CLOROX CO /DE/
Form DEF 14A
October 03, 2013

SCHEDULE 14A

(Rule 14a-101)

INFORMATION REQUIRED IN PROXY STATEMENT

SCHEDULE 14A INFORMATION

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

Filed by the Registrant [X]
Filed by a Party other than the Registrant [ ]
Check the appropriate box:

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

The Clorox Company
(Name of Registrant as Specified In Its Charter)

(Name of Person(s) Filing Proxy Statement, if Other Than the Registrant)

Payment of Filing Fee (Check the appropriate box):

[X] No fee required.

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1) Title of each class of securities to which transaction applies:

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2) Form, Schedule or Registration Statement No.:

3)	Filing Party:
4)	Date Filed:

Notice of 2013 Annual Meeting, Proxy Statement and Annual Financial Statements

Annual Meeting of Stockholders
November 20, 2013

Notice of Annual Meeting of Stockholders

To be held on November 20, 2013

The 2013 Annual Meeting of Stockholders (the Annual Meeting) of The Clorox Company, a Delaware corporation (Clorox or the Company), will be held at 9:00 a.m., Pacific time on Wednesday, November 20, 2013, in Building C of the Company s Pleasanton Campus, located at 4900 Johnson Drive, Pleasanton, CA 94588, for the following purposes:

1. To elect eleven directors to serve until the 2014 Annual Meeting;
2. To conduct an advisory vote on the compensation of the Company s named executive officers;
3. To ratify the selection of Ernst & Young LLP as the Company s independent registered public accounting firm for the fiscal year ending June 30, 2014; and
4. To consider and act upon such other business as may properly come before the Annual Meeting or any adjournment thereof.

The Company s board of directors (the Board) has fixed the close of business on September 30, 2013, as the record date for determining the stockholders entitled to notice of, and to vote at, the Annual Meeting and any adjournment thereof. A list of such stockholders will be available at the Annual Meeting and during the ten days prior to the Annual Meeting at the office of the Secretary of the Company at 1221 Broadway, Oakland, CA 94612-1888.

Only record holders and people holding proxies from record holders of Clorox common stock as of the record date may attend the Annual Meeting. ***If you plan to attend the Annual Meeting and your shares are registered in your name, you must bring a current form of government-issued photo identification to the Annual Meeting. If your shares are held in the name of a broker, trust, bank or other nominee, you must provide proof that you owned Clorox common stock on the record date, as well as a current form of government-issued photo identification.*** Please see the Attending the Annual Meeting section of the proxy statement for more information.

We are pleased to take advantage of the U.S. Securities and Exchange Commission s Notice and Access rule that allows us to provide stockholders with notice of their ability to access proxy materials via the Internet. This allows us to conserve natural resources and reduces the costs of printing and distributing the proxy materials, while providing our stockholders with access to the proxy materials in a fast and efficient manner via the Internet. Under this process, on or about October 3, 2013, we will begin mailing a Notice of Internet Availability of Proxy Materials to our stockholders informing them that our Proxy Statement, Annual Report Executive Summary, and voting instructions are available on the Internet as of the same date. As more fully described in the Notice of Internet Availability of Proxy Materials, all stockholders may choose to access our proxy materials via the Internet or may request printed copies of the proxy materials. Please see the Information about the Meeting and Voting section of the proxy statement for more information.

The Notice of Annual Meeting, Proxy Statement and 2013 Annual Report Executive Summary are available at www.edocumentview.com/CLX.

YOUR VOTE IS VERY IMPORTANT. EVEN IF YOU PLAN TO ATTEND THE ANNUAL MEETING, WE HOPE THAT YOU WILL READ THE PROXY STATEMENT AND VOTE YOUR PROXY BY TELEPHONE, VIA THE INTERNET OR BY REQUESTING A PRINTED COPY OF THE PROXY MATERIALS AND COMPLETING, SIGNING AND RETURNING THE PROXY CARD ENCLOSED THEREIN.

By Order of the Board of Directors,

Angela C. Hilt
Vice President Corporate Secretary
& Associate General Counsel

October 3, 2013

YOUR VOTE IS IMPORTANT, NO MATTER HOW MANY OR HOW FEW SHARES YOU OWN

If you have questions about how to vote your shares, or need additional assistance, please contact Innisfree M&A Incorporated, who is assisting us in the solicitation of proxies:

501 Madison Avenue, 20th Floor
New York, New York 10022

Stockholders may call toll-free at (877) 750-9499

Banks and brokers may call collect at (212) 750-5833

1221 BROADWAY
OAKLAND, CA 94612-1888

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1221 BROADWAY
OAKLAND, CA 94612-1888

Proxy Statement

This proxy statement is furnished in connection with the solicitation of proxies by the board of directors (the Board) of The Clorox Company, a Delaware corporation (Clorox or the Company), for use at the Company s 2013 Annual Meeting of Stockholders (the Annual Meeting), to be held at 9:00 a.m. Pacific time on Wednesday, November 20, 2013, in Building C of the Company s Pleasanton Campus, located at 4900 Johnson Drive, Pleasanton, CA 94588. ***Please refer to the Attending the Annual Meeting section of this proxy statement for more information about procedures for attending the Annual Meeting.***

The U.S. Securities and Exchange Commission, or SEC, has adopted rules that allow us to use a Notice and Access model to make our proxy statement and other annual meeting materials available to you. On or about October 3, 2013, we will begin mailing a notice to our shareholders,

called the Notice of Internet Availability of Proxy Materials (the Notice), advising that our proxy statement, Annual Report Executive Summary, and voting instructions can be accessed on the Internet upon the commencement of such mailing. You may then access these materials and vote your shares via the Internet or by telephone or you may request that a printed copy of the proxy materials be sent to you. You will not receive a printed copy of the proxy materials unless you request one in the manner described in the Notice. Using the Notice allows us to conserve natural resources and reduces the costs of printing and distributing the proxy materials while providing our stockholders with access to the proxy materials in a fast and efficient manner via the Internet.

The Notice of Annual Meeting, Proxy Statement and Annual Report Executive Summary are available at www.edocumentview.com/CLX.

Information About the Meeting and Voting

Q: What is the purpose of this proxy statement?

A: The Board is soliciting your proxy to vote at the Company s 2013 Annual Meeting of Stockholders to be held on November 20, 2013, and at any adjournments of the Annual Meeting. This proxy statement summarizes information that is intended to assist you in making an informed vote on the proposals described in this proxy statement.

Q: Who is entitled to vote at the Annual Meeting?

A: Only stockholders of record at the close of business on September 30, 2013 (the Record Date) are entitled to vote at the Annual Meeting. On that date, there were 128,998,291 shares of Clorox common stock (Common Stock) outstanding and entitled to vote. Holders of Common Stock as of the close of business on the Record Date are entitled to one vote per share on each matter submitted to a vote of stockholders.

Q: Why did I receive a notice in the mail regarding the Internet availability of proxy materials instead of a full set of printed proxy materials?

A: Pursuant to rules adopted by the SEC, we are making this proxy statement available to our stockholders electronically via the Internet. On or about October 3, 2013, we will mail the Notice to the holders of our Common Stock as of the close of business on the Record Date, other than those stockholders who previously requested electronic or paper delivery of communications from us. The Notice contains instructions on how to access an electronic copy of our proxy materials, including this proxy statement and our Annual Report Executive Summary. The Notice also contains instructions on how to request a paper copy of the proxy statement. We believe that this process will allow us to provide you with the information you need in a timely manner, while conserving natural resources and lowering the costs of printing and distributing our proxy materials.

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Q: Can I vote my shares by filling out and returning the Notice of Internet Availability of Proxy Materials?

A: No. The Notice only identifies the items to be voted on at the Annual Meeting. You cannot vote by marking the Notice and returning it. The Notice provides instructions on how to cast your vote.

Q: How can I vote my shares?

A: You can vote your shares in one of two ways: either by proxy or in person at the Annual Meeting by written ballot. If you choose to vote by proxy, you may do so via the Internet or by telephone, or by requesting a printed copy of the proxy materials and mailing in the enclosed proxy card. Each of these procedures is explained below. Even if you plan to attend the Annual Meeting, the Board recommends that you submit a proxy in advance via the Internet, by telephone or by mail. In this way, your shares of Common Stock will be voted as directed by you even if you should become unable to attend the Annual Meeting. If you are not a record holder of your shares, you must follow the instructions of your broker or other nominee.

Q: May I change my vote?

A: Yes. You may change your vote or revoke your proxy at any time before it is exercised at the Annual Meeting by taking any of the following actions:

- submitting written notice of revocation to the Secretary of the Company;
- voting again electronically by telephone or via the Internet or by submitting another proxy card with a later date; or
- voting in person at the Annual Meeting.

Q: How many shares must be present to conduct the Annual Meeting?

A: We must have a quorum to conduct the Annual Meeting. A quorum is a majority of the outstanding shares of Common Stock entitled to vote at the meeting, present in person or by proxy. Abstentions and broker non-votes (described below) will be counted for the purpose of determining a quorum.

Q: What are broker non-votes?

A: A broker non-vote occurs when a bank or brokerage firm does not receive voting instructions from a beneficial owner of shares and does not have the discretion to direct the voting of those shares. Broker non-votes are not counted as votes against a proposal or as abstentions, and will not be counted for purposes of determining the number of votes

present in person or represented by proxy and entitled to vote with respect to a particular proposal or the number of votes cast on a particular proposal. Thus, a broker non-vote will not affect the outcome of the vote on a proposal that requires the approval of a majority of the votes present in person or represented by proxy and entitled to vote at the Annual Meeting (Proposals 2 and 3) or the approval of a majority of the votes cast (Proposal 1).

Q: Will my shares be voted if I do not provide instructions to my broker?

A: If you are the beneficial owner of shares held by a broker in street name, the broker, as the record holder of the shares, is required to vote those shares in accordance with your instructions. Under applicable New York Stock Exchange (NYSE) rules, if you hold your shares through a bank or brokerage firm and your broker delivers this proxy statement to you, the broker has the discretion to vote on routine matters, such as the ratification of the selection of an independent registered public accounting firm, but does not have discretion to vote on non-routine matters, such as the election of directors or proposals on executive compensation matters. Thus, the broker is entitled to vote your shares on Proposal 3 even if you do not provide voting instructions to your broker. The broker is not entitled to vote your shares on Proposal 1 or 2 without your instructions.

Q: How do I vote if I hold shares in the Clorox 401(k) Plan?

A: If you are a participant in our 401(k) plan, you will receive a voting instruction card to direct Mercer Trust Company, as trustee of our 401(k) plan, how to vote the shares of our Common Stock attributable to your individual account. Mercer Trust Company will vote shares as instructed by participants prior to 11:59 PM (EDT) on November 19, 2013. If you do not provide voting directions to Mercer Trust Company by that time, the shares attributable to your account will not be voted.

Q: How do I vote if I cannot attend the Annual Meeting in person?

A: Because many stockholders cannot attend the Annual Meeting in person, it is necessary that a large number of stockholders be represented by proxy. By following the procedures for voting via the Internet or by telephone, or by requesting a printed copy of the proxy materials and completing, signing and returning the proxy card enclosed therein, you will enable Donald R. Knauss, Stephen M. Robb or Laura Stein, each of whom is named on the proxy card as a proxy holder, to vote your shares at the Annual Meeting in the manner you indicate on your proxy card. When you vote your proxy, you can specify whether your shares should be voted for or against each of the nominees for director identified in Proposal 1, or you can abstain from voting on the director nominees. You can also specify whether your shares should be voted for or against Proposals 2 and 3, or you can abstain from voting on such proposals. Each of these proposals is described in this proxy statement.

Management of the Company is not aware of any matters other than those described in this proxy statement that may be presented for action at the Annual Meeting. If any other matters are properly presented at the Annual Meeting for consideration, the proxy holders will have discretion to vote for you on those matters.

- *Voting via the Internet.* You can vote your shares via the Internet by following the instructions provided either in the Notice or on the proxy card. If you requested and received a printed set of the proxy materials by mail, you should follow the voting instruction form you received. The Internet voting procedures are designed to authenticate your identity and to allow you to vote your shares and confirm that your voting instructions have been properly recorded. If you vote via the Internet, you do not need to mail a proxy card to us.

- *Voting by Telephone.* You can vote your shares by telephone if you requested and received a printed set of the proxy materials through the mail by following the instructions provided on the proxy card or voting instruction form enclosed with the proxy materials you received. If you received the Notice only, you can vote by telephone by following the instructions at the website address referred to in the Notice. The telephone voting procedures are designed to authenticate your identity and to allow you to vote your shares and confirm that your voting instructions have been properly recorded. If you vote by telephone, you do not need to mail a proxy card to us.

- *Voting by Mail.* You can vote by mail by requesting that a printed copy of the proxy materials be sent to your specified address. Upon receipt of the materials, you may fill out the proxy card enclosed therein and sign and return it as instructed on the card.

Stockholders who hold shares through a broker or other nominee must follow that nominee s direction to vote.

Q: May I vote in person at the Annual Meeting?

A: Yes, you may vote your shares at the Annual Meeting if you attend in person and use a written ballot. However, if your shares are held in the name of a broker, trust, bank or other nominee, you must bring a legal proxy or other proof from that broker, trust, bank or nominee granting you authority to vote your shares directly at the Annual Meeting.

If you vote by proxy and also attend the Annual Meeting, you do not need to vote again at the Annual Meeting unless you wish to change your vote. Even if you plan to attend the Annual Meeting, we strongly urge you to vote in advance via the Internet or by telephone, or by requesting a printed copy of the proxy materials and signing, dating and returning the proxy card enclosed therein.

Q: What are the proposals and what vote is required for each?

A: Proposal 1: Election of Directors. Proposal 1 is for the election of eleven nominees to serve as members of the Board until the 2014 Annual Meeting of Stockholders, or until their respective successors are duly elected and qualified. The Company s Bylaws provide for majority voting for directors in uncontested elections. Accordingly, each of the eleven nominees for director will be elected if he or she receives the majority of the votes cast in person or represented by proxy, with respect to that director. A majority of the votes cast means that the number of shares voted FOR a director must exceed the number of shares voted AGAINST that director. An abstention or a broker non-vote on Proposal 1 will not have any effect on the election of directors and will not be counted in determining the number of votes cast. Your broker is not entitled to vote your shares on Proposal 1 unless you provide voting instructions.

Proposal 2: Approval (on an advisory basis) of the Compensation of the Company s Named Executive Officers. Proposal 2 is being submitted to enable stockholders to approve, on an advisory basis, the compensation of the Company s named executive officers. Since Proposal 2 is an advisory vote, the provisions of our Bylaws regarding the vote required to approve a proposal are not applicable to this matter. In order to be approved on an advisory basis, Proposal 2 must receive a FOR vote from a majority of the votes present in person or represented by proxy and entitled to vote at the Annual Meeting. Abstentions will have the same effect as a vote against the proposal. Broker non-votes will have no effect on this proposal and will not be counted. Your broker is not entitled to vote your shares on Proposal 2 unless you provide voting instructions.

