period shall be calculated from the date of shipment.

15. REPRESENTATIONS, WARRANTIES AND INDEMNITIES.

a. SELLER'S REPRESENTATION AND WARRANTIES. SELLER represents and warrants to BUYER that (i) the Finished Product will conform to the Product Specifications and shall be free from defects in materials and workmanship, (ii) SELLER provided materials used in the Finished Product will be of good and merchantable quality, (iii) SELLER provided materials used in the Finished Product will be free and clear of all liens and encumbrances, (iv) SELLER has not placed any liens and/or encumbrances on the Finished Product (v) SELLER will have good and merchantable title to SELLER provided materials used in the Finished Product, (vi) no materials manufactured by SELLER in the Finished Product, and the use thereof [***], shall infringe upon any United States patent rights; provided, however, this clause shall not apply to the extent the Finished Product or ingredients thereof cover basic raw materials or basic structural material that are unpatented and unpatentable, (vii) SELLER has complied in all material respects, and will during the Term comply in all material respects with, all applicable federal, state and local laws, codes, regulations, rules and orders, including without limitation, the Robinson-Patman Act, federal and state environmental and health safety laws, laws restricting heavy metal content, and employment and labor laws (and all reporting requirements of those laws, which reports SELLER shall make available to BUYER on request), the Fair Labor Standards Act, and Executive Orders 11246 (Sections 202 and 203) and 11701 and (vii) any person or entity purporting to have the authority to enter into this Agreement on behalf of or for the benefit of SELLER has such authority.

[***]

[***]

b. SELLER'S INDEMNITY. SELLER shall indemnify, defend, and hold harmless BUYER and BUYER's Affiliates, of, from and against any loss, damages, claims, liabilities, costs and expenses, including without limitation reasonable attorneys' fees (collectively, "Claims"), which BUYER or any of BUYER's Affiliates (as defined herein) shall incur, suffer or be required to pay resulting from the breach of SELLER's representations and warranties in this Section; provided, however, such indemnity obligation will be subject to the limitations on warranties set forth above in SECTION 15(a) above and to the extent BUYER has agreed to accept in writing non-conforming Finished Product pursuant to SECTION 5(c) above. Notwithstanding the foregoing, SELLER shall not be responsible to indemnify, defend or hold harmless BUYER or any of BUYER's Affiliates if the Finished Product at issue in such Claims does not conform with the Product Specifications as a result of being altered or tainted after the Finished Product has left the possession or control of SELLER. BUYER shall promptly notify SELLER of any such Claims, shall cooperate with SELLER in the defense of such Claims and shall permit SELLER to control the defense and settlement of such Claims with counsel of SELLER's choice, provided, however, that SELLER shall not resolve any such Claim without notice to BUYER, and shall not enter into any claim resolution or settlement that would have a material adverse effect on the name or reputation of BUYER or its products, or would require an admission of liability or wrongdoing by BUYER. This Section shall survive the termination of this Agreement for five (5) years.

c. BUYER'S INDEMNITY: BUYER will indemnify and hold harmless SELLER and any corporation controlling, controlled by or under common control with SELLER (a "SELLER AFFILIATE"), of, from, and against any and all Claims which SELLER or any SELLER Affiliate, shall incur, suffer or be required to pay resulting from (A) injuries or deaths caused by any Finished Product manufactured by SELLER once such Finished Product has left the possession or control of SELLER, except to the extent such injuries or deaths are caused by the failure of such Finished Product to conform to the applicable Product Specifications and such Finished Product has not been altered or tainted after such Finished Product has left possession or control of SELLER; (B) United States patent and/or trademark infringement claims related to the chemical additives and/or packaging provided to SELLER by BUYER, or (C) any tort, personal injury, or substantially similar claims by any employee, agent or representative of BUYER for occurrences at any plant or facility of SELLER. SELLER shall promptly notify BUYER of any such Claims, shall cooperate with BUYER in the defense of such Claims and shall permit BUYER to control the defense and settlement of such Claims with counsel of BUYER's choice, provided, however, that BUYER shall not resolve any such Claim without notice to SELLER, and shall not enter into any claim resolution or settlement that would have a material

adverse effect on the name or reputation of SELLER or its products, or would require an admission of liability or wrongdoing by SELLER. This Section shall survive the termination of this Agreement for five (5) years.

d. Notwithstanding the foregoing, in no event shall SELLER or BUYER be required hereunder to indemnify or hold harmless the other party to the extent any involved injuries or deaths are caused by the negligence or willful misconduct of such other party. This section shall survive the termination of this Agreement for five (5) years.

16. TRADEMARKS, CONFIDENTIALITY AND INTELLECTUAL PROPERTY.

a. SELLER will not in any way whatsoever make use of or reference BUYER's name or any trademark or trade dress of BUYER, except (i) when use of or reference to BUYER's name is legally required, or (ii) with the prior written permission of BUYER. Notwithstanding the foregoing, in its communications to the investor community, its corporate annual report and any filings with the Securities and Exchange Commission, SELLER may use BUYER's name and the trademarked name "Fresh Step" to identify, respectively, that SELLER makes Finished Product for BUYER or to identify the brand name of the Finished Product that SELLER makes for BUYER. In such instances, SELLER shall refer to BUYER as either "A&M Products Manufacturing Company" or "A&M Products Manufacturing Company, a subsidiary of The Clorox Company" and shall properly identify "Fresh Step" as the registered trademark of The Clorox Pet Products Company.

b. Neither party shall issue any news or informational releases, including public announcements or confirmation of same, regarding the existence of this Agreement or any part of the subject matter of this Agreement without the prior written consent of the other party. Notwithstanding the preceding, either party may include the name of the other and a factual description of the work performed under this Agreement whenever necessary to meet legal requirements, if the disclosing party, at least five (5) business days (or less if required by law) before making such disclosure, informs the other party of the nature and content of the intended disclosure.

c. [***]

d. Each party hereto acknowledges that it will disclose to one another valuable information of a technical and/or non-technical nature that is not generally known to the trade or public, including without limitation, the pricing, the contents of this Agreement, Product Specifications, product formula, packaging specifications, production process and process specifications, production volumes both current and forecasted, business and financial information, marketing and promotion plans ("CONFIDENTIAL INFORMATION"). Such Confidential Information is the confidential and proprietary information of

the disclosing party. SELLER acknowledges that it provides goods and/or services and conducts business with one or more of BUYER's competitors, including Branded Products and retailers and their private label/store brands ("BUYER'S COMPETITORS"). Each party hereto agrees that neither it nor its respective affiliates will, and shall cause its officers, employees and agents not to, disclose the Confidential Information of the other party to any third party, including to BUYER's COMPETITORS, or use it for its own benefit or the benefit of a third party, including BUYER's Competitors, the Confidential Information of the other party, and shall take all reasonable measures to protect the confidentiality of such Confidential Information and prevent its disclosure to others, including BUYER's Competitors. Upon any termination of this Agreement, each party shall return to the disclosing party, and shall confirm to the disclosing party in writing that all such Confidential Information has been provided to the disclosing party, and that all copies thereof have been destroyed. The foregoing shall not apply to any information (i) that is in the public domain, (ii) that the receiving party can demonstrate was known to the receiving party prior to receipt from the disclosing party, (iii) that was subsequently legally received by the receiving party from a third party not under an obligation to the disclosing party to hold the same in confidence, (iv) that is independently developed by the personnel of the receiving party who have no access to the Confidential Information referred to herein at the time of or prior to their independent development of such information, or (v) that is required to be disclosed pursuant to a judicial process, court order or administrative request, or that is otherwise required by law for any regulatory filing, provided the receiving party provides the disclosing party with five (5) business days (or if the receiving party receives less than five (5) business days notice of the date of compliance with any judicial process, court order or administrative request or other disclosure that is otherwise required by law for any regulatory filing, as soon as reasonably practicable prior to such disclosure), written notice prior to such disclosure to object or otherwise seek relief from such disclosure as may be required. This section shall survive the termination of this Agreement.

17. INSURANCE.

a. SELLER represents and warrants that it has insurance coverage (which may be a comprehensive policy covering other insured items) in the aggregate of $10,000,000 in comprehensive general liability coverage, including, but not limited to product liability insurance covering SELLER's obligations herein, and agrees to maintain said comprehensive general liability insurance in full force and effect at all times during the Term of this Agreement and for five (5) years after SELLER's last production of Finished Product hereunder.

b. [***]

18. ASSIGNMENT.

a. Except as stated below in SECTION 18(b), neither party may transfer or assign any portion of that party's obligations under this Agreement, including

without limitation, a transfer of assets or stock, merger, share exchange, joint venture, license or any other transaction in which ownership or control of a party will pass from that party to a third party, without the prior written approval of the non-transferring party, which approval shall not be withheld if the assignee or transferee has a Dun & Bradstreet credit rating of 5A2 or better.

b. With respect to any proposed transfer or assignment of any portion of SELLER's obligations under this Agreement, including a sale, as discussed above, of SELLER's assets in the Ochlocknee Plant and/or Reno Plant, [***] (collectively "TOP CAT LITTER COMPANIES"), SELLER cannot transfer or assign any portion of SELLER's obligations under this Agreement [***] without the prior written approval of BUYER, which cannot be withheld if SELLER [***] provides BUYER with reasonable assurances that (i) BUYER's Confidential Information will be protected according to the provisions of SECTION 16 and that Confidential Information will only be used by [***] in accordance with SECTION 16 and not used [***] on any other cat litter product, (ii) BUYER's timely supply of Finished Product will not be interrupted, (iii) the [***] manufacture Finished Product with the same quality as SELLER, (iv) the [***] use commercially reasonable efforts to take costs out of the supply chain to ensure that BUYER remains competitive in the marketplace as set forth in SECTION 11(h) above, and (v) the [***] other obligations under this Agreement. If during the Term, SELLER should enter into bona fide negotiations to sell its business as described above [***] SELLER shall notify BUYER of such negotiations as soon as reasonably practicable, but only to the extent permitted by law and as deemed reasonable by SELLER's Board of Directors.

c. Both parties agree that any breach of this SECTION 18 by any other party hereto would be likely to result in irreparable harm to the non-breaching party for which money damages would be inadequate. The parties therefore agree that any party who is the beneficiary of a right of approval pursuant to this SECTION 18 shall be entitled to injunctive relief to enjoin any attempted transfer in violation of such right.

d. Subject to the terms of this Section, this Agreement shall be binding on he parties, successors and assigns and any agreement to sell a party's business and/or assets shall include an express provision that the sale is subject to this Agreement and that the purchaser agrees to be bound by the terms and conditions hereof.

19. FORCE MAJEURE.

a. If either party cannot perform its obligations under this Agreement because of fire, flood, earthquakes, epidemic, natural disaster or other acts of God, strikes, lock-out, accident, war, electrical power or gas outages, governmental treaty (or agreement, law, act, ordinance, order, rule or regulation) which restricts, prevents or prohibits the manufacture or sale of the Finished Product or other causes beyond the reasonable control of the parties (collectively, "FORCE MAJEURE EVENTS"), then such party shall promptly notify the other party

in writing of the occurrence of such event and while the Force Majeure Event continues, the performance of both parties shall be suspended, except for BUYER's payment obligations under this Agreement for Finished Product shipped to BUYER prior to such Force Majeure Event. Notwithstanding the foregoing, to the extent a Force Majeure Event of BUYER effects BUYER's ability to make payments from its general offices in Oakland, California, BUYER shall pay its obligations under this Agreement as soon as reasonably practicable.

b. To the extent BUYER is required to obtain Finished Product or substantially similar product from an alternative source, including another plant of SELLER, during a Force Majeure Event, BUYER shall [***] and SELLER shall reimburse BUYER [***] in obtaining the Product from an alternative source ("COVER COSTS"); provided, however, SELLER shall not be required to [***]. To the extent a Force Majeure Event continues [***], SELLER shall have the option to [***].

c. Notwithstanding the foregoing, it is BUYER's expectation that should SELLER not be able to produce Finished Product at either the Reno plant or the Ochlocknee plant because of Force Majeure Event, SELLER shall produce Finished Product at an unaffected plant (either the Reno plant or the Ochlocknee plant) and provide such Finished Product in a timely fashion in accordance with this Agreement and at no additional cost to BUYER (including without limitation, no additional freight and no Reno Surcharge, in the case of Reno Product shipped to cover for Ochlocknee Product). To the extent a Force Majeure Event continues in excess of a six (6) month period, SELLER shall have the option to continue to supply Finished Product from an unaffected plant as stated above until it is able to perform its obligations hereunder or terminate this Agreement on one hundred and twenty (120) days written notice to BUYER.

20. TERMINATION.

a. In addition to any other available rights or remedies provided herein, this Agreement may be terminated at any time prior to the expiration of the Term as follows:

i. either party may terminate this Agreement if the other party fails to cure any material breach in any representation or warranty or the performance of any material covenant or obligation under this Agreement within forty-five (45) days after written notice from the other party of such breach as provided in SECTION 24 below (the "CURE PERIOD"), provided, however, that with respect to any default that cannot be reasonably cured within the Cure Period, the default shall not be deemed to be uncured if the breaching party promptly commences to cure within the Cure Period and the breaching party continues to prosecute diligently the curing thereof to completion within another forty-five (45) days unless otherwise agreed to in writing by the parties.

ii. by mutual written consent of the BUYER and SELLER;

iii.by BUYER on not less then [***] months written notice to SELLER ("NOTIFICATION DATE") if BUYER decides to produce Finished Product (with or without Seller's White Clay) in BUYER's own manufacturing facilities; provided, however, [***]:

[***]

iv. by (A) SELLER in the event that BUYER fails to pay the price for the Product delivered to BUYER hereunder as and when the same becomes due and payable in accordance with terms hereof; provided, however, SELLER shall first give BUYER twenty (20) business days' written notice thereof and opportunity to cure within such time; or (B) by either party in the event the other party or its parent company applies for or consents to the appointment of a receiver, trustee or liquidator for all or a substantial part of its assets; admits in writing its inability to pay its debts generally as they mature; makes a general assignment for the benefit of creditors; is adjudicated a bankrupt, submits a petition or an answer seeking an arrangement with creditors; takes advantage of any insolvency law except as a creditor; submits an answer admitting the material allegations of a petition in a bankruptcy or insolvency proceeding; has an order, judgment or decrees entered by any court of competent jurisdiction approving a petition seeking reorganization of such party or appointing a receiver, trustee or liquidator for such party or its parent company, or for all or a substantial part of its assets and such order, judgment or decree shall continue unstayed and in effect for a period of sixty (60) consecutive days; or files a voluntary petition in bankruptcy or fails to remove an involuntary petition in bankruptcy filed against it within sixty (60) consecutive days of the filing thereof

b. PREMATURE TERMINATION: Except as otherwise provided in this Agreement, if, for any reason, this Agreement is terminated prior to its expiration, BUYER shall (i) purchase and take delivery of SELLER's existing inventory of chemical additives and packaging materials unique to the Finished Product, at cost, (ii)purchase Finished Product conforming to the forecast referenced in SECTION 11 conforming to the Product Specifications, (iii) purchase any additional existing inventory of SELLER of Finished Product (not SELLER's stores or inventory of SELLER's White Clay) conforming to the Product Specifications as of the date of such Termination, and (iv) make full payment of all invoices owed by BUYER to SELLER, unless the amounts of such invoices are in dispute.

c. [***]

21. AUDIT RIGHT.

a. SELLER shall keep accurate books and records sufficient to enable BUYER, or a third party as discussed below, to determine SELLER's calculation of any price adjustments, loss allowances, rebates, credits and the formula under SECTION 20(a)(iii) for the Termination Fee, made pursuant to the terms of the Agreement, including without limitation those included in SCHEDULE I. Unless otherwise agreed to in writing, the parties must use an Outside Auditor, as that term is defined below, to calculate the Termination Fee.

b. Unless otherwise agreed to in writing, in the event the parties need to

calculate the Termination Fee and in the event of any dispute between BUYER and SELLER regarding the calculation of any price adjustments, rebates, loss allowance and/or credits provided herein, BUYER may designate a nationally recognized, independent certified public accounting firm ("Outside Auditor"), approved by SELLER, which approval shall not be unreasonably withheld or delayed, to audit SELLER's books and records. The Outside Auditor must (i) agree to comply with the terms of this Section, and (ii) conduct the audit at reasonable times during SELLER's regular business hours and on reasonable prior notice to SELLER of no less than five (5) business days. The Outside Auditor shall provide BUYER and SELLER with a report regarding the SELLER's calculation of the applicable price adjustments, rebates, loss allowance and/or credit as discussed above (the "Audit Report"), but shall not disclose, and shall maintain the confidentiality of, any confidential financial information of SELLER, including SELLER's cost of raw materials. If either party has any questions on, or disagrees with, the Audit Report, the questioning party shall notify the other party and the Outside Auditor in writing no later than thirty (30) days from the questioning party's receipt of the Audit Report. As soon as reasonably possible after the questioning party's notice (but in no event longer than fifteen (15) days thereafter), BUYER's and SELLER's finance and accounting officers or employees shall discuss and review the Audit Report and attempt to resolve any disagreements. If the parties cannot promptly resolve any disagreement over the Audit Report, the parties shall promptly contact the Outside Auditor who shall meet with BUYER and SELLER to review the report and assist in resolving any disagreements. The parties shall resolve any such disagreements in good faith and in a prompt and reasonable manner; however, if they are unable to do so, any such disagreements shall be submitted to arbitration in accordance with SECTION 23(b). SELLER shall cooperate with the Outside Auditor in connection with such audit. If the audit shows that SELLER incorrectly calculated any of the price adjustments, rebates, loss allowances or credits, SELLER shall make an appropriate adjustment in its books and records. In the case of a credit due BUYER, BUYER may take such credit against the next payment or payments due SELLER until the credit is exhausted. In the case of a sum due SELLER, BUYER shall pay such amount to SELLER with BUYER's next regular payment to SELLER. If the audit reveals that SELLER's books and records are inaccurate by more than $10,000, the cost of the audit shall be borne

by SELLER; otherwise, BUYER shall incur the audit at its own expense. BUYER shall pay for the Outside Auditor in connection with the In-House Termination Fee.

22. PLANT INSPECTION RIGHTS.

Upon reasonable notice and during normal business hours, BUYER's authorized representatives and employees shall be permitted access to SELLER's plants and facilities during the Term to inspect the manner in which ingredients, chemical additives, packaging and units of the Finished Product are being produced, stored, processed, inspected and tested. SELLER's records relating to shipment and receipt of chemical additives and packaging will be available for BUYER's inspection upon request.

23. DISPUTE RESOLUTION.

a. In the event that a controversy, difficulty, claim or dispute (each, a "Dispute") arises out of or in connection with this Agreement, or in relations between the parties with respect to the subject matter hereof, any party may notify the other party in writing of the substance of the Dispute and of its desire to attempt to reach an amicable settlement, in which event the parties shall endeavor for a period of thirty (30) days after the date of such notice to reach an amicable settlement of the Dispute.

b. Subject to the aforementioned thirty-day period, all Disputes arising out of or in connection with this Agreement, or in relations between the parties with respect to the subject matter hereof, for any reason or under any circumstances, shall be finally settled by binding arbitration in accordance with the Rules of Arbitration ("Rules") of the American Arbitration Association ("AAA") in force at the time of the Dispute. The arbitration shall be conducted by one arbitrator, if the amount in dispute is two million dollars ($2,000,000) or less, and by three arbitrators, if the amount in dispute is more than two million dollars ($2,000,000), selected pursuant to AAA rules. The arbitrator(s) shall be familiar with Delaware law and the Uniform Commercial Code for sale of goods. The place of arbitration shall be Oakland, California, or any other place selected by mutual agreement of the parties. Any award or decision rendered in such arbitration shall be final and binding on all parties, and judgment may be entered thereon in any court of competent jurisdiction if necessary.

c. Nothing in this Agreement to arbitrate shall prohibit the right to seek provisional or equitable relief from any court having jurisdiction over the parties, including injunctive relief, pending a final award issued by the arbitrator(s); provided, however, this paragraph is not intended to nor shall it usurp the obligation of the parties to otherwise resolve the Dispute in accordance with Paragraph b above.

24. NOTICE.

a. All notices between BUYER and SELLER pursuant to this Agreement shall be deemed to have been delivered on the earlier of the date actually received or, if delivered by nationally recognized overnight courier, on the day following the business day the courier confirms to the sending party that delivery has occurred. Delivery shall not be deemed to have occurred by any of the above methods unless made to the following street addresses:

If to BUYER: A & M Products Manufacturing Company
1221 Broadway
Oakland, CA 94612-1888

Attention: Procurement Contracts Manufacturing Manager
If to SELLER: Oil Dri Corporation of America

410 N. Michigan Avenue
Chicago, IL 60611
Attention: Vice President and Chief Financial Officer
b. Any party may change its above street address or portion thereof by delivering written notification of the change to the other party in accordance with this Section.

c. In the event that relief is entered, whether at the request of SELLER, or BUYER or at the request of third parties against SELLER or BUYER, as the case may be, under any federal or state case or proceeding for liquidation, reorganization, receivership, conservatorship or similar relief, the party against whom relief is sought agrees to list or schedule BUYER or SELLER, as the case may be, as a creditor and/or party in interest in any such case or proceeding, and agrees further to add BUYER or SELLER, as the case may be, to any special notice list or similar list of creditors or parties in interest who specifically request notice in such case as if such request for special notice were made of BUYER or SELLER, as the case may be, following commencement of such case or proceeding. Each party hereto acknowledges that free and continuing access to information provided and agreed to be provided to by the other party during the Term is a material inducement to such party in entering into this Agreement and that such party would not enter into this Agreement without a continuing right to such information, whether the other party operates its business outside of or under the protection of any judicial proceeding referred to above.
25. MISCELLANEOUS.

This Agreement shall be governed by and construed in accordance with the laws of the State of Delaware without reference to the principles of conflicts of laws. In the event of any dispute over the terms of this Agreement, the prevailing party shall be entitled to reasonable attorneys' fees, costs and expenses. All of the schedules, referred to in this Agreement are incorporated herein by reference. This Agreement is the complete and exclusive statement of the mutual

understanding of the parties and supersedes and cancels all previous written and oral agreements and communications relating to the subject matter of this Agreement. No failure to exercise, and no delay in exercising, on the part of either party, any privilege, any power or any rights hereunder (including without limitation the right to terminate this Agreement pursuant to SECTION 20 above), will operate as a waiver thereof, nor will any single or partial exercise of any right or power hereunder preclude further exercise of any other right hereunder. The remedies provided herein, including without limitation those regarding termination, shall be cumulative and in addition to any other remedies provided by law or equity. If any provision of this Agreement shall be adjudged by any court of competent jurisdiction to be unenforceable or invalid, that provision shall be limited or eliminated to the minimum extent necessary so that this Agreement shall otherwise remain in full force and effect and enforceable. In the event of any conflict between the terms of this Agreement and any Schedule (except the Manual), the Schedule shall control the interpretation thereof; however, in the event of any conflict between the terms of this Agreement (including any Schedule) with the Manual, the Agreement (including any Schedule) shall control the interpretation of the Manual. This Agreement may only be modified or amended by a written modification or amendment signed by both parties. No agency, partnership, joint venture or employment relationship is created between the parties by this Agreement. To the degree that either or both of the parties hereto find it convenient to employ their standard forms of purchase order or acknowledgment of order in administering the terms of this Agreement, the party may do so but none of the terms and/or conditions printed or otherwise appearing on the back of such form shall be applicable to the sale of the Product.

26. BUYER'S AFFILIATES.

The parties acknowledge and agree that this Agreement is intended and shall apply to BUYER's Affiliates. As used herein, "BUYER'S AFFILIATES" shall mean any entity in the United States and Canada now existing or hereafter organized, created or acquired during the Term, controlling, controlled by or under common control with a BUYER.

27. SCHEDULE LIST.

SCHEDULE I: QUANTITY, TERM, RENEWAL TERM, PRICE, OTHER TERMS

SCHEDULE II: PRODUCT SPECIFICATIONS

SCHEDULE III: CONTRACT MANUFACTURING MANUAL SEPTEMBER 1999

SCHEDULE IV: ILLUSTRATION OF TERMINATION FEE CALCULATION

[SIGNATURES FOLLOW]

IN WITNESS WHEREOF, BUYER and SELLER have executed this Agreement as of the date first written above.

BUYER: A & M Products Manufacturing Company,

a Delaware corporation

By:

Its:

Date:

SELLER: Oil Dri Corporation of America,

a Delaware corporation

By:

Its:

Date:

SCHEDULES TO MEMORANDUM OF AGREEMENT

Entered into as of March 12, 2001 by and between BUYER and SELLER.