Proposal 3: Ratification of Selection of Independent Registered Public Accounting Firm. Proposal 3 is for the ratification of the appointment of Ernst & Young LLP as the Company s independent registered public accounting firm for the fiscal year ending June 30, 2014. The affirmative vote of a majority of the votes present in person or represented by proxy and entitled to vote at the Annual Meeting is required to approve Proposal 3. An abstention on Proposal 3 will have the same effect as a vote against Proposal 3. A broker

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non-vote will not have any effect on Proposal 3 and will not be counted. Your broker, however, is entitled to vote your shares on Proposal 3 even if you do not provide voting instructions.

Q: What are the recommendations of the Board of Directors?

A: The Board recommends that you vote:

- **FOR** the election of the eleven nominees for director named in this proxy statement (Proposal 1);
- **FOR** the proposal to approve (on an advisory basis) the compensation of the Company s named executive officers (Proposal 2); and
- **FOR** the ratification of the appointment of Ernst & Young LLP as the Company s independent registered public accounting firm for the fiscal year ending June 30, 2014 (Proposal 3).

Q: What do I do if I receive more than one proxy card?

A: Stockholders who hold their shares in more than one account may receive separate proxy cards or voting instruction forms for each of those accounts. To ensure that ALL of your shares are represented at the Annual Meeting, we recommend that you vote every proxy card you receive.

Q: Who will count the votes?

A: Votes will be counted by Computershare Trust Company, N.A., our inspector of election appointed for the Annual Meeting.

Q: What happens if the Annual Meeting is postponed or adjourned?

A: If we adjourn the Annual Meeting, we will conduct the same business at a later meeting, and the Board can decide to set a new record date for determining stockholders entitled to vote at the adjourned meeting or decide to only allow the stockholders entitled to vote at the original meeting to vote at the adjourned meeting. According to our Bylaws, when a meeting is adjourned to another place, date or time, notice need not be given of the adjourned meeting if the place, date, time and the proxy requirements are announced at the meeting at which the adjournment is taken; provided, however, that if the date of any adjourned meeting is more than thirty days after the date for which the meeting was originally scheduled to take place, notice of the place, date, time and the proxy requirements will be given to each stockholder of record entitled to vote at the meeting. If after the adjournment a new record date for stockholders entitled to vote is fixed for the adjourned meeting, the Board will fix a new record date for notice of such adjourned meeting and will give notice of the

adjourned meeting to each stockholder entitled to vote at such adjourned meeting as of the record date for notice of such adjourned meeting.

Q: What is the deadline to propose actions for consideration at next year s annual meeting of stockholders?

A: Stockholders may present proper proposals for inclusion in our proxy statement and for consideration at next year s annual meeting of stockholders by submitting their proposals in writing to the Company in a timely manner. Proposals should be addressed to The Clorox Company, c/o Secretary, 1221 Broadway, Oakland, CA 94612-1888. For a stockholder proposal to be considered for inclusion in our proxy statement for our 2014 Annual Meeting of Stockholders, we must receive the written proposal no later than June 5, 2014. In addition, stockholder proposals must otherwise comply with the requirements of Rule 14a-8 promulgated under the Securities Exchange Act of 1934, as amended (the Exchange Act).

Our Bylaws also establish an advance notice procedure for stockholders who wish to present a proposal, including the nomination of directors, before an annual meeting of stockholders, but do not intend for the proposal to be included in our proxy statement. Pursuant to our Bylaws, a proposal may be brought before the meeting by a stockholder who was a stockholder of record at the time notice is given, is entitled to vote at the annual meeting and complied with the notice procedures specified in our Bylaws. To be timely for our 2014 Annual Meeting of Stockholders, and assuming the 2014 Annual Meeting of Stockholders takes place within 30 days of the anniversary of this year s Annual Meeting, we must receive the written notice at our principal executive offices between July 23, 2014 and August 22, 2014. For more information regarding proposals for consideration at next year s annual meeting, please see the Stockholder Proposals for the 2014 Annual Meeting section of this proxy statement. If a stockholder who has notified us of his or her intention to present a proposal at an annual meeting does not appear in person or through a qualified representative to present his or her proposal at such meeting, we are not required to present the proposal for a vote at such meeting.

Q: Whom can I contact if I have questions?

A: If you have any questions about the Annual Meeting or how to vote your shares, please call Innisfree M&A Incorporated, at (877) 750-9499.

Q: Where can I find the voting results?

A: We will report final results in a filing with the SEC on Form 8-K.

Proposal 1:
Election of Directors

At the Annual Meeting, eleven people will be elected as members of the Board to serve until the 2014 Annual Meeting of Stockholders, or until their respective successors are duly elected and qualified. The Board, upon the recommendation of the Nominating and Governance Committee, has nominated the eleven people listed below for election at the Annual Meeting. Each of the nominees for director has agreed to be named in this proxy statement and to serve as a director if elected. Each nominee is currently serving

as a director of the Company. Esther Lee, Jeffrey Noddle and Rogelio Rebolledo were each appointed to the Board during calendar year 2013 and are being nominated for election by the stockholders for the first time. Each of Ms. Lee, Mr. Noddle and Mr. Rebolledo were recommended by members of the Nominating and Governance Committee. As previously disclosed, Mr. Mueller will be retiring from the Board on the date of the Annual Meeting and is therefore not standing for re-election.

Board of Directors   Recommendation

The Board unanimously recommends a vote FOR each of the Board s eleven nominees for director listed below. The Board believes that each of the nominees listed below is highly qualified and has skills, experience, backgrounds and attributes that qualify them to serve as directors of the Company (see each nominee s biographical information and the Nominating and Governance Committee section below for more information). The recommendation of the Board is based on its carefully considered judgment that the skills, experience, backgrounds and attributes of the nominees make them the best candidates to serve on our Board.

Certain information with respect to each nominee appears on the following pages, including age, period served as a director, position (if any) with the Company, business experience, directorships of other publicly-owned

corporations, including any other directorships held during the past five years (if any), and relevant experiences and qualifications, including service on certain non-profit or non-public company boards, that contributed to the conclusion that each director is qualified to serve as a director of the Company.

The people designated in the proxy and voting instruction card intend to vote your shares represented by proxy FOR the election of each of these nominees, unless you include instructions to the contrary. In the event any director nominee is unable to serve, the persons named as proxies may vote for a substitute nominee recommended by the Board.

Vote Required

Majority Voting for Directors. The Company s Bylaws require each director to be elected by a majority of the votes cast with respect to such director in uncontested elections (the number of shares voted FOR a director must exceed the number of shares voted AGAINST that director). Under the Company s Bylaws, any director who fails to be elected by a majority of the votes cast in an uncontested election must tender his or her resignation to the Board. The Nominating and Governance Committee would then make

a recommendation to the Board whether to accept or reject the resignation, or whether other action should be taken. The Board would act on the Nominating and Governance Committee s recommendation and publicly disclose its decision and the rationale behind it within 90 days from the date the election results are certified. A director who tenders his or her resignation would not participate in the Board s decision.

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Director Since	Name, Principal Occupation and Other Information
1990	**Daniel Boggan, Jr.**

Mr. Boggan served as the Chief of Staff of the Oakland, California Mayor s office from January 2007 through August 2007. He served as a consultant to Siebert Brandford Shank & Co., LLC (a municipal finance firm) from September 2003 to March 2006. Mr. Boggan joined the National Collegiate Athletic Association in October 1994 as Group Executive Director for Education Services. He served as the National Collegiate Athletic Association s Chief Operating Officer from January 1996 to June 1998 and served as its Senior Vice President and Chief Operating Officer from June 1998 until his retirement in August 2003. Previously, he was Vice Chancellor for business and administrative services at the University of California at Berkeley.

Other Public Company Boards:

Mr. Boggan is a director of Collective Brands, Inc. (formerly known as Payless Shoe Source, Inc.) (September 1997 to present) and Viad Corp (February 2005 to present).

Non-Profit/Other Boards:

Mr. Boggan is a trustee of The California Endowment, a trustee of The Alameda County Medical Center, and serves on various local boards.

Director Qualifications:

Mr. Boggan has considerable knowledge of the Company s business as well as a historical perspective and focus on the long-term interests of the Company and its stockholders due to his long-standing service on the Board. He resides in Oakland, and his prior positions in Oakland s local government and as immediate past chair of The Alameda County Medical Center provide him with an understanding of the Company s local community. Mr. Boggan s previous leadership positions at the National Collegiate Athletic Association and the University of California, as well as his service on several public company and non-profit boards, have provided him with a broad perspective and management, governance and leadership experience that he brings to the Company as Chair of the Nominating and Governance Committee. Additionally, his involvement with The Alameda County Medical Center and The California Endowment (a large health care foundation in California) provides him with an understanding of health and wellness matters. Age: 67.

Director Since	Name, Principal Occupation and Other Information

2007 **Richard H. Carmona, M.D., M.P.H., F.A.C.S.**

Dr. Carmona has been Vice Chairman of Canyon Ranch (a life-enhancement company) since October 2006. He also serves as Chief Executive Officer of the Canyon Ranch Health Division and President of the non-profit Canyon Ranch Institute. He is also the first Distinguished Professor of Public Health at the Mel and Enid Zuckerman College of Public Health at the University of Arizona. Prior to joining Canyon Ranch, Dr. Carmona served as the 17th Surgeon General of the United States from August 2002 through July 2006, achieving the rank of Vice Admiral. Previously, he was Chairman of the State of Arizona Southern Regional Emergency Medical System; a professor of surgery, public health, and family and community medicine at the University of Arizona; and surgeon and deputy sheriff of the Pima County, Arizona, Sheriff s Department. Dr. Carmona served in the United States Army and the Army s Special Forces.

Other Public Company Boards:

Dr. Carmona is a director of Taser International (March 2007 to present).

Non-Profit/Other Boards:

Dr. Carmona serves on the board of Healthline Networks.

Director Qualifications:

Dr. Carmona s experience as the Surgeon General of the United States and extensive background in public health provide him with a valuable perspective on health and wellness matters, as well as insight into regulatory organizations and institutions, which are important to the Company s business strategy. In addition, his executive leadership experience, including with a global lifestyle enhancement company, provides him with international experience and enables him to make valuable contributions to the Company s international growth strategies. Dr. Carmona s experience in the United States Army and in academia also strengthens the Board s collective qualifications, skills and experience. Age: 63.

1997 **Tully M. Friedman**

Mr. Friedman is the Chairman and Chief Executive Officer of Friedman Fleischer & Lowe, LLC (a private investment firm). Prior to forming Friedman Fleischer & Lowe in 1997, Mr. Friedman was a founding partner of Hellman & Friedman (a private investment firm) and a managing director of Salomon Brothers, Inc. (an investment bank).

Other Public Company Boards:

Mr. Friedman previously served as a director of Mattel, Inc. (1984 to May 2012), Capital Source (2000 to May 2007) and Tempur-Pedic International (November 2002 to April 2006).

Non-Profit/Other Boards:

Mr. Friedman currently serves on the boards of NCDR, LLC, and is the Chairman and a director of Church s Holding Corporation. He is also Chairman of American Enterprise Institute and Vice Chairman of the Telluride Foundation.

Director Qualifications:

Mr. Friedman s more than forty years of experience in finance and thirty years as a private equity investor have provided him with expertise in financial matters. This enables him to make valuable contributions in the areas of mergers and acquisitions, capital deployment and other major financial decisions and in his service as Chair of our Finance Committee. In addition, Mr. Friedman s executive leadership roles and board positions in several industries provide him with a broad perspective and experience in the areas of management, operations and strategy. Mr. Friedman also has a deep understanding of the Company s business, having served on the Board for numerous years, enabling him to make significant contributions to the Company s strategy, innovation and long-range plans. Age: 71.

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Director Since	Name, Principal Occupation and Other Information
2006	**George J. Harad**

Mr. Harad was Executive Chairman of the Board of OfficeMax Incorporated (an office supply and services company), formerly known as Boise Cascade Corporation (Boise Cascade), from October 2004 until his retirement in June 2005. He served as Chairman of the Board and Chief Executive Officer of Boise Cascade from April 1995 until October 2004. Previously, Mr. Harad held various positions at Boise Cascade, including Controller, Senior Vice President and Chief Financial Officer, and President and Chief Operating Officer. Prior to joining Boise Cascade, Mr. Harad was a consultant for the Boston Consulting Group and a teaching fellow at Harvard University.

Director Qualifications:
Mr. Harad s prior executive leadership roles enable him to provide valuable contributions with respect to management, operations, strategy, growth and long-range plans. His experience as a Chief Financial Officer has provided him with expertise in finance and accounting matters. Additionally, as a former Chief Executive Officer of a Fortune 500 company, Mr. Harad brings extensive knowledge in executive compensation matters to his position as Chair of the Management Development and Compensation Committee. Age: 69.

2006 **Donald R. Knauss**

Mr. Knauss was elected Chairman and Chief Executive Officer of the Company in October 2006. He was Executive Vice President of The Coca-Cola Company (a marketer and distributor of nonalcoholic beverages) and President and Chief Operating Officer for Coca-Cola North America from February 2004 until September 2006. Previously, he was President of the Retail Division of Coca-Cola North America and President and Chief Executive Officer of The Minute Maid Company, a division of The Coca-Cola Company. Prior to his employment with The Coca-Cola Company, he held various positions in marketing and sales with PepsiCo, Inc. and Procter & Gamble and served as an officer in the United States Marine Corps.

Other Public Company Boards:
Mr. Knauss is a director of the Kellogg Company (December 2007 to present) and URS Corporation (June 2010 to present).

Non-Profit/Other Boards:
Mr. Knauss also serves on the dean s advisory board of the College of Arts & Sciences at Indiana University and on the board of trustees of the University of San Diego, Morehouse College and the United States Marine Corps University Foundation.

Director Qualifications:
Mr. Knauss leadership experience as the Chief Executive Officer of the Company and his in-depth knowledge of the Company s strategic priorities and operations enable him to provide valuable contributions and facilitate effective communication between management and the Board. His role as Chief Executive Officer also enables him to provide important contributions to strengthening the Company s leadership, operations, strategy, growth and long-range plans. Mr. Knauss prior executive leadership roles include extensive international experience, providing him with valuable insights into global business strategy. In addition, Mr. Knauss leadership experience at other consumer packaged goods companies, including his director role at the Kellogg Company, provides him with a keen understanding of the Company s industry and customer and consumer dynamics. Age: 62.