SCHEDULE I

A. QUANTITY. BUYER shall purchase from SELLER and SELLER shall produce and deliver as ordered by BUYER, at the prices set forth below, all of BUYER's requirements of Finished Product [***] per Contract Year. BUYER does not guaranty to purchase a specific quantity of Finished Product from SELLER. BUYER's requirements are currently estimated to be [***] per Contract Year. Except as permitted by law and as expressly stated in this Agreement including, without limitation, SECTIONS 10(b), 10(c), 12(c), 12(d), 19 and 20(a)(iii), BUYER covenants and agrees that it will not purchase Finished Product from any person other than SELLER or produce Finished Product in BUYER's own manufacturing facilities during the Term until it has purchased at least [***] of Finished Product in any Contract Year hereunder from SELLER. BUYER reserves the right to purchase any Finished Product volumes in excess of [***] in any Contract Year from other suppliers provided that BUYER shall first allow SELLER to sell to BUYER such excess to the extent that SELLER matches the lowest price for which the BUYER may purchase such excess from third parties.

(1) Subject to SCHEDULE I(F)(7), SELLER will make available and BUYER will accept for its West Coast volume Finished Product manufactured at SELLER's Reno plant after construction on SELLER's Reno plant is completed. Upon written notification from SELLER that the Reno plant is operating and capable of producing sufficient Finished Product, BUYER may purchase up to [***] of its Finished Product requirements from the SELLER's Reno plant. BUYER can purchase up to [***] of its Finished Product requirements from SELLER's Reno plant after providing SELLER with twelve (12) months written notice of its intent to increase its requirements from the Reno plant. If BUYER provides SELLER with such notice, both parties will meet in good faith to negotiate how to allocate, as necessary, any capital costs that may be needed to meet such increased demand. If the parties are unable to agree on such allocation, BUYER cannot increase its requirements from the Reno plant beyond [***]. BUYER hereby acknowledges that the Reno plant will not contain dedicated lines of equipment for the manufacture and packaging of Finished Product, but instead will have common lines of equipment, including without limitation, common equipment to apply additives for the manufacture of Finished Product and other clay cat litter products.
B. TERM. The term of this Agreement ("TERM") shall be for a period of [***] commencing as of a Commencement Date of March 12, 2001 and expiring on [***] unless sooner terminated pursuant to this Agreement.

C. EXTENSION OF TERM. BUYER may extend this Agreement on all of the same terms and conditions herein for any period between six (6) months to twenty

four (24) months from the date of expiration of the Term, provided BUYER notifies SELLER in writing thereof not less than one hundred eighty (180) days prior to the expiration of the initial Term specified in SECTION B above. Should BUYER extend the Term, the meaning of "Term" in this Agreement shall apply to such extension as well.

D. DEFINITIONS. Capitalized terms used in this Agreement and the Schedules attached hereto shall have the following respective meanings (defined in this Agreement or such Schedules):

(a) "Adjusted [***] Index" is the percentage determined by the following formula:
(([***]Index / Previous [***] Index)- 1) X [***]
(b) "Base Price" means [***] as of March 12, 2001, and shall adjust at the beginning of each Contract Year on the Price Adjustment Date based on the Price Adjustment Mechanism.
(c) "Commencement Date" means March 12, 2001.
(d) "Contract Year" means each twelve-month period beginning on the Commencement Date and ending on the day prior to each anniversary thereof.
(e) "Ochlocknee Product" means Finished Product manufactured at SELLER's Ochlocknee, Georgia Plant.
(f) "[***] Index" means the estimated [***] number published in the [***] prior to the Price Adjustment Date.

(g) "Previous [***] Index" means [***]Index for the immediately preceding Contract Year to be used in determining the Adjusted [***] Index. The parties agree that the [***] Index for the first Contract Year shall be [***]. This number shall be used as the Previous [***] Index on the first Price Adjustment Date of April 1, 2002.
(h) "Price Adjustment Date" means April 1.
(i) "Reno Commencement Date" means the mutually agreed upon date on which SELLER shall begin shipments to BUYER from its Reno plant. The parties shall mutually agree upon a startup time line for the Reno

plant, which shall include the Reno Commencement Date, within six (6) months of the Reno Clay Notification Date, as defined below.

(j) "Reno Product" means Finished Product manufactured at SELLER'S Reno, Nevada plant as discussed further below in SCHEDULE I(F)(7).

(k) "ton" means a short ton of two thousand (2000) pounds.

E. PRICE

(1) Price for Finished Product will be [***] (which must be invoiced pursuant to SECTION F(3) below), bags, and chemical additives unique to BUYER's formulation. The price also does not include charges for outbound freight, transit insurance, sales taxes or any duties payable, all of which shall be borne solely by BUYER. Pursuant to SECTION 11(f), BUYER shall supply SELLER with bags and chemical additives unique to BUYER's formulation.

(2) OCHLOCKNEE PRODUCT: The price for Ochlocknee Product shall be the Base Price.

(3) RENO PRODUCT: The price for Reno Product shall be the Base Price [***] for a period of [***] ("RENO SURCHARGE") commencing on the Reno Commencement Date;

provided, however, the Reno Surcharge shall [***] by [***] per ton on each anniversary of the Reno Commencement Date [***]. Once the Reno Surcharge has ended, the price for Reno Product shall be the Base Price. [***]

(a) If SELLER does not make available for shipment Reno Product within [***] of the Reno Commencement Date, SELLER shall pay BUYER [***] up to [***] ("RENO DELAY CHARGE") on Ochlocknee Product ordered by BUYER after such date until such time as Reno Product becomes available for shipment.

(4) PRICE ADJUSTMENT MECHANISM: The following Price Adjustment Mechanism shall be used to adjust the Base Price and shall be made on a per ton basis only and will not be inflation adjusted.

(a) The Base Price for Product shall be adjusted each Contract Year, as either an increase or a decrease, pursuant to the Price Adjustment Mechanism on the Price Adjustment Date.

(b) The Price Adjustment Mechanism is as follows:

[***]

(c) SELLER must provide BUYER with the Adjusted Base Price at least [***] prior to the Adjusted Base Price taking effect. Once the Adjusted Base Price takes effect, it shall become the Base Price for the new Contract Year. Commencing on April 1, 2002, and for the Price Adjustment Dates on April 1, 2003 and April 1, 2004, the Adjusted Base Price shall be [***] by [***] and shall thereafter become the Base Price for the new Contract Year.

(d) The parties reserve the right to change the Base Price in accordance with the Price Adjustment Mechanism above at any time other than as described paragraph (a) above in the event that the [***] Index increases or decreases during any Contract Year by [***], or in aggregate of [***] thereafter in such Contract Year.

F. OTHER TERMS.

(1) PAYMENT TERMS. [***]

(2) FREIGHT TERMS. F.O.B. SELLER's Dock in Ochlocknee or Reno.

(3) BILLING AND INVOICING REQUIREMENTS.

(a) Invoices must meet BUYER's invoicing requirements, including without limitation accurately reflecting all required data free of accounting errors; and clear and accurate invoice numbers reflected on statements.

(b) SELLER shall not invoice BUYER for any costs, either for goods or services, not agreed to herein without prior written approval. Any such written approval must contain BUYER's Account Code. Without such written approval containing the Account Code, BUYER will not be responsible for any costs incurred by SELLER.

(4) LOSS ALLOWANCES. Inventory and usage control of BUYER supplied materials is SELLER's responsibility and will be managed and reconciled as outlined in the Loss Allowance Agreement. The Loss Allowance Agreement is attached hereto as ATTACHMENT A and incorporated herein by reference.

(5) PRIOR AGREEMENTS: This Agreement supercedes and restates the terms and conditions of all prior Agreements, amendments, schedules and attachments for Product between the parties, including the Letter Agreement dated January 12, 1981 between Oil-Dri Corporation of America and The Clorox Company, and its successors and assigns, and all amendments, schedules and attachments thereto.

(6) WRENS EQUIPMENT: Subject to SCHEDULE I(E)(3)(b), BUYER will make equipment at its Wrens plant ("WRENS EQUIPMENT") available to SELLER in its AS IS, WHERE IS condition without any representation or warranty, express or implied, as to condition thereof.

(a) SELLER shall bear all costs to break down, transport and install the Wrens Equipment at either its Reno or Ochlocknee plants.
(b) [***]

(c) The Wrens Equipment shall exclude two palletizers of BUYER's choice and the mining equipment on wheels (trucks, front end loaders, etc.)
(d) Within thirty (30) days of the signing of this Agreement, both parties agree [***] and determine, in good faith, whether there should be a [***]. If the parties cannot agree [***] within thirty (30) days of this signing of this Agreement, [***].
(e) BUYER shall transfer title to the Wrens Equipment to SELLER pursuant to a Bill of Sale executed by BUYER in favor of SELLER. Furthermore, BUYER agrees to execute all such other documents, certificates or instruments and take all such other action that is commercially reasonably necessary to effectuate transfer of good title in the Wrens Equipment to SELLER. In such Bill of Sale, BUYER shall represent and warrant that it has good title to the Wrens Equipment and that the Wrens Equipment is free from liens and encumbrances.
(7) RENO CLAY: Within [***] of BUYER's receipt of samples of the Reno White Clay ("RENO CLAY NOTIFICATION DATE"), BUYER will notify SELLER in writing one of the following options:
(a) [***]: BUYER will [***] and the parties will negotiate in good faith to develop a new clay Product Specification for Reno Product; or,

(b) [***] BUYER [***]. If BUYER does not accept Reno White Clay, BUYER is under no obligation to purchase Reno Product. If BUYER does not purchase Reno Product, under this provision, then BUYER shall purchase and SELLER shall sell BUYER's requirements as provided in this Agreement from SELLER's Ochlocknee Plant; or

(c) [***] BUYER will [***]. The parties will negotiate in good faith to develop a new Product Specification (including, without limitation the clay Product Specification) for [***]. SELLER agrees that to the extent [***] to the current Product Specifications to make [***] SELLER shall [***].

ATTACHMENT A

LOSS ALLOWANCE AGREEMENT

Below are loss allowances:

- Loss Allowance Level -

Chemicals [***]

Ancillary [***]

Bags [***]

Procedure To Establish Loss Allowances

ON-GOING

Physical inventories will be conducted on a quarterly basis. Other mutually agreeable alternatives, e.g. cycle counting, are acceptable. However, at a minimum, a year ending physical inventory will be required. Financial liability for losses (or gains) within a category will occur within thirty (30) days after the end of each year's business. This allows losses (or gains) within a category. BUYER will invoice SELLER for any losses within a category (chemicals vs. packaging) at years end which exceed agreed to acceptable loss allowance levels. The loss allowance agreement will pertain to all existing Uniform Product Codes (UPC's). Category losses for any special projects, new project efforts, etc., will need to be tracked and kept independent of normal activity by mutual consent as agreed to prior to project initiation at SELLER's plant.

Exhibit 10.2

CERTAIN IDENTIFIED INFORMATION HAS BEEN EXCLUDED FROM THIS EXHIBIT BECAUSE IT IS NOT MATERIAL AND WOULD LIKELY CAUSE COMPETITIVE HARM TO THE REGISTRANT IF PUBLICLY DISCLOSED. [***] INDICATES THAT INFORMATION HAS BEEN REDACTED.

SECOND AMENDMENT TO MOA 1450

PROJECT SNOWDROP EQUIPMENT AMORTIZATION AGREEMENT

BETWEEN A & M PRODUCTS MANUFACTURING COMPANY, 1221 Broadway, Oakland, California 94612, hereinafter "**BUYER**" and Oil-Dri Corporation of America, 410 N. Michigan Avenue, Chicago, Illinois, 60611, hereinafter "**SELLER**."

WHEREAS, Seller will be purchasing certain machinery and equipment ("**Equipment**" unless specified otherwise) on behalf of the Buyer as described in Section A below in order to implement Project Snow Drop for Buyer's Fresh Step coarse product; and

WHEREAS, Seller is producing Products, as that term is defined in the Memorandum of Agreement No. 1450 between Buyer and Seller dated March 12, 2001 and as amended by the First Amendment to Memorandum of Agreement No. 1450 dated December 13, 2002 (as so amended, the "**MOA Agreement**"), for the Buyer at Seller's plant in Ochlocknee, Georgia (the "**Plant**") pursuant to the MOA Agreement, and whereas, it is in the parties' mutual best interests to utilize the Equipment in the production of said Product for the Buyer; the parties hereby agree as follows:

General Description of the Equipment. The List of Equipment associated with this agreement are listed in the attached Equipment List (hereinafter "**Attachment I**"). The List of Equipment is comprised of two types of equipment hereby referred to as "Class A" and "Class B." Class A equipment consist of equipment either 1) needed for the project and replacing or upgrading the Seller's existing plant capability or 2) needed for the project and part of the Seller's plant infrastructure, or 3) Seller's previously owned equipment. Class B is equipment needed specifically for the project that does not fit into Class A. Attachment I may be adjusted from time to time by Buyer and Seller during the course of construction and in any event will be finalized no later than the start of commercial production.

A. Installation and Removal of Equipment.

(1) Seller will install and procure the Equipment under Buyer's supervision.

(2) Buyer may remove any portion or all of the Equipment identified as Class B on Attachment I on demand at its cost; provided, however, that Buyer will take reasonable steps to avoid disruption of Seller's normal production of the Product and provided that Buyer will repair any damage directly caused by removal of the Equipment. Upon termination for any reason of the MOA Agreement, Buyer will remove all Class B Equipment from the Plant at Buyer's expense within thirty (30) days of the date of termination. Any Equipment remaining at the Plant after the expiration of said period will be deemed abandoned by Buyer (hereinafter "**Abandonment**") unless an agreement to the contrary is reached between the parties.

(3) In the event of Abandonment of any portion or all of the Equipment, Seller, at its sole option, may remove the abandoned Equipment at Seller's sole expense and dispose of the abandoned Equipment in any way Seller sees fit, or retain the abandoned Equipment. If Seller retains the abandoned Equipment, Seller will have free and unencumbered title to the abandoned Equipment. Buyer will not be liable for any damage caused by Seller's removal of the abandoned Equipment.

B. No Liens. Seller represents and warrants that it is the sole beneficial owner of the Plant and will retain the Class B Equipment there at all times. Seller also represents and warrants that it will keep the Class B Equipment free of any liens and/or encumbrances arising out of any work performed, materials furnished, or obligations incurred by Seller and will remove any such liens within thirty (30) days after they are filed.

C. Maintenance of Equipment. Buyer and Seller will agree to the attached maintenance schedule and obligations ("**Attachment II**") no later than the start up production on the Equipment. Attachment II may be amended by agreement between Buyer and Sell from time to time in writing. Notwithstanding the commitments in the schedule, Seller will perform all maintenance and repairs on all Equipment. With respect to Class B Equipment, Buyer shall be responsible for all costs. Seller shall invoice Buyer monthly for such costs. For any major repairs (over $[***]), Seller shall make reasonable efforts to obtain Buyer's written prior approval for such expenses, provided that obtaining such approval will not impact Seller's operations. Buyer will not be responsible for major repairs caused by Seller's negligence or misuse, including Seller's failure to perform routine maintenance, which shall remain the liability of Seller. Seller will maintain records of routine maintenance for the Equipment. With respect to Class A Equipment, Seller shall assume all costs of repair and maintenance.

D. Insurance. Seller will, at its cost, maintain fire, lightning, tornado and extended coverage insurance with limits of at least [***] ($[***]) on the Equipment while at the Plant. Such insurance will provide protection from, among other things, fire and the usual perils covered by all risk insurance coverage, including sprinkler leakage. The insurance will name Buyer as an additional insured.

E. Use of Equipment. With respect to Class B Equipment and except where Buyer will have otherwise agreed in writing, Seller will not:

(1) Remove the Equipment from the Plant;

(2) Lease, assign, mortgage, encumber or otherwise dispose of the Equipment;

(3) Remove, alter or deface the Equipment number or inscription or permit the same;

(4) Add to, subtract from, change or alter any mechanism on the Equipment or permit the same, except

a. Add safety or environmental compliance devices if removable without injury to the Equipment and which do not interfere with the operation of its mechanism; or

b. Replace or repair parts and perform maintenance as required by this Equipment Amortization Agreement.

c. As required by a governmental body or regulatory action.

(5) Use the Equipment to produce anything for any third party or for Seller's own use, except for production of Product for Buyer.

With respect to Class A Equipment, Seller will not have any of the restrictions above, however, Seller shall be responsible for maintaining the equipment (or replacement equipment) in such a way as to not impact Seller's production of Buyer's Product requirements.

F. Inspection. Upon reasonable notice, Buyer's authorized representatives and employees will be permitted access to Seller's plants and facilities during reasonable business hours during the Term to inspect the Equipment and to take a physical inventory of such Equipment. Seller's records relating to routine maintenance for the Equipment will be available to Buyer for inspection upon request.

G. Title.

(1) Title to the Equipment will remain with Seller. All tools, special dies, molds, patterns, jigs, specifications, drawings, instructions and other property furnished to Seller by Buyer, or specifically paid for by Buyer, for use with the Equipment to make the Product, will be and remain the property of Buyer, will be subject to removal at any time, upon Buyer's demand and will be used only in filling orders from Buyer or its nominee. Seller assumes all liability for loss or damage of such property.

(2) With respect to any Equipment, any modifications that Seller, including its officers or employees, conceive, make or develop and implement and/or execute in the course of this Equipment Amortization Agreement relating to the Equipment which might impact the production of Buyer's Product will be the sole and exclusive property of Seller, and Seller will promptly disclose all such modifications to Buyer.

(3) At Buyer's request, title and ownership of some or all Class B Equipment, including any modifications as addressed in Section H (2), will be transferred to Buyer for a payment of $100, provided that such equipment is no longer needed for production of Buyer's product requirements. Should title pass from Seller to Buyer, Buyer will remove such equipment from Seller's facilities in accordance with Section A (2) above.

I. Indemnity. While the Equipment is located at Seller's Plant, Seller will indemnify, defend, and hold harmless the Buyer, and any corporation controlling, controlled by or under common control with Buyer, of, from and against any loss, damages, claims, liabilities, costs and expenses, including without limitation attorneys' fees (collectively, "Claims"), arising out of or resulting from use of the Equipment or from any act or omission by Seller, its agents or subcontractors, attributable to bodily injury to, or death of, any person or damage to or destruction of any property, whether belonging to Buyer or to another, excepting only damages to the extent caused solely (except where prohibited by local law) by Buyer's negligence. This section will survive the termination of the MOA Agreement and/or this Equipment Amortization Agreement

I. Entire Agreement, Modifications. This Equipment Amortization Agreement supplements and amends the MOA Agreement, which remains in full force and effect; and except as supplemented and amended by the express written terms of this Equipment Amortization Agreement, the MOA Agreement remains unchanged. This Equipment Amortization Agreement (together with the MOA Agreement) constitutes the entire understanding between the parties as to the Equipment. This Equipment Amortization Agreement may be modified only by an agreement in writing.

J. Taxes. With respect to Class B Equipment, Buyer will reimburse Seller for all sales, use and similar taxes that may be assessed against the Equipment while located at the Plant, except for taxes based on Seller's net income and real property taxes. Seller agrees to file all appropriate property taxes.

K. Amortization.

(1) Buyer will reimburse Seller for the purchase cost of the Equipment in 36 monthly payments. The estimated cost of the Equipment is $[***]; however, Buyer and Seller will agree on the actual cost of the Equipment no later than 120 days after the start of commercial production.

(2) Buyer's payments to Seller will include a [***]% Equipment Purchase and Handling Charge, and a [***]% Financing Charge. Seller agrees to rebate the Finance Charges to Buyer based upon an annual reconciliation of the tonnage volume increase versus Calendar Year 2007 Fresh Step Regular volume. Attachment III details an example of the Amortization of

Capital, Purchase and Handling, Financing and Rebate calculation. Buyer's obligation to pay Seller Equipment Purchase and Handling Charge and Financing will terminate after the final Equipment payment is made for month 36.

(3) Seller will begin billing Buyer for the Capital, Purchase and Handling Charge and Financing Charge monthly commencing at month end following the start of commercial production. The charges will be based on the estimated equipment cost as listed above. Upon agreement of the actual equipment cost, Seller will correct the Buyers charges at the following month end.

(4) The Seller will rebate Buyer a maximum of 100% of the Financing Charges for the prior twelve (12) month period provided that Buyer's volume increases by [***] percent ([***]%) or more over the base volume. The Seller will rebate Buyer on a pro rata basis for volume increases of less than twelve percent over the base volume for the prior twelve (12) month period. Buyer and Seller agree that the base volume, for which increases will be measured, will be based on shipments from Seller's Ochlocknee, GA facility and will be agreed upon no later than January 31, 2008.

(5) Seller will present the volume rebate calculation to Buyer no later than 30 days following the twelfth (12), twenty-forth (24) and thirty-sixth (36) full month of commercial production and will issue a check for any rebate due to Buyer no later than 60 days after the twelfth (12), twenty-forth (24) and thirty-sixth (36) full month of commercial production. Seller's obligation to pay volume rebate will terminate after the final rebate calculation is made and any applicable check issued after month 36.

(6) In the event that the MOA Agreement is terminated, Buyer will pay Seller the remaining unamortized equipment cost amount within in 90 days of the termination effective date.

IN WITNESS WHEREOF, Buyer and Seller have executed this Equipment Amortization Agreement as of the date first written above.

BUYER:
A & M PRODUCTS MANUFACTURING COMPANY,
a Delaware corporation

By: /s/ David Matthews
Name: David Matthews
Title: Director Contract manufacturing

SELLER:
Oil-Dri Corporation of America,
a Delaware corporation

By: /s/ Jeffrey M. Libert
Name: Jeffrey M. Libert
Title: VP, Finance

Attachment I - Equipment List
Attachment II - Equipment Maintenance Schedule
Attachment III - Capital Amortization, Purchase and Handling Charge and Volume Rebate Example

Attachment I - Second Amendment to MOA 1450
Equipment List

Class A

1. Utility Modifications

A. Plant Water - any piping modifications or connections made to the plant water supply. This includes the proposed water storage tank.

B. Plant Compressed Air - any piping or modifications made to the plant compressed air system.

C. Plant Electrical Power - any power or circuit breaker panels which are connected to the plant power system

D. Waste disposal - any piping, valves or pumps which empty into the waste water holding tank.

2. The [***].

3. Relocation or modifications [***].

4. The replacement [***].

5. Building modifications.

Class B

[***]

Attachment II - Second Amendment to MOA 1450
Equipment Maintenance Agreement
To be agreed upon no later than the start of commercial production per Section C of this agreement

Attachment III - Second Amendment to MOA 1450
Capital Amortization, Purchase and Handling Charge and Volume Rebate Example Only

Capital Cost	$[***]		Estimated Base (Actual volume TBD)	[***]		
Admin Fee Percent	[***]%		Estimated Guaranteed Volume	[***]		
Cost of Capital	[***]%			Assumed Volumes	Incremental	Guaranteed	% Achieved
			Year 1	[***]	[***]	[***]	[***]%
			Year 2	[***]	[***]	[***]	[***]%
			Year 3	[***]	[***]	[***]	[***]%

							Volume Rebate of Interest	
Month	Capital Balance	Admin Fee	Interest	Capital Reimb	Cumulative Interest	Year	Clx Pays OD-Capital, Admin & Interest	OD Pays Clorox
0	$[***]							
1	$[***]	$[***]	$[***]	$[***]	$[***]		$[***]	
2	$[***]	$[***]	$[***]	$[***]	$[***]		$[***]	
3	$[***]	$[***]	$[***]	$[***]	$[***]		$[***]	
4	$[***]	$[***]	$[***]	$[***]	$[***]	O	$[***]	
5	$[***]	$[***]	$[***]	$[***]	$[***]	n	$[***]	
6	$[***]	$[***]	$[***]	$[***]	$[***]	e	$[***]	
7	$[***]	$[***]	$[***]	$[***]	$[***]		$[***]	
8	$[***]	$[***]	$[***]	$[***]	$[***]		$[***]	
9	$[***]	$[***]	$[***]	$[***]	$[***]		$[***]	
10	$[***]	$[***]	$[***]	$[***]	$[***]		$[***]	
11	$[***]	$[***]	$[***]	$[***]	$[***]		$[***]	
12	$[***]	$[***]	$[***]	$[***]	$[***]		$[***]	$[***]
13	$[***]	$[***]	$[***]	$[***]	$[***]		$[***]	
14	$[***]	$[***]	$[***]	$[***]	$[***]		$[***]	
15	$[***]	$[***]	$[***]	$[***]	$[***]		$[***]	
16	$[***]	$[***]	$[***]	$[***]	$[***]	T	$[***]	
17	$[***]	$[***]	$[***]	$[***]	$[***]	w	$[***]	
18	$[***]	$[***]	$[***]	$[***]	$[***]	o	$[***]	
19	$[***]	$[***]	$[***]	$[***]	$[***]		$[***]	
20	$[***]	$[***]	$[***]	$[***]	$[***]		$[***]	
21	$[***]	$[***]	$[***]	$[***]	$[***]		$[***]	
22	$[***]	$[***]	$[***]	$[***]	$[***]		$[***]	
23	$[***]	$[***]	$[***]	$[***]	$[***]		$[***]	
24	$[***]	$[***]	$[***]	$[***]	$[***]		$[***]	$[***]
25	$[***]	$[***]	$[***]	$[***]	$[***]	T	$[***]	
26	$[***]	$[***]	$[***]	$[***]	$[***]	h	$[***]	
27	$[***]	$[***]	$[***]	$[***]	$[***]	r	$[***]	
28	$[***]	$[***]	$[***]	$[***]	$[***]	e	$[***]	
29	$[***]	$[***]	$[***]	$[***]	$[***]	e	$[***]	
30	$[***]	$[***]	$[***]	$[***]	$[***]		$[***]	
31	$[***]	$[***]	$[***]	$[***]	$[***]		$[***]	
32	$[***]	$[***]	$[***]	$[***]	$[***]		$[***]	
33	$[***]	$[***]	$[***]	$[***]	$[***]		$[***]	
34	$[***]	$[***]	$[***]	$[***]	$[***]		$[***]	
35	$[***]	$[***]	$[***]	$[***]	$[***]		$[***]	
36	$[***]	$[***]	$[***]	$[***]	$[***]		$[***]	$[***]
		$[***]	$[***]	$[***]			$[***]	$[***]

Exhibit 10.3

CERTAIN IDENTIFIED INFORMATION HAS BEEN EXCLUDED FROM THIS EXHIBIT BECAUSE IT IS NOT MATERIAL AND WOULD LIKELY CAUSE COMPETITIVE HARM TO THE REGISTRANT IF PUBLICLY DISCLOSED. [***] INDICATES THAT INFORMATION HAS BEEN REDACTED.