Director Since	Name, Principal Occupation and Other Information

2013 **Esther Lee**

Ms. Lee has served as Senior Vice President   Brand Marketing, Advertising and Sponsorships for AT&T (a global communications company) since 2009. From July 2007 to September 2008 she served as CEO of North America and President of Global Brands for Euro RSCG Worldwide. Prior to that, she served for five years as Global Chief Creative Officer for The Coca-Cola Company. Earlier in her career, as co-founder of DiNoto Lee advertising firm, Ms. Lee worked with several consumer packaged goods companies, including Procter & Gamble, Unilever and Nestle.

Director Qualifications:

Ms. Lee brings to the Company significant executive and brand-building expertise. Her current and prior executive leadership roles enable her to provide valuable contributions with respect to creativity and vision for long-term growth. In addition, Ms. Lee brings to the Company significant experience in the areas of marketing and digital media. Her prior experience with global brand marketing, advertising, media and sponsorship as well as developing operating models in these areas, enable her to provide valuable contributions to the Company s business strategies. Age: 54.

1999 **Robert W. Matschullat**

Mr. Matschullat served as interim Chairman and interim Chief Executive Officer of the Company from March 2006 through October 2006. He served as presiding director of the Board from January 2005 through March 2006 and served as Chairman of the Board from January 2004 through January 2005. He was the Vice Chairman and Chief Financial Officer of The Seagram Company Ltd. (a global company engaging in two business segments: entertainment and spirits and wine) from October 1995 until relinquishing his position as Chief Financial Officer in December 1999 and retiring from his position as Vice Chairman in June 2000. Prior to joining The Seagram Company Ltd., Mr. Matschullat served as head of worldwide investment banking for Morgan Stanley & Co. Incorporated, and was on the Morgan Stanley Group board of directors.

Other Public Company Boards:

Mr. Matschullat is a director of The Walt Disney Company, Inc. (December 2002 to present) and is the Chairman of the Board of Visa, Inc. (April 2013 to present), having served as a director of Visa, Inc. since October 2007. Mr. Matschullat previously served as a director of McKesson Corporation (October 2002 to July 2007).

Director Qualifications:

Mr. Matschullat brings to the Company a wealth of public company leadership experience at the board and executive levels. Mr. Matschullat s executive leadership experience includes service as the Chief Financial Officer of a major global company and as the division head of a major financial institution, providing him with expertise in business and financial matters as well as broad international experience. In addition, Mr. Matschullat has an extensive understanding of the Company s business, having served more than ten years on the Board, including in the leadership roles of non-executive Chairman and presiding director of the Board. Mr. Matschullat also served as the Company s interim Chief Executive Officer. These experiences have provided him with a long-term perspective, as well as valuable management, governance and leadership experience. Age: 65.

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Director Since	Name, Principal Occupation and Other Information
2013	**Jeffrey Noddle**

Mr. Noddle was the Executive Chairman of SuperValu, Inc. (a leading food retailer and provider of distribution and logistical support services) from May 2009 until his retirement in June 2010. He served as SuperValu s Chairman and Chief Executive Officer from May 2002 to May 2009. During his career with SuperValu, which commenced in 1976, Mr. Noddle held a number of other leadership positions, including President and Chief Operating Officer, Vice President Merchandising and President of SuperValu s Fargo and former Miami divisions.

Other Public Company Boards:

Mr. Noddle is a director of Donaldson Company, Inc. (November 2000 to present) and Ameriprise Financial, Inc. (September 2005 to present). Mr. Noddle formerly served on the board of SuperValu, Inc. (May 2002 to June 2010).

Non-Profit/Other Boards:

Mr. Noddle also serves on the board of the University of Minnesota Carlson School of Management. He was formerly on the board of The Food Industry Center at the University of Minnesota and the Greater Twin Cities United Way. Mr. Noddle was also a member of the executive committee of the Minnesota Business Partnership and past chairman of the board of The Food Marketing Institute.

Director Qualifications:

Mr. Noddle s prior leadership roles enable him to provide valuable operational and supply chain insights as well as strategic leadership and human resources guidance to the Company. His over thirty year career with SuperValu provides valuable perspective on the Company s retail environment, as well as experience in the areas of mergers and acquisitions, including integration planning and execution; stockholder relations and communications; corporate governance issues; and executive succession planning; and director recruitment. Mr. Noddle s expertise in leading one of the largest grocery retail companies in the United States and his extensive knowledge of the Company s customers and consumers enable him to make valuable contributions to the Company. Age: 67.

Director Since	Name, Principal Occupation and Other Information
2013	**Rogelio Rebolledo**

Mr. Rebolledo was the CEO and Chairman of the Pepsi Bottling Group, Mexico (the Mexican operations of Pepsi Bottling Group, Inc.) from January 2004 to May 2007. Prior to January 2004, Mr. Rebolledo worked for the Frito-Lay International Division of Pepsico for 27 years, becoming President and Chief Executive Officer of Frito-Lay International in 2001. He began his 31-year career in 1976 with Pepsico Inc. at Sabritas, the salty food unit of Frito-Lay International, first in Latin America and then in Asia and Europe. Mr. Rebolledo began his career at the Procter & Gamble Co., where he held a variety of marketing roles.

Other Public Company Boards:
Mr. Rebolledo is a director of the Kellogg Company (October 2008 to present). Mr. Rebolledo previously served on the boards of Best Buy Company (August 2006 to June 2012), Applebee s International (May 2006 to October 2007), and The Pepsi Bottling Group (May 2004 to May 2007).

Non-Profit/Other Boards:
Mr. Rebolledo also serves on the boards of Jose Cuervo International and Proeza Group, and formerly was a director of The Alfa Group, which are companies in Mexico.

Director Qualifications:
Mr. Rebolledo brings to the Board more than thirty years of leadership roles in consumer packaged goods companies. His extensive background, particularly in developing business in Latin America and Asia, provides him with a deep understanding of customer and consumer dynamics. In addition, Mr. Rebolledo s strong financial background and experience on audit and compensation committees enable him to make valuable contributions to the Company. Age: 69.

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Director Since	Name, Principal Occupation and Other Information
2005	**Pamela Thomas-Graham**

Ms. Thomas-Graham has served as Chief Talent, Branding and Communications Officer and member of the Executive Board of Credit Suisse Group (a leading global financial services company) since January 2010. From March 2008 to December 2009, she served as a managing director in the private equity group at Angelo, Gordon & Co. (a private investment management firm). From October 2005 to December 2007, Ms. Thomas-Graham held the position of Group President at Liz Claiborne, Inc. (a designer and marketer of apparel, accessories and fragrances). Previously, she served as Chairman of CNBC (a media and entertainment company) from February 2005 to October 2005 and served as President and Chief Executive Officer of CNBC from July 2001 to February 2005. From September 1999 to July 2001, Ms. Thomas-Graham served as an Executive Vice President of NBC and as President and Chief Executive Officer of CNBC.com. Prior to joining NBC, Ms. Thomas-Graham was a partner at McKinsey & Company.

Other Public Company Boards:

Ms. Thomas-Graham served as a director of Idenix Pharmaceuticals, Inc. (June 2005 to January 2010).

Non-Profit/Other Boards:

Ms. Thomas-Graham serves on the board of the New York Philharmonic (2013 to present), the Parsons School of Design (2006 to present) and the Education Committee of the Museum of Modern Art in New York City (2006 to present). She is a member of the Business Council of the Metropolitan Museum of Art in New York City (2013 to present). Additionally, she served on the Visiting Committee of Harvard Business School (2005 to 2011) and on the board of the Harvard Alumni Association (1998 to 2001).

Director Qualifications:

Ms. Thomas-Graham brings to the Company significant executive expertise. Her current and prior executive leadership roles enable her to provide valuable contributions with respect to management, operations, growth and long-range plans. In addition, Ms. Thomas-Graham brings to the Company significant experience in the area of branding. Her prior experience as a management consultant also enables her to provide valuable contributions to the Company s business strategies and mergers and acquisitions activities. Additionally, her leadership experience at a private equity firm provides her with financial and accounting expertise, enabling her to contribute to the oversight of the Company. Age: 50.

Director Since	Name, Principal Occupation and Other Information
2005	**Carolyn M. Ticknor**

Ms. Ticknor was President of the Imaging and Printing Systems group of the Hewlett Packard Company (a global IT company) from 1999 until her retirement in February 2001. She served as President and General Manager of Hewlett Packard Company s LaserJet Solutions from 1994 to 1999. In addition, Ms. Ticknor consults for entrepreneurs and venture capital firms.

Other Public Company Boards:

Ms. Ticknor served as a director of OfficeMax Incorporated (formerly Boise Cascade Corporation) from February 2000 to April 2006.

Non-Profit/Other Boards:

Ms. Ticknor served as a director of Lucile Packard Children s Hospital, a private non-profit organization at the Stanford University Medical Center, from October 2001 until October 2009.

Director Qualifications:

Ms. Ticknor s prior executive leadership roles enable her to provide valuable contributions with respect to management, operations, strategy, growth and long-range plans. Her prior leadership at a global IT company enables her to provide valuable contributions with respect to the Company s international operations, strategies and growth plans. She also brings to the Company significant expertise in the areas of innovation and supply chain management. Ms. Ticknor s service as a director of Lucile Packard Children s Hospital at Stanford University Medical Center enhances her understanding of health and wellness issues, as well as the Company s focus on community involvement. Age: 66.

Committees, Organization of the Board of Directors and Director Independence

The Board has established five standing committees: the Executive Committee, the Finance Committee, the Audit Committee, the Nominating and Governance Committee, and the Management Development and Compensation Committee. The Finance, Audit, Nominating and Governance, and Management Development and Compensation Committees consist only of non-management directors whom the Board has determined are independent under the NYSE listing standards and the

Board s independence standards set forth in the Company s Governance Guidelines (Governance Guidelines), which are discussed below. The charters for these committees other than the Executive Committee are available in the Corporate Governance section of the Company s website at *http://www.thecloroxcompany.com/corporate-responsibility/performance/corporate-governance/company-charters*, or in print by contacting The Clorox Company, c/o Secretary, 1221 Broadway, Oakland, CA 94612-1888.

Standing Committees

Executive Committee. The Executive Committee is composed of directors Boggan, Friedman, Harad, Knauss (chair), Matschullat and Mueller. The Executive Committee is delegated all of the powers of the Board except certain powers reserved by law to the full Board. In addition to being available to meet between regular Board meetings on occasions when Board action is required but the convening of the full Board is impracticable, the Executive Committee is authorized to handle special assignments as requested from time to time by the Board. The Executive Committee held no meetings during fiscal year 2013.

Finance Committee. The Finance Committee is composed of directors Boggan, Friedman (chair), Matschullat, Mueller and Thomas-Graham. The Finance Committee oversees and, when appropriate, makes recommendations to the Board with respect to the Company s major financial policies and actions, including the approval of policies and actions related to the Company s capital structure, equity and debt financings, capital expenditures, cash management, dividend and share repurchase activities. The Finance Committee held two meetings during fiscal year 2013.

Audit Committee. The Audit Committee is composed of directors Harad, Mueller (chair), Rebolledo, Thomas-Graham and Ticknor. The Audit Committee is the principal link between the Board and the Company s independent registered public accounting firm. The Audit Committee has the functions and duties set forth in its charter, including, but not limited to, assisting the Board in overseeing (i) the integrity of the Company s financial statements, (ii) the independent registered public accounting firm s qualifications, independence and performance, (iii) the performance of the Company s internal audit function, (iv) the Company s system of disclosure controls and procedures and system of internal control over financial reporting, (v) the Company s compliance with legal and regulatory requirements relating to accounting and financial reporting matters, and (vi) the Company s framework

and guidelines with respect to risk assessment and risk management. The Audit Committee s duties also include preparing the report required by the SEC proxy rules to be included in the Company s annual proxy statement. The Audit Committee held nine meetings during fiscal year 2013. The Board has made a determination that each member of the Audit Committee satisfies the independence and experience requirements of both the NYSE and SEC. The Board has determined that directors Rebolledo and Thomas-Graham are audit committee financial experts, as defined by SEC rules, and each member of the Audit Committee is financially literate, as defined by NYSE rules.

Nominating and Governance Committee. The Nominating and Governance Committee is composed of directors Boggan (chair), Carmona, Matschullat and Ticknor. The Nominating and Governance Committee has the functions set forth in its charter, including identifying and recruiting individuals qualified to become Board members, recommending to the Board individuals to be selected as director nominees for the annual meeting of stockholders, reviewing and recommending to the Board changes in the Governance Guidelines and the Code of Conduct, overseeing the Company s ethics and compliance program and activities, including the Company s compliance with legal and regulatory requirements relating to matters other than accounting and financial reporting matters, and performing a leadership role in shaping the Company s corporate governance. The Nominating and Governance Committee held four meetings during fiscal year 2013.

Management Development and Compensation Committee. The Management Development and Compensation Committee is composed of directors Carmona, Friedman, Harad (chair), Matschullat and Noddle. The Management Development and Compensation Committee has the functions and duties set forth in its charter, including (i) reviewing and approving the performance goals and objectives for the Chief Executive Officer (CEO) and other executive officers and the extent to which such performance goals and objectives have been met; (ii) determining and approving the CEO s compensation based on a variety of factors; (iii) reviewing periodically with the CEO the performance of each of the other executive officers and approving the compensation of each such executive officer; (iv) determining the amount and other material terms of individual short- and long-term incentive awards to be made to executive officers; (v) reviewing and approving recommendations regarding retirement income and other deferred benefit plans applicable to executive officers; (vi) reviewing and approving employment

agreements and other employment-related arrangements; and (vii) evaluating the outcome of the advisory vote of the stockholders regarding say on pay and making recommendations or taking appropriate actions in response to such advisory vote. In addition, the Management Development and Compensation Committee oversees, with involvement of the full Board, the Company s management development and succession planning processes. The Management Development and Compensation Committee held five meetings during fiscal year 2013.

Evaluation of Director Qualifications and Experience

In assessing potential new directors, the Nominating and Governance Committee will consider individuals from various disciplines and diverse backgrounds. While the Board has not established any specific minimum qualifications that a potential nominee must possess, director candidates, including incumbent directors, are considered based upon various criteria, including their broad-based business skills and experience, prominence and reputation in their profession, global business and social perspective, concern for long-term stockholder interests and personal integrity and judgment all in the context of an assessment of the perceived needs of the Board at that point in time. The ability of incumbent directors to continue to contribute to the Board is also considered in connection with the renominating process.

The following skills and experiences, among others, have been specifically identified by the Nominating and Governance Committee as being important in creating a diverse and well-rounded Board:

- *Significant Current or Prior Leadership Experience (such as service in a significant leadership role, including as a chief executive officer, or other executive officer or significant leadership position):* enables important contributions to strengthening the Company s leadership, management expertise, operations, strategy, growth and long-range plans.