The Clorox International Company

THIRD AMENDMENT TO MEMORANDUM OF AGREEMENT NO. 1450

This **THIRD AMENDMENT** to **MEMORANDUM OF AGREEMENT No. 1450** (the **"Third Amendment**") is made this 27th day of May 2016, by and between **A & M Products Manufacturing Company**, 1221 Broadway, Oakland, CA 94612 ("**Buyer**"), and **Oil-Dri Corporation of America,** 410 N. Michigan Ave., Chicago, IL 60611 ("**Seller**").

RECITALS

A. Buyer and Seller are parties to Memorandum of Agreement #1450, dated March 12, 2001, as amended by the First Amendment, dated December 13, 2002, and the Second Amendment, dated October 15, 2007 (the "**Original Agreement**"); and

B. Seller and Buyer wish to amend the Original Agreement as hereinafter set forth.

NOW THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged and accepted, the parties hereby agree to amend the Original Agreement as follows:

1. The Original Agreement is amended by the addition of SCHEDULE II PRODUCT SPECIFICATIONS, which is attached hereto as **Exhibit** A (the "New Product Specifications"). The New Product Specifications shall apply as of the date the Seller has successfully installed the equipment referenced in Section 3 below and is able to meet the New Product Specifications (the "Start Date"

2. As of the Start Date, the Base Price of MOA 1450 will be increased $[***] per ton (which is estimated to be $[***] per case) to accommodate the New Product Specifications.

3. The Seller agrees to purchase the equipment, at its own expense, as outlined in Exhibit B.

4. The terms of the Original Agreement shall remain in full force and effect except as amended, modified and superseded hereby. Capitalized terms not otherwise defined herein shall have the same meanings as set forth in the Original Agreement.

5. The parties represent and warrant to each other that any person or entity purporting to have the authority to enter into this Third Amendment on behalf of or for the benefit of a party has such authority.

6. This Agreement may be executed in counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument. Any signature page delivered by facsimile, pdf or DocuSign system shall be binding to the same extent as an original signature page.

[*The remainder of this page is intentionally left blank. Signature page follows.*]

IN WITNESS WHEREOF, the undersigned have caused this Third Amendment to be signed, all as of the date first written above.

BUYER: A & M Products Manufacturing Company, a Delaware corporation By: **Javier Ortega** Title: Director, Global Strategic Sourcing Signature:/s/ Javier Ortega Date:6/2/16	**SELLER**: OIL-DRI CORPORATION OF AMERICA, A Delaware corporation By (print name): Jeffrey M. Libert Title: Vice President, Planning and Analysis and Treasurer Signature:/s/ Jeff Libert Date: 6/2/16

EXHIBIT A - SCHEDULE II

PRODUCT SPECIFICATIONS

Revised: 2/25/16

DIR 121110: Paw Points Program Requirements

The Paw Points promotional program applies to all Fresh Step skus supplied by the Seller, unless otherwise stated by Clorox.

The Paw Points code shall comply with the following specifications, reference component specifications as needed for additional details: [***]

Responsibilities for Code Application & Inspection by Filling Plant Location:

- Components without properly printed codes must not be shipped without Clorox's authorization.
  Visually check codes for legibility, location, orientation, size, and completeness once per hour in conjunction with standard quality checks
  Contingency plan to use reverse printed stickers is approved given that Filling Plant Location can insure stickers will not detach or become illegible in transit.

- Items with missing or illegible codes shall be governed by the "Quality" section of the MOA/Quality Defect Process.
  Scrap materials with printed codes do not require any special handling and may be disposed of via Filling Location's standard practice. Filling Plant Location shall not be held liable for unauthorized redemption of discarded codes.

Filling Plant Location shall connect directly with their [***] contact to order new codes; allow 5-19 days advanced notice if possible. Reference the Code Request Form xls attached to DIR **121110.**

Referenced Code Appearance Photos:

Multiwall Bags

EXHIBIT B - SCHEDULE IV
EQUIPMENT PURCHASE AGREEMENT

The Seller agrees to purchase the equipment below in order to meet the product specifications as defined in Exhibit A.

BETWEEN A & M Products Manufacturing Company, 1221 Broadway, Oakland, CA 94612 ("Buyer"), and Oil-Dri Corporation of America, 410 N. Michigan Ave., Chicago, IL 60611 ("Seller").

A. Equipment.

(1) Seller will install and procure the Equipment outlined in the table below to meet Buyer's Product Specifications.

****THE REMAINDER OF THIS PAGE HAS BEEN INTENTIONALLY LEFT BLANK****

Equipment Description	Quantity/Unit	Product #	Unit Cost
[***]	1	[***]	$[***]
[***]	1	[***]	$[***]
[***]	1	[***]	$[***]
[***]	1	[***]	$[***]
[***]	1	[***]	$[***]
[***]	1	[***]	$[***]
[***]	2	[***]	$[***]
[***]	4	[***]	$[***]
[***]	1	[***]	$[***]
[***]	1	[***]	$[***]
[***]	1	[***]	$[***]
[***]	1	[***]	$[***]
[***]	1	[***]	$[***]
[***]	1	[***]	$[***]
[***]	1	[***]	$[***]
[***]	1	[***]	$[***]
[***]	1	[***]	$[***]
[***]	2	[***]	$[***]
[***]	4	[***]	$[***]
[***]	1	[***]	$[***]
[***]	4	[***]	$[***]
[***]			**$[***]**
[***]			**$[***]**

B.

IN WITNESS WHEREOF, the undersigned have caused this Third Amendment to be signed, all as of the date first written above.

BUYER: A & M Products Manufacturing Company, a Delaware corporation By: **Javier Ortega** Title: **Director, Global Strategic Sourcing** Signature: /s/ Javier Ortega__ Date:6/2/16_____	**SELLER**: OIL-DRI CORPORATION OF AMERICA, A Delaware corporation By (print name): Jeffrey M. Libert Title: Vice President, Planning and Analysis and Treasurer Signature: /s/Jeff Libert___ Date: 6/2/16_____

Exhibit 10.4

CERTAIN IDENTIFIED INFORMATION HAS BEEN EXCLUDED FROM THIS EXHIBIT BECAUSE IT IS NOT MATERIAL AND WOULD LIKELY CAUSE COMPETITIVE HARM TO THE REGISTRANT IF PUBLICLY DISCLOSED. [***] INDICATES THAT INFORMATION HAS BEEN REDACTED.

FOURTH AMENDMENT TO AGREEMENT 1450

This Fourth Amendment to Memorandum of Agreement #1450 (MOA) is made on 09/09/2020, by and between **A & M Products Manufacturing Company**, 1221 Broadway, Oakland, California, 94612, hereinafter "**Buyer**" and **Oil-Dri Corporation of America**, 410 N. Michigan Avenue, Chicago, Illinois 60611, hereinafter "**Seller**".

RECITALS

A. Buyer and Seller are parties to Memorandum of Agreement ("**MOA**"), as amended, dated March 12, 2001, as amended by the First Amendment, dated December 13, 2002, and the Second Amendment, dated October 15, 2007, and the Third Amendment, dated May 27, 2016 (the "**Original Agreement**"); and

B. Seller and Buyer wish to amend the Original Agreement as hereinafter set forth.

NOW THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged and accepted, the parties hereby agree to amend the Original Agreement as follows:

1. Schedule 1. Section B. Term. is amended and restated in its entirety to read as follows:

"The initial term of this Agreement ("Initial Term") will be for a period of [***], commencing as of a Commencement Date of March 12, 2001 and expiring at [***] unless sooner terminated pursuant to this Agreement."

2. Schedule 1. Section C. Extension of Term. is amended and restated in its entirety to read as follows:

"BUYER may extend this Agreement on all of the same terms and conditions herein for any period between six (6) months to twenty four (24) months from the date of expiration of the Initial Term, provided BUYER notifies SELLER in writing thereof not less than one hundred eighty (180) days prior to the expiration of the Initial Term specified in SECTION B above. Should BUYER extend the Initial Term, the meaning of "Term" in this Agreement shall apply to such extension as well."

3. Prior to entering into this Fourth Amendment, BUYER properly exercised its right to extend this Agreement for an additional [***], in accordance with Schedule 1, Section C of the Agreement. Accordingly, the Term will expire at [***].

4. The terms of the Original Agreement shall remain in full force and effect except as amended, modified and superseded hereby. Capitalized terms not otherwise defined herein shall have the same meanings as set forth in the Original Agreement.

5. The parties represent and warrant to each other that any person or entity purporting to have the authority to enter into this Amendment on behalf of or for the benefit of a party has such authority.

6. This Amendment may be executed by use of electronic signature and may be executed in counterparts, each of which shall be deemed to be an original, but all of which, taken together, shall constitute one and the same agreement. Delivery of an executed counterpart of this agreement by electronic means, including by an electronic signature service provider complying with the provisions of the federal

E-SIGN Act, the Uniform Electronic Transactions Act and/or other applicable law, portable document format (PDF) or by other electronic means shall be equally
effective as delivery of an original by mail.

[*The remainder of this page is intentionally left blank. Signature page follows.*]

IN WITNESS WHEREOF, the undersigned have caused this Amendment to be signed, all as of the date first written above.

BUYER: A & M Products Manufacturing Company

By: /s/ Michael Holly

SELLER: Oil Dri Corporation of America

By: /s/ Dan Jaffee

Exhibit 10.5

CERTAIN IDENTIFIED INFORMATION HAS BEEN EXCLUDED FROM THIS EXHIBIT BECAUSE IT IS NOT MATERIAL AND WOULD LIKELY CAUSE COMPETITIVE HARM TO THE REGISTRANT IF PUBLICLY DISCLOSED. [***] INDICATES THAT INFORMATION HAS BEEN REDACTED.

EXCLUSIVE SUPPLY AGREEMENT

This Exclusive Supply Agreement is made as of May 19, 1999 (this "Agreement"), by and between Oil-Dri Corporation of America, a Delaware corporation ("Oil-Dri"), and Church & Dwight Co., Inc., a Delaware corporation ("Buyer").

WHEREAS, Buyer is willing to purchase all of its requirements of traditional coarse cat litter including, without limitation, the traditional coarse cat litter to be marketed by Buyer with, under or featuring the name "Arm & Hammer" and/or baking soda or any variant thereof, and any improvement or modification of that product (the "Product") from Oil-Dri, and Oil-Dri is willing to supply Buyer with such requirements, all in accordance with the terms and conditions set forth herein.

NOW, THEREFORE, in consideration of the above premises and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereby agree as follows:

1. Purchase and Sale of the Product.

(a) Buyer agrees that, commencing on the date hereof and subject to the terms and conditions of this Agreement, Oil-Dri will be its sole and exclusive supplier of all of its requirements in the United States for the Product during each year of the Term (as defined in Section 2 below).

Notwithstanding the foregoing, Buyer may acquire a limited supply of alternate clay litter product to test for internal purposes only (i.e., not to be sold to consumers).

(b) Oil-Dri agrees, subject to the terms and conditions of this Agreement, to supply all of Buyer's requirements for the Product.

(c) The parties acknowledge and agree that this Agreement is intended and shall apply to Buyer's Affiliates (as defined below) and that any reference herein to Buyer refers to Buyer and Buyer's Affiliates as one entity. Buyer will cause Buyer's Affiliates to purchase from Oil-Dri, and Oil-Dri will sell to Buyer's Affiliates, all of the requirements of Buyer's Affiliates for the Product, in accordance with, and subject to, the terms, provisions, restrictions and conditions of this Agreement that are applicable to Buyer's purchase from Oil-Dri, and Oil-Dri's sale to Buyer, of Buyer's requirements for the Product. As used herein, the term "Buyer's Affiliates" shall mean any person or entity, now existing or hereafter organized, created or acquired, that directly or indirectly, controls, is controlled by, or is under common control with, Buyer.

2. Term of Agreement.

(a) The term of this Agreement shall be twenty (20) years commencing on the date hereof and ending on May 19, 2019 (the "Initial Term"), unless earlier terminated pursuant to Section 17 hereof.

(b) Upon expiration of the Initial Term, this Agreement shall automatically renew for consecutive five (5) year periods (each, a "Renewal Term" and, together with the Initial Term, the "Term") unless either party provides written notice to the other party of its intent not to

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renew this Agreement at least eighteen (18) months prior to the expiration of the Initial Term or the then current Renewal Term.

3. Quantity Guaranty. Oil-Dri will guaranty the availability of eighty thousand (80,000) tons (or three million eight hundred thousand (3,800,000) stat cases) of the Product per year; provided, however, that Oil-Dri will guarantee the following: (i) commencing on the date packaging and supplies in sufficient quantity are made available by Buyer to Oil-Dri, the availability of up to eight thousand (8,000) tons (or three hundred eighty thousand (380,000) stat cases) of the Product per thirty-one (31) day period, for three (3) consecutive thirty-one (31) day periods, commencing no earlier than August 1, 1999, but not to exceed twenty thousand (20,000) tons (or nine hundred fifty-two thousand (952,000) stat cases) in the aggregate for such ninety-three (93) day total period; and (ii) a greater quantity than eighty thousand (80,000) tons (or three million eight hundred thousand (3,800,000) stat cases) of the Product per year, or such other amount as agreed to by the parties pursuant to this Section 3, upon six (6) months' prior written notice thereof from Buyer; provided, however, that (a) Buyer shall first agree in writing to a submission from Oil-Dri for capital investment recapture from Buyer to the extent Oil-Dri reasonably deems such additional capital investment necessary to supply such greater quantity, as generally described in Section 11 below; and (b) the "Annual Volume Requirement" set forth in Section 11(c) below shall increase, from time to time, on a ton-for-ton basis by the amount of each such increase in the quantity guaranty set forth in this Section 3. The term "stat case" means a case with a standard 42 lb. weight.

4. [***]

5. Quality.

(a) The quality of the Product shall meet or exceed the specifications jointly agreed to by Oil-Dri and Buyer, which specifications are attached hereto as Exhibit A (the "Specifications"). The Specifications will be subject to change from time to time during the Term by written agreement signed by Oil-Dri and Buyer, and any such changes in the Specifications shall be noted on a revised Exhibit A, signed and dated by both Oil-Dri and Buyer; provided, however, it is understood and agreed that Oil-Dri will agree to changes in the Specifications proposed by Buyer subject to (a) Oil-Dri's capability to handle such changes and (b) Buyer reimbursing Oil-Dri for and assuming increases in costs to Oil-Dri resulting from such changes in Specifications. Alternatively, in the event that changes in Specifications result in decreases in costs to Oil-Dri, Oil-Dri will pass such cost savings on to Buyer in a manner mutually agreed by the parties in good faith.

(b) Notwithstanding the foregoing, it is understood and agreed that Specifications for any Product made from Nevada Clay will be developed in good faith by Oil-Dri and Buyer and shall be agreed to in writing as an addendum to Exhibit A hereto, except it is understood that such Specifications shall include bulk density (ASTM No. E727-91) in the range of 27-35 pounds per cubic foot and water absorbency (Federal Spec P-A1056B) in the range of 70%-100% (ml/g).

6. [***]

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7. Price Adjustments:

(a) The Price may be adjusted on an annual basis by Oil-Dri providing written notice thereof to Buyer based on increases determined in accordance with the annual formula increase mechanisms set forth on Exhibits B and C attached hereto and made part hereof (collectively, the "Adjustment

Mechanisms"). It is agreed that the Adjustment Mechanisms will (i) apply on a going-forward basis only, (ii) impact the then current Base Price only and (iii) not result in any Price adjustments until January 1, 2001. Notwithstanding the foregoing, in the event that any increase in the Price requested by Oil-Dri is based on an increase in the Producer Price Index component of the Adjustment Mechanism (separate and apart from the fuel price increase component of the Adjustment Mechanism) equal to or greater than two percent (2%) in any calendar year, Buyer shall have the right to have an independent third party (reasonably acceptable to Oil-Dri) audit the applicable records of Oil-Dri at a time and place reasonably agreeable to the parties. Such audit shall be for the limited purpose of confirming that Oil-Dri's costs of producing the Product on a per case basis increased on a percentage basis by an amount equal to or greater than the increase in the Producer Price Index. In the event of such audit and as a condition thereto, Buyer and such third party auditor will agree in writing to a confidentiality clause with respect thereto to protect the confidentiality of Oil-Dri's information. Such third party auditor will also agree not to share any information with Buyer other than to confirm the accuracy of the aforesaid percentage with Buyer. In the event Oil-Dri does not request a price increase based on a Producer Price Index increase equal to or greater than two percent (2%) as aforesaid, no such audit right will exist. Any adjustment to the Base Price pursuant to the Adjustment Mechanisms will be made as of January 1 in each calendar year during the Term (commencing January 1, 2001) and will be firm for such calendar year.

(b) Oil-Dri reserves the right to change the Base Price and Adjustments costs at times other than as described in clause (a) above in the event an unusual or cataclysmic event occurs. For example, if, during the Term, the Producer Price Index component of the Adjustment Mechanism or cost of fuel component of the Adjustment Mechanism increases during any calendar year by ten percent (10%) or more, or in aggregate increments of an additional ten percent (10%) or more thereafter in such calendar year, Oil-Dri reserves the right to increase the Base Price at each such time, effective as of the first day of the next following calendar quarter.

(c) In the event that Buyer alters the Specifications or additives, including, without limitation, as a result of a different or unexpected application that increases Oil-Dri's costs, Oil-Dri reserves the right to increase the Base Price, from time to time, to cover such costs. In the event that Buyer alters the Specifications or additives and the result thereof is a decrease in Oil-Dri's costs, Oil-Dri shall pass such cost savings along to Buyer in a manner mutually agreed by the parties in good faith.

8. Price Adjustments for Technological Innovation.

(a) In the event that fundamental technological innovations (i.e., real innovation and not aggressive competition) occur in the mining and/or processing of clay which render Oil-Dri's prices non-competitive and Buyer so notifies Oil-Dri of same in writing (specifying in reasonable detail the reasons therefor), Oil-Dri will review its circumstances to determine if additional equipment can be secured to reduce its cost for production of the Product. Should Oil-Dri be unable to reduce its Price to Buyer by exploiting the technological breakthrough or otherwise, Buyer shall have the right to purchase all, but not less than all, of its

requirements for the Product from a third party (i) subject to Oil-Dri's right of last-offer in such circumstances (as described in Section 8(c) below) to reduce prices to Buyer and (ii) only after exhausting Oil-Dri's existing inventory of the Product and payment by Buyer of Oil-Dri's unamortized cost of equipment and plant modifications for the Product.

(b) For clarification purposes, it is understood by both Buyer and Oil-Dri that Section 8(a) contemplates a true technological change and not a competitive situation caused by an alternate source whose production capacity and business situation renders it aggressive in its pricing.

(c) In the event Buyer is able to secure in writing a bona fide

offer for lower pricing for all, but not less than all, of its requirements for the Product from a third party employing fundamental technological innovations (discovered after the date hereof) in the mining and/or processing of clay for the Product as provided in Section 8(a) above, Oil-Dri's right of last-offer may be exercised in accordance with the following procedures: Buyer shall provide a copy of such written offer and a written description of the applicable fundamental technological innovation (to the extent such innovation is not a trade secret of a third party) to Oil-Dri. Oil-Dri shall then have one hundred twenty (120) days to determine if it can meet the pricing set forth in such written offer. If Oil-Dri notifies Buyer within such one hundred twenty (120) day period than it can meet such pricing, Buyer shall have no right to purchase Product from any third party and this Agreement shall continue in full force and effect.

9. [***]

10. Payment, Shipment and Acceptance Terms.

(a) Payment for the Price of the Product (and any and all other charges described in this Agreement) shall be made in United States Dollars within thirty (30) days from the date of invoice (i.e., date of Oil-Dri's shipment of the Product except as set forth below).

(b) The Product shall be delivered to Buyer F.O.B. Oil-Dri's Georgia plant; provided, that any Product supplied from the Western Plant shall be delivered to Buyer F.O.B. Oil-Dri's Western Plant location. Buyer shall pay all freight and shipping costs. Possession and risk of loss shall pass to Buyer upon delivery of the Product to Buyer's carrier at the point of delivery to such carrier.

(c) The Product will be shipped on a "first-in, first-out" basis. In the event that the Product remains in Oil-Dri's warehouse longer than thirty (30) days, Oil-Dri shall have the option to invoice Buyer for the Product at any time after such thirty (30) day period.

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(d) Buyer may inspect the Product at the destination. Buyer shall be deemed to have accepted the Product delivered to Buyer hereunder unless, within one (1) year after Oil-Dri's shipment of the Product, Buyer provides Oil-Dri with written notice that the Product is defective, damaged (other than damage sustained in transit or due to handling or use) or non-conforming. In such event, Buyer's damages shall be limited, except in instances of Oil-Dri's gross negligence, to Oil-Dri's repair or replacement of any such defective, damaged or non-conforming Product pursuant to the warranty set forth in Section 15 hereof.

11. Capital Investments Unique to Supply of the Product.

(a) [***]

(b) To the extent that Oil-Dri desires any capital investment
recapture from Buyer for the purposes of improving the quality of the Product or reducing Oil-Dri's costs, building the Western Plant or for plant modifications, specialized equipment costs, dedicated warehouse costs or similar projects, Buyer shall be entitled to (a) review a submission from Oil-Dri with respect to such capital investment (which shall reflect amortization over a useful life not in excess of ten (10) years) and (b) the prior right of approval with respect to such capital investment.

(c) If Buyer's annual purchase volume (the "Annual Volume
Requirement") of the Product does not reach or exceed fifteen thousand (15,000) tons for the calendar year 2001 and for each calendar year thereafter during the Term, Buyer shall pay Oil-Dri its unamortized capital investment costs of the items set forth on Exhibit D attached hereto, plus any additional amount for capital investment costs incurred by Oil-Dri. It is understood and agreed that the Annual Volume Requirement may be increased from time to time in accordance with Section 3 above.

12. [***]

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enhance performance). Notwithstanding the foregoing, (a) if any such additive technology becomes commonplace and is used by competitors of Oil-Dri, the "exclusivity" limitation of this Section 12 shall be revised in good faith by the parties to reflect only the additive technology that remains unique to
Buyer's Product; and (b) the limitations of this Section 12 will not apply if Oil-Dri's compliance with such limitations would cause Oil-Dri, in its reasonable determination, to breach any provision of, or lose its exclusive supplier status under, any existing supply contract or obligation with a third party. Oil-Dri represents and warrants, as of the date hereof, it does not believe, and has no reason to believe, that any such third party intends to market a clay litter product using the additive technology described above of Buyer.

13. Forecasting (Production Scheduling)/ Raw Material Inventory Management. Buyer shall provide Oil-Dri with written annual, quarterly and monthly forecasts or order quantities by the fifteenth day of the immediately preceding month for the period to which such forecast(s) relate. All quantities shown in such forecasts will be arrived at in good faith, but are estimates only. Manufacture and delivery of the Products shall be made by Oil-Dri only upon written instructions submitted to Oil-Dri upon a mutually agreed upon schedule between the parties giving due regard to Oil-Dri's reasonable requirements for lead time to receive materials and schedule production and Buyer's need to maintain adequate inventories of Products.

14. Purchase and Storage of Bags and Chemical Additives.

(a) Buyer will supply bags and chemical additives to Oil-Dri for use in processing and packaging the Product. Oil-Dri will store up to three (3) months' supply of bags and chemical additives at its plants at no extra charge.

(b) It is currently anticipated that a shrinkage allowance for losses on packaging materials and chemical additives supplied by Buyer of two percent (2%) will adequately cover Oil-Dri's losses for such packaging materials and chemical additives. Any amount of shrinkage in excess of two percent (2%) relating to such packaging materials and chemical additives will be credited or reimbursed to Buyer by Oil-Dri in a manner mutually agreed by the parties in good faith.

(c) Buyer represents, warrants and covenants that none of the additives supplied to Oil-Dri for use hereunder will be considered hazardous or toxic materials under, or otherwise be in contravention of, any applicable environmental, health or safety laws, rules or regulations.