- *Leadership Experience on Public Company, Non-Profit or Other Boards:* prepares directors to take an active leadership role in the oversight and governance of the Company.
- *Knowledge of the Company s Business, the Consumer Packaged Goods Industry or Other Complementary Industry:* enables enhancement of and contributions to the Company s strategy and position in the Company s industry.
- *Experience in Product Development, Marketing (including brand building and digital media), Supply Chain Management or Other Relevant Areas:* facilitates support and contributions to the Company s strategy, development of products, effective marketing to consumers, including brand building and digital media, and the Company s business operations.
- *Relevant Retail Experience:* provides insights and contributions to enhancing relations and results with the Company s customer and consumer base.
- *International Experience:* provides insights and ability to contribute to the Company s increasing global business strategy.
- *Financial and Accounting Expertise:* enables analysis and oversight of the Company s financial position, financial statements and results of operations.
- *Regulatory Experience (including experience in the health and wellness sector):* enables meaningful contributions on matters relating to the regulatory environment, including in the area of health and wellness.

Diversity

Consistent with the Governance Guidelines, the Board recognizes the value in diversity and endeavors to assemble a Board with diverse skills, professional experience, perspectives, points of view, race, ethnicity, gender and cultural background. The Nominating and Governance

Committee assesses the effectiveness of efforts to assemble a diverse Board by examining the overall composition of the Board and evaluating how a particular director candidate can contribute to the overall success of the Board.

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The Nominating and Governance Committee considers recommendations from many sources, including stockholders, regarding possible candidates for director. Such recommendations, together with biographical and business experience information (similar to that required to be disclosed under applicable SEC rules and regulations)

regarding the candidate, should be submitted to The Clorox Company, c/o Secretary, 1221 Broadway, Oakland, CA 94612-1888. The Nominating and Governance Committee evaluates all candidates for the Board in the same manner, including those suggested by stockholders.

Board of Directors Meeting Attendance

The Board held six meetings during fiscal year 2013. All incumbent directors attended at least 75% of the meetings of the Board and committees of which they were members during fiscal year 2013. All members of

the Board are expected to attend the Annual Meeting of Stockholders. Each member of the Board at the time of the Company s 2012 Annual Meeting of Stockholders held on November 14, 2012 attended the meeting.

The Clorox Company Governance Guidelines and Director Independence

The Board has adopted Governance Guidelines that can be found in the Corporate Governance section on the Company s website *http://www.thecloroxcompany.com/corporate-responsibility/performance/corporate-governance/governance-guidelines/*, and are available in print to any stockholder who requests them from The Clorox Company, c/o Secretary, 1221 Broadway, Oakland, CA 94612-1888. The Governance Guidelines present a framework for the governance of the Company. They describe responsibilities, qualifications and operational matters applicable to the Board and the Board committees and include provisions relating to the evaluation of the CEO and ordinary-course and emergency succession planning. The Governance Guidelines are reviewed annually by the Nominating and Governance Committee, which recommends changes to the Board as appropriate.

The Governance Guidelines emphasize and describe the oversight role of the Board and identify various criteria for Board members intended to ensure that the Board consists of individuals who can, on the basis of their knowledge and experience, make valuable contributions to the overall conduct of the Company s business. The Governance Guidelines currently provide for a combined Chairman and CEO position with an independent director serving as a lead director and outline various responsibilities for the lead director, which are described more fully below under Board of Directors Leadership Structure. The Governance Guidelines also include provisions relating to Board meetings, including the number of, and materials for, meetings and executive sessions, outside board service, ethics and conflicts of interest, stock ownership and retention requirements, orientation and continuing education, compensation, mandatory retirement and access to management and other employees. The Governance Guidelines require that the lead director and

all independent directors provide input to the Management Development and Compensation Committee in connection with that committee s annual evaluation of the CEO.

Finally, the Governance Guidelines provide that a majority of the Board must consist of independent directors. The Board determines whether individual Board members are independent, as defined by the NYSE, using the following standards:

1. A director will not be deemed to be independent if the director is, or has been within the preceding three years, an employee of the Company, or an immediate family member is, or has been within the preceding three years, an executive officer of the Company; provided, however, that a director s employment as an interim executive officer for 12 months or less shall not disqualify a director from being considered independent following that employment.

2. A director will not be deemed to be independent if, during any 12-month period within the preceding three years, the director or an immediate family member received more than $120,000 in direct compensation from the Company, other than director and committee fees, pension or other forms of deferred compensation for prior service (provided that such compensation is not contingent in any way on continued service), compensation for former service as an interim chairman or interim CEO or other interim executive officer, compensation received by an immediate family member for service as an employee (other than an executive officer) of the Company, or dividends on Company stock beneficially owned by the director.

3. A director will not be deemed to be independent if: (i) the director, or an immediate family member, is a current partner of the firm that is the Company s independent registered public accounting firm; (ii) the director is a current employee of such firm; (iii) an immediate family member of the director is a current employee of such firm who personally works on the Company s audit; or (iv) the director or an immediate family member was within the preceding three years (but is no longer) a partner or employee of such firm and personally worked on the Company s audit within that time.

4. A director will not be deemed to be independent if, within the preceding three years (i) the director or an immediate family member is or was employed as an executive officer of another company where any of the Company s present executive officers at the same time serves or served on that company s compensation committee; or (ii) the director is a current employee, or an immediate family member is a current executive officer, of another company that has made payments to or received payments from the Company for property or services that, in any of the preceding three fiscal years, exceeded the greater of $1 million or 2% of such other company s consolidated gross revenues.
5. A director may be considered independent notwithstanding that the director owns, or is a partner, stockholder, officer, director or employee of an entity that owns, not more than 30% of the outstanding stock of the Company, unless the director or the entity owning the Company s stock has a relationship with the Company that, under paragraphs 1 through 4 above or otherwise, precludes a finding of independence.

6. A director will not be deemed independent if the director serves, or an immediate family member serves, as an executive officer of a tax-exempt organization that received contributions from the Company or The Clorox Company Foundation, in any single fiscal year within the preceding three years, more than the greater of $1 million or 2% of such organization s consolidated gross revenues.

For purposes of these criteria, immediate family member includes a person s spouse, parents, children, siblings, mothers- and fathers-in-law, sons- and daughters-in-law, brothers- and sisters-in-law, and anyone, other than domestic employees, who shares such person s home.

Director Independence Determination

The Board has determined that each of the Company s directors is independent under the NYSE listing standards and the independence standards set forth in the Governance

Guidelines, except Mr. Knauss as a result of his service as the Company s CEO.

Conflict of Interest and Related Party Transaction Policies and Procedures

The Company has a long-standing policy of prohibiting its directors, officers and employees from entering into transactions that are an actual or potential conflict of interest. The Company s Code of Conduct has a detailed provision prohibiting conflicts of interests and is available on the Company s website at *http://www.thecloroxcompany.com/corporate-responsibility/performance/corporate-governance/code-of-conduct/*.

Additionally, the Company has a written policy regarding review and approval of related party transactions by the Nominating and Governance Committee (Related Party Policy). The Related Party Policy defines an Interested Transaction as any transaction, arrangement or relationship or series of similar transactions, arrangements or relationships (including any indebtedness or guarantee of indebtedness) in which (1) the aggregate amount involved in any calendar year will or may be expected to exceed $120,000 (including any periodic payments or installments due on or after the beginning of the Company s last completed fiscal year and, in the case of indebtedness, the largest amount expected to be outstanding and the amount of annual interest thereon), (2) the Company is a participant, and (3) any Related Party has or will have a direct or indirect interest (other than solely as a result of being a director or a less than 10% beneficial owner of another entity).

A Related Party is any (1) person who is or was (since the beginning of the last fiscal year for which the Company has filed a Form 10-K and proxy statement, even if such person does not presently serve in that role) an executive officer, director or nominee for election as a director, (2) a beneficial owner of more than 5% of the Company s Common Stock, or (3) an immediate family member of

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any of the foregoing. Immediate family member includes a person s spouse, parents, stepparents, children, stepchildren, siblings, mothers- and fathers-in-law, sons- and daughters-in-law, and brothers- and sisters-in-law and anyone residing in such person s home (other than a tenant or employee).

Under the Related Party Policy, if a new Interested Transaction is identified for approval, it is brought to the Nominating and Governance Committee to determine if the proposed transaction is reasonable and fair to the Company. The Nominating and Governance Committee will review the material facts of all Interested Transactions that require its approval and either approve or disapprove of the entry into the Interested Transaction.

The Related Party Policy also contains categories of preapproved transactions that the Board has identified as not having a significant potential for an actual or potential conflict of interest or improper benefit.

In determining whether to approve or ratify an Interested Transaction, the Nominating and Governance Committee will take into account, among other factors it deems appropriate, whether the Interested Transaction is on terms no less favorable than terms generally available to an unaffiliated third party under the same or similar circumstances and the extent of the Related Party s interest in the transaction.

No director participates in any discussion or approval of an Interested Transaction for which he or she is a Related Party, except that the director will provide all material information concerning the Interested Transaction to the Nominating and Governance Committee. There were no transactions considered to be an Interested Transaction during the Company s 2013 fiscal year.

Code of Conduct

The Company has adopted a Code of Conduct, which can be found in the Governance section under Company Information on the Company s website, *http://www.thecloroxcompany.com/corporate-responsibility/performance/corporate-governance/code-of-conduct/*, or obtained in print by contacting The Clorox Company, c/o Secretary, 1221 Broadway, Oakland, CA 94612-1888.

The Code of Conduct applies to all of the Company s employees, including executives, as well as contractors and directors. We also have established a separate Supplier Code of Conduct outlining our standards and expectations of our suppliers and business partners, which can be found at *http://www.thecloroxcompany.com/corporate-responsibility/people/suppliers-partners/*.

Board of Directors Leadership Structure

The Board believes that it is in the best interests of the Company and its stockholders for the Board to make a determination on whether to separate or combine the roles of Chairman and CEO based upon the Company s circumstances at any particular point in time. The Nominating and Governance Committee regularly reviews the leadership structure to determine if it is in the best interests of the Company and stockholders. Currently, the positions of Chairman and CEO are combined and held by Mr. Knauss. Mr. Knauss in-depth knowledge of the Company s strategic priorities and operations enables him to facilitate effective communication between management and the Board and see that key issues and recommendations are brought to the attention of the Board, providing an effective leadership structure. Having the CEO serve as the Chairman also helps to ensure that the CEO understands and can effectuate the recommendations and decisions of the Board.

Because the Board also believes that independent leadership is important, the Board has established the position of lead director. The lead director is elected annually by and from

the independent directors with clearly delineated and comprehensive duties and responsibilities and must have served as a director for a minimum of one year in order to qualify as the lead director. The duties of the lead director, which are also included in the Governance Guidelines, include coordinating the activities of the independent directors and serving as a liaison between the

Chairman and the independent directors. In addition, the lead director: (i) assists the Board and Company officers in promoting compliance with and implementation of the corporate governance guidelines; (ii) presides at the executive sessions of the independent directors and has the authority to call additional executive sessions or meetings of the independent directors; (iii) presides at Board meetings in the Chairman s absence; (iv) approves information sent to the Board; (v) approves meeting agendas and approves meeting schedules for the Board to assure that there is sufficient time for discussion of all agenda items; (vi) is available for consultation and direct communication with major stockholders if requested; and (vii) evaluates, along with the members of the Management Development and Compensation Committee and the other independent directors, the performance of the CEO. Mr. Matschullat has served as the Company s lead director since his appointment on November 14, 2012.

In addition, all of the Company s directors other than Mr. Knauss are independent as defined by the NYSE rules. The Board believes that a single leader serving

as Chairman and CEO, together with the Company s predominantly independent Board and independent lead director, promotes effective governance. Accordingly, the Board has determined that, under the present circumstances, the current leadership structure is in the best interests of the Company and its stockholders.

Board of Directors Role in Risk Management Oversight

The Board has responsibility for the oversight of the Company s risk management, while the Company s management is responsible for the day-to-day risk management process. With the oversight of the Board, the management of the Company has developed an enterprise risk management process, whereby management identifies the top individual risks that the Company faces with respect to its business, operations, strategy and other factors after interviews with key business and functional leaders in the Company and a review of external information. In addition to evaluating various key risks, management identifies ways to mitigate and manage such risks. At least annually, management reports on and discusses the identified risks and risk mitigation and management efforts with the Board. The Board allocates responsibility to a specific committee to examine a particular risk in detail if the committee is in the best position to review and assess the risk. For example, the Audit Committee reviews compliance and risk management programs and practices related to accounting and financial reporting matters; the Management Development and Compensation Committee reviews the risks related to the executive compensation structure; and the Finance Committee reviews risks related to financial risk management, such as foreign currency exchange, hedging arrangements or interest rate exposure. In the event that a committee is allocated responsibility for examining and analyzing a specific risk, such committee reports on the relevant risk exposure during its regular reports to the entire Board to facilitate proper risk oversight by the entire Board.

As part of its responsibilities, the Management Development and Compensation Committee periodically reviews the Company s compensation policies and programs to ensure that the compensation program is able to incentivize employees, including executive officers, while mitigating

excessive risk taking. The overall executive compensation program contains various provisions that mitigate against excessive risk taking, including:

- An appropriate balance between annual cash compensation and equity compensation that is earned over a period of three to ten years;
- Caps on the payouts under executive and non- executive incentive plans, which protect against the possibility that executives take short-term actions to maximize bonuses that are not supportive of long-term objectives;
- Financial metrics under the executive annual incentive plan that are equally weighted between net customer sales and economic profit (as defined in the Compensation Discussion and Analysis), which discourage revenue generation at the expense of profitability and vice versa;
- Claw-back provisions applicable to current and former executives as set forth in the applicable plans that enable the recapture of previously paid compensation under certain circumstances, which serve as a deterrent to inappropriate risk-taking activities; and
- Stock ownership guidelines that require executive officers to accumulate meaningful levels of equity ownership in the Company, which align executives short- and long-term stockholder interests.

Based on its review and the analysis provided by its independent compensation consultant, Frederic W. Cook & Co., the Management Development and Compensation Committee has determined that the risks arising from the Company s compensation policies and practices for its employees, including executive officers, are not reasonably likely to have a material adverse effect on the Company.

Executive Sessions

As required by the NYSE listing standards, the independent directors generally meet in executive session at each regularly scheduled board meeting without the presence of management directors or employees of the Company

to discuss various matters related to the oversight of the Company, the management of the Board s affairs and the CEO s performance.