15. Warranty.

(a) THE PRODUCT SOLD BY OIL-DRI HEREUNDER IS WARRANTED TO CONFORM TO THE SPECIFICATIONS AND OIL-DRI FURTHER WARRANTS THAT IT WILL CONVEY GOOD TITLE TO THE PRODUCT, FREE AND CLEAR OF ANY SECURITY INTEREST, LIEN OR ENCUMBRANCE.

(b) EXCEPT AS EXPRESSLY STATED ABOVE, OIL-DRI MAKES NO WARRANTIES TO BUYER, OR ANY OTHER PERSON OR ENTITY, EXPRESS OR IMPLIED BY OPERATION OF LAW OR OTHERWISE, RESPECTING THE PRODUCT PURCHASED AND SOLD TO BUYER HEREUNDER; AND ALL EXPRESS OR IMPLIED

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WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE, OR

OTHERWISE, ARE HEREBY DISCLAIMED BY OIL-DRI AND EXCLUDED.

(c) IN NO EVENT SHALL OIL-DRI HAVE ANY LIABILITY TO BUYER OR ANY OTHER PERSON OR ENTITY FOR ANY CONSEQUENTIAL, INCIDENTAL OR SPECIAL LOSSES OR DAMAGES, DIRECTLY OR INDIRECTLY, ARISING FROM THE SALE, HANDLING OR USE OF THE PRODUCT, OR FROM ANY OTHER CAUSES RELATED THERETO.

16. Force Majeure. If either party cannot perform its obligations under this Agreement because of an event outside of its reasonable control, including but not limited to, acts of God; casualty; natural disaster; war; insurrection; electrical power or gas outages, shortages or service curtailment; strikes; lockouts; or any government treaty, agreement, law, act, ordinance, order, rule or regulation which restricts, prevents or prohibits the manufacture or sale of the Product (any such event, a "Force Majeure Event"), then that party shall promptly notify the other party of the occurrence of such an event and while the event continues, the performance of both parties shall be suspended, except for Buyer's payment obligations under this Agreement for the Product shipped to Buyer prior to the occurrence of such event. During any period in which Oil-Dri is unable to perform its obligations hereunder arising from any of such events, Buyer may obtain the type of the Product so affected from alternative sources necessary to meet all of Buyer's requirements during the period such inability exists. After such event has ended, the parties' respective obligations hereunder shall immediately resume. Notwithstanding the aforementioned, in the event either party is unable to perform its obligations for a period of six (6) consecutive months because of a Force Majeure Event, the other party shall have the right to terminate this Agreement upon thirty (30) days prior written notice; provided, however, that Buyer shall not have such right to terminate if a Force Majeure Event renders Oil-Dri unable to supply all of Buyer's requirements for the Product as provided herein and Oil-Dri elects to pay any per case cost differential (in excess of the Price) incurred by Buyer in obtaining the applicable necessary amount of Product from an alternate source after the aforesaid six (6) month period until such event has ended.

17. Term and Termination:

(a) This Agreement may be terminated at any time prior to the expiration of the Term as follows:

(i) by mutual consent of Oil-Dri and Buyer;

(ii) by Oil-Dri in the event that (A) Buyer fails to pay the Price for the Product delivered by Oil-Dri to Buyer hereunder as and when the same becomes due and payable in accordance with the terms hereof; provided, however, that Oil-Dri shall first give Buyer ten (10) business days' written notice thereof and opportunity to cure within such time; or (B) Buyer applies for or consents to the appointment of a receiver, trustee or liquidator for all or a substantial part of its assets; admits in writing its inability to pay its debts generally as they mature; makes a general assignment for the benefit of creditors; is adjudicated a bankrupt, submits a petition or an answer seeking an arrangement with creditors; takes advantage of any insolvency law except as a creditor; submits an answer admitting the material allegations of a petition in a bankruptcy or insolvency proceeding; has an order, judgment or decree entered by any court of competent jurisdiction approving a petition seeking reorganization of Buyer or

appointing a receiver, trustee or liquidator for Buyer, or for all or a substantial part of its assets and such order, judgment or decree shall continue unstayed and in effect for a period of ninety (90) consecutive days; or files a voluntary petition in bankruptcy or fails to remove an involuntary petition in bankruptcy filed against it within ninety (90) consecutive days of the filing thereof;

(iii) by either Oil-Dri or Buyer in the event that the other

party materially breaches any of its material obligations under this Agreement and such breach continues uncured for a period of forty-five (45) days after written notice thereof to such other party; provided, however, to prevent harm to the party terminating the Agreement, the party so terminating may, at its option, require the other party to perform under this Agreement for a period of up to twelve (12) months unless this Agreement otherwise is terminated or expires earlier by its terms; or

(iv) by Buyer upon twelve (12) months written notice to
Oil-Dri in the event Buyer ceases marketing or selling the Product and all other coarse cat litter products for any reason (other than a sale of Buyer's business or other change-in-control event including, without limitation, sale of all or substantially all assets, sale of voting control of stock or merger); provided, however, that (A) Buyer shall reimburse Oil-Dri for the unamortized value of its capital investment undertaken for the production of the Product as described in Section 11 above and (B) Buyer shall not re-enter such coarse cat litter business during the Initial Term without giving Oil-Dri the right to supply Product in accordance with the terms of this Agreement.

(b) In the event of termination under Section 17(a)(i) or Section 17(a)(iv) above, no party hereto shall have any further liability or obligation hereunder to the other (except as specifically set forth in sub-clause (B) of Section 17(a)(iv) above), but termination of this Agreement under Section 17(a)(ii) or Section 17(a)(iii) above shall be without prejudice to any rights or remedies of Oil-Dri (in the case of Section 17(a)(ii)) or the terminating party (in the case of Section 17(a)(iii)).

(c) If Buyer breaches its covenants as to the sole and exclusive nature of this Agreement pursuant to Sections 1 and 18 hereof by purchasing Product from a third party (other than as specifically permitted by Sections 1, 16 and 18(a) of this Agreement), as liquidated damages and the sole and exclusive remedy of Oil-Dri hereunder for such breach (in addition to termination by Oil-Dri under Section 17(a)(iii) above), Buyer shall pay to Oil-Dri in immediately available U.S. funds, within ten (10) business days of the end of each calendar month, a damages amount ("Damages") for each ton (or portion thereof) of Products purchased by Buyer during each calendar month of the Term (other than pursuant to this Agreement) equal to Ninety Dollars ($90.00) per ton, which Damages payment shall be accompanied by a reasonably detailed written calculation of such Damages amount (reflecting the number of tons of Product purchased by Buyer in breach hereof times Ninety Dollars ($90)) certified as true and correct by Buyer's chief financial officer. The parties agree that the Damages described above are a reasonable measure of the Damages and Oil-Dri's lost profits, particularly in view of the extreme difficulty of ascertaining actual damages in the event of a breach by Buyer of Sections 1 and 18 of this Agreement. Oil-Dri shall have the right to appoint an independent third party (reasonably acceptable to Buyer) to annually audit the books of Buyer, at a time and place reasonably agreeable to the parties, for the sole purpose of determining the number of tons purchased by Buyer from a third party during the Term. In the event of such audit and as a condition thereto, Oil-Dri and such third party auditor will agree in writing to a confidentiality clause with respect

thereto to protect the confidentiality of Buyer's information. Such third party auditor will also agree not to share any information with Oil-Dri other than to confirm the amount and calculation of Damages.

18. Exclusivity.

(a) Buyer agrees that the sole and exclusive nature of this
Agreement as provided in Section 1(a) above is of the essence hereof, and Buyer covenants and agrees that it will not purchase Products during the Term from any person or entity other than Oil-Dri (except as specifically permitted by Sections 1 and 16 of this Agreement). Notwithstanding the foregoing, in the event that Oil-Dri is unable to supply an amount of Product requested by Buyer, consistent with Section 13 above and within the then applicable quantity guaranty amount under Section 3 above, for a period of forty-five (45) consecutive days after written notice from Buyer to Oil-Dri (in circumstances other than as

described in Section 16 above or other than because Buyer has failed to (i) supply sufficient quantities of bags and/or additives, (ii) provide for adequate transportation or (iii) otherwise arrange for the performance of any matter within its control), as an alternative to declaring a breach hereunder, then Buyer may obtain, from an alternate source, an amount of the Product (up to such quantity guaranty amount) equal to the amount that Oil-Dri is unable to supply (the "Cover Amount") until Oil-Dri is able to meet all of Buyer's requirements (up to such quantity guaranty amount). The exclusive nature of this Agreement as provided in Section 1(a) above shall resume no later than six (6) months after the time Oil-Dri is able to meet such requirements. Oil-Dri will promptly reimburse or credit, as mutually agreed by the parties, Buyer for the amount by which the per case cost to Buyer of the Cover Amount exceeds the Price; provided, Buyer agrees to exercise commercially reasonable efforts to obtain the Cover Amount at the lowest cost reasonably available. The foregoing provisions of this Section 18(a) shall be deemed Buyer's sole and exclusive remedy relating to Oil-Dri's inability to supply and Buyer's election to obtain the Cover Amount as described in this Section 18(a).

(b) The parties further agree that if there is a fundamental market shift in the raw material used for the Product (the "Shifted Product") and Oil-Dri is unable to supply such raw material on terms mutually agreeable to the parties, then Buyer shall have the right to acquire its requirements for such Shifted Product, but only such Shifted Product and not the Product, from a third party, subject to Oil-Dri's right of last-offer described in the next sentence. The term "fundamental market shift" means that the raw material used for at least twenty percent (20%) of the market for cat box fillers (including, without limitation, fuller's earth, attapulgite clay, porters creek clay, diatomite, montmorillonite and sodium bentonite) has been shifted to and replaced by a new raw material, as determined on the basis of "lbs. share" reported by Information Resources, Inc. ("IRI") or if IRI is no longer in existence or covering this market, a similar nationally recognized independent data provider covering this market. The procedure for Oil-Dri's right of last-offer with respect to the supply of Shifted Product shall be as follows: Buyer shall provide a written description (in reasonable detail) of a bona fide offer (with a copy of the offer attached) to supply Shifted Product and a written description of the Shifted Product. Oil-Dri shall then have one hundred twenty (120) days to determine if it can supply the Shifted Product at the pricing set forth in such written offer. If Oil-Dri notifies Buyer within such one hundred twenty (120) day period that it can supply the Shifted Product at such pricing level, then Buyer shall purchase all requirements for the Shifted Product from Oil-Dri, this Agreement shall be amended to reflect the addition of the Shifted Product supply hereto and this Agreement shall otherwise continue in full force and effect.

19. Assignment. Except as set forth below in this Section 19, this
Agreement shall not be transferred or assigned by any party without the prior written consent of Oil-Dri and Buyer, which consent shall not be unreasonably withheld. Notwithstanding the foregoing, each of Oil-Dri and Buyer shall require any subsequent successor or assignee (whether direct or indirect, by asset or stock purchase, merger, consolidation or otherwise) to (or of) all or substantially all of its respective business and/or assets to assume expressly and agree to perform this Agreement in the same manner and to the same extent that such party would be required to perform if no such succession or assignment had occurred. Under the circumstances described in the immediately preceding sentence, no consent to the succession or assignment of this Agreement shall be required. This Agreement shall inure to the benefit and be binding upon Oil-Dri and Buyer, their respective subsidiaries and affiliates (including, but not limited to, Buyer's Affiliates) and their respective permitted successors and assigns.

20. Amendment and Modification. This Agreement may be amended or supplemented only by the signed written agreement of both Oil-Dri and Buyer; provided, however, that Price adjustments in accordance with Sections 6 and 7 above, to the extent not requiring the agreement of the parties, shall not be deemed amendments or supplements hereto.

21. No Waiver: No waiver of any breach of any provision herein contained shall be deemed a waiver of any preceding or succeeding breach hereof or of any other provision herein contained. No extension of

time for performance of any obligation or act shall be deemed an extension of the time for performance of any other obligation or act.

22. Choice of Law. This Agreement shall be governed by the laws of the State of Illinois as to all matters, including but not limited to, matters of validity, construction, effect, performance and remedies.

23. Relationship of Parties. At all times hereunder the relationship of each party to the other shall be that of an independent contractor, and neither party shall be deemed to be a partner, joint venturer, employee, agent or legal representative of the other party. Neither party shall have authority to bind the other party in any manner.