Beneficial Ownership of Voting Securities

The following table shows, as of July 31, 2013 (except as otherwise indicated), the holdings of Common Stock by (i) any entity or person known to the Company to be the beneficial owner of more than 5% of the outstanding shares of Common Stock, (ii) each director and nominee

for director and each of the five individuals named in the Summary Compensation Table (the named executive officers), and (iii) all current directors and executive officers of the Company as a group:

Name of Beneficial Owner [(1)]	Amount and Nature of Beneficial Ownership[(2)]	Percent of Class[(3)]
BlackRock, Inc.[(4)] 40 East 52nd Street New York, NY 10022	8,982,896	6.89
State Street Corporation[(5)] One Lincoln Street Boston, MA 02111	8,300,705	6.36
The Vanguard Group, Inc.[(6)] 100 Vanguard Blvd. Malvern, PA 19355	7,506,627	5.76
Yacktman Asset Management LP.[(7)] 6300 Bridgepoint Parkway, Bldg. 1, Suite 500 Austin, TX 78730	6,859,000	5.26
Daniel Boggan, Jr.	4,241	*
Richard H. Carmona	0	*
Tully M. Friedman	3,000	*
George J. Harad	6,503	*
Donald R. Knauss	1,582,619	1.2
Esther Lee	0	*
Robert W. Matschullat	1,324	*
Edward A. Mueller	0	*
Jeffrey Noddle	1,150	*
Lawrence Peiros	460,038	*
Rogelio Rebolledo	0	*
Stephen M. Robb	124,389	*
George Roeth	210,434	*
Laura Stein	189,393	*
Frank A. Tataseo	285,009	*
Pamela Thomas-Graham	9,778	*
Carolyn M. Ticknor	8,000	*
All current directors and executive officers as a group (27 persons)[(8)]	3,942,575	3.0

* Does not exceed 1% of the outstanding shares.

(1) Correspondence to all executive officers and directors of the Company may be mailed to The Clorox Company, c/o Secretary, 1221 Broadway, Oakland, CA 94612-1888.

(2) Unless otherwise indicated, each beneficial owner listed has sole voting and dispositive power concerning the shares indicated. These totals include the following numbers of shares of Common Stock that such persons have the right to acquire through stock options exercisable within 60 days of July 31, 2013, or with respect to which such persons have shared voting or dispositive power: Mr. Boggan 3,000 options; Mr. Friedman 3,000 options; Mr. Harad shared voting and dispositive power with respect to 5,503 shares held jointly with spouse and 1,000 shares held in limited partnership; Mr. Knauss 1,457,700 options, shared voting and dispositive power with respect to 49,214 shares held in family trust and 70,000 shares held in limited liability company; Mr. Peiros 453,830 options and shared voting or dispositive power with

respect to 6,208 shares held in family trust; Mr. Robb 115,182 options and shared voting and dispositive power with respect to 9,207 shares held in family trust; Mr. Roeth 199,717 options and shared voting and dispositive power with respect to 8,507 shares held in family trust; Ms. Stein 183,470 options; Mr. Tataseo 280,193 options and shared voting and dispositive power with respect to 4,816 shares held in family trust; Ms. Thomas-Graham 8,000 options; Ms. Ticknor 8,000 options; and all current directors and executive officers as a group 3,678,360 options. The numbers in the table above do not include the following numbers of shares of Common Stock that the executive officers have the right to acquire upon the termination of their service as employees pursuant to deferred stock units granted in December 1995 in exchange for the cancellation of certain restricted stock, and deferred dividends on deferred stock units: Mr. Peiros 15,587; Mr. Tataseo 16,744; and all current executive officers as a group 32,331. The numbers in the table above do not include the following numbers of shares of Common Stock that the non-management directors have the right to acquire upon the termination of their service as directors pursuant to deferred stock units granted under the Independent Directors Stock-Based Compensation Plan: Mr. Boggan 29,922; Dr. Carmona 11,077; Mr. Friedman 43,334; Mr. Harad 25,526; Mr. Matschullat 67,086; Mr. Mueller 20,729; Ms. Thomas-Graham 14,768; and Ms. Ticknor 20,831. The numbers in the table above do not include the following numbers of shares of Common Stock that the executive officers have the right to acquire upon the termination of their service as employees pursuant to vested performance units that were deferred at the executive officers election: Mr. Peiros 34,070; Mr. Robb 10,239; Mr. Roeth 15,106; Ms. Stein 27,231; Mr. Tataseo 7,500; and all current executive officers as a group 159,823.

(3) On July 31, 2013, there were 130,429,805 shares of Common Stock outstanding.

(4) Based on information contained in a report on Schedule 13G/A filed with the SEC, BlackRock, Inc. reported, as of December 31, 2012, sole voting and dispositive power with respect to these shares.

(5) Based on information contained in a report on Schedule 13G filed with the SEC, State Street Corporation reported, as of December 31, 2012, sole voting and dispositive power with respect to these shares.

(6) Based on information contained in a report on Schedule 13G filed with the SEC, The Vanguard Group, Inc. reported, as of December 31, 2012, sole voting and dispositive power with respect to these shares.

(7) Based on information contained in a report on Schedule 13G filed with the SEC, Yacktman Asset Management LP reported, as of December 31, 2012, sole voting and dispositive power with respect to these shares.

(8) Pursuant to Rule 3b-7 of the Exchange Act, executive officers include the Company s current CEO and all current executive vice presidents and senior vice presidents.

Equity Compensation Plan Information

The following table sets out the number of shares of Common Stock to be issued upon exercise of outstanding options, warrants and rights, the weighted-average

exercise price of outstanding options, warrants and rights, and the number of securities available for future issuance under equity compensation plans as of June 30, 2013.

Plan category	[a] Number of securities to be issued upon exercise of outstanding options, warrants and rights (in thousands)	[b] Weighted-average exercise price of outstanding options, warrants and rights	[c] Number of securities remaining for future issuance under non-qualified stock-based compensation programs (excluding securities reflected in column [a]) (in thousands)
Equity compensation plans approved by security holders	11,836	$65	6,202
Equity compensation plans not approved by security holders			
Total	11,836	$65	6,202

Column [a] includes the following outstanding equity-based awards (in thousands):

- 10,257 stock options
- 1,335 performance units and deferred shares
- 233 deferred stock units for non-employee directors
- 11 restricted stock units

Compensation Discussion and Analysis

Executive Summary

This Compensation Discussion and Analysis (CD&A) describes our executive compensation philosophy and program, the compensation decisions made under this program and the specific factors we considered in making those decisions. This CD&A focuses on the compensation of our named executive officers for fiscal year 2013, who were:

- **Donald R. Knauss** Chairman and Chief Executive Officer (CEO);
- **Frank A. Tataseo** Executive Vice President Professional Products Division, Mergers & Acquisitions and Information Technology;
- **George C. Roeth** Executive Vice President and Chief Operating Officer Household and Lifestyle;
- **Laura Stein** Senior Vice President General Counsel;
- **Stephen M. Robb** Senior Vice President Chief Financial Officer (CFO); and
- **Lawrence S. Peiros** Executive Vice President and Chief Operating Officer (retired April 1, 2013).

Fiscal Year 2013 Performance Highlights

In fiscal year 2013, the Company celebrated its 100th anniversary, marking a century of providing innovative products that our consumers value. Fiscal year 2013 was also a year of solid financial results for the Company in the face of a bumpy economic recovery, cautious consumers and continued pressure on margins, particularly from high inflation, price controls and foreign currency declines in Venezuela and Argentina. Despite these negative external factors, the Company was able to grow total stockholder return by 19% in fiscal year 2013. Highlights of our fiscal year 2013 accomplishments are as follows:

- grew net sales by 3%, reflecting gains in all four of our business segments, and expanded gross margin by 80 basis points;
- grew diluted net earnings per share from continuing operations by 5% to $4.31;
- continued to use our strong cash flow to invest in the business, maintained debt leverage within our target range and returned excess cash to stockholders through dividends and share repurchases, returning $335 million in dividends to stockholders and increasing the dividend by nearly 11% in May 2013;
- launched numerous innovative new products, including Clorox® concentrated bleach, which enables better product performance and a reduction of our costs and environmental footprint; SmartTube® technology, which is now incorporated into our spray cleaning bottles; a

  children s version of Brita Bottle® with popular cartoon characters; an enhanced formulation for Clorox® disinfecting wipes with improved efficacy on grease; and Hidden Valley® pasta salad kits;
- grew our professional products business with record shipments of cleaning and healthcare products;
- maintained our focus on driving international growth in core geographies where we have scale and competitive advantage, and continued our international expansion of the Burt s Bees® brand into countries in Latin America, Southeast Asia and Europe; and
- generated net proceeds of $135 million from two sale-leaseback transactions under which we sold and leased back a portion of our general office building in Oakland, California, and our former Technical and Data Center in Pleasanton, California to unrelated buyers.

How Pay was Tied to the Company s Performance in Fiscal Year 2013

Our fiscal year 2013 results provided us with an opportunity to further establish that our pay-for-performance philosophy works as intended, with pay being driven by performance in the following ways:

- **No Fiscal Year 2013 Long-Term Incentive Payout.** Our three-year performance share awards did not meet the required financial target, and as a result, these awards did not pay out. These awards were granted in September 2010 and payment was determined in August 2013. Although we had a solid fiscal year 2013, the zero payout was based on not achieving the required level of growth in economic profit (EP) during the three-year performance period that included fiscal years 2011 through 2013. The Company sets ambitious goals for the required EP growth target, and these goals were not met for this three-year period.
- **Fiscal Year 2013 Annual Incentive Payout.**
  The annual incentive payout for each of our named executive officers was above target due to our solid fiscal year 2013 results, which exceeded our financial goals established at the beginning of the fiscal year.

Compensation Philosophy

The key principle of our compensation philosophy is pay for performance. In fiscal year 2013, approximately 86% of the compensation we provided to our CEO and approximately 72% of the compensation we provided to our other named executive officers was directly tied to the achievement of short- and long-term goals to drive the Company s performance as measured by operating results,

*Continues on next page*4

revenue growth and stockholder return. We believe we can best ensure that compensation drives the creation of stockholder value and Company growth by keeping the majority of executive pay at risk. This means that the largest portion of executive compensation is variable and tied to Company and individual performance. Specifically, our executive compensation program is designed to accomplish the following:

- **Pay for Performance.** To reward performance that drives the achievement of the Company s short- and long-term goals and, ultimately, stockholder value.
- **Align Management and Stockholder Interests.** To align the interests of our executive officers with our stockholders by using long-term, equity-based incentives, maintaining stock ownership and retention guidelines that encourage a culture of ownership, and rewarding executive officers for sustained and superior Company performance as measured by operating results and stockholder return.
- **Attract, Retain and Motivate Talented Executives.** To compete for and incentivize talented individuals by attracting, retaining and motivating high-performing executives.
- **Address Risk-Management Considerations.** To motivate our executives to pursue objectives that create long-term stockholder value and discourage behavior that could lead to unnecessary or excessive risk-taking inconsistent with our strategic and financial objectives, by providing a certain amount of fixed pay and balancing our executives at-risk pay between short-term (one-year) and long-term (three-year) performance horizons, using different financial and other performance metrics.
- **Support Financial Efficiency.** To help ensure that payouts are appropriately supported by performance and therefore qualify as performance- based compensation, which is tax deductible by the Company, under Internal Revenue Code (IRC) Section 162(m) (Section 162(m)), as appropriate.

What We Do and Don t Do Elements of Our Executive Compensation Program

The following elements of our executive compensation program reflect our commitment to our compensation philosophy:

- No employment contracts for any executives, other than the CEO;
- An executive compensation program designed to mitigate undue risk;
- Different performance goals for our annual and long-term incentive plans;
- Stringent stock ownership and retention guidelines for all of our executives;
- No stock option re-pricing without stockholder approval;
- Prohibition on speculative transactions involving the Company s stock, including hedging and pledging;
- Claw-back provisions in both our annual and long-term incentive plans;
- Double trigger change-in-control provisions for stock option awards;
- No use of time-based restricted stock in our annual long-term incentive grants;
- No payment of dividend equivalents on unvested shares;
- No tax gross-ups for any employee, including executive officers;
- Modest perquisites with sound business rationale;
- Annual review of our executive compensation program by our Management Development and Compensation Committee (the Committee), which is composed solely of independent members of the Board; and
- Utilization of an independent compensation consultant who does not provide any additional consulting services for the Company.

Components of our Executive Compensation Program

Specifics regarding the components of our executive compensation program, the reasons why we use them and certain characteristics of these components are outlined in the table below.

Component	Purpose	Characteristics

Base Salary	Compensate named executive officers for their role and level of responsibility, as well as individual performance.	Fixed component.
Annual Incentives(1)	Promote the achievement of the Company s annual corporate financial and strategic goals, as well as individual objectives.	Performance-based cash bonus opportunity.
Long-Term Incentives(1)	Promote the achievement of the Company s long-term corporate financial goals and stock price appreciation.	Amounts earned under performance share grants and stock option awards will vary as the ultimate value is based on actual financial and stock price performance.

Component	Purpose	Characteristics
Retirement Plans	Provide replacement income upon retirement (serves as a long-term retention incentive).	Fixed component; however, Company retirement contributions will vary based on pay and employee contributions.
Post-Termination Compensation	Provide contingent payments to attract and retain named executive officers and promote orderly succession for key roles.	Only payable if a named executive officer s employment is terminated under specific circumstances as described in the applicable severance plan or, with respect to the CEO, the employment agreement.
Perquisites	Provide other benefits competitive with the compensation peer group and encourage executives to attend to their health and financial affairs.	Financial planning, Company car or car allowance, paid parking, annual executive physical and health club allowance.

(1) Payouts under the annual and long-term incentive plans are determined based on the achievement of pre-established objectives determined by the Committee at the beginning of the performance period. The performance period is one year for the annual incentive plan and three years for the performance shares awarded under the long-term incentive plan. Specific financial goals cannot be changed during the performance period, except in accordance with principles determined by the Committee at the time the goals were established that provide for adjustments in limited circumstances including, among other things, acquisitions, restructuring charges or significant changes to generally accepted accounting principles, and only if the adjustments exceed a specified minimum financial impact to the Company.

How We Make Compensation Decisions

Roles and Responsibilities in Setting Executive Compensation

Management Development and Compensation Committee. The Committee is made up entirely of independent directors as defined by our Governance Guidelines and NYSE listing standards. The Committee regularly reviews the design and implementation of our executive compensation program and provides reports of its discussions and actions to the Board. In particular, the Committee (i) oversees our executive compensation program, (ii) approves the performance goals and strategic objectives for our named executive officers, evaluates results against those targets each year and determines and approves the compensation of our CEO (after consulting with the independent members of the Board), and our other named executive officers, as well as officers at or above the level of senior vice president and any other officers covered by Section 16 of the Securities Exchange Act of 1934, as amended, and (iii) makes recommendations to the Board with respect to the structure of overall incentive and equity-based plans.

The Committee makes decisions on compensation for the named executive officers. The Committee makes its determinations of executive compensation based on its experience in consultation with management and the Committee s independent compensation consultant (as further described below). The Committee s decisions are based on various factors, including the Company s performance, individual performance, peer group data and input and recommendations from the independent compensation consultant. Individual performance and subsequent compensation decisions are evaluated based

on the performance of the business or operations for which the individual is responsible, the individual s skill set relative to industry peers, overall experience and time in the position, critical nature of the individual s role, difficulty of replacement, expected future contributions, readiness for promotion to a higher level, role relative to that of other executive officers, and, in the case of externally recruited named executive officers, compensation earned with a prior employer.