24. Notices. All notices, requests, demands, claims and other communications hereunder will be in writing. Any notice, request, demand, claim, or other communication hereunder shall be deemed duly given on the second business day after it is sent by registered or certified mail, return receipt requested, postage prepaid, and addressed to the intended recipient as set forth below:

Notices to Buyer

Church & Dwight Co., Inc.
469 North Harrison Street
Princeton, NJ 08543
Attention: Mr. Dennis M. Moore, Vice President
Facsimile: (609) 497-7179

with a copy to:

Church & Dwight Co., Inc.
469 North Harrison Street
Princeton, NJ 08543
Attention: General Counsel
Facsimile: (609) 497-7179

Notices to Purchaser

Oil-Dri Corporation of America
410 North Michigan Avenue
Chicago, IL 60611
Attention: Mr. Daniel S. Jaffee, President and CEO
Facsimile: (312) 706-1216

with a copy to:

Vedder, Price, Kaufman & Kammholz
222 North LaSalle Street
Chicago, IL 60601-1003
Attention: Michael A. Nemeroff, Esq.
Facsimile: (312) 609-5005

Any party may send any notice, request, demand, claim or other communication hereunder to the intended recipient at the address set forth above using any other means (including personal delivery,

expedited courier, messenger service, telecopy, telex, ordinary mail or electronic mail), but no such notice, request, demand, claim or other communication shall be deemed to have been duly given unless and until it actually is received by the intended recipient. Any party may change the address to which notices, requests, demands, claims and other communications hereunder are to be delivered by giving the other party notice in the manner herein set forth.

25. Confidentiality and Publicity. Except as required by law or court order or as may be required for a party to enforce its rights hereunder in a court of competent jurisdiction, the parties agree to (a) keep the terms of this Agreement confidential and (b) not disclose any terms of this Agreement to any third party. All notices to third parties and all other publicity concerning the transactions contemplated by this Agreement shall be jointly planned and coordinated by and between Buyer and Oil-Dri; provided, however, that Oil-Dri may inform customers of the existence of the supply relationship with Buyer. Neither of the parties shall act unilaterally in this regard without the prior written approval of the other; however, this approval shall not be unreasonably withheld.

26. Entire Agreement. This Agreement embodies the entire agreements and understandings of the parties with respect to the transactions contemplated hereby. This Agreement supersedes and replaces in their entirety all prior agreements and understandings between the parties with respect to such transactions.

27. No Conflict. In the event of any conflict between the terms of this Agreement and the terms of any purchase order, sales order or other communication between Oil-Dri and

Buyer with respect to the terms of delivery or any other terms and conditions, the provisions of this Agreement shall control.

28. Counterparts. This Agreement may be executed in any number of
counterparts and by different parties hereto in separate counterparts, each of which when so executed shall be deemed to be an original and all of which taken together shall constitute one and the same agreement.

29. Indemnification.

(a) Oil-Dri will indemnify and hold Buyer harmless from and against any and all liability, loss, damages, costs or expenses which Buyer may incur, suffer or be required to pay resulting from units of the Product which do not conform to the Specifications; provided, however, such indemnity obligation will be subject to the Warranty set forth in Section 15 hereof and shall be limited to repair or replacement of non-conforming Products, except in instances of Oil-Dri's gross negligence. In any event, Oil-Dri shall have been given prompt notice of the claim and opportunity to defend against same.

(b) Buyer will indemnify and hold Oil-Dri harmless from and against any and all third party liability, loss, damages, costs or expenses which Oil-Dri may incur, suffer or be required to pay (a) by reason of its production of the Product, (b) in connection with patent and/or trademark infringement claims related to the Product, the technology or additives of Buyer; or (c) in connection with any tort, personal injury or substantially similar claims by any employee, agent or representative of Buyer for occurrences at any plant or facility of Oil-Dri; provided Buyer shall have been given prompt notice of the claim and opportunity to defend against same.

30. Insurance. During the Term, each party shall maintain, and add the other party as an additional insured on, such party's comprehensive general liability coverage including, but not limited to, products liability coverage, which insurance shall provide for not less than Three Million Dollars ($3,000,000)

coverage per occurrence. Upon request not more frequently than once per year, each party shall provide the other with an insurance certificate evidencing compliance with the foregoing.

[SIGNATURE PAGE FOLLOWS]

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IN WITNESS WHEREOF, the parties have caused this Exclusive Supply Agreement to be executed as of the date first above written.

OIL-DRI CORPORATION OF AMERICA CHURCH & DWIGHT CO., INC.

By: By:
---------- ----------
Its: President and Chief Executive Officer Its:

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EXHIBIT A TO EXCLUSIVE SUPPLY AGREEMENT

[***]
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EXHIBIT B TO EXCLUSIVE SUPPLY AGREEMENT

[***]
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EXHIBIT C TO EXCLUSIVE SUPPLY AGREEMENT

[***]
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EXHIBIT D TO EXCLUSIVE SUPPLY AGREEMENT

[***]

Exhibit 11:

OIL-DRI CORPORATION OF AMERICA AND SUBSIDIARIES
Computation of Earnings Per Share
(in thousands, except per share amounts)

	For the Three Months Ended October 31,	
	2020	**2019**
Net income available to stockholders	**$ 3,984**	$ 3,536
Less: Distributed and undistributed earnings allocated to non-vested restricted stock	**(199)**	(156)
Earnings available to common shareholders	**$ 3,785**	$ 3,380
Shares Calculation		
Average shares outstanding - Basic Common	**5,149**	5,149
Average shares outstanding - Basic Class B Common	**1,926**	2,050
Potential Common Stock - Basic Common - relating to non-vested restricted stock	**127**	87
Potential Common Stock - Basic Class B Common - relating to non-vested restricted stock	**52**	20
Average shares outstanding - Assuming dilution	**7,254**	7,306
Net Income Per Share: Basic Common	**$ 0.57**	$ 0.51
Net Income Per Share: Basic Class B Common	**$ 0.43**	$ 0.38
Net Income Per Share: Diluted Common	**$ 0.56**	$ 0.50
Net Income Per Share: Diluted Class B Common	**$ 0.42**	$ 0.37

(1) Our Form 10-Q for three months ended October 31, 2020 and 2019 reflects a change in presentation for net income per share. We have historically disclosed net income per share for our diluted Common and Class B Common shares in total. As we have two classes of common shares, we have elected to change our net income per share presentation to reflect net income per share for both of our classes of common shares - our diluted Common shares and our diluted Class B Common shares.

Exhibit 31:

CERTIFICATIONS PURSUANT TO RULE 13A -14(A) UNDER THE SECURITIES EXCHANGE ACT OF 1934, AS AMENDED
Certification of Principal Executive Officer
(Section 302 of the Sarbanes-Oxley Act of 2002)

I. I, Daniel S. Jaffee, certify that:

a. I have reviewed this quarterly report on Form 10-Q of Oil-Dri Corporation of America (the "registrant");

b. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

c. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

d. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

i. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

ii. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

iii. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

iv. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

e. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

i. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

ii. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: December 7, 2020

By: /s/ Daniel S. Jaffee

Daniel S. Jaffee
Chairman, President and Chief Executive Officer

Exhibit 31 (continued):

Certification of a Principal Financial Officer
(Section 302 of the Sarbanes-Oxley Act of 2002)

I. I, Susan M. Kreh, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Oil-Dri Corporation of America (the "registrant");

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

    a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

    b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

    c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

    d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

    a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

    b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: December 7, 2020

By: /s/ Susan M. Kreh

Susan M. Kreh
Chief Financial Officer

Exhibit 32:

CERTIFICATIONS PURSUANT TO 18 U.S.C. SECTION 1350 AS ADOPTED PURSUANT TO THE SARBANES-OXLEY ACT OF 2002 CERTIFICATION

Certification

Pursuant to 18 U.S.C. Section 1350, the undersigned officer of Oil-Dri Corporation of America (the "Company") hereby certifies that to the best of my knowledge the Company's Quarterly Report on Form 10-Q for the quarter ended October 31, 2020 (the "Report") fully complies with the requirements of Section 13(a) or 15(d), as applicable, of the Securities Exchange Act of 1934 and that the information contained in the Report fairly presents, in all material respects, the financial condition and results of operation of the Company.

Dated: December 7, 2020

/s/ Daniel S. Jaffee

Name: Daniel S. Jaffee
Title: Chairman, President and Chief Executive Officer

A signed original of this written statement required by Section 906 has been provided to the Company and will be retained by the Company and furnished to the Securities and Exchange Commission or its staff upon request.

The foregoing certification is being furnished solely pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 (Section 1350, Chapter 63 of Title 18, United States Code) and is not being filed as part of the Report or as a separate disclosure document.

Certification

Pursuant to 18 U.S.C. Section 1350, the undersigned officer of Oil-Dri Corporation of America (the "Company") hereby certifies that to the best of my knowledge the Company's Quarterly Report on Form 10-Q for the quarter ended October 31, 2020 (the "Report") fully complies with the requirements of Section 13(a) or 15(d), as applicable, of the Securities Exchange Act of 1934 and that the information contained in the Report fairly presents, in all material respects, the financial condition and results of operation of the Company.

Dated: December 7, 2020

/s/ Susan M. Kreh

Name: Susan M. Kreh
Title: Chief Financial Officer

A signed original of this written statement required by Section 906 has been provided to the Company and will be retained by the Company and furnished to the Securities and Exchange Commission or its staff upon request.

The foregoing certification is being furnished solely pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 (Section 1350, Chapter 63 of Title 18, United States Code) and is not being filed as part of the Report or as a separate disclosure document.

Exhibit 95

MINE SAFETY DISCLOSURES

Under section 1503(a) of the Dodd-Frank Wall Street Reform and Consumer Protection Act and Item 104 of Regulation S-K, each operator of a coal or other mine is required to include certain mine safety information in its periodic reports filed with the Securities and Exchange Commission. The table below includes this mine safety information for each mine facility owned and operated by Oil-Dri Corporation of America, or its subsidiaries, for the quarter ended October 31, 2020. Due to timing and other factors, our data may not agree with the mine data retrieval system maintained by the Mine Safety and Health Administration ("MSHA"). The columns in the table represent the total number of, and the proposed dollar assessment for, violations, citations and orders issued by MSHA during the period upon periodic inspection of our mine facilities in accordance with the referenced sections of the Federal Mine Safety and Health Act of 1977, as amended (the "Mine Act"), described as follows:

Section 104 Significant and Substantial Violations: Total number of violations of mandatory health or safety standards that could significantly and substantially contribute to the cause and effect of a coal or other mine safety or health hazard.

Section 104(b) Orders: Total number of orders issued due to a failure to totally abate, within the time period prescribed by MSHA, a violation previously cited under section 104, which results in the issuance of an order requiring the mine operator to immediately withdraw all persons from the mine.

Section 104(d) Citations and Orders: Total number of citations and orders issued for unwarrantable failure of the mine operator to comply with mandatory health and safety standards. The violation could significantly and substantially contribute to the cause and effect of a safety and health hazard, but the conditions do not cause imminent danger.

Section 110(b)(2) Flagrant Violations: Total number of flagrant violations defined as a reckless or repeated failure to make reasonable efforts to eliminate a known violation of a mandatory health or safety standard that substantially and proximately caused, or reasonably could have been expected to cause, death or serious bodily injury.

Section 107(a) Imminent Danger Orders: Total number of orders issued when an imminent danger is identified which requires all persons to be withdrawn from area(s) in the mine until the imminent danger and the conditions that caused it cease to exist.

Total Dollar Value of Proposed MSHA Assessments: Each issuance of a citation or order by MSHA results in the assessment of a monetary penalty. The total dollar value presented includes any contested penalties.

Legal Actions Pending, Initiated or Resolved: Total number of cases pending legal action before the Federal Mine Safety and Health Review Commission as of the last day of the reporting period or the number of such cases initiated or resolved during the reporting period.

							Legal Actions		
Mine location	Section 104 "Significant and Substantial" Violations (#)	Section 104(b) Orders (#)	Section 104(d) Citations and Orders (#)	Section 110(b)(2)Flagrant Violations (#)	Section 107(a) Imminent Danger Orders (#)	Total Dollar Value of Proposed MSHA Assessments ($)	Pending as of Last Day of Period (#)	Initiated During Period (#)	Resolved During Period (#)
Ochlocknee, Georgia	3	—	—	—	—	3,849	—	—	—
Ripley, Mississippi	—	—	—	—	—	—	—	—	—
Mounds, Illinois	—	—	—	—	—	2,918	—	—	—
Blue Mountain, Mississippi	—	—	—	—	—	—	—	—	—
Taft, California	—	—	—	—	—	—	—	—	—

We had no mining-related fatalities at any of our facilities during the three months ended October 31, 2020. During this period we also received no written notices from MSHA under section 104(e) of the Mine Act of (i) a pattern of violations of mandatory health or safety standards that are of such nature as could have significantly and substantially contributed to the cause and effect of coal or other mine health or safety hazards; or (ii) the potential to have such a pattern. All legal actions pending and initiated during the period were contests of proposed penalties.