In determining the compensation package for each of the named executive officers other than the CEO, the Committee receives input and recommendations from our CEO and our Senior Vice President Human Resources & Corporate Affairs. The named executive officers do not have a role in the determination of their own compensation. The named executive officers other than the CEO do, however, discuss their individual performance objectives with the CEO.

Special 162(m) Subcommittee. Although the Board has determined that, consistent with our Governance Guidelines and the NYSE listing standards, all members of the Committee are independent, the Committee determined that Mr. Robert W. Matschullat may not qualify as an outside director for purposes of Section 162(m) due to his service as interim CEO from May 2006 until October 2006. As a result, a subcommittee was established composed of directors Dr. Richard H. Carmona and Messrs. Tully M.

Friedman, George J. Harad and Jeffrey W. Noddle (the Subcommittee) to take the actions required under Section 162(m) in order for performance-based compensation to be fully deductible by the Company for income tax purposes.

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Board of Directors. In providing advice to the Committee regarding the compensation package for the CEO, the independent members of the Board undertake a thorough review process, whereby each independent Board member provides candid feedback regarding the CEO s performance. To do this, the Board utilizes a variety of key substantive factors that the Board has identified as being most significant to effective CEO performance, with a focus on strategy, people, operations and values. The collective results of the CEO s performance against these key factors are subsequently discussed by the Board, which then provides its recommendations on CEO compensation to the Committee. The Committee, after evaluating the Board s recommendations and with input from the independent compensation consultant, then makes a final decision on the CEO s compensation. The CEO does not have a role in his own compensation determination other than to participate in a discussion with the Board regarding his performance relative to targets set at the beginning of the fiscal year.

Independent Compensation Consultant. The Committee retains the services of an independent compensation consulting firm to assist it in the performance of its duties. During fiscal year 2013, the Committee used the services of Frederic W. Cook & Co. (FWC). During fiscal year 2013, FWC s work with the Committee included data aggregation analyses, advice, guidance and recommendations on the following topics: compensation levels versus peers, market trends and incentive plan designs, an assessment of the risk and reward structure of executive compensation plans, policies and practices, including the policies and views of third-party proxy advisory firms. See the section entitled Independence of the Compensation Consultant for a discussion of FWC s independence from management.

Chief Executive Officer. The CEO makes compensation recommendations to the Committee for all executive officers other than himself. In making these recommendations, the CEO evaluates the performance of each executive officer and considers his or her responsibilities as well as the compensation analysis provided by the independent compensation consultant.

Other Members of Management. Senior human resources management provides analyses regarding competitive practices and pay ranges, compensation and benefit plans, policies and procedures related to equity awards, perquisites and general compensation and benefits philosophy. Senior human resources, legal and, from time to time, finance executives attend non-executive sessions of Committee meetings to provide perspective and expertise relevant to the meeting agenda.

Independence of the Compensation Consultant

Pursuant to its charter, the Committee is authorized to retain, oversee and terminate any consultants, as well as to approve the fees and other retention terms of any consultants that it deems necessary to carry out its duties. Prior to the retention of a compensation consultant or any other external advisor, from time to time as the Committee deems appropriate, but at least annually, the Committee assesses the independence of such advisor from management. In evaluating the Committee s compensation consultant, the Committee took into consideration all factors relevant to FWC s independence, including the following factors specified in the NYSE listing standards:

- other services provided to the Company by FWC or any of its affiliates;
- the policies and procedures maintained by FWC to prevent a conflict of interest;
- any business or personal relationship between FWC and a Committee member;
- any business or personal relationship between FWC and an executive officer of the Company;
- any ownership of Company stock by the individuals at FWC performing consulting services for the Committee; and
- the fees paid by the Company as a percentage of FWC s total revenue.

FWC has provided the Committee with appropriate assurances and confirmation of its independent status pursuant to the Committee s charter and other factors. The Committee believes that FWC has been independent throughout its service to the Committee and there is no conflict of interest between FWC and the Committee.

Our Peer Group

The Committee uses a peer group composed of 15 consumer products companies (the compensation peer group) to provide competitive market rates for the Company s executive officers, including the named executive officers. The compensation peer group was selected by the Committee based on the factors described below with input from FWC. The compensation peer

group is used to evaluate both the levels of executive compensation and compensation practices within the consumer products industry.

For fiscal year 2013, the compensation peer group was composed of the following companies:

Avon Products, Inc.	General Mills, Inc.	Molson Coors Brewing Co.
Campbell Soup Company	H.J. Heinz Company	Newell Rubbermaid Inc.
Church & Dwight Co., Inc.	The Hershey Company	Revlon, Inc.
Colgate-Palmolive Co.	JM Smucker	S.C. Johnson & Son, Inc.
Energizer Holdings	Kellogg Company	Tupperware Brands

To determine the compensation peer group each year, the Committee considers companies that hold leadership positions in branded consumer products, are of reasonably similar size based on market capitalization and revenue, compete with the Company for executive talent and have executive positions similar in breadth, complexity and

scope of responsibility to those of the Company. The Committee reviews and makes as-needed adjustments to the compensation peer group annually to ensure that the chosen companies continue to meet the relevant criteria. In fiscal year 2013, the Committee removed Alberto-Culver due to its acquisition by Unilever.

Fiscal Year 2013 Compensation of Our Named Executive Officers

For fiscal year 2013, management engaged Aon Hewitt to obtain and aggregate compensation data for our compensation peer group, which was used to advise the Committee on setting target compensation for named executive officers. FWC reviewed this information and performed an independent compensation analysis of the compensation peer group data, which FWC utilized in advising the Committee. Although each individual component of executive compensation is reviewed, particular emphasis is placed on targeting total compensation within plus or minus 15% of the median target dollar amounts of compensation of our compensation peer group. Other factors, such as level of experience, may result in target total compensation for individual named executive officers

being adjusted above or below this median. Specifically, for fiscal year 2013, target compensation for the CEO was slightly above 15% of the peer group median due to his long tenure and experience as CEO. The CFO was below 15% of the peer group median due to his relatively short tenure as CFO. The other named executive officers were within plus or minus 15% of the peer group median. In addition, it may not be possible to obtain specific market data for certain positions due to the unique nature of the responsibilities. For fiscal year 2013, Mr. Tataseo s position did not have comparable market data, so his position was evaluated based on positions with comparable responsibility and importance within the Company.

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What We Pay: Components of Our Compensation Program

A substantial portion of our executive compensation is at-risk variable compensation, with 86% for the CEO and 72% for all other named executive officers (excluding Mr. Peiros who retired from the Company in April 2013) being

at-risk pay. Base salary is the only fixed compensation component, as outlined in the following charts, which reflect actual compensation for fiscal year 2013.

(1) Compensation mix represents the actual base salary and annual incentive award paid and actual long-term incentives awarded in fiscal year 2013. Refer to the Summary Compensation Table for further details.

Additional elements of the executive compensation program include retirement plans, post-termination compensation and perquisites as appropriate to support our executive compensation philosophy. Further detail is provided in the discussion of each element as follows:

Base Salary. In determining base salary levels for the named executive officers, the Committee generally seeks to establish base salaries for the named executive officers within plus or minus 15% of the median of our compensation peer group. The Committee considered factors such as the executive s role, level of experience and sustained performance as well as the compensation peer group market data in determining each named executive officer s base salary for fiscal year 2013. Changes in base salary are approved by the Committee in September and are effective in October of each year. For fiscal year 2013, all base salaries that went into effect in October for the named executive officers were aligned with our target pay range as defined above, with the exception of our CFO

who, as a relatively new incumbent officer, was below the targeted range. For the second year in a row, the annual base salary for our CEO was not increased as his base salary was in line with the median CEO base salary of the Company s compensation peer group. The annual base salary increases for our named executive officers, excluding the CEO and CFO but including Mr. Peiros, who retired from the Company in April 2013, ranged from 1.94% to 3.09%, with an average increase of 2.58%. The CFO s salary was increased by 11.76% to bring his salary closer to market range in recognition of his performance and increased experience. In January 2013, Mr. Roeth was promoted to his new role of Executive Vice President and Chief Operating Officer Household and Lifestyle and at that time received a salary increase of 14.96% in recognition of his increased responsibilities. The actual amounts earned by our named executive officers in fiscal year 2013 are listed in the Salary column of the Summary Compensation Table.

Annual Incentives. The Company provides annual incentive awards to the named executive officers under its Executive Incentive Compensation Plan (Annual Incentive Plan). Payouts under the Annual Incentive Plan are based on the level of achievement of Company performance goals set annually by the Committee, which are designed to promote the achievement of Board-approved annual corporate financial and strategic performance goals and individual objectives. Specifically, the amounts actually paid under the Annual Incentive Plan are determined based on four factors: (1) a target award for each named

executive officer, which is Base Salary multiplied by the Annual Incentive Target (Target Award), (2) the Company s performance measured against predetermined corporate financial goals (Financial Performance Multiplier), (3) the Company s level of achievement of various strategic metrics (Strategic Metrics Multiplier), and (4) the named executive officer s individual performance (Individual Performance Multiplier), which is based primarily on the performance of the operations or functions under the individual s responsibility. The final individual Annual Incentive Plan payout is determined by the following formula:

The Financial Performance Multiplier can range from 0% to 200% based on an objective assessment of Company performance versus goals established by the Committee at the beginning of the year. The Strategic Metrics and Individual Performance Multipliers typically have a much narrower range, which makes the impact they can have on the total payout significantly less than the Financial Performance Multiplier. Over the past three years, the range for the strategic metrics multipliers was 95% to 100% and the range for the Individual Performance Multipliers was

70% to 115%. For comparison, the range for the Financial Performance Multipliers during this same time period was 70% to 148%.

The actual annual incentive calculation is illustrated below using the CEO s Annual Incentive Plan payout as an example. Because the Financial Performance Multiplier was 121% in fiscal year 2013, the impact it had on the final incentive payout was much greater than that of either the Strategic Metrics Multiplier or the Individual Performance Multiplier.

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Each of the elements of the annual incentive formula is further described below.

Base Salary. The named executive officer s fiscal year 2013 base salary is the starting point for the annual incentive calculation.

Annual Incentive Target. Each year, the Committee sets an annual incentive target level for each named executive officer as a percentage of his or her base salary. The annual incentive target level is typically set at the median of bonus targets for comparable positions in our compensation peer group. The table below identifies the targets for the fiscal year 2013 annual incentive awards.

Named Executive Officer	Annual Incentive Target (% of Base Salary)
Donald R. Knauss - Chairman and CEO	145%
Frank A. Tataseo - Executive Vice President - Professional Products Division, Mergers & Acquisitions and Information Technology	75%
George C. Roeth - Executive Vice President and Chief Operating Officer - Household and Lifestyle	80%
Laura Stein - Senior Vice President - General Counsel	70%
Stephen M. Robb - Senior Vice President - Chief Financial Officer	75%
Lawrence S. Peiros - Former Executive Vice President and Chief Operating Officer (retired April 1, 2013)	90%

Financial Performance Multiplier. At the beginning of each fiscal year, the Committee sets financial goals for the Annual Incentive Plan based on the targets approved by the Board. At the end of the year, the Committee reviews the results of the Company s performance against the financial goals set at the beginning of the year.

For fiscal year 2013, the Committee established financial goals with continued focus on increasing net sales and economic profit, as these terms are defined below, in order to drive sustainable growth in short- and long-term stockholder returns. These metrics are weighted equally as the Committee continues to believe this mix effectively balances a focus on both top-line and bottom-line performance. In selecting the

metrics and setting the performance goals in the Annual Incentive Plan, the Committee carefully considered whether the goals appropriately align with the goals in the long-term incentive program such that the overall compensation design does not unintentionally encourage participants to take unnecessary or excessive risk or actions that are inconsistent with the Company s short- and long-term strategic and financial objectives.

For fiscal year 2013, the financial goals for the Annual Incentive Plan, the potential percentage of target award payouts for achieving those goals and the actual results as determined by the Committee were as follows:

	Annual Incentive Financial Goals (in millions)			
Goal	0% (Minimum)	100% (Target)	200% (Maximum)	Actual
Net Sales (weighted 50%)(1)	$5,460	$5,629	$ 5,798	$5,623
EP (weighted 50%)(2)	$ 367	$ 407	$ 447	$ 426

(1) Net sales as reported in the Company s consolidated financial statements.
(2) EP is defined by the Company as earnings from continuing operations before income taxes, non-cash restructuring and asset impairment costs and interest expense, which is then tax affected, and reduced by a capital charge. The calculation of the capital charge and additional information about EP is provided in Exhibit 99.3 to the Company s Annual Report on Form 10-K for fiscal year 2013.

Strategic Metrics Multiplier. At the beginning of each fiscal year, the Committee sets multiple strategic metrics for the Annual Incentive Plan based on what it determines will best drive the Company s overall strategy, which is to be a high-performance organization of enthusiastic owners; to win with superior capabilities in Desire, Decide and

Delight; to accelerate growth both in and beyond the core; and to relentlessly drive out waste. For fiscal year 2013, the Committee set 12 metrics, each with one or more associated targets that are objectively measurable, to be evaluated in determining the Strategic Metrics Multiplier for use in determining the payout under the Annual Incentive Plan.

For fiscal year 2013, each of these 12 strategic metrics and the Company s results against these metrics were as follows:

Strategic Metric	FY13 Result	Strategic Metric	FY13 Result
• High-performing employee engagement	Met or Exceeded	• Targeted goals related to reshaping the portfolio	Not Met
• Diversity targets, both within the Company and for our suppliers	Met or Exceeded	• Targeted level of cost savings	Met or Exceeded
• Consumer product preference	Met or Exceeded	• Gross margin improvement	Met or Exceeded
• Dollar share, both domestically and internationally	Not Met	• Successful execution of certain global infrastructure investments	Met or Exceeded
• Future net sales growth projections	Met or Exceeded	• Successful execution of real estate strategy, including our transition to the new campus in Pleasanton	Met or Exceeded
• Innovation and strategic product pipeline	Met or Exceeded	• Reduction of the Company s environmental footprint	Met or Exceeded

Based on the Company s performance against these strategic metrics, the Committee determined that the level of payout for the Strategic Metrics Multiplier was 95%. The Strategic Metrics Multiplier typically has a much narrower range of payout than the Financial Performance Multiplier, which in turn makes the impact it has on the total Annual Incentive Plan payout significantly less than the Financial Performance Multiplier. Over the past three years, the range for the Strategic Metrics Multiplier was 95% to 100%.

Individual Performance Multiplier. Consistent with our pay-for-performance philosophy, payouts, initially determined by financial results and the performance against strategic metrics, are multiplied by the Individual Performance Multiplier. Based on its review of individual performance, the Committee reviewed and approved the Individual Performance Multiplier for each named executive officer to reflect each officer s fiscal year 2013 individual contributions. Specifically, the range of Individual Performance Multipliers was 100% to 110% due to the significant contributions made in the fiscal year by our named executive officers. In particular, the high end of the range was awarded to the CFO for outstanding contributions made with respect to critical real estate transactions, cost savings efforts and development of talent. The high end of the range was also awarded to the EVP - Professional Products Division, Mergers & Acquisitions and Information Technology for outstanding business results within the Professional Products Division, which exceeded its financial targets, and Information Technology, which delivered a key infrastructure project. The low end of the range was awarded to the Chairman and CEO for strong business results despite a challenging external environment. Larry Peiros, who retired effective April 1, was also awarded a 100% multiplier in recognition of his contributions in fiscal 2013. The Individual Performance Multipliers typically have a much narrower range of payout than the Financial Performance Multiplier, which in turn makes the impact they have on the total Annual Incentive Plan payout less than the Financial Performance Multiplier.

Final Individual Annual Incentive Plan Payouts. In accordance with the calculation methodology described above, the final annual incentive payouts to our named executive officers in fiscal year 2013, excluding the CEO, ranged from $437,410 to $567,810, and from 115% to 126% of the named executive officers Target Awards. Mr. Knauss annual incentive payout was $1,916,790 and 115% of his Target Award. These payouts are also reflected in the Non-Equity Incentive Plan Compensation column of the Summary Compensation Table.

Long-Term Incentives. We provide annual long-term incentive compensation in the form of performance shares and stock options to our named executive officers because we believe these forms of compensation align company performance and executive officer compensation with the interests of our stockholders. These incentive awards also support the achievement of our long-term corporate financial goals.

Unlike many of our industry peers, we do not use time-based restricted stock as a form of annual long-term incentive opportunity because we believe that doing so reduces the degree to which the total long-term incentive opportunity is sensitive to changes in our multi-year operating performance. However, we do use time-based restricted stock, on occasion, for special purposes, such as a promotion or replacement of compensation being forfeited by an externally recruited executive at a prior employer.

The Committee annually reviews the costs of, and potential stockholder dilution attributable to, our long-term incentive program to ensure that the overall program is financially efficient and in line with our compensation peer group. The Committee also seeks to calibrate the long-term incentive program design to appropriately drive performance in line with our compensation peer group. In determining the total value of the long-term incentive opportunity for each named executive officer, the Committee reviews the compensation peer group data presented by both

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management and its independent compensation consultant on a position-by-position basis and also considers recommendations by the CEO for the other named executive officers.

The Committee s goal is to target long-term incentive awards in amounts that are competitive with the median of our compensation peer group. Actual long-term incentive award target levels for individual named executive officers may vary above or below the median based on a variety of factors, such as the named executive officer s sustained performance, the individual s experience, critical nature of his or her role and expected future contributions. Like the annual incentive awards, actual payouts under long-term incentive awards will vary from the target based on how the Company performs against its predetermined target goals. The value of payouts will also vary based on changes in the market price of our Common Stock.

The Committee determined that the named executive officers would receive 50% of the value of their total annual long-term incentive award granted in fiscal year 2013 in performance shares and 50% in stock options. The Committee believes this mix of equity awards supports several important objectives, including compensating named executive officers for achievement of long-term goals tied to our business strategy, rewarding named executive officers for sustained increases in the price of our Common Stock, enhancing retention by mitigating the impact of price fluctuations of our Common Stock and ensuring that the overall cost of the program is aligned with the compensation realized by the named executive officers and the performance delivered to stockholders. The Committee does not consider the amount of outstanding performance shares, stock options and restricted stock currently held by a named executive officer when making annual awards of performance shares and stock options because such amounts represent compensation attributable to prior years.

Final Long-term Incentive Award. In accordance with the methodology described above, the final long-term incentive awards to our named executive officers were made in September of fiscal year 2013. The Committee considered factors such as the executive s role, level of experience and sustained performance as well as the compensation peer group market data in determining each named executive officer s long-term incentive award. For fiscal year 2013, the annual long-term incentives for our named executive officers, excluding the CEO but including Mr. Peiros, who retired from the Company in April 2013, ranged from a value of $650,000 to $1,600,000. Mr. Knauss received a long-term incentive award valued at $5,400,000. In addition, in fiscal year 2013 Mr. Roeth received an additional grant of stock options valued at $275,000 at the time of his promotion to Executive Vice President and Chief Operating Officer Household and Lifestyle, in recognition

of his increased responsibilities. The actual long-term incentives awarded to our named executive officers in fiscal year 2013 are listed in the Stock Awards and Option Awards columns of the Summary Compensation Table.

Performance Shares. Performance shares are grants of restricted stock units that pay out after a three-year performance period only if the Company meets predetermined financial performance goals. We believe that performance shares align the interests of our named executive officers with the interests of our stockholders because the number of shares earned and the shares potential value are tied to the achievement of sustained profitability. In selecting the performance goals for the performance shares, the Committee considers whether the goals are appropriately aligned with those in the Annual Incentive Plan so that the overall compensation design does not unintentionally encourage participants to take unnecessary or excessive risk or actions that are inconsistent with the Company s short- and long-term strategic and financial objectives.

The payout of the performance share award granted in fiscal year 2013 is subject to the Company s achievement of a cumulative economic profit (cumulative EP) target. The percentage range for payouts is from 0%, in the event the minimum required financial goals are not met, to a maximum of 150% of the target number of shares, with a payout of 50% of the target number of shares when the minimum cumulative EP target is attained.

For the grant made in September 2010, which was scheduled to payout in August 2013, the Committee established an objective measure of cumulative operating profit at the beginning of the performance period to determine the performance level that would be necessary for any payout to occur. In the event that the cumulative operating profit goal was achieved, the Committee also approved specific goals for the performance period based on different levels of cumulative EP for the performance period from July 2010 through June 2013. The cumulative EP target, which is a specified percentage of growth, was set so that the target payout of 100% would be met if EP growth of approximately 7% per year was achieved during the performance period. The Committee believes this metric directly supports the Company s corporate strategy and long-term financial goals and correlates to stock price performance.

In August 2013, the Committee certified the results of the September 2010 grant. The financial targets for this grant were based on achieving cumulative operating profit of $3,018 million and a cumulative EP goal over the three-year performance period of $1,585 million. The cumulative operating profit result of $2,824 million did not meet the required threshold, and therefore, the Committee certified

a payout of zero. This zero payout supports the Company s belief in pay-for-performance over the long term. Despite the Company s solid operating results in fiscal year 2013, we did not achieve our multi-year performance goals so the long-term incentive did not pay out.

Stock Options. Stock options align the interests of the named executive officers with those of stockholders because the stock options only have value if the price of the Company s stock increases after the stock options are granted. Stock options vest in 25% increments over a four-year period (beginning one year from the date of grant) and expire ten years from the date of grant. In fiscal year 2013, the Committee awarded stock options to our named executive officers as part of our annual long-term incentive plan. The exercise price for these stock options was equal to the closing price of our Common Stock on the date of grant. Information on all stock option grants is shown in the Grants of Plan-Based Awards table.

Retirement Plans

The named executive officers participate in the same tax-qualified retirement benefit programs available to all other United States-based salaried and non-union hourly employees. The Company s retirement plans are designed to provide replacement income upon retirement and to be competitive with programs offered by our peers.

In addition, because the IRC limits the amount of benefits that can be contributed to and paid from a tax-qualified retirement plan, the Company also provides our executive officers, including our named executive officers, with additional retirement benefits intended to restore amounts that would otherwise be payable under the Company s tax-qualified retirement plans if the IRC did not have limits on includable compensation and maximum benefits. We call these plans restoration plans because they restore total executive retirement benefits to the same percentage level provided to our salaried employees who are not limited by IRC restrictions.

A brief description of each of our retirement programs is set forth below. Each of our named executive officers participates in these retirement programs except for our CEO, who does not participate in the Executive Retirement Plan (the ERP) but does participate in an individual replacement supplemental executive retirement plan.

The Clorox Company Pension Plan. The Clorox Company Pension Plan (the Pension Plan) is a cash balance pension plan and was frozen effective July 1, 2011. This freeze did not affect the benefits previously accrued under the Pension Plan, which remain fully funded.

The Clorox Company 401(k) Plan. With the freeze of the Pension Plan effective July 1, 2011, the 401(k) Plan (the 401(k) Plan) became the retirement plan for the Company. The Company makes an annual fixed contribution of 6% of eligible pay and a matching contribution of up to 4% of eligible pay to employees under the 401(k) Plan.

Nonqualified Deferred Compensation Plan. Under the Nonqualified Deferred Compensation Plan (the NQDC), eligible employees may voluntarily defer the receipt of up to 50% of base salary and up to 100% of their annual incentive awards. In fiscal year 2013, deferred amounts could be invested in accounts that generally mirrored the funds available in the 401(k) Plan. The NQDC permits the Company to contribute amounts that exceed the IRC compensation limits in the tax-qualified plans through a 401(k) restoration provision.

Supplemental Executive Retirement Plan. The Supplemental Executive Retirement Plan (the SERP), a defined benefit plan, was closed to new participants effective April 2007 and, effective June 30, 2011, was frozen with regard to pay and offsets, while still allowing age and service credits to continue to accrue. Benefits under the SERP have historically been calculated as an annuity based on a percentage of average compensation adjusted by age and years of service and offset by the annuity value of Company contributions to the tax-qualified retirement plans and by Social Security. Effective July 1, 2011, the SERP was replaced by the ERP (described below). Making the change from the SERP to the ERP created a defined contribution structure that is more closely aligned with the benefits provided by the Company s compensation peer group.

Executive Retirement Plan. Our executive officers (including the named executive officers other than Mr. Knauss) are participants in the ERP. Under the ERP, we make an annual contribution of 5% of an eligible participant s base salary and annual incentive award into the plan. Our named executive officers who are eligible for a benefit under the SERP also receive annual step-down transition contributions into the ERP. These transition contributions began in July 2011, when the ERP became effective, and are made over a three- or a five-year period, depending on the named executive s officer s organizational level at the time the ERP became effective. The transition contributions range from 7% in the first year to 5% in the final year for the three-year transition and from 9% in the first year to 5% in the final year for the five-year transition.

Replacement Supplemental Executive Retirement Plan. Pursuant to his employment agreement, and to compensate for the loss of retirement benefits at his prior employer when he became our CEO, Mr. Knauss participates in a replacement SERP. The replacement SERP

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provides retirement benefits that are equal to the greater of the amount calculated under the Company SERP frozen effective June 30, 2011, described above, or the benefits to which he would have been entitled if he had stayed at his previous employer, The Coca-Cola Company. Mr. Knauss is fully vested in the replacement SERP, and he is the sole participant in the plan.

Further details about the provisions of the Pension Plan, NQDC, SERP, ERP, and Mr. Knauss replacement SERP are provided in the Overview of Pension Benefits and the Overview of the Nonqualified Deferred Compensation Plans sections below.

Post-Termination Compensation

The Company has a severance plan ("Severance Plan") that provides the named executive officers (other than the CEO) with post-termination payments in the event such named executive officers employment is terminated by the Company other than for cause. These payments are intended to provide a measure of financial security following the loss of employment, which we think is important to attract and retain our executives, as well as to protect the Company s interests. These severance benefits are designed to be competitive with our compensation peer group and external market practice. The Company also entered into a revised employment agreement with the CEO in May 2010, which provides for severance benefits under similar conditions.

The Company also has an Executive Change in Control Severance Plan (the CIC Plan) to provide for the payment of severance benefits to certain eligible executives of the Company, including all of the Company s named executive officers other than the CEO, in the event their employment with the Company terminates involuntarily in connection with a change in control of the Company. The Company also has entered into a change in control agreement with Mr. Knauss to provide change in control severance benefits. These payments help mitigate the impact associated with termination after a change in control and further align the interests of our executive officers with our stockholders. Under the CIC Plan and change in control agreement (for Mr. Knauss only), the named executive officer is eligible for change in control severance benefits in the event that employment is terminated in connection with a change in control either by the Company without cause or by the named executive officer for good reason. See the section entitled Potential Payments upon Termination or Change in Control for additional information.

Perquisites

We provide our named executive officers with other limited benefits we believe are competitive with our compensation peer group and consistent with the Company s overall executive compensation program. We believe these benefits allow our named executive officers to work

more efficiently and, in the case of the financial planning program, help them optimize the value received from our compensation and benefits programs. These perquisites are a Company car or car allowance, paid parking at the Company s headquarters, an annual executive physical exam, reimbursement for health club membership, financial planning services and, in the case of the CEO, limited corporate airplane usage.

Compensation for Mr. Knauss Chairman and CEO

The compensation of the Chairman and CEO, Mr. Knauss, is consistent with the executive compensation philosophy and program described above that applies generally to all of our named executive officers. Mr. Knauss target total compensation is designed to be competitive with the compensation of other CEOs in the compensation peer group and his annual incentive and long-term incentive awards are linked to Company performance.

In the beginning of fiscal year 2013, the Committee, with input from its independent compensation consultant, reviewed all the elements of Mr. Knauss compensation, including base salary and annual incentive and long-term incentive award opportunities, relative to the CEO compensation of the compensation peer group. Based on this review, and in connection with an evaluation of Mr. Knauss individual performance and overall Company performance for fiscal year 2012, the Committee did not increase Mr. Knauss base salary for fiscal year 2013. This was the second year in a row that Mr. Knauss base salary was not increased. However, in recognition of his strong fiscal year 2012 performance and level of experience, the Committee did increase Mr. Knauss annual incentive target for fiscal year 2013 by 5% (from 140% to 145% of base salary), and also increased his long-term incentive award value by approximately 3%, or $150,000.

The decision to increase Mr. Knauss incentive pay and not increase his base salary was intended to place more emphasis on variable or at-risk pay, which is not guaranteed and therefore supports our pay-for-performance philosophy. Mr. Knauss overall compensation was competitive with the target range of CEO compensation within the compensation peer group when considering his tenure and experience as CEO.

Shortly after fiscal year 2013 ended, the Committee reviewed Mr. Knauss performance for the year and determined that he would receive an annual incentive payout of $1,916,790. This award was comprised of the Financial Performance Multiplier of 121%, the Strategic Metrics Multiplier of 95% and a CEO Individual Performance Multiplier of 100%, as described earlier under Annual Incentives. Mr. Knauss individual performance was viewed as strong by the Board, and the Company exceeded its financial targets for the year and delivered substantial value to stockholders. However, Mr. Knauss annual incentive payout was 30% lower than the prior fiscal year, which was primarily due to lower Company financial performance versus the targets approved by the Board at the beginning of the fiscal year and a lower Individual Performance Multiplier versus the prior year.

Other Executive Compensation Policies and Practices

Tally Sheets. To help ensure that our executive compensation design is aligned with our overall compensation philosophy of pay for performance and that total compensation levels are appropriate, the Committee annually reviews compensation tally sheets for each of our named executive officers. These tally sheets outline current target total compensation (including the elements described above), the potential wealth creation of long-term incentive awards under various assumed stock prices and the potential value of payouts under various termination scenarios. As such, these tally sheets ensure that the Committee has a comprehensive understanding of all elements of the Company s compensation program and enable the Committee to consider changes to the Company s compensation program, arrangements and plans in light of best practices and emerging trends. The Committee may consider the information presented in the tally sheets in determining future compensation.

Results of 2012 Advisory Vote to Approve Executive Compensation. At our 2012 annual meeting of stockholders held on November 14, 2012, we asked our stockholders to approve, on an advisory basis, our fiscal year 2012 compensation awarded to our named executive officers, commonly referred to as a say-on-pay vote. Our stockholders overwhelmingly approved the compensation to our named executive officers, with approximately 95% of votes cast in favor of our proposal. We value this positive endorsement by our stockholders of our 2012 executive compensation policies and believe that the outcome signals our stockholders support of our compensation program. As a result, we continued our general approach to compensation for fiscal year 2013, specifically our pay-for-performance philosophy and our efforts to attract, retain and motivate our named executive officers. We value the opinions of our stockholders and will continue to consider the results from this year s and future advisory votes on executive compensation, as well as feedback received throughout the year, when making compensation decisions for our named executive officers.

Stock Award Granting Practices. The Company awards annual long-term incentive grants each September at a regularly scheduled Committee meeting, which typically occurs during the third week of the month, or about six weeks after the Company has publicly reported its annual earnings. The meeting date is the effective grant date for the awards, and the exercise/grant price is equal to the closing price of the Common Stock on that date.

The Committee may also make occasional grants of stock options and other equity-based awards at other times to recognize, retain or recruit executive officers. In fiscal year 2013, the Committee made a special stock option grant to Mr. Roeth in recognition of his promotion to Executive Vice President and Chief Operating Officer Household and Lifestyle in January 2013. More details about this onetime grant may be found in the Grants of Plan Based Awards Table.

Executive Stock Ownership Guidelines. To preserve the linkage between the interests of executive officers of the Company and our stockholders, all executive officers, including the named executive officers, are expected to accumulate and maintain a significant level of direct stock ownership. Ownership levels can be achieved in a variety of ways, such as by retaining stock received upon the exercise of stock options or the vesting of stock awards or by purchasing stock in the open market. At a minimum, executive officers are expected to establish and maintain direct ownership of Common Stock having a value equal to a multiple of each executive officer s annual base salary. The current stock ownership level guidelines are as follows:

Chief Executive Officer	6x annual base salary
Executive Officers (excluding the CEO)	3x annual base salary
Other Senior Executives	2x annual base salary

As of the date of this proxy statement, all of the named executive officers have met the required ownership levels.

Retention Ratios. Executive officers, including the named executive officers, are required to retain a certain percentage of shares obtained upon either the exercise of stock options or the release of restrictions on performance shares and restricted stock, after satisfying applicable taxes. The CEO is expected to retain 75% of shares acquired (after taxes) until the minimum ownership level is met. After attaining the minimum ownership level, the CEO must retain 50% of any additional shares acquired (after taxes) until retirement or termination. Other named executive officers must retain 75% of shares acquired (after taxes) until the minimum required ownership levels are met and thereafter must retain 25% of shares acquired (after taxes) for one year after receipt.

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Ownership levels are based on shares of Common Stock owned by the named executive officer or held pursuant to Company plans, including performance shares that have vested and been deferred for settlement. Unexercised stock options and shares that have not vested due to time or performance restrictions are excluded from the ownership levels. Named executive officers achieve ownership levels over time through the ongoing required retention ratios associated with the exercise of stock options and vesting of full-value shares or by purchasing stock in the open market.

Securities Trading Policy. To ensure the alignment of the interests of our stockholders and executive officers, including our named executive officers, the Company s Insider Trading Policy does not permit executive officers to engage in short-term or speculative transactions or derivative transactions involving the Company s stock, including options trading, hedging or pledging the Company s stock as collateral. Trading is permitted only during announced trading periods or in accordance with a previously established trading plan that meets SEC requirements. At all times, including during announced trading periods, executive officers are required to receive preclearance from the Company s General Counsel or Corporate Secretary prior to entering into any transactions in Company securities, unless those sales occur in accordance with a previously established trading plan that meets SEC requirements.

Clawback Provisions. Under our Annual Incentive Plan and long-term incentive plan, in the event of a restatement of financial results to correct a material error or other factors as outlined in the long-term incentive plan, the Committee is authorized to reduce or recoup an executive officer s award, as applicable, to the extent that the Committee determines such executive officer s fraud or intentional misconduct was a significant contributing factor to the need for a restatement.

Tax Deductibility Limits on Executive Compensation. Section 162(m) limits the tax deductibility of compensation paid to our CEO and the three other most highly compensated named executive officers employed at the end of the year (other than our CFO) to $1 million per year, unless such amounts are determined to be performance-based compensation. Our policy with respect to Section 162(m) seeks to balance the interests of the Company in maintaining flexible incentive plans against the possible loss of a tax deduction when taxable compensation for any of the executive officers subject to Section 162(m) exceeds $1 million per year. The Annual Incentive Plan and long-term incentive plan are designed to meet the requirements of Section 162(m) for performance-based compensation.

The Management Development and Compensation Committee Report

As detailed in its charter, the Management Development and Compensation Committee of the Board oversees the Company s executive compensation program and policies. As part of this function, the Committee discussed and reviewed with management the CD&A. Based on this review and discussion, we have recommended to the Board that the CD&A be included in the proxy statement.

THE MANAGEMENT DEVELOPMENT AND COMPENSATION COMMITTEE

George J. Harad, Chair
Richard H. Carmona
Tully M. Friedman
Robert W. Matschullat
Jeffrey W. Noddle

Compensation Discussion and Analysis Tables

SUMMARY COMPENSATION TABLE

The following table sets forth the compensation earned, paid or awarded to our named executive officers for the fiscal years ended June 30, 2013, 2012 and 2011.

Name and Principal Position	Year	Salary ($)(1)	Bonus ($)	Stock Awards ($)(2)(3)	Option Awards ($)(2)	Non-Equity Incentive Plan Compensation ($)(4)	Change in Pension Value Nonqualified Deferred Compensation Earnings ($)(5)	All Other Compensation ($)(6)	Total ($)
Donald R. Knauss	2013	$1,150,000		$2,699,798	$2,699,456	$1,916,790	$1,790,104	$464,916	$10,721,064
Chairman and Chief	2012	1,154,423		2,625,408	2,625,111	2,740,220	1,978,367	334,860	11,458,389
Executive Officer	2011	1,135,385		2,625,295	2,625,018	732,550	1,812,176	246,354	9,176,778
Frank A. Tataseo	2013	522,500		449,966	449,944	497,880	0	240,164	2,160,454
Executive Vice President	2012	514,442		449,790	450,036	600,230	1,635,484	193,888	3,843,870
- Professional Products Division, Mergers & Acquisitions and Information Technology	2011	504,404		450,070	449,993	265,130	138,384	100,001	1,907,982
George C. Roeth Executive Vice President and Chief Operating Officer - Household and Lifestyle	2013	478,742		325,216	599,968	437,410	0	196,809	2,038,145
Laura Stein	2013	545,875		380,020	379,940	464,690	0	238,507	2,009,032
Senior Vice President	2012	532,252		380,277	380,030	580,340	1,858,718	203,021	3,934,638
General Counsel	2011	519,836		380,266	380,024	255,050	214,647	100,315	1,850,138
Stephen M. Robb	2013	462,500		380,020	379,940	450,460	0	165,603	1,838,523
Senior Vice President Chief Financial Officer	2012	396,361		187,413	437,511	401,100	849,638	116,665	2,388,688
Lawrence S. Peiros	2013	547,000		799,700	799,823	567,810	1,359,372	345,693	4,419,398
(retired April 1, 2013)	2012	713,942		800,081	799,971	1,047,620	2,132,983	261,457	5,756,054
Executive Vice President and Chief Operating Officer	2011	672,508		799,754	800,007	389,150	208,366	125,746	2,995,531

(1) Reflects actual salary earned for fiscal years 2013, 2012 and 2011. Fiscal year 2012 had an extra day of earnings in the pay cycle (versus 2013 and 2011) due to the leap year. Thus, Mr. Knauss reported salary shows a reduction from fiscal year 2012 to fiscal year 2013; however, his actual annual base salary was $1,150,000 in both years.

(2) The amounts reflected in these columns are the values determined under FASB ASC Topic 718 for the awards granted in the fiscal years ended June 30, 2013, 2012 and 2011, in accordance with the applicable accounting standard. The assumptions made in valuing stock awards and option awards reported in these columns are discussed in Note 1, ***Summary of Significant Accounting Policies*** under subsection ***Share-Based Compensation***, and in Note 16, ***Share-Based Compensation Plans***, to the Company s consolidated financial statements for the three years in the period ended June 30, 2013, included in the Company s Annual Report on Form 10-K for the fiscal year ended June 30, 2013. The award granted to Mr. Peiros for 2013 was forfeited due to his retirement. Additional information regarding the stock awards and option awards granted to our named executive officers during fiscal year 2013 is set forth in the Grants of Plan-Based Awards Table.

(3) The grant date fair value of the performance share awards reflected in this column is the target payout based on the probable outcome of the performance-based conditions, determined as of the grant date. The maximum potential payout of the stock awards would be 150% of the target shares awarded on the grant date. The maximum value of the performance share award for 2013 determined as of the date of grant would be as follows for each respective named executive officer: Mr. Knauss $4,049,698; Mr. Tataseo $674,950; Mr. Roeth - $487,824; Ms. Stein $570,030; Mr. Robb $570,030; and Mr. Peiros $1,199,550. The award granted to Mr. Peiros for 2013 was forfeited due to his retirement. See the Grants of Plan-Based Awards Table for more information about the performance shares granted under the 2005 Stock Incentive Plan.

(4) Reflects annual incentive awards earned for fiscal years 2013, 2012 and 2011 and paid out in September 2013, 2012 and 2011, respectively, under the Annual Incentive Plan. Information about the Annual Incentive Plan is set forth in the Compensation Discussion and

Analysis under Annual Incentives. Per the terms of the Annual Incentive Plan, Mr. Peiros was considered retirement-eligible and thus received a pro-rata award for fiscal year 2013.

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(5) The amounts reflect the aggregate change in the present value of accumulated benefits during fiscal years 2013, 2012 and 2011 under the SERP, including Mr. Knauss replacement SERP, the Pension Plan and the cash balance restoration benefit of the NQDC (note that the SERP, the Pension Plan and the cash balance restoration benefit of the NQDC are all frozen benefits; refer to the Pension Benefits Table for further information). Each plan amount in fiscal year 2013 is set forth in the following table:

	Donald R. Knauss	Frank A. Tataseo	George C. Roeth	Laura Stein	Stephen M. Robb	Lawrence S. Peiros
SERP (includes, for Mr. Knauss, the replacement SERP)	$1,721,272	$(164,278)	$(134,475)	$(235,214)	$(89,816)	$1,264,873
The Pension Plan	936	4,380	4,807	3,320	3,801	48,066
Cash Balance Restoration Benefit	67,896	64,722	29,918	20,699	26	46,433
Total	$1,790,104	$(95,176)	$(99,750)	$(211,195)	$(85,989)	$1,359,372

(6) The amounts shown in the column represent (i) actual Company contributions under the Company s 401(k) Plan, (ii) nonqualified contributions under the NQDC and ERP, other than the frozen cash balance restoration benefit, which is reflected in the change in pension value column (refer to the Nonqualified Deferred Compensation section for further information), and (iii) perquisites available to named executive officers of the Company. Amounts are set forth in the following table:

	Donald R. Knauss	Frank A. Tataseo	George C. Roeth	Laura Stein	Stephen M. Robb	Lawrence S. Peiros
The 401(k) Plan	$25,000	$25,134	$24,481	$23,146	$26,621	$20,041
NQDC/ERP	364,022	178,735	142,268	180,219	111,156	296,197
Company Provided Perquisites	75,894	36,295	30,060	35,142	27,826	29,455
Total	$464,916	$240,164	$196,809	$238,507	$165,603	$345,693

The following table sets forth the perquisites we make available to our named executive officers and the cost to the Company for providing these perquisites during fiscal year 2013. The amount included under Non-Business Use of Company Aircraft represents the incremental cost to the Company of Mr. Knauss non-business use of the Company aircraft of $31,882 in fiscal year 2013. The incremental cost is determined on a per flight basis and consists of the variable costs incurred as a result of flight activity. Other Perquisites consists of paid parking at the Company s headquarters, health club reimbursement and an annual executive physical.

	Donald R. Knauss	Frank A. Tataseo	George C. Roeth	Laura Stein	Stephen M. Robb	Lawrence S. Peiros
Executive Automobile Program	$13,200	$13,200	$13,200	$13,200	$13,200	$9,900
Basic Financial Planning	22,111	17,004	10,932	18,582	11,026	14,612
Non-Business Use of Company Aircraft	31,882					
Other Perquisites	8,701	6,091	5,928	3,360	3,600	4,943
Total	$75,894	$36,295	$30,060	$35,142	$27,826	$29,455

GRANTS OF PLAN-BASED AWARDS

This table shows grants of plan-based awards to the named executive officers during fiscal year 2013.

		Estimated Possible Payouts Under Non-Equity Incentive Plan Awards			Estimated Future Share Payouts Under Equity Incentive Plan Awards			All Other Stock Awards: Number of Shares of Stock or Units	All Other Option Awards: Number of Securities Underlying Options	Exercise or Base Price of Option Awards	Gran Fair of and (A
Name	Grant Date	Threshold ($)	Target ($)	Maximum ($)	Threshold (#)	Target (#)	Maximum (#)	(#)	(#)	($/Sh)	
Donald R. Knauss											
Annual Incentive(1)		$	$1,667,500	$8,530,000							
Performance Shares(2)	9/11/2012				18,720	37,440	56,160				$2,6
Stock Options(3)	9/11/2012								387,930	$72.11	2,6
Frank A. Tataseo											
Annual Incentive(1)			393,750	5,118,000							
Performance Shares(2)	9/11/2012				3,120	6,240	9,360				4
Stock Options(3)	9/11/2012								64,660	72.11	4
George C. Roeth											
Annual Incentive(1)			412,000	5,118,000							
Performance Shares(2)	9/11/2012				2,255	4,510	6,765				3
Stock Options(3)	9/11/2012								46,700	72.11	3
Stock Options(3)	1/2/2013								37,568	74.09	2
Laura Stein											